

# SEDBERGH SCHOOL

England & Wales · Charity number 1080672

## Details

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**Status** Registered

**Legal form** Charitable company

**Company number** [03946280](#)

**Registered** 2000-05-11

**Register** [View on the Charity Commission register](#)

## Contact

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**Website** [www.sedberghschool.org](http://www.sedberghschool.org)

## Activities

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**Objects:** TO ADVANCE EDUCATION BY CARRYING ON IN GREAT BRITAIN A SCHOOL OR SCHOOLS AT WHICH INFANTS, CHILDREN AND STUDENTS MAY OBTAIN EDUCATION AND INSTRUCTION IN ACADEMIC, SPORTING, MUSICAL, CULTURAL, SCIENTIFIC, TECHNICAL, RELIGIOUS, VOCATIONAL, SOCIAL AND COMMERCIAL SUBJECTS ACTIVITIES AND CRAFTS OF EVERY DESCRIPTION

**Activities:** Education / training

## Classification

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- **How:** Makes Grants To Individuals, Provides Other Finance, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People

## Geography

- **Area of benefit:** GREAT BRITAIN
- Cumbria

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£27,132,000	£26,576,000	£20,792,000	462
2024-08-31	£26,950,000	£26,340,000	£19,691,000	477
2023-08-31	£25,449,000	£24,551,000	£19,063,000	470
2022-08-31	£21,947,000	£21,445,000	£18,307,000	465
2021-08-31	£17,879,000	£18,726,000	£17,113,000	452
2020-08-31	£17,898,000	£18,296,000	£17,728,000	454

## Trustees

Name	Role	Appointed
Christine Ann Cook BEd		2025-09-01
IAN WILLCOX DURRANS		2018-03-11
Irene Agnes Keith BA, CA		2025-05-13
John Donington Campbell		2015-03-07
Jonathan Daniel Simms BA		2026-06-01
Katharine Elizabeth Lamont MA, MBA		2026-06-01
Lt Gen Sir Andrew Richard Gregory KBE CB DL		2016-09-01
RICHARD ROGER BIGGS		2021-09-01
Rev Mathew David Ineson		2021-09-01
Richard Noel Papworth		2015-03-07
Timothy John Davies		2021-09-01

## Linked charities

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- SEDBERGH SCHOOL PRIZE FUND (1080672-1)
- SEDBERGH SCHOOL SCHOLARSHIP FUND (1080672-2)
- ROSALIE MARY FORSTER BURSARY FUND (1080672-3)
- CASTERTON SCHOOL SCHOLARSHIP FUND (1080672-4)

**SEDBERGH SCHOOL**

England & Wales - Charity number 1080672

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# Accounts

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**SEDBERGH SCHOOL**

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**for the year ended 31 August 2025**

**Registered charity: 1080672  
Company number: 03946280**



**Sedbergh**  

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**500**

**S E D B E R G H  
S C H O O L**

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*Founded in 1525*

# SEDBERGH SCHOOL

## ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 August 2025

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# SEDBERGH SCHOOL

## CHAIR OF GOVERNORS' STATEMENT for the year ended 31 August 2025

With the introduction of VAT on school fees, the removal of the business rates exemption and the increased costs arising from higher National Insurance contributions, combined with a challenging wider economic environment, Sedbergh has faced another demanding year. However, I am pleased to report that the School is well placed to meet these challenges and continues to flourish academically, pastorally and financially.

The School began the 2025/26 year with strong pupil numbers in both the Preparatory and Senior Schools. Although overall numbers were lower than the prior year, at 755 (2024/25: 787) this is a commendable outcome in the circumstances. It reflects the increased focus on marketing both in the UK and overseas, together with the enduring appeal of a Sedbergh education.

Alongside this, the School is pursuing a cost reduction and efficiency programme, which is already beginning to deliver benefits. The School has also continued to invest in facilities, with an ongoing programme of upgrades to boarding houses, IT infrastructure and the School's digital offering across both campuses.

2025 has also been a pivotal year for Sedbergh School, marking the 500th anniversary of its foundation in 1525 by Roger Lupton. This milestone has been celebrated through a series of events, including:

- an evening of music at the Bridgewater Hall in Manchester,
- a gala weekend for parents and Old Sedberghians at the Senior School in May, and
- a carol concert at York Minster in December, attended by the whole School and over 750 guests.

The Schools have continued to benefit from the strength of the entire Sedbergh community, pupils, teaching and business staff, parents, and the Old Sedberghian network, including the Foundation and the Michael Robertson Scholarship Fund. My sincere thanks go to everyone for their contribution and continued commitment to Sedbergh's ongoing success.

Both Schools have been inspected during the period and received superb reports. Notably, the Senior School received a "significant strength" for boarding, reflecting the commitment and resources that support a community which remains close to 100% boarding, something increasingly rare within the sector, yet still valued by many.

My thanks also go to my predecessor as Chair, Richard Gledhill, for his leadership and wise counsel over the last five years. Richard stepped down as Chair and Governor on 31 December 2025 but remains a Trustee of the School's Foundation and a Director of our international schools business.

Sedbergh is well positioned within the challenging independent schools sector to continue providing an exceptional education to current and future pupils, and I look ahead to the coming year, and beyond, with confidence and optimism.

Ian Durrans  
Chair of Governors  
Sedbergh School

# SEDBERGH SCHOOL

## TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2025

The Board of Governors of Sedbergh School presents its Annual Report and Consolidated Financial Statements for the year ended 31 August 2025 and confirm that they comply with the requirements of the Companies Act 2006, the Charities Act 2022 and the Charities SORP (FRS 102) – Second Edition.

### BACKGROUND TO SEDBERGH SCHOOL

Sedbergh School was founded in 1525 and received a Royal Charter from King Edward VI in 1551; it celebrated its quinqucentenary in 2025. The Senior School ('Senior School') is based in the market town of Sedbergh in the Yorkshire Dales, and the Preparatory School ('Prep School') and Mulberry Bush nursery ('the Mulberry Bush') are located nine miles away in the village of Casterton. The two Schools and the nursery (together 'the School') provide education to boys and girls between the ages of six months and 18 years.

The Senior School remains predominantly boarding, with nine boarding houses. The Prep School has a mix of boarding and day pupils. Boarding houses are the heart of the School; they are the term-time home of our pupils and where they forge the closest friendships. The House system creates a smaller, tight-knit, cross-year community within the School where pupils are well supported by staff they know well. The sense of belonging inspires confidence, allows problems to be quickly resolved and develops strong social skills.

### CHARITABLE OBJECTS

The object of the School is to advance education by carrying on in Great Britain a school or schools at which infants, children and pupils may obtain education and instruction in academic, sporting, musical, cultural, scientific, technical, vocational, social and commercial subjects, activities and crafts of every description.

### OBJECTIVES AND ACTIVITIES

The mission of the School is:

*To nurture each Sedberghian so that they realise their full potential in a unique and rigorous environment of excellence, characterised by committed endeavour, moral purpose and integrity of contribution.*

In particular, the School aims to:

1. Identify and develop the potential of pupils in a variety of areas: academic, artistic, cultural, sporting, personal, social and spiritual; help them to obtain the best possible qualifications; and prepare them for the opportunities, responsibilities and experiences of life;
2. Provide a safe, welcoming, friendly and supportive environment which recognises the worth of each individual;
3. Provide a fulfilling working environment for both teaching and support staff, and encourage their development;
4. Provide all of our pupils with the skills required to succeed in tomorrow's workplace, digitally confident in the rapidly changing world of technology;
5. Liaise closely with the parents of its pupils and encourage them to share in the life of the School and the house;
6. Work responsibly within its environment and community; and
7. Attract pupils from a wide range of social and financial backgrounds.

# SEDBERGH SCHOOL

## TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2025

Progress in delivering our aims is summarised in the following strategic report.

### STRATEGIC REPORT

#### Achievements and Performance

##### Quincentenary

2025 marked the five hundredth anniversary of the founding of the School by Roger Lupton in 1525. This significant moment in the School's history was marked with a wide ranging programme of events for pupils, parents, staff and alumni. The year began with a remarkable concert of the highest quality of choral and instrumental music in the Bridgewater Hall, Manchester, attended by parents, Old Sedberghians, and the whole School.

Sporting fixtures and dinners were held to mark the quincentenary, including at Lord's, and a weekend of events took place in May celebrating the breadth of offering of the School and its history, including a very moving service of thanksgiving in the School Chapel. The Headmaster and a small group of staff ran from York to Sedbergh over the course of three days, marking in reverse the footsteps of Roger Lupton who walked from Sedbergh to York to be ordained in the Minster.

Michael Raw's *'Tis the Hills That Have Stood Around Us* charting the history of Sedbergh School from a one room chantry school to a global brand was published in September 2024, and the year ended with a memorable Carol Service in York Minster attended by over 1,400 people including the whole School.

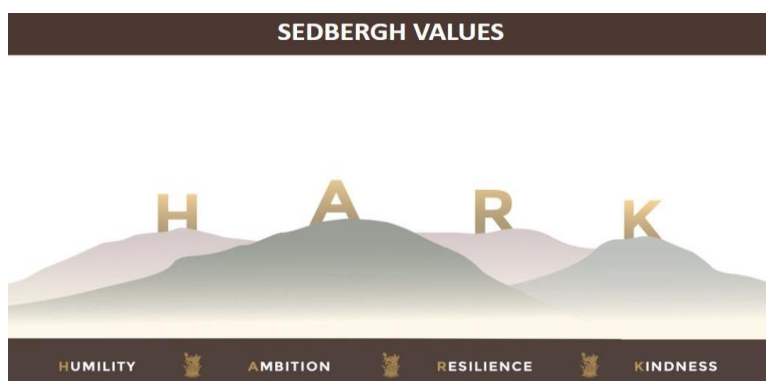
##### Senior School

The Senior School began the year with 565 pupils (2024: 590).

Excellent results in A levels were achieved, with an increased proportion of A\*-A/Di\*-Di grades awarded (35.5% compared to 34.5% in 2024). The average value-added score was its highest since 2019 (discounting teacher assessed grades) at +0.8 (2024: +0.6) with many BTEC candidates and pupils with SEND achieving excellent value added scores. Amongst the results were some outstanding individual and departmental performances, including two pupils achieving three A\* grades, and one three Di\* grades at BTEC.

All pupils who wished to go to a UK university did so, with 82% securing their first choice. Six pupils secured places at international universities, and 58% gained places in Russell Group universities. One degree apprenticeship and two apprenticeships were secured.

It was a challenging year for those taking GCSE examinations with the grade boundaries being strengthened. Despite this there were some notable individual performances, as well as excellent value added scores. The School has employed a range of innovative teaching and learning strategies to ensure that pupils of all abilities are able to achieve the best results possible.



The introduction of the Sedbergh values expressed in HARK in 2022 continued to be developed in the form of the 'Front Four' pastoral provision: Spirit (counter-bullying and well-being), Compass (PSHE/RSE), Pathways (careers) and Service (community service and giving back). This bespoke programme of pastoral care of Sedberghians delivers an authentic, holistic education for pupils nurturing their social development, emotional wellbeing and mental health, and laying the foundations for a future in which they can

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2025

thrive and be happy. Of particular note was the PSHE programme which was reviewed half termly in order to respond to events and issues of relevance to teenagers.

Maximising pupil participation in all areas of School life is a key element of life at Sedbergh, and the breadth of opportunities provided offers something for every pupil to enjoy beyond the classroom. Year 9 pupils undertake the John Muir Award in their first term, gaining outdoor skills and experience, and year 10 have a programme of adventurous activities in the Summer Term. This leads to participation in the Duke of Edinburgh Award Scheme, at Silver level for years 10 and 11, and Gold for years 12 and 13. The School is able to take full advantage of its unique setting between the national parks of the Yorkshire Dales and Lake District for expeditions and activities.

Fifteen academic societies offer a variety of opportunities for academic enrichment outside the classroom, from debating to astronomy. The whole-School *Pathways* careers fair and lecture series showed pupils the range of post-School opportunities. The *9 Inspire* curriculum was launched in Michaelmas Term 2024, seeking to provide year 9 pupils with a skills-based curriculum designed to inspire and ignite interest and curiosity. A broad range of opportunities including whole-year day trips, immersive learning opportunities and real-world applications of academic learning was provided through the year.

With over eighteen sports on offer, the breadth of sport is designed to ensure all pupils can participate at an appropriate level. A structured games programme is provided five days a week, with a competitive fixture list in many sports. We create an environment where pupils can challenge themselves, grow in confidence, and develop resilience alongside health and wellbeing benefits. Across the academic year over 90% of pupils were engaged in competitive inter-school fixtures in a wide range of sports, coached and supported by common room staff.

The programme of performing arts saw many pupils involved in concerts, plays and events, including many special events for the quincentenary year. The Chapel Choir was awarded second place in the Barnardo's National Choir Competition for best performance of a popular song, and a production of *Chicago* played to full audiences in the Hirst Centre which was transformed into a theatre set. The Choral Society performed Vivaldi's *Gloria* in St Andrew's Church, with a choir and orchestra made up of pupils, staff, Old Sedberghians and members of the local community.

Pupils enjoyed a number of trips and tours away from Sedbergh, including the year 11 Battlefields trip, which included leading the incredibly moving ceremony at the Menin Gate, a cricket tour to Sri Lanka, rugby tour to South Africa, the Chapel Choir tour of Catalonia and an Art and English trip to New York.

#### **Preparatory School**

The Prep School began the year with a roll of 185 pupils (2024: 200). A new Headteacher, Kate Martin, joined the School in Lent Term 2025.

The Prep School is a busy School with a plethora of opportunities for pupils both in and out of the classroom. Performing arts provides all pupils with a chance to be on the stage, from exeat and holiday concerts to productions including the annual nativity for pre-prep children, a year 3-5 production of *Nobody Wraps Like an Elf* which involved every child from those year groups, and a year 6 and 7 performance of *The Wizard of Oz*. Half the children in the School take instrumental music lessons, and many receive LAMDA training.

A number of academic initiatives were introduced during the year, including a new system tracking progress for Early Years Foundation Stage (EYFS) pupils, better use of data to improve individual pupils' outcomes, and build upon each department's curriculum statement with year group curriculum overviews and assessment of skills progression. The outdoor classroom continues to be well used by all year groups and subject areas.

Sporting opportunities are many and varied, from cross-country running to team sports, target shooting and equestrian activities, making full use of the excellent facilities on the Casterton campus. Pupils from years 7 and 8 enjoyed a sports tour to Edinburgh with rugby, hockey and netball fixtures, Prep School riders joined the Sedbergh

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2025

Equestrian team with senior school pupils. Pupils also participated in the Independent Schools Climbing Competition and others in the IAPS National Swimming Finals.

All pupils at the Prep School are able to participate in a variety of clubs which take place at different times during the School day, and accommodate a wide range of interests from early morning running to flyfishing, textiles and community service. All boarders received CPR training.



The Prep School's *Ways of the Wolf* describe the core values that shape the behaviour of pupils and staff: ambition, collaboration, courage, creativity, kindness and responsibility. Pupils in all years were encouraged to think of others with a large number of charity events throughout the year.

#### **The Mulberry Bush**

The Mulberry Bush Nursery at Casterton continued to provide high quality nursery care and education to children aged six months and above.

#### **Inspections**

Both Senior and Prep Schools were inspected in 2025. The Senior School Headmaster described the rigorous inspection as a very positive experience, and was delighted that the inspectors recognised the School's boarding provision as a significant strength, in addition to meeting all required standards across leadership, safeguarding, education and well-being. Inspectors commended that the School lives its HARK values which guide not only the pupils but also the wider School culture.

The Prep School inspection in February took place weeks into the new Headteacher's tenure. Excellent feedback was received, with all standards being met. The report noted the commitment of staff and Governors, the support for pupils of all abilities to benefit from the education provided and opportunities provided, and the well-considered approach to behaviour.

### **PUBLIC BENEFIT ACTIVITIES AND COMMUNITY SUPPORT**

#### **Community support**

For several years both staff and pupils have supported a wide range of community initiatives in Sedbergh, most recently through the *Sedbergh Gives Back* programme; giving back is an important feature of life at Sedbergh School. From regular Thursday afternoon voluntary service sessions in local charity shops, primary schools, food banks and conservation programmes to the whole-day *Sedbergh Gives Back* house projects at the end of Michaelmas Term and the projects of Challenge Week, pupils learn the importance of helping others.

#### **Public benefit**

The School has an excellent record of facilitating access for children from a wide range of social and financial backgrounds, including the most disadvantaged, to provide them with the opportunity to benefit from the full breadth of a Sedbergh education with appropriate bursary and scholarship assistance, provided they meet the School's minimum entry requirements.

Parents who meet the relevant criteria are supported with means tested bursary awards within the funds available. Bursary awards are made on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk. In assessing means, a number of factors are taken into consideration including family income and assets, together with family circumstances, as the School seeks to ensure opportunities are given to pupils across the full spectrum of affordability and social background. Means tested support is reviewed on a periodic basis to identify any significant change in financial circumstances.

# SEDBERGH SCHOOL

## TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2025

Governors review both School policy and actual awards. The policy, which fits within the framework of what the School can sensibly afford, is designed to provide the widest possible access, including to those who fall within the definition of low income households.

The Michael Robertson Scholarship Fund, a separate charity which does not form part of the School group, has continued to provide income to support bursary awards, which totalled £0.150m in the year (2024: £0.173m). The Governors recognise this significant contribution and express their gratitude to the Robertson family and appreciation for the work of the Trustees in generating income for the School.

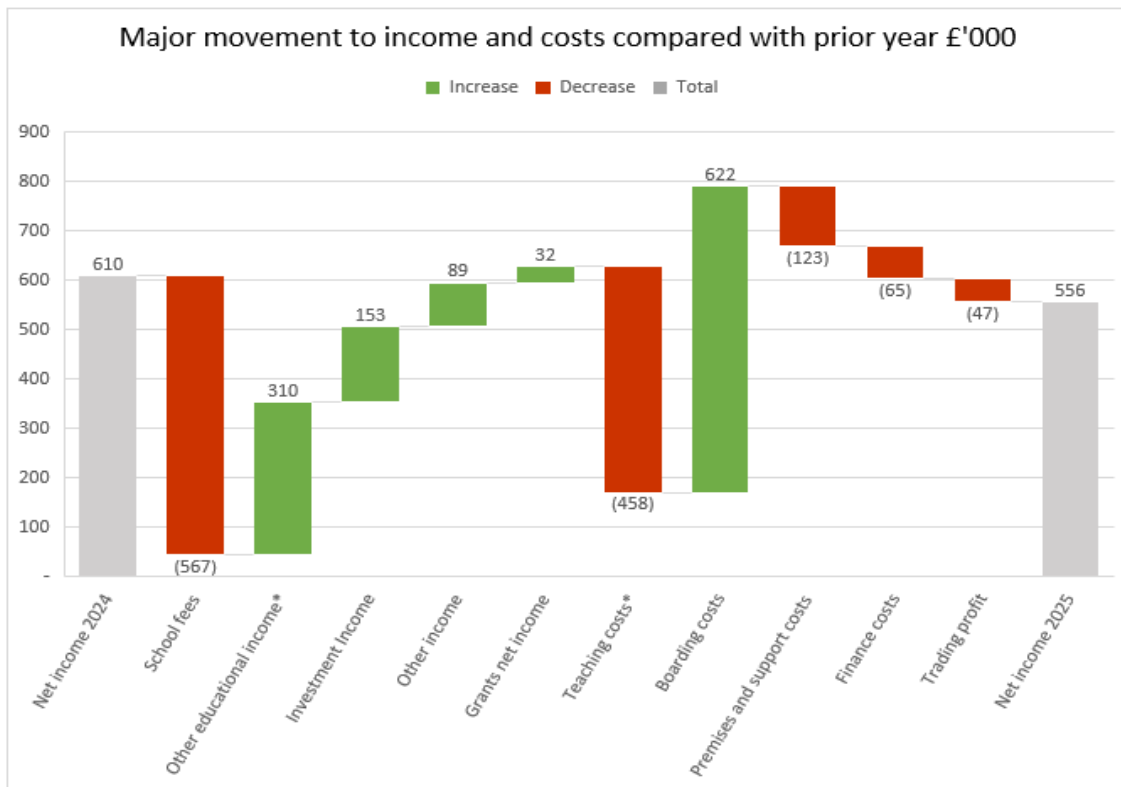
The Roger Lupton Scholarship and Bursary Scheme, funded by the Sedbergh School Foundation, provides funding opportunities to children whose families otherwise could not consider a school such as Sedbergh. In addition the School has continued its relationship with Settlebeck School to provide free places to a number of pupils from Sedbergh and the local area to attend the Senior School in years 12 and 13. Funding from the Foundation under these scholarship schemes amounted to £0.400m (2024: £0.376m).

This year the School provided bursary support to 133 pupils amounting to £1.720m (2024: £1.860m) which equates to 6.3% (2024: 6.6%) of gross fee income, including funding from the Michael Robertson Scholarship Fund and Sedbergh School Foundation.

### Equal opportunities

The School is committed to the provision of equal opportunities and an environment that is free of any form of discrimination. Reasonable adjustments are made to meet the needs of pupils and staff who are, or become, disabled.

### FINANCIAL REVIEW



\*These categories have been impacted by a change in presentation following the implementation of VAT on school fees.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2025

Macro-economic conditions created a particularly challenging environment for the School. The implementation of VAT on school fees from 1 January 2025 had a significant impact on the School's operations. For reporting purposes, one term of school fees remained exempt from VAT, while the subsequent two terms were subject to VAT at the standard rate of 20%. From the same date, VAT on purchases also became recoverable. To mitigate the impact, just 8% of the VAT related increase was passed onto parents via a fee adjustment. Of the remaining 12% VAT related increase, 5% was offset by VAT recovery on purchases and 7% was absorbed by the School, necessitating a comprehensive cost review and the implementation of a savings programme.

In addition, from April 2025 the Labour government removed the charitable exemption for independent schools on business rates, resulting in the loss of 80% mandatory relief, which added circa £0.280m per annum to the School's cost base. The same month also saw an increase in employers' National Insurance contributions, which added circa £0.300m per annum to the School's cost base.

Total income received during the year amounted to £27.132m (2024: £26.950m). The majority of the Group's income is derived from School fee income which decreased by 2% to £22.232m (2024: £22.799m). This reduction was the result of not passing on the full VAT charge to parents, alongside lower pupil numbers.

Donations amounted to £1.076m (2024: £1.032m). This comprised donations towards bursaries, together with significant donations from the Sedbergh School Foundation towards major projects, including a major upgrade programme to many of the windows in senior boarding houses and the continuation of an extensive Wi-Fi and digital transformation project impacting several boarding houses and the majority of classrooms at the Senior School.

Other educational income has increased compared to the prior year, driven by a change in presentation of 'extras' income charged to parents with this now shown gross on the SOFA. Costs associated with this are presented within teaching costs. Ancillary income was broadly in line with the prior year. Investment income was higher than the previous year at £0.540m (2024: £0.387m) due to the increase in cash deposits and higher rates of interest available for those larger deposits.

Expenditure on charitable activities was consistent with previous year £24.297m (2024: £24.326m). Boarding costs fell by 12%, driven by a fall in energy prices and firm cost control. However, inflationary pressure and increased staffing costs, particularly as a result of the increase in National Insurance Contributions, led to a 5% increase in teaching costs, 5% increase in management and administration costs and a 1% increase in premises costs. Although several cost categories experienced underlying inflation, the overall increase in expenditure was consistent with previous year because VAT on relevant charitable expenditure was recoverable from January 2025.

Finance costs increased to £0.630m (2024: £0.565m) due to the higher bank base rate.

Trading income increased to £1.992m (2024: £1.839m) following increased booking numbers for the International Summer School. As a consequence, costs associated with the International Summer School also increased. Royalty and service fee income from our overseas schools fell meaning that overall profitability reduced to £0.343m (2024: £0.390m).

During the previous financial year, the School opted for a phased withdrawal from the Teachers' Pension Scheme, complying with all relevant pension and employment legislation. The Teachers' Pension Scheme has been replaced with an appropriate defined contribution scheme. The School remains committed to providing fair and compliant pension arrangements for all employees.

# SEDBERGH SCHOOL

## TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2025

### Key financial performance indicators

Key financial performance indicators used by the School include the following:

	<u>2025</u>	<u>2024</u>
Pupil numbers (adjusted on a full time equivalent basis)	755	787
Teaching staff costs as % of net fees	36.9%	34.9%
Premises and boarding costs as % of net fees	47.5%	48.8%

Non-financial performance indicators include exam results as set out under the Achievement and Performance section of this report.

### Financial position

The overall operating result for the year was net income of £0.556m (2024: £0.610m). Adding the revaluation on residential property of £0.550m, deducting the loss on investments relating to the Group's funds under management of £0.001m (2024: gain £0.022m) and deducting the actuarial losses on the non-teaching defined benefit pension scheme arising from the FRS 102 revaluation of £0.004m (2024: £0.004m) produces a total net increase in the Group's funds of £1.101m (2024: £0.628m).

The Group generated positive cash flows of £1.139m from its operating activities, excluding the movement on fees received in advance. Fees received in advance of £3.437m were utilised during the year, resulting in a decrease in creditors and therefore the Group used £2.298m of cash to fund its operating activities. Included on the Balance Sheet are bills relating to the term beginning September 2025 which results in an increase in both debtors and creditors. Investment activities included the purchase of tangible assets of £1.909m (2024: £1.850m) and the management of invested prepaid fees. The repayment of existing loans totalled £0.352m (2024: £0.351m), and interest payments amounted to £0.475m (2024: £0.549m). The overall cash position therefore reduced by £2.169m.

### Going concern

The Governors do not consider there to be any material uncertainty about the School's ability to continue as a going concern, as set out in the accounting policies. During the year there was the implementation of VAT on school fees, the loss of business rate relief and the increase in employers' National Insurance rates. Despite this, the School produced a positive increase in the Group's funds from £19.691m to £20.792m. The full year impact of these taxes have been built into the financial modelling for future years. Having reviewed the funding facilities available to the School together with the expected future cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Scenario analysis has been conducted to model potential outcomes associated with other risk factors, such as a reduction in pupil numbers and above inflation cost increase scenarios. In each scenario the business is considered a going concern. Accordingly, the School has continued to adopt the going concern basis in preparing the financial statements.

Net current liabilities decreased to £6.951m (2024: £9.566m) following the unwind of funds from fees received in advance. These funds have correspondingly been disinvested and therefore the level of fixed asset investments has decreased to £7.343m (2024: £9.855m) of which £5.269m (2024: £7.781m) relates to unrestricted investments. Included within investments are balances of £1.240m (2024: £2.950m) relating to cash investments that could be withdrawn within 95 days.

### STRATEGIC PLAN 2024-2029

The School's five year Strategic Plan is reviewed annually. The key objectives of the Plan are summarised below, together with a summary of progress during the year and future plans.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2025

<ul style="list-style-type: none"> <li>• <b>Employability and education for the future</b></li> </ul>	
<p><b>To deliver a programme of study which will equip pupils to use technology safely and creatively, and to solve problems in such a way as to enhance their employment prospects. We will also deliver new curriculum development in both Schools, including a School-wide digital strategy.</b></p>	<p>In the Senior School the review of the curriculum will see further development of Global Perspectives, Information Technology and Computer Science, in parallel with planned developments across the School's. This review also includes the provision of Information Technology including the use of AI within the whole School curriculum and digital technology in teaching practice.</p>
<ul style="list-style-type: none"> <li>• <b>Manage actively the wellbeing and mental health of pupils and staff</b></li> </ul>	
<p><b>To ensure there is an ethos and environment which takes the mental health of pupils and staff seriously, and in which it is managed and monitored actively with staff and pupils being developed and supported, alongside developing the teaching of PSHE and RSE by tutors. Pupil and staff well-being will continue to be actively promoted and ill-health managed swiftly and appropriately to make the School an attractive place to live, work and learn.</b></p>	<p>A range of initiatives is employed across both Schools to raise awareness and build resilience in our pupils including mental health awareness, mindfulness, wellbeing, prevention and reporting of bullying, online safety and extensive use of confidential surveys within the pupil body. At the Senior School these have been developed into the 'Front Four' programme, and the Prep School has established a wellbeing room with dedicated Wellbeing Coordinator. The School Counsellor continues to be an integral part of the Senior School's pastoral provision.</p> <p>Safeguarding policy and practice remains at the forefront of staff and Governor training, with regular assessment and review at all levels of daily operations. This training includes all staff, including those working within the trading subsidiaries.</p> <p>Staff welfare remains paramount and a full review of systems and practice to support wellbeing in the workplace is ongoing; the staff benefits platform includes access to an employee assistance programme, care concierge and a suite of confidential health and wellbeing support services.</p>
<ul style="list-style-type: none"> <li>• <b>Sustainability</b></li> </ul>	
<p><b>To review every aspect of operations to ensure that the School operates on a sustainable basis including delivering target reductions in energy consumption and carbon emissions. Pupils will be involved in a range of initiatives to deepen their understanding of climate change and other environmental issues.</b></p>	<p>The School continues to invest in energy reduction measures as part of a longer term refurbishment of both campuses. During the year, the School installed 213 windows with double glazed units and Building Management Systems in the seven buildings that use the most energy. A rolling programme of future works over the next five years continues to be implemented.</p> <p>Ambitious targets to further reduce the School's carbon footprint are being finalised as part of a broader range of sustainability and corporate social responsibility objectives.</p> <p>Pupils are engaged in a range of initiatives to raise awareness and involvement in all aspects of sustainability and care for the environment.</p>
<ul style="list-style-type: none"> <li>• <b>Development of land and assets</b></li> </ul>	
<p><b>To modernise elements of the boarding house accommodation, develop additional sports</b></p>	<p>The ongoing refurbishment of the boarding houses and School buildings on the Sedbergh campus includes redecoration, replacement of carpets and furniture and energy efficiency measures as detailed elsewhere in this report.</p>

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2025

<p><b>facilities and implement a School-wide digital strategy.</b></p>	<p>The digital strategy includes substantial investment in hardware, software and training. All classrooms have a uniform and improved digital configuration aiding teaching across the School. Investment into the Wi-Fi provision in boarding houses has significantly benefitted pupils.</p> <p>Business plans are being prepared for the development of additional sports facilities.</p>
<p>• <b>Overseas schools expansion</b></p>	
<p><b>To support the development and academic success of Sedbergh School Fuzhou and open additional overseas schools .</b></p>	<p>Sedbergh School Fuzhou, owned by the Rong Qiao Group, opened in September 2018 with world-class facilities and a strong and experienced leadership team offering a blended British curriculum and compulsory Chinese curriculum in a bilingual school. The pupil roll in September 2025 is now 600 pupils. Sedbergh School International Limited continues to benefit from an outstanding investor partner in the Rong Qiao Group based in Fujian province.</p> <p>Sedbergh Vietnam, owned by EQuest Education Group, opened in Ho Chi Minh in September 2023; its roll exceeds expectations at 1,250 in September 2025. Sedbergh Vietnam delivers a curriculum that seamlessly integrates the rich traditions of both Vietnamese and British cultures and provides a well-rounded education that embraces the best practices from both worlds, ensuring a holistic and globally relevant learning experience.</p> <p>Sedbergh School International Limited continues to explore opportunities for further schools in selected countries overseas, seeking additional investor partners and local operators to provide a unique Sedbergh education internationally.</p>
<p>• <b>UK school group expansion</b></p>	
<p><b>To identify opportunities for partnerships with culturally aligned schools to build depth and resilience through efficiencies and enhance the pupil recruiting opportunities for the Senior School</b></p>	<p>The mergers and partnerships of schools is becoming common place across the sector and is seen as a prudent business strategy within the context of the challenging economic environment the sector is experiencing. Sedbergh School's strategy is to expand via mergers and/or partnerships to further strengthen the Group for the long term.</p>
<p>• <b>Non-fee based revenue generation</b></p>	
<p><b>To deliver our targets for non-fee based revenue streams through a range of commercial ventures undertaken by our commercial subsidiaries, Sedbergh School International Limited and Sedbergh School Developments Limited.</b></p>	<p>Sedbergh School Developments Limited once again delivered a large programme of short courses in the Easter and summer holidays in 2025 for children from 6 to 16 years of age, as well as providing training webinars and outreach activity with schools and clubs. Over 2,500 children attended a SSDL training event across the UK. The unique coaching philosophy developed has been offered at courses and events in the north of England and overseas in the UAE and Europe.</p> <p>The International Summer School bookings improved compared to the previous year which was affected by the recession in Europe. The 2026</p>

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2025

	programme has been further enhanced and refreshed to continue to secure market share as competition grows for English language tuition.
<ul style="list-style-type: none"><li>• <b>Financial security, including fundraising</b></li></ul>	
<b>To deliver long term financial security through effective commercial risk management, delivery of our medium term financial goals and support of our affiliated organisations, including fundraising and alumni development.</b>	<p>The School monitors financial progress across both Schools and its commercial subsidiaries against a detailed five year rolling financial plan to deliver our long-term financial goals which include:</p> <ul style="list-style-type: none"><li>• generating additional liquid reserves;</li><li>• funding future capital expenditure including new facilities, energy; reduction measures and major renovation works;</li><li>• strengthening our competitive position in our UK and global markets.</li></ul> <p>Financial performance against defined milestones is subject to termly review by the Executive Committee and Board of Governors.</p> <p>Dynamic risk assessment measures are in place for each operational unit including the commercial subsidiaries, and strategic risks are considered and reviewed by the Senior Leadership Team on a monthly basis and by the Board of Governors on a termly basis.</p> <p>Our fundraising activities are carried out through the Sedbergh School Foundation, which has continued to provide support via the Roger Lupton and Settlebeck Scholarship and Bursary schemes throughout the School.</p> <p>The Foundation already has an ambitious fundraising plan to support the development of both Schools as part of the quincentenary celebrations in 2025. Quincentenary restricted reserves and unrestricted reserves held as at 31 August 2025 amount to £6.445m.</p> <p>The strategic management of the Foundation and OS Club falls to the Headmaster, whilst retaining their independent trustee structures. The School is able to provide significant administrative and finance management support to both organisations enabling them to focus effectively on their clearly defined alumni and friends of Sedbergh functions.</p>

#### RISK MANAGEMENT

The School maintains an up-to-date Strategic Risk Register which identifies the most significant risks to ongoing operations of the School and to the delivery of its strategic objectives. The register details the appropriate risk mitigation measures and is reviewed on a regular basis by the Senior Leadership Team and on a termly basis by the Governors. Underneath this sits an Operational Risk Register, which is also reviewed regularly by the Senior Management Team. Governors have also reviewed the School's insurance cover to ensure that it is adequate.

The principal risks to the School and the School's approach to mitigate the risk are as follows:

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2025

Category	Risk	Principal mitigating actions
<b>Financial and Economic</b>	<p>A failure to generate sufficient cash flow to meet strategic objectives and minimum cash generation requirements.</p> <p>Lower pupil roll due to the imposition of VAT on school fees from January 2025.</p>	<ul style="list-style-type: none"> <li>– Strict budgetary control of operational and capital expenditure</li> <li>– Regular cashflow and reserves forecasting</li> <li>– Revised global marketing strategy</li> <li>– Five year capex programme review</li> <li>– Critical review of all cost centres and identification of potential revenue streams</li> <li>– Detailed contingency planning</li> <li>– Provision of additional means tested bursaries for families in need funded by the Foundation, thus supporting pupil retention</li> </ul>
<b>Staff</b>	<p>Inability to recruit and retain high calibre teaching staff.</p> <p>Inability to recruit operational staff, impacting on operational support provision.</p> <p>Strategic leadership and senior management changes of personnel.</p>	<ul style="list-style-type: none"> <li>– A new competitive salary scale and allowance package for teaching staff was introduced in May 2024</li> <li>– Implementation of a revised strategy for support staff recruitment</li> <li>– Succession planning and effective handovers for executive and senior management positions</li> </ul>
<b>Reputation</b>	<p>Reputational damage as a result of an adverse incident at the School or in a subsidiary.</p>	<ul style="list-style-type: none"> <li>– Staff training and pupil education.</li> <li>– Strict adherence to Safeguarding and Health &amp; Safety and other policies</li> <li>– Development and testing of the major incident plan</li> </ul>
<b>Political</b>	<p>Political, taxation and regulatory changes (such as loss of charitable status, levy changes, changes in overseas pupil visas).</p>	<ul style="list-style-type: none"> <li>– Regular review of forecasts with sensitivity analysis</li> <li>– Legal/financial advice</li> <li>– Advice from sector bodies eg ISC and ISBA</li> <li>– Contingency plans</li> </ul>
<b>External event eg pandemic</b>	<p>Impact in the School and threat to the local community.</p> <p>Inability to provide all aspects of the Sedbergh education on either campus, resulting in loss of revenue.</p> <p>Additional costs arising from the event.</p>	<ul style="list-style-type: none"> <li>– Major incident planning</li> <li>– Review of policies and procedures</li> <li>– Remote learning plans and staff training</li> <li>– Cost contingency plans</li> <li>– Bio security measures</li> </ul>

The Group subsidiaries hold their own registers of strategic and operational risks which are in a consistent format to that of the School and are reviewed by their respective boards on a regular basis.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2025

#### POLICIES

##### Principal sources of funding

The principal sources of funding for the School are fees, commercial income generated by the subsidiaries, and bank finance including medium term bank borrowings and a bank overdraft facility. In addition, the School receives support for bursaries and capital programmes from the Foundation and other charities and donors.

##### Reserves

The Group policy is to invest retained surpluses to support the development of the School, while ensuring that sufficient reserves are held to meet any contingencies as they arise.

According to the Charities' SORP definition, free reserves should exclude endowment and restricted funds and funds which can only be realised by disposing of fixed assets held for School use. On this narrow basis, the Group has no free reserves but the Governors are satisfied with the position, given the unrestricted cash and unrestricted investments available which at the end of the financial period amounted to £7.323m (2024: £12.005m), as a result of the utilisation of fees received in advance, alongside the overdraft facility of £1.000m. In addition, the School benefits from a portfolio of residential property totalling £7.550m (2024: £6.356m).

The Governors continue to monitor cash, investments and reserves closely to ensure that sufficient reserves are available to meet potential threats to future income, in particular from a deterioration in the economic climate. Subject to this, it is the intention of the Board to continue to reinvest operational surpluses generated into School improvements.

Total funds of the Group are £20.792m (2024: £19.691m), which comprise: endowment funds £1.793m (2024: £1.793m), restricted funds £0.719m (2024: £0.719m) and general funds of £18.280m (2024: £17.179m).

##### Investments

During the year the Group's funds were managed in a range of longer term fixed rate deposits and shorter term notice accounts with rates linked to the Bank of England base rate. The Group has an underlying investment strategy of long term capital preservation with the objective of delivering positive absolute returns with low volatility in capital values. The Group investment policy is approved by the Governors and monitored by the Investments Sub-Committee.

##### Public benefit

In setting objectives for means tested bursaries, community engagement and social inclusion, the Governors have had regard to the Charity Commission's guidance on public benefit. Further information can be found on page 5 of the Trustees' Report.

##### Disabled persons

The School is committed to providing an environment which values and includes all pupils, staff and parents regardless of their educational, physical, sensory, social, spiritual, emotional and cultural needs. It seeks to challenge attitudes about disability and accessibility, and to develop a culture of awareness, tolerance and inclusion. The Group complies with all relevant legislation relating to disabled persons.

The School's policy requires that disabled job applicants would not be rejected for a reason which relates to their disability; job specifications are always used and selection criteria monitored to ensure that discrimination does not unwittingly occur; and recruitment and selection procedures are adapted where possible to ensure that they do not disadvantage disabled job applicants.

The School takes steps to try to enable an employee who becomes disabled to remain in employment. In consultation with the employee, adjustments to facilitate their retention will be considered. Employees with disabilities are provided with opportunities to develop full and rewarding careers on an equivalent basis to other employees.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2025

The Accessibility Plans for both campuses illustrate how the School plans over time to further increase accessibility for pupils, staff and visitors who have disabilities. The School aims to make reasonable adjustments to allow disabled pupils to access the education available, bearing in mind the historic nature of its buildings and widespread campuses. These Plans are reviewed every twelve months.

#### ENVIRONMENTAL AND SUSTAINABILITY

The School recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused.

The School has followed the 2019 HM Government Environmental Reporting Guidelines. In addition, the School used the GHG Reporting Protocol – Corporate Standard and the 2020 UK Government's Conversion Factors for Company Reporting.

The School commissioned an ESOS compliant intermediate energy audit and report carried out by Arup during 2022/23. The report made recommendations for phased reductions in energy consumption by 2040 through the following measures: monitoring use, fabric upgrades, system optimisation, system intervention, and the introduction of renewable sources of energy.

#### Summary of data for the year

All figures have been quoted in terms of carbon dioxide equivalent which signifies the amount of CO<sub>2</sub> which would have the equivalent global warming impact. CO<sub>2</sub>e per pupil is the recommended ratio for the sector.

	2025		2024	
	kWh	Metric tonnes CO <sub>2</sub> e	kWh	Metric tonnes CO <sub>2</sub> e
<b>Scope 1</b>				
Gas Consumption	8,403,926	1,537,582	8,844,898	1,617,732
Transport	440,556	122,148	386,507	109,477
<b>Scope 2</b>				
Electricity Consumption	1,788,658	316,593	1,949,365	403,616
<b>TOTAL</b>	<b>10,633,140</b>	<b>1,976,323</b>	<b>11,180,770</b>	<b>2,130,825</b>
<b>Intensity ratio CO<sub>2</sub>e per pupil</b>		<b>2,577</b>		<b>2,708</b>

The results for 2025 reflect a reduction in energy consumption compared with 2024, with both winters being statistically similar in spite of some extremes of weather in 2025 which might have seen energy consumption rise. However, there was a decrease in gas and electricity consumption helped by the installation of more efficient boilers in 2023 and 2024 and the continued work on replacement of lights with LEDs and further introduction of proximity switches.

#### Improvements in energy efficiency

During the year the programme to improve energy efficiency continued. The achievements included:

- BMS boiler controls have been installed in five of the School boarding houses and the heating circuit for the Swimming Pool and Gym which extends to adjacent buildings at a cost of £0.136m;
- Smart energy monitoring systems for gas and electricity covering fourteen large buildings across both School sites linked to a central web-based dashboard;
- Investment in new boilers in smaller buildings;
- Further installation of 213 double glazed windows across both campuses.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2025

The School continues to work on improvements in energy efficiency, in line with its Strategic Plan. Plans for the year ahead include;

- replacement of the heating systems in Senior School boarding houses and a similar sized major buildings once older systems reach end of life;
- the programme of replacing windows with uPVC double-glazed units;
- education and action on recycling and energy use in office and classroom environments;
- insulation upgrades to properties as necessary including continued extensive investment in double glazing in older buildings;
- the appraisal of renewable energy options and future purchasing strategy to progress toward net zero;
- the evaluation of sustainable travel and reduction in School owned and hired transport for sports travel, off-site activities, business travel, staff travel to work and pupil transport to School.

The School has completed the main requirements of ESOS phase 3 and submitted the final part as an action plan in February 2025 and the first annual progress report ahead of the 5 December 2025 deadline. The School will adhere to the updated regulatory requirements of ESOS phase 4, including;

- reporting total energy consumption, including transport mileage, annually;
- developing plans to align energy audits more closely with net zero targets and carbon reduction;
- appointing a lead assessor;
- making a mandatory net zero assessment;
- aiming for a reporting deadline at the end of 2027.

#### **Other sustainability measures**

The School is developing a full sustainability plan which in addition to operational energy, carbon footprint and sustainable travel includes the following subjects:

- education and integration of sustainability into School daily life – a long term campaign to influence both staff and pupils with the inclusion of sustainability in the curriculum;
- water use – fast identification and resolution of leaking pipes and taps; reducing boarding house use by pupils;
- waste management including improved recycling, waste reduction, food waste bio-digestion and waste oil from kitchens sent to be made into bio-fuel;
- sustainable construction and refurbishment;
- sustainable procurement – through engagement with suppliers to assess their own commitment to sustainability;
- sustainable catering – reduction in fuel use through digital catering, food miles, locally produced produce, sustainable meat and fish products, reduction in food waste, and the elimination of the use of disposable plastics; and reduction in the number of kitchens by centralising production between pairs of boarding houses and replacement of gas fired appliances with electric powered alternatives;
- biodiversity on campus – an intrinsic part of the estate management with maturing woodland planted over the last twenty years and a further 200 trees planted at Casterton.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2025

#### STATEMENT OF COMPLIANCE

The Governors have complied with their duty in regard to the matters in section 172 (1) (a)-(f) of the Companies Act 2006 ('the Act').

The Governors confirm that they have acted in the way they consider, in good faith, would be most likely to promote the success of the School and for the benefit of its members as a whole, and in doing so have had regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the School's employees;
- the need to foster the School's business relationships;
- the impact of the School's operations on the community and the environment;
- the desirability of the School maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the School.

#### Relationships

The School recognises the importance of our stakeholders to the future of the School, including our pupils and their families, employees, suppliers, the Government and our strategic partners. Our approach to all these parties is founded on the principle of proactive and systematic communication based upon an open and honest dialogue and a clear appreciation of needs and objectives.

Relationships with parents are managed on an individual basis, through those in close contact with them through the education journey, as well as key communication forums and interaction with staff on the School site and at events. Parents are engaged with the relevant Parents' Associations at Senior and Prep Schools, providing feedback to the Heads on a termly basis.

The School, the Governors and senior employees participate in various education sector associations and groups, which give access to supplier groups and decision-makers, Government and other regulatory bodies.

The School is a member of the Heads' Conference, the Independent Association of Prep Schools, the Independent Schools' Bursars' Association and the Association of Governing Bodies of Independent Schools.

#### Employee engagement

The School continues to place a high emphasis on mutually beneficial relationships with its employees, whom it regards as essential to the School's future success.

There is a well-established system for regular communication with staff at all levels in both Schools, including weekly departmental meetings, regular email updates, formal and informal staff presentations, as well as a full in-service training programme and an extensive social diary. Employees are encouraged to raise any issues or ideas for improvement they may have with their line manager or through the whistleblowing arrangements.

Staff at all levels are kept advised of the progress of the School in comparison with our strategic objectives and development plans, including matters that may be pertinent to their immediate interests.

The School puts great emphasis on providing equality of opportunity for all employees and ensuring that fair selection and development procedures apply. The aim of policies in this area is to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, sex, disability, marital status, colour, religion, race or ethnicity, or is disadvantaged by conditions or requirements which cannot be shown to be justifiable. In the event of an employee becoming disabled whilst in the School's employment, measures will be taken to ensure that they can continue in their employment as far as is practicable.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2025

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### **Governing document and constitution**

Sedbergh School was endowed as a Chantry School in 1525 by Roger Lupton, Provost of Eton, and incorporated by Royal Charter of King Edward VI as a Free Grammar School in 1551. It was reconstituted under the Endowed Schools Act of October 1874. The Scheme, Provisions and subsequent amendments were repealed and reconstituted by Trust Deed in July 1956. This Trust Deed was amended during subsequent years, the last amendment being in 1980.

In 2000, the School became an incorporated charity (charity number 1080672, company number 3946280), entailing the preparation of new governing instruments and the transfer of the Charity's assets, with the exception of the Scholarship & Prize Funds which are classified as permanent endowment. These Scholarship & Prize Funds became linked charities with Sedbergh School and are incorporated within the School accounts. The Articles of Association were renewed in 2023 to meet current company and charity law and practice.

##### **The Governing Body**

All Members of the Company are Directors of the Company and Governors of the School. The membership of the Board of Governors consists of up to fifteen Co-optive Governors.

Until 5 July 2023, the Governing Body included His Majesty's Lord Lieutenant of Cumbria in an ex-officio position; this ceased with the retirement of the previous Lord Lieutenant. The Articles of Association now allow for the Lord Lieutenant to nominate a representative to hold a Co-optive Governor position; this position is currently vacant.

The Lord Archbishop of York also nominates a representative (Revd M D Ineson) who holds one of the Co-optive Governor positions.

The remaining Co-optive Governors are appointed by the Board of Governors for a specific period not exceeding three years initially. A Governor is eligible for re-election for up to three further terms of three years. Governors are reappointed at the Annual Retirement Meeting of Governors.

The Charity has one Governing Body for both the Senior School and the Prep School, with separate registrations with the Department for Education for each site. Details of the Governing Body are provided on page 19.

##### **Management arrangements**

During the year, the day-to-day running of both Schools was delegated to: the Headmaster, Sedbergh School, the Chief Operating Officer, the Prep School Headteacher and the Senior Management Teams at the Senior and Prep Schools. The Headmaster, Sedbergh School and the Chief Operating Officer are responsible to the Board for the delivery of the strategic objectives set out in the strategic plan and attend the Governors' Board and relevant Committee meetings as appropriate. In the January 2025, a new Prep School Headteacher joined the School, and in April 2025 a new Chief Operating Officer commenced employment, both of whom were appointed following rigorous recruitment processes.

The Board delegates authority through formal terms of reference to a range of committees and sub-committees including the Executive, Education and Governance & Remuneration Committees and the Safeguarding, Audit & Risk Sub-Committee and the Investments Sub-Committee. The commercial subsidiaries are separate limited companies who report to their own independent boards.

##### **Arrangements for setting pay and remuneration of key management personnel**

Remuneration for senior management positions is determined by the Governance & Remuneration Committee. The Committee reviews the terms and conditions of the senior office holders on an annual basis. Due consideration is given to national benchmarking reports, including periodic surveys by independent authorities such as AGBIS and Baines Cutler Solutions (an independent schools consultancy business), to ensure that their remuneration is commensurate with similar roles within the sector.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2025

#### Indemnity insurance

Third party indemnity insurance was in place for the benefit of Governors during the period.

#### Appointment of new Governors

Members of the Governing Body are recruited by invitation to ensure that the right mix of skills, talent, expertise and experience is achieved to deliver effective governance and achievement of the strategic goals of the School, as well as encouraging diversity of background and thinking on the Board. The Governance & Remuneration Committee meets regularly to consider new Governor appointments.

On appointment, new Governors receive induction training which takes into account their existing professional qualifications or area of expertise. An ongoing programme of Governor training is in place.

#### GROUP STRUCTURE AND RELATIONSHIPS

The Charity has two wholly owned subsidiaries and an associated company; in addition it has close relationships with the Old Sedberghian Club and with two other unconnected separate charities, as follows:

##### Subsidiaries

Sedbergh School Developments Limited

Sedbergh School Developments Limited was incorporated on 11 April 1996. Its principal activities continue to be the provision of courses and other commercial trading ventures.

Sedbergh School International Limited

Sedbergh School International Limited was incorporated on 7 October 2015 in order to facilitate the provision of educational activities outside of the United Kingdom.

##### Associate

Sedbergh Hotel Enterprises Limited

Sedbergh Hotel Enterprises Limited is an associated company, set up to procure, refurbish and run The Black Bull in Sedbergh. Sedbergh School Developments Limited holds 36% of the issued share capital of Sedbergh Hotel Enterprises Limited

##### Other

The Sedbergh School Foundation (the Foundation)

The Foundation is a separate charity, whose purpose is to raise funds and support current and future investment in facilities, amenities and activities undertaken by the School. There is a close working relationship between the Foundation and the School, as described earlier.

The Old Sedberghian Club ('OS' Club)

The OS Club is a separate society which provides the School alumni with an extensive programme of events, activities and support. The School benefits from the generosity of a thriving network of Old Sedberghians whose close support is greatly appreciated and gladly acknowledged. There is a close working relationship between the Club, School and Foundation.

The Michael Robertson Scholarship Fund

The Michael Robertson Scholarship Fund is an independent restricted fund, not part of the Group, which kindly provides income on an annual basis to support bursary awards at the School.

#### Fundraising and the Foundation

The Foundation made restricted grants to the School during the year totalling £0.866m (2024: £0.598m). This included providing additional scholarships and bursary support and funding towards significant capital projects, including a major upgrade of windows in a number of the boarding houses and phase 2 of an extensive Wi-Fi and digital transformation programme. The School did not carry out any direct fundraising activity on its own behalf and did not engage third party fundraisers.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2025

#### REFERENCE AND ADMINISTRATIVE DETAILS

##### Governing body

- Chair:
- R J Gledhill MA (Cantab), ACA\*# [retired 31 December 2025]
  - I W Durrans BA (Oxon), ACA\*# [from 1 January 2026]
- Co-optive:
- A J N Bedford BA (North Carolina)\*
  - R R Biggs MA (Oxon), BSc (Cape Town)
  - J D Campbell OBE, MA (hc), FRSA\*
  - C A Cook BEd (Oxford) [appointed 1 September 2025]
  - T J Davies BSc (Newcastle) \*
  - I W Durrans BA (Oxon), ACA\*# [appointed as Chair from 1 January 2026]
  - Lt Gen Sir Andrew Gregory, KBE CB, DL, MA (Cantab)
  - Revd M D Ineson MA, BA (Bristol), BEng (Birm) (representing The Lord Archbishop of York)#
  - I A Keith BA (Heriot-Watt), CA [appointed 13 May 2025]
  - Professor J Mennell BSc (Leeds), DL [resigned 11 February 2025]
  - R N Papworth BA (Oxon)\*#
  - M R Piercy MA (Leicester) [retired 15 March 2025]
  - J H B Warburton-Lee

\* Members of the Executive Committee at 31 August 2025

# Members of the Safeguarding, Audit and Risk Sub-Committee as at 31 August 2025

##### Headmaster and Headteacher

Sedbergh School and the Senior School: D J Harrison MA (Cantab)  
Prep School: W R Newman BEd (Exeter), MA (Victoria) [resigned 31 December 2024]  
K E Martin BA (Northumbria), PGCE [appointed 1 January 2025]

##### Chief Operating Officer, Company Secretary and Clerk to the Governors

P S Marshall TD [retired 21 April 2025]

B W Bennett CBE, MA (Cranfield), MPhil (Madras) [appointed 22 April 2025]

##### Registered address

Sedbergh School  
Malim Lodge  
Sedbergh  
LA10 5RY  
[www.sedberghschool.org](http://www.sedberghschool.org)

**SEDBERGH SCHOOL**

**TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT)  
for the year ended 31 August 2025**

**Bankers**

Barclays Bank Plc  
1<sup>st</sup> Floor, 3 Hardman Street  
Spinningfields  
Manchester M3 3HF

**Insurance brokers**

Marsh Brokers Ltd  
Capital House  
1 - 5 Perrymount Road  
Haywards Heath RH16 3SY

**Auditor**

HaysMac LLP  
10 Queen Street Place  
London EC4R 1AG

**Solicitors**

Veale Wasbrough Vizards  
Narrow Quay House  
Narrow Quay  
Bristol BS1 4QA

Muckle LLP  
Time Central  
32 Gallowgate  
Newcastle upon Tyne NE1 4BF

Charles Russell Speechlys LLP  
5 Fleet Place  
London EC4M 7RD

# SEDBERGH SCHOOL

## TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2025

### STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITOR

The Governors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Governors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### AUDITOR

The auditor, HaysMac LLP has indicated a willingness to continue in office. A resolution to reappoint HaysMac LLP as auditor will be put to the members at the March Board meeting.

### STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of Sedbergh School for the purposes of company law and the Trustees for the purposes of Charity Law) are responsible for preparing the Trustees' and Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Sedbergh School Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

This report, which incorporates the Strategic Report, was approved by the Governors on 21 March 2026 and signed on their behalf by:



I W Durrans  
Chair

# SEDBERGH SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEDBERGH SCHOOL

### Opinion

We have audited the financial statements of Sedbergh School for the year ended 31 August 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated and School Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2025 and of the group's and parent charitable company's net movement in funds, including the 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.

### Basis for opinion

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

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially 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.

# SEDBERGH SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEDBERGH SCHOOL

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

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

### Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Education (Independent School Standards) Regulations 2014, safeguarding regulations, health and safety requirements, GDPR, employment law, company law and charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the

## SEDBERGH SCHOOL

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEDBERGH SCHOOL

financial statements such as Companies Act 2006, Charities Act 2011 and consider other factors such as payroll tax and VAT.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to income recognition and management override of controls. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted at the year end; and
- Challenging assumptions and judgements made by management in their accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

#### Use of our report

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



Tracey Young (Senior Statutory Auditor)  
For and on behalf of HaysMac LLP, Statutory Auditor  
Date:

**30 March 2026**

10 Queen Street Place  
London  
EC4R 1AG

**SEDBERGH SCHOOL**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
for the year ended 31 August 2025**

	Note	Unrestricted £'000	Restricted £'000	Endowed £'000	Total 2025 £'000	Total 2024 £'000
<b>Income from:</b>						
Charitable activities:						
- School fee income	2	22,232	-	-	<b>22,232</b>	<b>22,799</b>
- Other educational income	3	997	-	-	<b>997</b>	<b>687</b>
- Other ancillary income	3	200	-	-	<b>200</b>	<b>160</b>
Other trading activities:						
- Trading income	4	1,992	-	-	<b>1,992</b>	<b>1,839</b>
Investment income	5	446	94	-	<b>540</b>	<b>387</b>
Donations, legacies & grants	6	-	1,076	-	<b>1,076</b>	<b>1,032</b>
Other income:						
- Sundry income		89	-	-	<b>89</b>	<b>50</b>
- Profit/(Loss) on sale of fixed assets		6	-	-	<b>6</b>	<b>(4)</b>
<b>Total Income</b>		<b>25,962</b>	<b>1,170</b>	<b>-</b>	<b>27,132</b>	<b>26,950</b>
<b>Expenditure on:</b>						
Charitable activities						
		23,360	937	-	<b>24,297</b>	<b>24,326</b>
Raising funds:						
- Trading costs		1,649	-	-	<b>1,649</b>	<b>1,449</b>
- Financing costs		630	-	-	<b>630</b>	<b>565</b>
<b>Total Expenditure</b>	8	<b>25,639</b>	<b>937</b>	<b>-</b>	<b>26,576</b>	<b>26,340</b>
<b>Net Income</b>		<b>323</b>	<b>233</b>	<b>-</b>	<b>556</b>	<b>610</b>
<b>Transfer Between Funds</b>		<b>233</b>	<b>(233)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Recognised Gains/(Losses)</b>						
Gain on revaluation of fixed assets	10	550	-	-	<b>550</b>	<b>-</b>
(Losses)/Gains on investments	9	(1)	-	-	<b>(1)</b>	<b>22</b>
Actuarial loss on defined benefit pension scheme	20	(4)	-	-	<b>(4)</b>	<b>(4)</b>
<b>Net Movement in Funds</b>		<b>1,101</b>	<b>-</b>	<b>-</b>	<b>1,101</b>	<b>628</b>
<b>Total Funds Brought Forward</b>		<b>17,179</b>	<b>719</b>	<b>1,793</b>	<b>19,691</b>	<b>19,063</b>
<b>Total Funds Carried Forward</b>	18	<b>18,280</b>	<b>719</b>	<b>1,793</b>	<b>20,792</b>	<b>19,691</b>

All activities are classed as continuing. The notes on pages 28 to 54 form part of these accounts.

**SEDBERGH SCHOOL**

**BALANCE SHEETS  
at 31 August 2025**

**Company number: 03946280**

	Note	Consolidated		School	
		2025	2024	2025	2024
		£'000	£'000	£'000	£'000
<b>Fixed Assets</b>					
Tangible fixed assets	10	26,418	25,809	26,416	25,807
Investments	11	7,343	9,855	6,776	9,288
		<u>33,761</u>	<u>35,664</u>	<u>33,192</u>	<u>35,095</u>
<b>Current Assets</b>					
Stocks	12	147	140	105	133
Debtors	13	10,562	1,826	10,276	1,990
Cash at bank and in hand		2,191	4,278	1,778	3,483
		<u>12,900</u>	<u>6,244</u>	<u>12,159</u>	<u>5,606</u>
<b>Creditors: amounts falling due within one year</b>	14	(19,851)	(15,810)	(19,625)	(15,695)
<b>Net Current Liabilities</b>		<u>(6,951)</u>	<u>(9,566)</u>	<u>(7,466)</u>	<u>(10,089)</u>
<b>Total Assets Less Current Liabilities</b>		<u>26,810</u>	<u>26,098</u>	<u>25,726</u>	<u>25,006</u>
<b>Creditors: amounts falling due after more than one year</b>	15	(6,018)	(6,407)	(6,018)	(6,407)
<b>Total Net Assets Excluding Defined Benefit Pension Scheme Asset</b>		<u>20,792</u>	<u>19,691</u>	<u>19,708</u>	<u>18,599</u>
Defined benefit pension scheme asset	20	-	-	-	-
<b>Total Net Assets</b>		<u>20,792</u>	<u>19,691</u>	<u>19,708</u>	<u>18,599</u>
<b>Funds</b>					
Unrestricted funds					
- General reserve	18c	13,304	12,753	12,787	12,228
- Revaluation reserve	18c	4,976	4,426	4,976	4,426
- Pension reserve	18c	-	-	-	-
	18c	<u>18,280</u>	<u>17,179</u>	<u>17,763</u>	<u>16,654</u>
Endowment funds	18a	1,793	1,793	1,793	1,793
Restricted funds	18b	719	719	152	152
<b>Total Funds</b>		<u>20,792</u>	<u>19,691</u>	<u>19,708</u>	<u>18,599</u>

The School's net income for the year was £0.565m (2024: £0.402m) and the net movement in funds was £1.109m (2024: £0.416m).

The financial statements were approved, authorised for issue and signed on behalf of the Board of Governors on 21 March 2026.



I W Durrans  
Chair of Governors

**SEDBERGH SCHOOL**

**CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 August 2025**

	2025		2024 (Restated)	
	£'000	£'000	£'000	£'000
<b>Operating Activities</b>				
Net income		556		610
Depreciation charge		1,308		1,271
Investment income		(540)		(209)
Discount on fees received in advance		140		-
Interest paid		471		549
Investment management fee		-		4
(Profit)/Loss on sale of fixed assets		(6)		4
Defined benefit pension scheme		(4)		(4)
Increase in stocks		(7)		(15)
(Increase)/Decrease in debtors		(8,194)		322
Increase/(Decrease) in creditors		7,415		(697)
(Decrease)/Increase in fees received in advance		(3,437)		8,692
<b>Net cash (used in)/provided by Operating Activities</b>		(2,298)		10,527
<b>Investing Activities</b>				
Investment income	529		205	
Purchase of tangible fixed assets	(1,909)		(1,850)	
Proceeds on sale of tangible fixed assets	7		3	
Proceeds from sale of investments	5,210		2,509	
Purchase of investments	(2,699)		(8,575)	
<b>Net cash provided by/(used in) Investing Activities</b>		1,138		(7,708)
<b>Financing Activities</b>				
Interest paid	(475)		(549)	
Discount on fees received in advance	(140)		-	
Repayment on loans	(352)		(351)	
Finance lease rentals	(42)		(45)	
<b>Net cash used in Financing Activities</b>		(1,009)		(945)
<b>Change in cash and cash equivalents in the year</b>		(2,169)		1,874
<b>Cash and cash equivalents at the beginning of the year</b>		4,278		2,404
<b>Cash and cash equivalents at the end of the year</b>		2,109		4,278
<b>Represented by:</b>				
Cash at bank and in hand		2,191		4,278
Bank overdraft		(82)		-
		2,109		4,278

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2025**

**1 Accounting policies**

**Legal status**

Sedbergh School is an incorporated (private company limited by guarantee) charity (charity no. 1080672, company no. 03946280), registered in England. The School's address is Sedbergh School, Malim Lodge, Sedbergh, LA10 5RY.

Sedbergh School was founded in 1525 and received a Royal Charter from King Edward VI in 1551. The object of Sedbergh School is to advance education by carrying on in Great Britain a school or schools at which infants, children and pupils may obtain education and instruction in academic, sporting, musical, cultural, scientific, technical, vocational, social and commercial subjects, activities and crafts of every description. Sedbergh School meets the definition of a public benefit entity under FRS 102.

**Basis of accounting**

The accounts are prepared under the Companies Act 2006, Charities Act 2011 and under the historical cost convention as modified by the adoption of fair value accounting for investments and the revaluation of private dwellings. These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities Statement of Recommended Practice ("Charities SORP (FRS 102) (second edition, effective January 2019)").

Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise indicated. The financial statements are presented in sterling which is also the functional currency of the School.

**Basis of consolidation**

The School's individual accounts include the linked charities Sedbergh School Prize Fund (charity no. 1080672-1), Sedbergh School Scholarship Fund (charity no. 1080672-2), Rosalie Mary Forster Bursary Fund (charity no. 1080672-3) and Casterton School Scholarship Fund (charity no. 1080672-4).

The consolidated accounts include the School, the Appeal Fund, the Education Fund, the School's trading subsidiaries, Sedbergh School Developments Limited (company no. 03184583) and Sedbergh School International Limited (company no 9814021) together with the share of the results of its associate Sedbergh Hotel Enterprises Limited (company no 10598631), in which Sedbergh School Developments Limited has a 36% shareholding.

All financial statements are made up to 31 August 2025 except for Sedbergh Hotel Enterprises Limited which has a financial year end of 30 June 2025. The following accounting policies have been applied consistently in dealing with items that are considered material to the School's financial statements.

The charity has taken the exemption from presenting its unconsolidated income and expenditure account under section 408 of the Companies Act 2006.

**Reduced disclosures**

In accordance with FRS 102, the School has taken advantage of the exemptions from the following disclosure requirement in the individual financial statements of Sedbergh School:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures.
- Section 11 'Basic Financial Instruments' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches.

**Going concern**

The Governors consider that there are no material uncertainties that could cast significant doubt on the School's ability to continue as a going concern.

The Governors have considered the current cash position and future forecasts including sensitivity analysis. Therefore, the Governors remain confident in the School's cash flow forecast and its ability to meet its ongoing

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2025**

obligations as they arise for the next twelve months from the date of approval of the financial statements. As a result, the financial statements are prepared on a going concern basis.

**Income**

Income from School fees represents fees earned in respect of tuition given during the year. Fees received in respect of tuition to be given after the year end are included in creditors as fees received in advance. Fees receivable are stated after deducting allowances for scholarships and bursaries granted by the School, but include contributions received from restricted funds for scholarships, bursaries and other grants.

Income from trading activities represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers during the period. Turnover is recognised when substantially all the risks and rewards of ownership have been transferred.

Donations received are recognised where there is entitlement, the receipt is probable, and the amount can be measured with sufficient reliability. Donations subject to specific wishes of the donors are carried to relevant restricted funds, or to endowment funds where the amount is required to be held as permanent capital.

Other income, including investment income, is accounted for on an accruals basis.

Grant income is recognised and accrued, in the period to which the relevant costs relate.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefit will be required in settlement and the amount of the obligation can be measured reliably. Amounts are discounted to present value for longer-term liabilities. Expenditure is summarised under functional headings on a direct costs basis.

Expenditure on raising funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Charitable activities include expenditure associated with the objects of the School and both the direct costs and support costs relating to this activity. Grants awarded are expensed as soon as they become legal or operational commitments. Management and administration costs include governance costs incurred in the governance of the School and its assets and are primarily associated with constitutional and statutory requirements.

**Taxation**

The School is a registered charity and therefore it is exempt from income and corporation tax on income and gains falling within chapter 3 Part 11 Corporation Tax Act 2010 or S256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

The subsidiary undertakings, Sedbergh School Developments Limited and Sedbergh School International Limited are liable to income and corporation tax on their income and gains. Gift aid payments, if made, paid to the Charity reduce the taxable income and gains. The subsidiaries are eligible to make gift aid payments to their holding company, the School.

**Fixed assets**

The School buildings, boarding houses and land owned by the School at Sedbergh are included on the balance sheet at the historical cost.

Private dwellings (“residential properties”) and property held for sale are held at valuation. All movements in value arising from a change in value of private dwellings, in excess of their original cost, are shown in the Statement of Financial Activities as revaluation gains or losses, with movements being credited/charged to the revaluation reserve. Any diminution in value below original cost is charged to the Statement of Financial Activities as an impairment.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2025**

All other fixed assets are measured at their cost or values at the time of acquisition, net of depreciation and any impairment losses. Capital items costing less than £1,000 are written off as an expense as acquired.

**Depreciation**

Depreciation is provided on tangible fixed assets at rates and bases calculated to write off the cost less estimated residual value, based on current market prices, of each asset over its expected useful life as follows:

School buildings	- 20 - 50 years
Fixtures and fittings	- 5 – 20 years
Computer equipment	- 3 years
All weather pitch	- 20 years
Motor vehicles	- 4 years
Leasehold improvements	- over the life of the lease

Land is not depreciated and assets under construction are only depreciated once they come into use.

**Impairment of fixed assets**

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the School estimates the recoverable amount of the asset.

**Investments**

Investments are stated in the balance sheet at their market value as at the balance sheet date. All movements in value arising from investment changes or revaluation are shown in the Statement of Financial Activities and are allocated to the appropriate fund according to the allocation of the underlying asset.

Investments in associates are recognised initially in the consolidated balance sheet at the transaction price and subsequently adjusted to reflect the group's share of total income and equity of the associate, less any impairment. Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the School has a legal obligation to make good the losses.

Investments in associates are accounted for at cost less impairment in the individual financial statements.

**Stock**

Stock is valued at the lower of cost (based on purchase price) and fair value.

**Pension schemes**

Retirement benefits for the School's teaching staff are provided by the Teachers' Pension Scheme ("TPS"). This is a defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme. This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS 102, the School accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

During the previous financial year, the School opted for phased withdrawal from the Teachers' Pension Scheme. This decision means that while no new employees will be able to join the scheme, existing members will continue to participate until they leave employment or choose to opt out. Those who previously opted out will not be able to rejoin the scheme under the phased withdrawal arrangement.

New teachers will be offered the group money purchase scheme to ensure that all employees have access to a pension plan that meets statutory requirements.

The School contributes to a separate defined benefit scheme for non-teaching staff. This is an occupational defined benefit scheme. The defined benefit pension scheme current service costs are charged to the Statement of Financial Activities within staff costs. Net interest on the net defined benefit asset is recognised in the Statement

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued)

31 August 2025

of Financial Activities. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses. The defined benefit scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The School only recognises an asset in respect of a surplus on the scheme valuation to the extent that the asset is recoverable through reduced future contributions or through a reimbursement from the Scheme.

The School also contributes to a group money purchase scheme which is available for all staff following the phased withdrawal from Teachers' Pension Scheme. Contributions are charged to the Statement of Financial Activities in the period in which the salaries to which they relate are payable. Defined contribution pension costs are allocated to unrestricted funds.

#### Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the School is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### Fund accounting

The School has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

Unrestricted funds	Funds which are expendable at the discretion of the Governors in furtherance of the objects of the School. In addition to expenditure on the School's operations, such funds may be held in order to finance capital investment and working capital.
Restricted funds	Donations or legacies received which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the School.
Endowment funds	Funds given to the School where the income may be used in furtherance of the objects, but the capital must be retained.
Designated funds	The School may at its discretion set aside funds for specific purposes which would otherwise form part of the general reserves of the School.

#### Financial instruments

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

Trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value. Bank loans and other loans are initially recognised at their transaction value and subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Investments are initially measured at transaction price and subsequently measured at fair value through net income or expenditure.

#### Leases

An asset and corresponding liability are recognised for leasing agreements that transfer to the School substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the Statement of Financial Activities so as to produce a constant periodic rate of interest on the remaining balance of the liability.

All other leases are operating leases and the annual rentals are charged to the Statement of Financial Activities on a straight line basis over the lease term.

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued)

31 August 2025

#### **Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### *Pension scheme valuation assumptions*

The present value of the defined benefit pension asset depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension asset. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 August 2021 has been used by the actuary in valuing the pensions asset at 31 August 2025. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset.

The surplus on the pension scheme valuation as at 31 August 2025 has not been recognised as an asset because the Governors do not consider that it is recoverable.

#### *Fee debtor provision*

A provision for impairment of fee debtors is established when there is objective evidence that the amounts due will not be collected in line with the usual fee collections due to financial difficulty of the debtors.

#### *Useful life of fixed assets*

In making decisions regarding the depreciation of tangible fixed assets, management must estimate the useful life of said assets to the business. A change in estimate would result in a change in the depreciation charged to the Statement of Financial Activities in each year.

#### *Residential property valuations*

Residential properties are held at valuation. The Governors make informed decisions on an annual basis about property values in conjunction with the School's property advisers.

In the opinion of the Governors there are no critical judgements involved in the preparation of the financial information.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2025**

<b>2</b>	<b>School fee income</b>		<b>2025</b>	<b>2025</b>	<b>2024</b>	<b>2024</b>
			<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	Gross fees			27,215		28,102
				<hr/>		<hr/>
	Bursaries			(1,720)		(1,860)
	Scholarships			(1,300)		(1,468)
	Other concessions			(2,604)		(2,621)
				<hr/>		<hr/>
				(5,624)		(5,949)
	Less contributions from restricted funds					
	Education Fund	14			16	
	Appeal Fund	11			12	
	Michael Robertson Scholarship Fund	150			173	
	Scholarship and Prize Funds	52			54	
	Sedbergh School Foundation	400			376	
	Casterton Old Girls Association	1			2	
	Casterton School Scholarship Fund	9			9	
	Rosalie Mary Forster Bursary Fund	4			4	
				641		646
				<hr/>		<hr/>
				(4,983)		(5,303)
				<hr/>		<hr/>
	Net fees			22,232		22,799
				<hr/>		<hr/>

<b>3</b>	<b>Other income from charitable activities</b>		<b>2025</b>	<b>2024</b>
			<b>£'000</b>	<b>£'000</b>
	<b>Other educational income</b>			
	Other fees		724	517
	Bookroom		56	55
	Sundry		1	17
	Registration fees		46	64
	Fees in lieu of notice		154	25
	Surcharge interest on late fees		16	9
			<hr/>	<hr/>
			997	687
			<hr/>	<hr/>

Other educational income is generated by the School only and is credited to unrestricted funds.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2025**

<b>3</b>	<b>Other income from charitable activities</b> <i>(continued)</i>	<b>2025</b>	<b>2024</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Other ancillary income</b>		
	Rent	174	143
	Commissions	1	1
	Sundry	25	16
		<u>200</u>	<u>160</u>
		<u><u>200</u></u>	<u><u>160</u></u>

Other ancillary income is generated by the School only and is credited to unrestricted funds.

<b>4</b>	<b>Trading income</b>	<b>2025</b>	<b>2024</b>
		<b>£'000</b>	<b>£'000</b>
	Short courses	1,547	1,270
	Facilities and lettings	44	46
	Book sales	21	-
	Royalty and service fee income	380	523
		<u>1,992</u>	<u>1,839</u>
		<u><u>1,992</u></u>	<u><u>1,839</u></u>

<b>5</b>	<b>Investment income</b>	<b>2025</b>	<b>2024</b>
		<b>£'000</b>	<b>£'000</b>
	Dividends received from fixed asset investments	-	5
	Bank interest received	540	382
		<u>540</u>	<u>387</u>
		<u><u>540</u></u>	<u><u>387</u></u>

2025: £94,000 (2024: £102,000) of investment income was credited directly to restricted funds.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2025**

<b>6</b>	<b>Income from donations, legacies and grants</b>	<b>2025</b> <b>£'000</b>	<b>2024</b> <b>£'000</b>
	Grants (restricted)	526	283
	Donations (unrestricted)	-	200
	Sedbergh School Foundation (restricted to bursaries and scholarships)	400	376
	Michael Robertson Scholarship Fund (restricted to bursaries and scholarships)	150	173
		1,076	1,032
		1,076	1,032
<b>7</b>	<b>Expenditure</b>	<b>2025</b> <b>£'000</b>	<b>2024</b> <b>£'000</b>
	<b>Charitable expenditure includes:</b>		
	Depreciation – owned assets	1,260	1,223
	Depreciation – assets under finance leases	48	48
	Operating lease cost	173	133
		1,481	1,404
		1,481	1,404
	<b>Other expenditure (excl VAT) includes:</b>		
	Auditor's remuneration:		
	Statutory audit of parent company and group accounts	35	33
	Audit of subsidiaries where such services are provided by the group auditor	9	9
		44	42
	Total audit	44	42
	Other services	8	11
		52	53
		52	53
	<b>Financing costs</b>	<b>2025</b> <b>£'000</b>	<b>2024</b> <b>£'000</b>
	Interest on bank loans and overdrafts	473	545
	Discount on fees received in advance	140	-
	Finance lease interest	6	9
	Amortisation on bank loan arrangement fee	11	11
		630	565
		630	565

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2025**

**7 Expenditure (continued)**

<b>Staff costs</b>	<b>2025</b> <b>£'000</b>	<b>2024</b> <b>£'000</b> <b>(Restated)</b>
Wages and salaries	11,973	11,871
Social security costs	1,295	1,138
Pension costs	2,069	1,779
	15,337	14,788
	15,337	14,788

Following the introduction of salary exchange in April 2024, employees may exchange part of their salary for employer pension contributions. As a result, these contributions are treated as employer contributions for accounting purposes.

**The average number of staff employed by the School during the year:**

	<b>2025</b>		<b>2024</b>	
	<b>No.</b>		<b>No.</b>	
	<b>Full time</b>	<b>Part time</b>	<b>Full time</b>	<b>Part time</b>
Teaching staff	127	63	123	65
Premises and grounds staff	25	5	27	6
Administration and clerical staff	32	22	31	26
Catering, boarding house and medical staff	68	120	76	123
	252	210	257	220
	252	210	257	220

Neither the Governors nor persons connected with them received any remuneration or other benefits from the School or any connected organisation. Details of expenses paid to Governors are provided in note 19.

The number of employees whose emoluments, including benefits in kind, exceeded £60,000 was:

	<b>2025</b> <b>No.</b>	<b>2024</b> <b>No.</b>
£60,001 - £70,000	11	14
£70,001 - £80,000	9	4
£80,001 - £90,000	3	3
£120,000- £130,000	-	1
£140,000 - £150,000	1	1
£160,000 - £170,000	1	1

Included in the 2024 figures above were 17 employees accruing benefits under defined benefit schemes until 30 April 2024. Following this date, all 17 of those employees ceased accruing benefits under defined benefit schemes as part of the phased withdrawal from TPS and joined a defined contribution scheme. Contributions to a defined benefit scheme in respect of these individuals totalled £nil (2024: £0.196m).

**Key management personnel**

The School considered its key management personnel during the year to comprise the two Heads, at the Senior School and the Prep School, and the Chief Operating Officer. The total employment benefits including employer pension contributions of the key management personnel were £0.575m (2024: £0.576m).

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)**

**31 August 2025**

**8 Analysis of expenditure**

	Staff costs £'000	Other £'000	Depreciation £'000	Total 2025 £'000
<b>Charitable activities</b>				
Teaching costs	8,213	992	-	9,205
Boarding houses, staff and medical provision	2,705	1,989	-	4,694
Premises costs	1,520	3,031	1,308	5,859
Management and administration	1,754	1,155	-	2,909
Grants, awards and prizes	-	772	-	772
Publicity	407	451	-	858
	14,599	8,390	1,308	24,297
<b>Raising funds</b>				
Trading	738	911	-	1,649
Financing costs (note 7)	-	630	-	630
	738	1,541	-	2,279
	15,337	9,931	1,308	26,576
		<i>Governance costs (included within management and administration costs)</i>		
Governors' meeting costs	-	14	-	14
Audit and accountancy (exc VAT)	-	52	-	52
	-	52	-	52

All expenditure is charged to the unrestricted fund, with the exception of £0.879m (2024: £0.752m) of grants, awards and prizes and £0.058m (2024: £0.058m) of management and administration costs that are charged to the restricted fund.

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2025**

**8 Analysis of expenditure (continued)**

	<b>Staff costs</b>	<b>Other</b>	<b>Depreciation</b>	<b>Total 2024</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Charitable activities</b>				
Teaching costs	7,949	798	-	8,747
Boarding houses, staff and medical provision	2,650	2,666	-	5,316
Premises costs	1,441	3,105	1,271	5,817
Management and administration	1,624	1,147	-	2,771
Grants, awards and prizes	-	760	-	760
Publicity	405	510	-	915
	<u>14,069</u>	<u>8,986</u>	<u>1,271</u>	<u>24,326</u>
<b>Raising funds</b>				
Trading	719	730	-	1,449
Financing costs (note 7)	-	565	-	565
	<u>719</u>	<u>1,295</u>	<u>-</u>	<u>2,014</u>
	<u>14,788</u>	<u>10,281</u>	<u>1,271</u>	<u>26,340</u>
	<u><u>14,788</u></u>	<u><u>10,281</u></u>	<u><u>1,271</u></u>	<u><u>26,340</u></u>
		<i>Governance costs (included within management and administration costs)</i>		
Governors' meeting costs	-	16	-	16
Audit and accountancy	-	53	-	53
	<u><u>-</u></u>	<u><u>69</u></u>	<u><u>-</u></u>	<u><u>84</u></u>

**9 Fair value gains and losses**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Fair value gains and losses on financial assets:		
(Loss)/Gain on fixed asset investments	(1)	22
	<u><u>(1)</u></u>	<u><u>22</u></u>

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2025**

**10 Tangible fixed assets**

<b>Consolidated</b>	<b>Residential property £'000</b>	<b>Leasehold improvements £'000</b>	<b>Fixtures &amp; fittings £'000</b>	<b>Other assets £'000</b>	<b>School land &amp; buildings £'000</b>	<b>All weather surfaces £'000</b>	<b>Assets under construction £'000</b>	<b>Total £'000</b>
<b>Cost or valuation</b>								
As at 1 Sept 2024	6,356	1,052	13,444	1,316	14,890	2,905	277	40,240
Additions	636	-	1,024	102	-	49	98	1,909
Revaluation	550	-	-	-	-	-	-	550
Disposal	-	-	-	(4)	-	-	-	(4)
Transfers	8	-	269	-	-	-	(277)	-
CGS Adjustment	-	-	-	-	(259)	(282)	-	(541)
<b>As at 31 August 2025</b>	<b>7,550</b>	<b>1,052</b>	<b>14,737</b>	<b>1,414</b>	<b>14,631</b>	<b>2,672</b>	<b>98</b>	<b>42,154</b>
<b>Depreciation</b>								
At as 1 Sept 2024	-	140	8,843	1,127	3,530	791	-	14,431
Charge for the period	-	11	720	139	314	124	-	1,308
Disposal	-	-	-	(3)	-	-	-	(3)
<b>As at 31 August 2025</b>	<b>-</b>	<b>151</b>	<b>9,563</b>	<b>1,263</b>	<b>3,844</b>	<b>915</b>	<b>-</b>	<b>15,736</b>
<b>Net book value</b>								
<b>As at 31 August 2025</b>	<b>7,550</b>	<b>901</b>	<b>5,174</b>	<b>151</b>	<b>10,787</b>	<b>1,757</b>	<b>98</b>	<b>26,418</b>
As at 31 August 2024	6,356	912	4,601	189	11,360	2,114	277	25,809

Included within the consolidated tangible fixed assets are fixtures and fittings with a net book value of £2,000 (2024: £2,000) relating to Sedbergh School Developments Limited. The remaining tangible fixed assets of £26,416,000 are those belonging to the standalone company of Sedbergh School. The net book value of assets held under finance leases is £nil (2024: £48,000) included within School land & buildings, with a depreciation charge of £48,000 (2024: £48,000). School land and buildings have been valued for insurance purposes in October 2025 at £165m (2024: £159m). In addition, the School's contents are insured at a value of £9.2m (2024: £9.7m).

An adjustment has been made for 4 assets under the capital goods scheme (CGS) as this became applicable following the introduction of VAT on independent school fees on 1 January 2025. The cost of these assets has been reduced by £541,000 with a corresponding VAT debtor created. This will be unwound over the remaining life of the assets.

Private dwellings are revalued on a regular basis, and a full Red Book RICS valuation was performed by Sanderson Wetherall in February 2026, at open market value. The valuation of these properties was £7.550m and therefore the assets were revalued with an increase of £0.550m. The Governors consider this to be an appropriate market value for the assets as at 31 August 2025.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2025**

**11 Investments**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
<b>Consolidated</b>		
<b>At market value:</b>		
Balance at 1 Sept 2024	9,855	3,767
Additions	2,699	8,575
Disposal proceeds	(5,210)	(2,509)
Increase in market value	(1)	22
	7,343	9,855
	7,343	9,855
<b>School</b>		
<b>At market value:</b>		
Balance at 1 Sept 2024	9,288	3,204
Additions	2,370	8,007
Disposals proceeds	(4,881)	(1,940)
Increase in market value	(1)	17
	6,776	9,288
	6,776	9,288

Included within the investments are balances of £1.240m (2024: £2.950m) relating to cash investments that could be withdrawn within 95 days.

**Subsidiary undertakings**

The School controls 100% of Sedbergh School Developments Limited (company no. 03184583; with the same registered address as the School, detailed on page 19), which runs sporting and educational courses making use of the School's facilities. Its trading results and summary balance sheet, extracted from its audited accounts for the year ended 31 August 2025 were:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Turnover	1,591	1,316
Cost of sales	(981)	(807)
	610	509
Gross profit		
Administration costs	(450)	(443)
Interest	1	(5)
	161	61
	161	61
Trading income is credited to unrestricted funds in the consolidated accounts.		
	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Total assets	582	468
Total liabilities	(345)	(365)
	237	103
Total reserves	237	103

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2025**

**11 Investments (continued)**

The School also controls 100% of Sedbergh School International Limited (company no. 9814021; with the same registered address as the School, detailed on page 19) which was formed to facilitate opening of an overseas school. Its trading results and summary balance sheet, extracted from its audited accounts for the year ended 31 August 2025 were:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Turnover	390	523
Cost of sales	(32)	(26)
	358	497
Gross profit		
Administration costs	(173)	(182)
	185	315
Net profit	185	315

Trading income is credited to unrestricted funds in the consolidated accounts.

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Total assets	399	434
Total liabilities	(120)	(23)
	279	411
Total reserves	279	411

**Associated Undertakings**

Sedbergh School Developments Limited holds 36% of the issued share capital of Sedbergh Hotel Enterprises Limited (company no. 10598631), set up to procure, refurbish and run The Black Bull in Sedbergh.

**Investment valuation**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
At 1 Sept 2024 and 31 August 2025	-	-
	-	-

	Type of shares held	Proportion held (%)	Country of incorporation	Registered Office
Sedbergh Hotel Enterprises Limited	A ordinary shares	36%	UK	44 Main Street, Sedbergh, LA10 5BL

The audited results of Sedbergh Hotel Enterprises Limited for their year ended 30 June 2025 are as follows;

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Aggregate amount of capital and reserves	(2,035)	(1,805)
	(230)	(391)
Loss for the period	(230)	(391)

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2025**

**12 Stocks**

	Consolidated		School	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Consumables	83	63	41	56
Bookroom stationery	64	77	64	77
	147	140	105	133
	147	140	105	133

**13 Debtors**

	Consolidated		School	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Debtors for School fees and extras	8,049	657	8,049	657
Trade debtors	448	79	-	-
Prepayments and accrued income	1,382	892	1,321	877
VAT debtor	541	-	541	-
Other debtors	111	166	111	166
Amounts due from related undertakings	31	32	254	290
	10,562	1,826	10,276	1,990
	10,562	1,826	10,276	1,990

**Debtors for School fees and extras**

In prior periods, fee invoices raised shortly before the year end were treated as requests for payment and were not recognised as trade debtors and deferred income where the amounts would substantially offset. Following the introduction of VAT on school fees, such invoices are now recognised as trade debtors, with the corresponding fees element treated as deferred income and the VAT element recognised as a taxation creditor. This change affects balance sheet presentation only and does not impact the timing of income recognition.

**VAT Debtor**

VAT debtor includes £541,00 (2024: £nil) which relates to accrued VAT recoverable via the Capital Goods Scheme in future years.

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

	Consolidated		School	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade creditors	1,019	939	946	849
Bank overdraft	82	-	-	-
Accruals and deferred income	7,026	839	6,984	814
Parental deposits	959	887	959	887
Fees received in advance	8,786	12,223	8,786	12,223
Taxation and social security	1,280	282	1,280	282
Finance lease creditor	43	48	43	48
Other creditors	296	232	267	232
Bank loans	360	360	360	360
	19,851	15,810	19,625	15,695
	19,851	15,810	19,625	15,695

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2025**

**14 Creditors: amounts falling due within one year (continued)**

**Accruals and deferred income**

In prior periods, fee invoices raised shortly before the year end were treated as requests for payment and were not recognised as trade debtors and deferred income where the amounts would substantially offset. Following the introduction of VAT on school fees, such invoices are now recognised as trade debtors, with the corresponding fees element treated as deferred income and the VAT element recognised as a taxation creditor. This change affects balance sheet presentation only and does not impact the timing of income recognition.

**Parental deposits**

All new pupils joining the School must pay a deposit. This is refunded when the pupil leaves the School.

**Taxation and social security**

Included within taxation and social security is the VAT liability relating to bills issued in advance of the term beginning September 2025.

**Fees received in advance**

Fees are apportioned over the pupil's time at the School. The money may be returned upon the withdrawal of the pupil from the School, cancellation of entry or exclusion, on the receipt of one term's notice.

Assuming pupils remain in the School, advance fees will be applied as follows:

	<b>Consolidated and School</b>	
	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Within 1 year	5,718	6,732
Within 1 to 2 years	1,755	2,702
Within 2 to 3 years	802	1,585
Greater than 3 years	511	1,204
	8,786	12,223
	8,786	12,223

The movements during the year were as follows:

	<b>Consolidated and School</b>	
	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
As at 1 Sept 2024	12,223	3,531
New contracts	1,015	12,151
Refunded	(226)	-
Amounts utilised in payment of fees to the School	(4,226)	(3,459)
	8,786	12,223
As at 31 August 2025	8,786	12,223

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2025**

**14 Creditors: amounts falling due within one year (continued)**

**Deferred income**

Deferred income at the prior year end relates to amounts received in advance from the Michael Robertson Scholarship Fund. In 2025, this includes Michaelmas Term 2025 fees billed in advance.

The movements during the year were as follows:

	<b>Consolidated and School</b>	
	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
As at 1 Sept 2024	80	-
Released in year	-	-
Deferred in year	6,179	80
	<hr/>	<hr/>
As at 31 August 2025	6,259	80
	<hr/> <hr/>	<hr/> <hr/>

**15 Creditors: amounts falling due after one year**

	<b>Consolidated and School</b>	
	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans	6,018	6,370
Finance lease creditor	-	37
	<hr/>	<hr/>
	6,018	6,407
	<hr/> <hr/>	<hr/> <hr/>

**Bank loans**

During 2023, a £7.252m term loan was arranged at an interest rate of 2.6% over base rate and will be repaid by way of 59 monthly instalments of £30,092 with a final repayment after five years.

The bank loans fall due as follows:

	<b>Consolidated and School</b>	
	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Amounts falling due within 1 year (note 14)	360	360
Amounts falling due within 1 to 2 years	360	360
Amounts falling due within 2 to 5 years	5,658	6,010
	<hr/>	<hr/>
	6,378	6,730
	<hr/> <hr/>	<hr/> <hr/>

The bank loans, with an outstanding balance at 31 August 2025 of £6.378m (2024: £6.730m), are secured by way of legal charges over certain properties and a fixed and floating debenture over the School's assets.

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)**

**31 August 2025**

**16 Analysis of changes in net debt**

	At 1 September 2024 £'000	Non Cash Movements £'000	Cash flows £'000	At 31 August 2025 £'000
Cash at bank and in hand	4,278	-	(2,087)	2,191
Bank overdraft	-	-	(82)	(82)
Sub-total	<u>4,278</u>	<u>-</u>	<u>(2,169)</u>	<u>2,109</u>
Loans falling due within one year	(360)	(360)	360	(360)
Loans falling due after more than one year	(6,370)	352	-	(6,018)
Finance lease obligations	(85)	(12)	54	(43)
Net debt	<u>(2,537)</u>	<u>(20)</u>	<u>(1,755)</u>	<u>(4,312)</u>

**17 Allocation of the charity net assets**

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

As at 31 August 2025		Fixed assets	Net current assets/(liabilities)	Long term liabilities	Total
Consolidated		£'000	£'000	£'000	£'000
Endowment	(18a)	1,408	385	-	1,793
Restricted	(18b)	666	53	-	719
Unrestricted funds	(18c)	31,687	(7,389)	(6,018)	18,280
		<u>33,761</u>	<u>(6,951)</u>	<u>(6,018)</u>	<u>20,792</u>
<b>School</b>					
Endowment	(18a)	1,408	385	-	1,793
Restricted	(18b)	99	53	-	152
Unrestricted funds	(18c)	31,685	(7,904)	(6,018)	17,763
		<u>33,192</u>	<u>(7,466)</u>	<u>(6,018)</u>	<u>19,708</u>
As at 31 August 2024		Fixed assets	Net current assets/(liabilities)	Long term liabilities	Total
Consolidated		£'000	£'000	£'000	£'000
Endowment	(18a)	1,408	385	-	1,793
Restricted	(18b)	666	53	-	719
Unrestricted funds	(18c)	33,590	(10,004)	(6,407)	17,179
		<u>35,664</u>	<u>(9,566)</u>	<u>(6,407)</u>	<u>19,691</u>
<b>School</b>					
Endowment	(18a)	1,408	385	-	1,793
Restricted	(18b)	99	53	-	152
Unrestricted funds	(18c)	33,588	(10,527)	(6,407)	16,654
		<u>35,095</u>	<u>(10,089)</u>	<u>(6,407)</u>	<u>18,599</u>

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2025**

**18a Endowment funds**

	Balance at 1 Sept 2024 £'000	Income £'000	Expenditure £'000	Revaluation gains £'000	Balance at 31 Aug 2025 £'000
<b>Consolidated and School</b>					
Collingwood and Baynes Foundation	456	-	-	-	456
Scholarship and Prize Fund	1,140	-	-	-	1,140
Casterton School Scholarship Fund	197	-	-	-	197
	<u>1,793</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,793</u>
	<u><u>1,793</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,793</u></u>
<b>Consolidated and School</b>					
Collingwood and Baynes Foundation	455	-	-	1	456
Scholarship and Prize Fund	1,129	-	-	11	1,140
Casterton School Scholarship Fund	195	-	-	2	197
	<u>1,779</u>	<u>-</u>	<u>-</u>	<u>14</u>	<u>1,793</u>
	<u><u>1,779</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>14</u></u>	<u><u>1,793</u></u>

The Collingwood & Baynes Foundation and the Scholarship and Prize Funds form part of the School's permanent endowment and were set up to provide scholarships and prizes to pupils attending the School.

Casterton School Scholarship Fund relates to funds transferred on the merger of Casterton and Sedbergh School. Charity Commission approval was obtained for these to be transferred from Casterton School to Sedbergh School.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2025**

**18b Restricted funds**

	Balance at 1 Sept 2024 £'000	Income £'000	Expenditure £'000	Transfer £'000	Revaluation gains £'000	Balance at 31 Aug 2025 £'000
General Funds	-	1,076	(843)	(233)	-	-
Rosalie Mary Forster Bursary Fund	93	4	(4)	-	-	93
Casterton School Scholarship Fund	5	-	-	-	-	5
Casterton Old Girls Association Scholarship and Prize Fund	53	1	(1)	-	-	53
Casterton Scholarship Fund	-	52	(52)	-	-	-
Collingwood and Baynes Foundation	-	9	(9)	-	-	-
	1	3	(3)	-	-	1
<b>School Funds</b>	<u>152</u>	<u>1,145</u>	<u>(912)</u>	<u>(233)</u>	<u>-</u>	<u>152</u>
Education Fund	317	14	(14)	-	-	317
Appeal Fund	250	11	(11)	-	-	250
<b>Consolidated Funds</b>	<u><u>719</u></u>	<u><u>1,170</u></u>	<u><u>(937)</u></u>	<u><u>(233)</u></u>	<u><u>-</u></u>	<u><u>719</u></u>

	Balance at 1 Sept 2023 £'000	Income £'000	Expenditure £'000	Transfer £'000	Revaluation gains £'000	Balance at 31 Aug 2024 £'000
General Funds	-	833	(709)	(124)	-	-
Rosalie Mary Forster Bursary Fund	92	4	(4)	-	1	93
Casterton School Scholarship Fund	5	-	-	-	-	5
Casterton Old Girls Association Scholarship and Prize Fund	53	2	(2)	-	-	53
Casterton Scholarship Fund	-	56	(56)	-	-	-
Collingwood and Baynes Foundation	-	9	(9)	-	-	-
	1	-	-	-	-	1
<b>School Funds</b>	<u>151</u>	<u>904</u>	<u>(780)</u>	<u>(124)</u>	<u>1</u>	<u>152</u>
Education Fund	314	17	(17)	-	3	317
Appeal Fund	248	13	(13)	-	2	250
<b>Consolidated Funds</b>	<u><u>713</u></u>	<u><u>934</u></u>	<u><u>(810)</u></u>	<u><u>(124)</u></u>	<u><u>6</u></u>	<u><u>719</u></u>

The Education Fund was set up to provide funds to assist the sons of Old Sedberghians (“OSs”) killed in the wars. It has since been widened to support primarily children of OSs without the means to attend Sedbergh, or indeed other pupils who are in need of financial support to attend the School.

The Appeal Fund was set up by the Governors in 1996 to fund various projects, including the raising of funds for Scholarships and Bursaries to pupils attending the School.

Casterton School restricted funds, including the Rosalie Mary Forster Bursary Fund, Casterton School Scholarship Fund and Casterton Old Girls Association, relate to funds transferred on the merger of Casterton and Sedbergh School. Charity Commission approval was obtained for these to be transferred from Casterton School to Sedbergh School. The Rosalie Mary Forster Bursary Fund remains a linked charity.

General funds are pooled grants, the majority of which are from Sedbergh School Foundation and the Michael Robertson Trust, relating to facility improvements or the betterment of education, including bursaries.

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)**

**31 August 2025**

**18c Unrestricted funds**

	Balance at 1 Sept 2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	Revaluation gains/(losses) £'000	Balance at 31 Aug 2025 £'000
Revaluation Reserve	4,426	-	-	-	550	4,976
Pension Reserve	-	4	-	-	(4)	-
General Funds	11,687	24,639	(24,343)	260	-	12,243
Bursary Fund – designated	545	27	-	(27)	-	545
Local Young People's Fund	16	9	(5)	-	(1)	19
Collingwood and Baynes Foundation	(20)	-	-	-	-	(20)
<b>School Funds</b>	<u>16,654</u>	<u>24,679</u>	<u>(24,348)</u>	<u>233</u>	<u>545</u>	<u>17,763</u>
Trading Company	525	1,981	(1,989)	-	-	517
<b>Consolidated Funds</b>	<u><u>17,179</u></u>	<u><u>26,660</u></u>	<u><u>(26,337)</u></u>	<u><u>233</u></u>	<u><u>545</u></u>	<u><u>18,280</u></u>

	Balance at 1 Sept 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Revaluation gains/(losses) £'000	Balance at 31 Aug 2024 £'000
Revaluation Reserve	4,426	-	-	-	-	4,426
Pension Reserve	-	4	-	-	(4)	-
General Funds	11,216	24,504	(24,251)	218	-	11,687
Bursary Fund – designated	612	27	-	(94)	-	545
Local Young People's Fund	19	3	(8)	-	2	16
Collingwood and Baynes Foundation	(20)	-	-	-	-	(20)
<b>School Funds</b>	<u>16,253</u>	<u>24,538</u>	<u>(24,259)</u>	<u>124</u>	<u>(2)</u>	<u>16,654</u>
Trading Company	318	1,839	(1,632)	-	-	525
<b>Consolidated Funds</b>	<u><u>16,571</u></u>	<u><u>26,377</u></u>	<u><u>(25,891)</u></u>	<u><u>124</u></u>	<u><u>(2)</u></u>	<u><u>17,179</u></u>

The Bursary Fund – designated, represents funds for Bursaries to pupils attending the School, not falling into the other funds.

Local Young Peoples' Fund is a fund to provide grants to local children pursuing educational goals.

The revaluation reserve was created when the School's residential property was revalued at market value. Any changes in valuation are credited/charged through the revaluation reserve.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2025**

**19 Related parties**

*a) Transactions with Governors*

Total expenses of £4,309 (2024: £6,831) were paid to 11 (2024: 11) Governors. These were in respect of travel and subsistence.

*b) Transactions with subsidiaries and associate*

Transactions with Sedbergh School Developments Limited (a 100% owned trading subsidiary of Sedbergh School) included expenditure of £0.829m (2024: £0.808m). As at 31 August 2025, Sedbergh School Developments Limited owed Sedbergh School £0.214m (2024: £0.259m). Amounts gift aided to Sedbergh School amounted to £0.027m (2024: £nil).

Transactions with Sedbergh School International Limited (a 100% owned trading subsidiary of Sedbergh School) included expenditure of £0.189m (2024: £0.178m). As at 31 August 2025, Sedbergh School International Limited owed Sedbergh School £0.025m (2024: £0.014m). Amounts gift aided to Sedbergh School amounted to £0.317m (2024: £0.179m).

Transactions with Sedbergh Hotel Enterprises Limited (an associate undertaking of Sedbergh School Developments Limited) included expenditure of £0.010m (2024: £0.004m). As at 31 August 2025 £nil (2024: £nil) was due between entities.

*c) Sedbergh School Foundation*

The purpose of the Foundation is to promote or improve the education given at Sedbergh School, or the facilities thereof, or the amenities thereof, or the well-being of the pupils educated there, in relation to their education either at the School or at some other place of education, after leaving the School. The Sedbergh School Foundation is deemed a related party as the Headmaster of the School is also a trustee of the Foundation and there are two other common trustees between the School and the Foundation.

The amount owed by Sedbergh School Foundation as at 31 August 2025 was £0.0148m (2024: £0.190m). Grants from the Foundation amounted to £0.866m (2024: £0.602m). Transactions with Sedbergh School Foundation included expenditure of £0.242m (2024: £0.196m).

The School has a lease agreement with the Foundation for the rental of Guldrey Lodge, at a current rate of £52,000 per annum. This has been charged to the Statement of Financial Activities during the year. The rent is reviewed annually in line with the specific terms of the lease agreement.

**20 Pension schemes**

**Teachers' Pension Scheme**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £0.190m (2024: £0.989m) and at the year-end £0.015m (2024: £0.018m) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report was published in October 2023. The Valuation Report shows notional assets of £222.2bn and liabilities of £262bn, resulting in a scheme deficit of £39.8bn.

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2025**

**20 Pension schemes (continued)**

The employer contribution rate for the TPS is 28.6%, and employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

During the previous financial year, the School opted for a phased withdrawal from the Teachers' Pension Scheme. This decision means that while no new employees will be able to join the scheme, existing members will continue to participate until they leave employment or choose to opt out. Those who previously opted out will not be able to rejoin the scheme under the phased withdrawal arrangement.

**The Group Self Invested Personal Pension (SIPP)**

In January 2024, the School opened a new self-invested personal pension scheme for its non-teaching staff. Employers' contributions are currently paid at a minimum rate of 5.05% of employee's salary. Following the phased withdrawal from TPS, the scheme was opened to teaching staff on 1 May 2024. Contributions by the School, including those made by salary sacrifice, to the scheme totalled £2.069m (2024: £0.613m) and the balance outstanding with the scheme was £0.159m (2024: £0.150m).

**Sedbergh School Pension Fund**

The School also operates a defined benefit scheme in the UK for certain (three) non-teaching staff. Since 31 August 1994, the scheme has been closed to new members and to future accrual. The last full actuarial valuation was carried out as at 31 August 2021. The scheme entered wind up on 17 November 2025. Due to the wind up, the scheme's investments were disinvested into cash. Subsequent to the year end, the three remaining members have taken cash equivalent transfer values from the scheme meaning that there are no remaining liabilities. The scheme wind up is expected to be completed within the next six months.

	<b>2025</b>	<b>2024</b>
	%	%
Rate of increase of pensions in payment	0.00	0.00
Discount rate	5.95	5.00
Inflation assumption RPI	0.00	3.25
Inflation assumption CPI	0.00	2.25

The mortality assumptions adopted at 31 August 2025, imply the following life expectancies:

	<b>2025</b>	<b>2024</b>
Expected age at death of current pensioner at age 65:		
Male aged 65 at year end	87.7	87.3
Female aged 65 at year end	89.8	89.7
Expected age at death of future pensioner at age 65:		
Male aged 45 at year end	89.3	88.9
Female aged 45 at year end	91.2	91.0

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2025**

**20 Pension schemes (continued)**

Analysis of amount debited/(credited) to the Statement of Financial Activities:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Net interest credit	(4)	(4)
	(4)	(4)
<b>Remeasurements of the net asset</b>		
Return of fund assets (excluding amount included in net interest)	31	(5)
Actuarial losses /(gains)	(22)	5
	9	-
Charge recorded through other comprehensive income	9	-
	5	(4)
Total defined benefit cost/(credit)	5	(4)

Cumulative actuarial losses amounted to £nil at 31 August 2025 (2024: £nil).

Changes in the fair value of plan assets and changes in present value of defined benefit obligation:

	<b>2025</b>	<b>2025</b>	<b>2025</b>
	<b>Assets</b>	<b>Liabilities</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fair value of scheme assets/present value of (liabilities) at beginning of period	239	(157)	82
Contributions by employer	-	-	-
Benefits paid	-	-	-
Interest income/(cost)	12	(8)	4
Return on scheme assets (excluding amount included in net interest expense)	(31)	-	(31)
Actuarial gains	-	22	22
	220	(143)	77
Fair value of scheme assets/present value of (liabilities) at end of period	220	(143)	77
Surplus on scheme not recognised	(77)	-	(77)
	143	(143)	-

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2025**

**20 Pension schemes (continued)**

Changes in the fair value of plan assets and changes in present value of defined benefit obligation:

	<b>2024</b>	<b>2024</b>	<b>2024</b>
	<b>Assets</b>	<b>Liabilities</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fair value of scheme assets/present value of (liabilities) at beginning of period	222	(144)	78
Contributions by employer	-	-	-
Benefits paid	-	-	-
Interest income/(cost)	12	(8)	4
Return on scheme assets (excluding amount included in net interest expense)	5	-	5
Actuarial gains	-	(5)	(5)
	<hr/>	<hr/>	<hr/>
Fair value of scheme assets/present value of (liabilities) at end of period	239	(157)	82
Surplus on scheme not recognised	(82)	-	(82)
	<hr/>	<hr/>	<hr/>
	157	(157)	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**The return on plan assets was:**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Interest income	12	12
Return on plan assets (excluding amount included in net interest expense)	(31)	5
	<hr/>	<hr/>
Total return on plan assets	(19)	17
	<hr/> <hr/>	<hr/> <hr/>

The fair values of assets of the scheme were:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Corporates	-	46
Gilts	-	193
Cash	220	-
	<hr/>	<hr/>
Total market value of assets	220	239
	<hr/> <hr/>	<hr/> <hr/>

The Fund has no investments in the School or in property occupied by the School.

Contributions of £nil are expected for the year to 31 August 2025 (2024: £nil).

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2025**

**21 Capital commitments**

At 31 August 2025 the School had capital commitments of £0.129m (2024: £0.157m).

**22 Commitments under operating leases**

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

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Amounts due:		
Within one year	106	58
Between one and five years	265	103
	<u>371</u>	<u>161</u>
	<u><u>371</u></u>	<u><u>161</u></u>

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)**

**31 August 2025**

**24 Comparative Statement of Financial Activities**

	Note	Unrestricted £'000	Restricted £'000	Endowed £'000	Total 2024 £'000
<b>Income from:</b>					
Charitable activities:					
- School fee income	2	22,799	-	-	22,799
- Other educational income	3	687	-	-	687
- Other ancillary income	3	160	-	-	160
Other trading activities:					
- Trading income	4	1,839	-	-	1,839
Investment income	5	285	102	-	387
Donations, legacies & grants	6	200	832	-	1,032
Other income:					
- Sundry income		50	-	-	50
- Loss on sale of fixed assets		(4)	-	-	(4)
<b>Total Income</b>		26,016	934	-	26,950
<b>Expenditure on:</b>					
Charitable activities					
		23,516	810	-	24,326
Raising funds:					
- Trading costs		1,449	-	-	1,449
- Financing costs		565	-	-	565
<b>Total Expenditure</b>	8	25,530	810	-	26,340
<b>Net Income</b>		486	124	-	610
<b>Transfer Between Funds</b>		124	(124)	-	-
<b>Other Recognised Gains/(Losses)</b>					
Gains/(Losses) on investments	9	2	6	14	22
Actuarial losses on defined benefit pension scheme	20	(4)	-	-	(4)
<b>Net Movement in Funds</b>		608	6	14	628
<b>Total Funds Brought Forward</b>		16,571	713	1,779	19,063
<b>Total Funds Carried Forward</b>	18	17,179	719	1,793	19,691

**SEDBERGH SCHOOL**

England & Wales - Charity number 1080672

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# Accounts

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**SEDBERGH SCHOOL**

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**for the year ended 31 August 2024**

**Registered charity: 1080672**

**Company number: 03946280**



**S E D B E R G H  
S C H O O L**

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*Founded in 1525*

# SEDBERGH SCHOOL

## ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 August 2024

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# SEDBERGH SCHOOL

## CHAIRMAN'S STATEMENT for the year ended 31 August 2024

Independent schools have faced an increasingly challenging financial environment since the general election in July 2024, with the imposition of VAT on school fees, the removal of business rates exemption and the changes to National Insurance contributions, and the press has been full of speculation about the likely collapse of pupil numbers and the inevitable school mergers and closures.

Sedbergh response to these challenges has been fourfold:

- we have further strengthened our marketing and recruitment in core markets, to support and sustain pupil numbers in both Schools;
- we have had a relentless focus on efficiency and cost reduction, without compromising on the quality and value of a Sedbergh education;
- meanwhile we have continued to invest in our facilities on both our campuses and indeed our curriculum, to help sustain that quality and value, for example with the introduction of *9 Inspire*; and
- we have sought to cushion the impact of the VAT and other changes on our parents, by not passing on the full impact of these through fee increases, and by providing additional means-tested scholarship and bursary support to parents who might otherwise not be able to afford a Sedbergh education.

There are no quick fixes to such a significant raft of additional costs. But I am pleased to report that we have begun 2025/2026 with strong pupil numbers for both Schools, robust finances and ambitious plans, helped as always by strong support from Old Sedberghians and from past and current parents and staff through the Foundation, and also by the Michael Robertson Scholarship Fund.

2025 is a tremendously important year for Sedbergh School, marking the 500<sup>th</sup> anniversary of our foundation in 1525 by Roger Lupton, a local lad who went on to become chaplain to King Henry VII and to King Henry VIII, and Provost of Eton. We will celebrate this milestone and the history of our great School at events throughout the year together with senior representatives of our schools overseas. We have also launched an ambitious fundraising plan to support additional Roger Lupton scholarships and bursaries, and also for continued investment in our facilities and heritage assets.

The quincentenary celebrations will provide a fitting opportunity for me to thank all of our pupils and parents, the Senior Leadership Team, all our teachers and operational staff, and my Board of Governors, for all they do to make Sedbergh the great School that it is today.

Richard Gledhill  
Chairman  
Sedbergh School

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2024

The Board of Governors of Sedbergh School presents its Annual Report and Consolidated Financial Statements for the year ended 31 August 2024 and confirm that they comply with the requirements of the Companies Act 2006, the Charities Act 2022 and the Charities SORP (FRS 102) – Second Edition.

#### BACKGROUND TO SEDBERGH SCHOOL

Sedbergh School was founded in 1525 and received a Royal Charter from King Edward VI in 1551; it celebrates its quinqucentenary in 2025. The Senior School ('Senior School') is based in the market town of Sedbergh in the Yorkshire Dales, and the Preparatory School ('Prep School') and Mulberry Bush nursery ('the Mulberry Bush') are located nine miles away in the village of Casterton. The two Schools and the nursery (together 'the School') provide education to boys and girls between the ages of six months and 18 years.

The Senior School is predominantly boarding, with nine boarding houses. The Prep School has a mix of boarding and day pupils. Boarding houses are the heart of the School; they are the term-time home of our pupils and where they forge the closest friendships. The House system creates a smaller, tight-knit, cross-year community within the School where pupils are well supported by staff they know well. The sense of belonging inspires confidence, allows problems to be quickly resolved and develops strong social skills.

#### CHARITABLE OBJECTS

The object of the School is to advance education by carrying on in Great Britain a school or schools at which infants, children and pupils may obtain education and instruction in academic, sporting, musical, cultural, scientific, technical, vocational, social and commercial subjects, activities and crafts of every description.

#### OBJECTIVES AND ACTIVITIES

The mission of the School is:

*To nurture each Sedberghian so that they realise their full potential in a unique and rigorous environment of excellence, characterised by committed endeavour, moral purpose and integrity of contribution.*

In particular, the School aims to:

1. Identify and develop the potential of pupils in a variety of areas: academic, artistic, cultural, sporting, personal, social and spiritual; help them to obtain the best possible qualifications; and prepare them for the opportunities, responsibilities and experiences of life;
2. Provide a welcoming, friendly and supportive environment which recognises the worth of each individual;
3. Provide a fulfilling working environment for both teaching and support staff, and encourage their development;
4. Provide all of our pupils with the skills required to succeed in tomorrow's workplace, digitally confident in the rapidly changing world of technology;
5. Liaise closely with the parents of its pupils and encourage them to share in the life of the School and the house;
6. Work responsibly within its environment and community; and
7. Attract pupils from a wide range of social and financial backgrounds.

# SEDBERGH SCHOOL

## TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2024

Progress in delivering our aims is summarised in the following strategic report.

### STRATEGIC REPORT

#### Achievements and Performance

##### Senior School

The Senior School began the year with 590 pupils (2023: 581), its highest ever roll.

Excellent results in A levels and GCSEs were achieved, with an increased proportion of A\*-A/Di\*-Di grades awarded (34.5% compared to 30.3% in 2023). The average value-added score was its highest since 2019 (discounting teacher assessed grades) at +0.6, with many BTEC candidates achieving excellent VA scores. Amongst the results were some outstanding individual and departmental performances, including two pupils achieving three A\* grades, and one three Di\* grades at BTEC.

All pupils who wished to go to a UK university did so, with 81% securing their first choice. Five pupils secured places at international universities, including for the first time The Julliard School and Princeton. Two highly prestigious degree apprenticeships were secured.

The performance of year 11 in the examination hall was equally pleasing, with an increase in the number of grade 9s awarded (8.5% of the total grades), and an increase in passes of grade 4 and above. Again, value added scores were excellent, including for pupils with SEN statements, and for those for whom English is not their first language. Nine pupils achieved an average grade of 8.0 or higher per subject.

## SEDBERGH VALUES



The introduction of the Sedbergh values expressed in HARK in 2022 has been further developed with the roll out of the complete 'Front Four' pastoral provision: Spirit (counter-bullying and well-being), Compass (PSHE/RSE), Pathways (careers) and Service (community service and giving back). This bespoke programme of pastoral care of Sedberghians delivers an authentic, holistic education for pupils nurturing their social development, emotional wellbeing and mental health, and laying the foundations for a future in which they can thrive and be happy.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2024

Maximising pupil participation in all areas of School life is a key element of life at Sedbergh, and the breadth of opportunities provided offers something for every pupil to enjoy beyond the classroom. Year 9 pupils undertake the John Muir Award in their first term, gaining outdoor skills and experience, and year 10 have a programme of adventurous activities in the Summer Term. This leads to participation in the Duke of Edinburgh Award Scheme, at Silver level for years 10 and 11, with twenty one pupils gaining this award, and Gold for sixth form pupils, with five pupils being invited to Buckingham Palace or Holyrood Palace to receive their Gold awards. The School is able to take full advantage of its unique setting between the national parks of the Yorkshire Dales and Lake District for expeditions and activities.

Fifteen academic societies offer a variety of opportunities for academic enrichment outside the classroom, from debating to astronomy. The *Pathways* careers fair and lecture series showed pupils the range of post-School opportunities, and the *9 Inspire* curriculum was developed for launch in Michaelmas Term 2024, providing year 9 pupils with an exciting, integrated, market-leading curriculum.

The breadth of sport on offer is designed to ensure all pupils can participate at an appropriate level. A structured games programme is provided five days a week, with a competitive fixture list in many sports. The year saw regional and national successes in hockey, netball, rugby, rugby sevens, fell and cross country running, athletics, equestrian, target shooting, swimming, sailing and cricket, including a year 13 pupil playing senior level cricket with England Women. Pupils from Senior and Prep Schools participated in the World Schools Swimming Games and a year 11 pupil was a member of the GB Para swimming squad. The sports provision was enhanced with the opening of a floodlit double astro hockey pitch alongside the Hirst Centre in summer 2023, creating a sports "hub" in this location. The School was a finalist in the Independent School of the Year for Sporting Achievement.

The programme of performing arts saw many pupils involved in concerts, plays and events. From the *Jazz & Swing Evening* to *A Ceremony of Carols*, the musicians were busy through the year. A poignant performance of Faure's *Requiem* has become a Remembrance Sunday tradition at Sedbergh. The Chapel Choir was awarded second place in the Barnardo's National Choir Competition (the highest placed mixed choir), and a production of *Grease* played to full audiences at the Brewery Arts Centre, Kendal.

Pupils enjoyed a number of trips and tours away from Sedbergh, including the year 11 Battlefields trip, and the CCF four day residential at the Britannia Royal Navy College in Dartmouth.

#### **Preparatory School**

The Prep School also began the year with a record roll of 200 pupils (2023: 198), including a large proportion of new starters (52).

The Prep School is a busy School with a plethora of opportunities for pupils both in and out of the classroom. Performing arts provides all pupils with a chance to be on the stage, from exeat and holiday concerts to productions including the annual nativity for pre-prep children, a year 3-5 production of *Oliver*, and a year 6/7 performance of the musical *We will Rock You*. Over half the children in the School take instrumental music lessons, and many receive LAMDA training.

A number of academic initiatives were introduced during the year, including a new system for prep which has been well received by staff, pupils and parents. Curriculum statements with action plans have been devised for each department, providing a progressive curriculum map. The outdoor classroom is well used by all year groups and subject areas.

Sporting opportunities are many and varied, from cross-country running to team sports and equestrian activities, making full use of the excellent facilities on the Casterton campus. Pupils from years 7 and 8 enjoyed a sports tour to Edinburgh with rugby, hockey and netball fixtures.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2024



The Prep School's *Ways of the Wolf* describe the core values that shape the behaviour of pupils and staff: ambition, collaboration, courage, creativity, kindness and responsibility. Pupils in all years were encouraged to think of others with a series of charity events throughout the year, and year 8 participated in the first 'giving back day' in Summer Term.

#### **The Mulberry Bush**

The Mulberry Bush Nursery at Casterton continued to provide first class nursery care and education to children aged six months and above. The Nursery is near capacity, with 60 children on its roll, and is thriving.

#### **Inspections**

An OFSTED inspection of the Mulberry Bush Nursery took place in Lent Term, resulting in a 'good' rating. The inspectors recognised the positive, warm and loving atmosphere of the nursery, the strong relationships between staff and children, and the good progress made by the children. The limited number of recommendations set out in the inspection report have now been implemented.

### **PUBLIC BENEFIT ACTIVITIES AND COMMUNITY SUPPORT**

#### **Community support**

For several years both staff and pupils have supported a wide range of community initiatives in Sedbergh, most recently through the *Sedbergh Gives Back* programme; giving back is an important feature of life at Sedbergh School. From regular Thursday afternoon voluntary service sessions in local charity shops, primary schools, food banks and conservation programmes to the whole-day *Sedbergh Gives Back* house projects at the end of Michaelmas Term and the projects of Challenge Week, pupils learn the importance of helping others.

#### **Public benefit**

The School has an excellent record of facilitating access for children from a wide range of social and financial backgrounds, including the most disadvantaged, to provide them with the opportunity to benefit from the full breadth of a Sedbergh education with appropriate bursary and scholarship assistance, provided they meet the School's minimum entry requirements.

Parents who meet the relevant criteria are supported with means tested bursary awards within the funds available. Bursary awards are made on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk. In assessing means, a number of factors are taken into consideration including family income and assets, together with family circumstances, as the School seeks to ensure opportunities are given to pupils across the full spectrum of affordability and social background. Means tested support is reviewed on a periodic basis to identify any significant change in financial circumstance.

Governors review both School policy and actual awards. The policy, which fits within the framework of what the School can sensibly afford, is designed to provide the widest possible access including to those who fall within the definition of low income households.

The Michael Robertson Scholarship Fund, a separate charity which does not form part of the School group, has continued to provide income to support bursary awards, which totalled £0.173m in the year (2023: £0.226m). The Governors recognise this significant contribution and express their gratitude to the Robertson family and appreciation for the work of the Trustees in generating income for the School.

The Roger Lupton Scholarship scheme, funded by the Sedbergh School Foundation, provides funding opportunities to children whose families otherwise could not consider a school such as Sedbergh. During the year there were nine

# SEDBERGH SCHOOL

## TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2024

(2023: six) Roger Lupton Scholars in the School receiving support from the Foundation including three Ukrainian pupils.

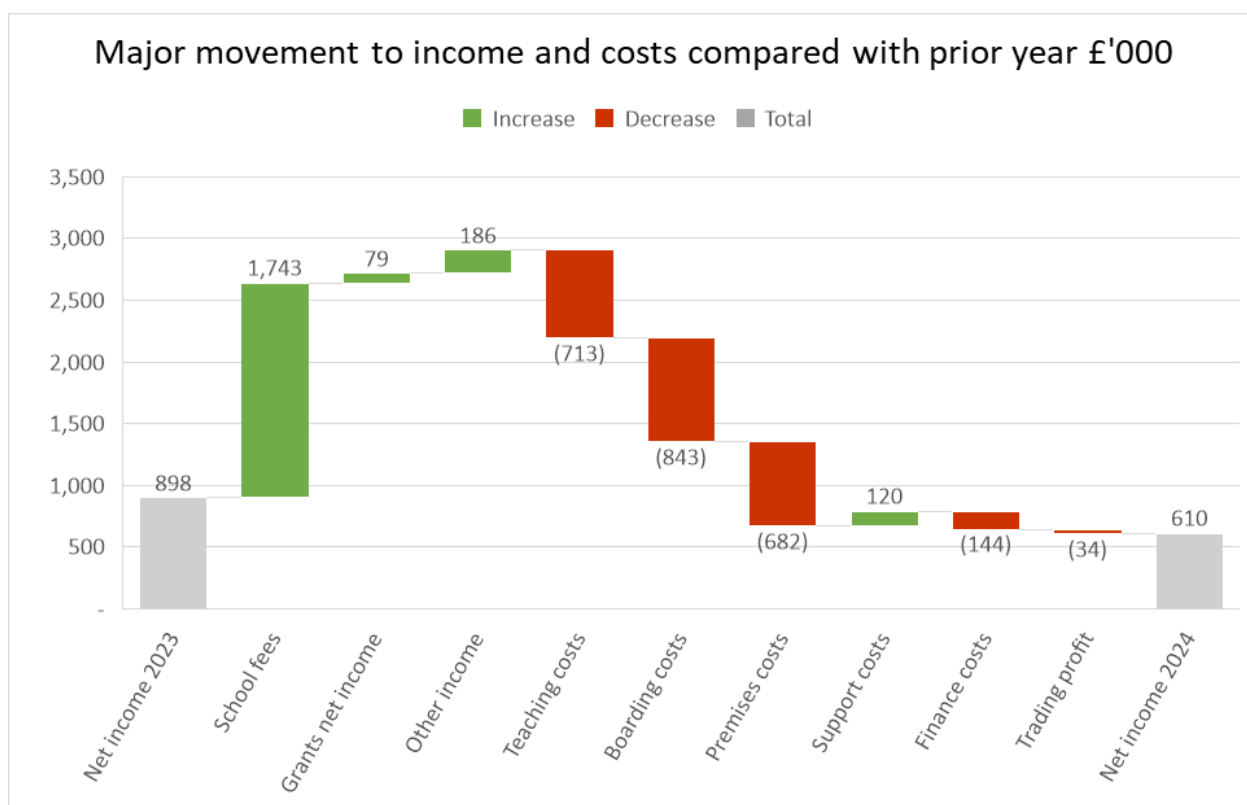
In addition the School has extended its scholarship scheme to provide free places to a number of pupils from a years 7-11 state school in Sedbergh, Settlebeck School, to attend Sedbergh for sixth form; there are now five such scholars in the School. Sedbergh School Foundation funded three such places to the value of £0.092m. Funding under these scholarship schemes by the Foundation amounted to £0.376m (2023: £0.242m).

Including Michael Robertson Scholarship Fund and Sedbergh School Foundation funding, this year the School provided bursary support to 134 pupils amounting to £1.860m (2023: £1.545m) which equates to 6.6% of gross fee income.

### Equal opportunities

The School is committed to the provision of equal opportunities and an environment that is free of any form of discrimination. Reasonable adjustments are made to meet the needs of pupils and staff who are, or become, disabled.

### FINANCIAL REVIEW



Total income received during the year amounted to £26.950m (2023: £25.449m). The majority of the Group's income is derived from School fee income which saw a growth of 8% and amounted to £22.799m (2023: £21.056m). This growth was predominately a result of fee increases in line with the increase in costs due to inflationary pressures.

Donations amounted to £1.032m (2023: £1.199m). This comprised donations towards bursaries, together with significant donations from the Sedbergh School Foundation towards major projects, including the replacement of a significant number of windows in three senior boarding houses and phase 1 of an extensive Wi-Fi and digital transformation project impacting several boarding houses and the majority of classrooms at the Senior School. An extremely generous donation to the School of a property was received, for which the Governors are very grateful.

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## TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2024

The category '*other income*' includes other educational income, ancillary income and investment income. Other educational income and ancillary income combined were broadly in line with the prior year. Investment income was higher than the previous year at £0.387m (2023: £0.233m) due to the increase in cash deposits and higher rates of interest available for those higher deposits.

Expenditure on charitable activities increased by 8% to £24.326m (2023: £22.454m). Management and administration costs fell by 3% but significant inflationary pressure and increased staffing costs led to a 19% increase in boarding costs, a 9% increase in teaching costs and a 13% increase in premises costs.

Finance costs increased to £0.565m (2023: £0.421m) due to the higher bank base rate.

Trading income fell to £1.839m (2023: £2.100m) although the short courses did well with similar numbers attending a variety of courses during the School holidays. The International Summer School bookings were affected by a recession in Europe leading to a fall in income. Trading costs reduced to £1.449m (2023: £1.676m) as a result of the fall in activity thereby minimising the impact on the profitability of the trading activities.

During the financial year, the School opted for a phased withdrawal from the Teachers' Pension Scheme. The School engaged in consultation with staff regarding the phased withdrawal. Comprehensive communication was provided to all affected employees to ensure they were fully informed about the changes and their implications. The phased withdrawal from the Teachers' Pension Scheme complies with all relevant pension and employment legislation. The Teachers' Pension Scheme has been replaced with an appropriate defined contribution scheme. School remains committed to providing fair and compliant pension arrangements for all employees.

### Key financial performance indicators

Key financial performance indicators used by the School include the following:

	<u>2024</u>	<u>2023</u>
Pupil numbers (adjusted on a full time equivalent basis)	787	785
Teaching staff costs as % of net fees	34.9%	34.8%
Premises and boarding costs as % of net fees	48.8%	45.6%

Non-financial performance indicators include exam results as set out under the Achievement and Performance section of this report.

### Financial position

The overall operating result for the year was net income of £0.610m (2023: £0.898m). Adding back the gain on investments relating to the Group's funds under management of £0.022m (2023: loss £0.138m) and deducting the actuarial losses on the non-teaching defined benefit pension scheme arising from the FRS 102 revaluation of £0.004m (2023: £0.004m) produces a total net increase in the Group's funds of £0.628m (2023: £0.756m).

The Group's operating activities generated positive cash flow of £10.527m (2023: £2.181m). The increase in cash generation was predominantly due to significant sums being received under the fee prepayment scheme. Investment activities included the purchase of tangible assets of £1.850m (2023: £3.464m) and the investment of prepaid fees. The repayment of existing loans totalled £0.351m (2023: £0.453m), and interest payments amounted to £0.549m (2023: £0.411m). The overall cash position therefore increased by £1.874m.

### Going concern

The Governors do not consider there to be any material uncertainty about the School's ability to continue as a going concern, as set out in the accounting policies. Risks have been identified as a result of the implementation of VAT on school fees, the loss of business rate relief and the increase in employer National Insurance rates, all of which are built into the financial modelling for future years. Having reviewed the funding facilities available to the School together with the expected future cash flows, the Governors have a reasonable expectation that the School has

# SEDBERGH SCHOOL

## TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2024

adequate resources to continue its activities for the foreseeable future. Scenario analysis has been conducted to model potential outcomes associated with other risk factors, such as a loss in pupil numbers and in each scenario the business is considered a going concern. Accordingly, the School has continued to adopt the going concern basis in preparing the financial statements.

Net current liabilities increased to £9.566m (2023: £3.125m) following additional funds received relating to the fee prepayment scheme. These funds have correspondingly been invested into short and long term treasury deposits and therefore the level of fixed asset investments has increased to £9.855m (2023: £3.767m) of which £7.781m (2023: £1.714m) relates to unrestricted investments. Included within investments are balances of £2.950m (2023: nil) relating to cash investments that could be withdrawn within 95 days.

### STRATEGIC PLAN 2024-2029

The School's five year Strategic Plan is reviewed annually. The key objectives of the Plan are summarised below, together with a summary of progress during the year and future plans.

<ul style="list-style-type: none"><li>• <b>Employability and education for the future</b></li></ul>	
<b>To deliver a programme of study which will equip pupils to use technology safely and creatively, and to solve problems in such a way as to enhance their employment prospects. We will also deliver new curriculum development in both Schools.</b>	<p>In the Senior School the review of the curriculum will see further development of Global Perspectives, Information Technology and Computer Science, in parallel with planned developments in the School's facilities. This review also includes the provision of Information Technology within the whole School curriculum and digital technology in teaching practice.</p> <p>Pupils have gone on to study at a range of top university destinations in the UK and overseas, including Durham, Edinburgh, Lancaster, Newcastle, Cardiff and Leeds. Some pupils also chose to enter employment or seek an apprenticeship opportunity in a specific field.</p>
<ul style="list-style-type: none"><li>• <b>Manage actively the wellbeing and mental health of pupils and staff</b></li></ul>	
<b>To ensure there is an ethos and environment which takes the mental health of pupils and staff seriously, and in which it is managed and monitored actively with staff and pupils being developed and supported, alongside developing the teaching of PSHE and RSE by tutors. Pupil and staff well-being will continue to be actively promoted and ill-health managed swiftly and appropriately to make the School an attractive place to live, work and learn.</b>	<p>A range of initiatives are employed across both Schools to raise awareness and build resilience in our pupils including mental health awareness, mindfulness, wellbeing, prevention and reporting of bullying, online safety and extensive use of confidential surveys within the pupil body. At the Senior School these have been developed into the 'Front Four' programme which was introduced in Michaelmas Term 2023.</p> <p>The School Counsellor continues to be an integral part of the School's pastoral provision.</p> <p>Safeguarding policy and practice remains at the forefront of staff and Governor training, with regular assessment and review at all levels of daily operations. This training includes all staff, including those working within the trading subsidiaries.</p> <p>Staff welfare remains paramount and work has commenced on a full review of systems and practice to support wellbeing in the workplace; the staff intranet includes access to counselling services and a suite of confidential health and wellbeing support services.</p>

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2024

<ul style="list-style-type: none"><li>• <b>Sustainability</b></li></ul>	
<p><b>To review every aspect of our operations to ensure that we operate on a sustainable basis including delivering target reductions in energy consumption and carbon emissions. Pupils will be involved in a range of initiatives to deepen their understanding of climate change and other environmental issues.</b></p>	<p>The School continues to invest in energy reduction measures as part of a longer term refurbishment of both campuses. During the year, the School installed 141 windows with double glazed units. A rolling programme of future works over the next five years has been developed.</p> <p>Ambitious targets to further reduce the School's carbon footprint are being finalised as part of a broader range of sustainability and corporate social responsibility objectives.</p> <p>Pupils are engaged in a range of initiatives to raise awareness and involvement in all aspects of sustainability and care for the environment.</p>
<ul style="list-style-type: none"><li>• <b>Development of land and assets</b></li></ul>	
<p><b>To progress plans for a new teaching facility to support further curriculum development in information technology; to modernise elements of the boarding house accommodation and to develop additional sports facilities.</b></p>	<p>Plans are well advanced for a new Technology Centre in the Senior School, aligned to the new curriculum development programme. Enabling works continued during the year.</p> <p>The ongoing refurbishment of the boarding houses and School buildings on the Sedbergh campus includes redecoration, replacement of carpets and furniture and energy efficiency measures as detailed elsewhere in this report.</p> <p>Investment into the Wi-Fi provision for seven boarding houses was made during the year which will significantly benefit pupils once fully commissioned.</p>
<ul style="list-style-type: none"><li>• <b>Overseas schools expansion</b></li></ul>	
<p><b>To support the development and academic success of Sedbergh School Fuzhou and open additional overseas schools under licensing and service agreements.</b></p>	<p>Sedbergh School Fuzhou, owned by the Rong Qiao Group, opened in September 2018 with 116 pupils, world-class facilities and a strong and experienced leadership team offering a blended British curriculum and compulsory Chinese curriculum in a bilingual school. The pupil roll in September 2024 is now 565 pupils. Sedbergh School International Limited continues to benefit from an outstanding investor partner in the Rong Qiao Group based in Fujian province.</p> <p>Sedbergh Vietnam, owned by EQuest Education Group, opened in Ho Chi Minh in September 2023; its roll exceeds expectations at 1350 in September 2024.</p> <p>Sedbergh School International Limited continues to explore opportunities for further schools in selected countries overseas, seeking additional investor partners and local operators to provide a unique Sedbergh education internationally.</p>

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2024

<ul style="list-style-type: none"><li>• <b>Non-fee based revenue generation</b></li></ul>	<p>Sedbergh School Developments Limited once again delivered a large programme of short courses in the Easter and summer holidays in 2024 for children from 6 to 16 years of age, as well as providing training webinars and outreach activity with schools and clubs. Over 2,500 children attended a SSDL training event across the UK. The unique coaching philosophy developed has been offered at courses and events in the north of England and overseas in the UAE and Europe.</p> <p>The International Summer School bookings were affected by the recession in Europe. The 2025 programme has been enhanced and strategies employed to recover booking numbers.</p>
<ul style="list-style-type: none"><li>• <b>Financial security, including fundraising</b></li></ul>	<p>The School monitors financial progress across both Schools and its commercial subsidiaries against a detailed five year rolling financial plan to deliver our long-term financial goals which include:</p> <ul style="list-style-type: none"><li>• generating additional liquid reserves</li><li>• funding future capital expenditure including new facilities, energy reduction measures and major renovation works</li><li>• strengthening our competitive position in our UK and global markets.</li></ul> <p>Financial performance against defined milestones is subject to termly review by the Executive Committee and Board of Governors.</p> <p>Dynamic risk assessment measures are in place for each operational unit including the commercial subsidiaries, and strategic risks are considered and reviewed by the Senior Leadership Team on a monthly basis and by the Board of Governors on a termly basis.</p> <p>The School had developed detailed plans to address the implications of VAT on school fees from January 2025, as well as the loss of business rates relief and increased employer NI contribution in April 2025.</p> <p>Our fundraising activities are carried out through the Sedbergh School Foundation, which has continued to provide support via the Roger Lupton and Settlebeck Scholarship schemes throughout the School.</p> <p>The Foundation has an ambitious fundraising plan to support the development of both Schools as part of the quinqucentenary celebrations in 2025. Quinqucentenary restricted reserves and unrestricted reserves held as at 31<sup>st</sup> August 2024 amount to £6.872m.</p> <p>The strategic management of the Foundation and OS Club falls to the Headmaster, whilst retaining their independent trustee structures. The School is able to provide significant administrative and finance management support to both organisations enabling them to focus effectively on their clearly defined alumni functions.</p>

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2024

#### RISK MANAGEMENT

The School maintains an up-to-date Strategic Risk Register which identifies the most significant risks to ongoing operations of the School and to the delivery of its strategic objectives. The register details the appropriate risk mitigation measures and is reviewed on a regular basis by the Senior Leadership Team and on a termly basis by the Governors. Underneath this sits an Operational Risk Register, which is also reviewed regularly by the Senior Management Team. Governors have also reviewed the School's insurance cover to ensure that it is adequate.

The principal risks to the School and the School's approach to mitigate the risk are as follows:

Category	Risk	Principal mitigating actions
<b>Financial and Economic</b>	<p>A failure to generate sufficient cash flow to meet strategic objectives and minimum cash generation requirements.</p> <p>Loss of pupil roll due to the imposition of VAT on school fees from January 2025.</p>	<ul style="list-style-type: none"> <li>– Strict budgetary control of operational and capital expenditure</li> <li>– Regular cashflow forecasting and reserves</li> <li>– Revised global marketing strategy</li> <li>– Five year capex programme review</li> <li>– Critical review of all cost centres and identification of potential revenue streams</li> <li>– Detailed contingency planning</li> <li>– Provision of additional means tested bursaries for families in need funded by the Foundation, thus supporting pupil retention</li> </ul>
<b>Staff</b>	<p>Inability to recruit and retain high calibre teaching staff.</p> <p>Inability to recruit operational staff, impacting on operational support provision.</p> <p>Strategic leadership and senior management changes of personnel.</p>	<ul style="list-style-type: none"> <li>– A new competitive salary scale and allowance package for teaching staff was introduced in May 2024</li> <li>– Implementation of a revised strategy for support staff recruitment</li> <li>– Well-planned handovers for executive and senior management positions</li> </ul>
<b>Reputation</b>	<p>Reputational damage as a result of an adverse incident at the School or in a subsidiary.</p>	<ul style="list-style-type: none"> <li>– Staff training and pupil education.</li> <li>– Strict adherence to Safeguarding and Health &amp; Safety and other policies</li> <li>– Development and testing of the major incident plan</li> </ul>
<b>Political</b>	<p>Political, taxation and regulatory changes (such as loss of charitable status, levy changes, changes in overseas pupil visas).</p>	<ul style="list-style-type: none"> <li>– Regular review of forecasts with sensitivity analysis</li> <li>– Legal/financial advice</li> <li>– Advice from sector bodies eg ISC and ISBA</li> <li>– Contingency plans</li> </ul>
<b>External event eg pandemic</b>	<p>Impact in the School and threat to the local community.</p>	<ul style="list-style-type: none"> <li>– Major incident planning</li> <li>– Review of policies and procedures</li> </ul>

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2024

Category	Risk	Principal mitigating actions
	Inability to provide all aspects of the Sedbergh education on either campus, resulting in loss of revenue.  Additional costs arising from the event.	<ul style="list-style-type: none"><li>– Remote learning plans and staff training</li><li>– Cost contingency plans</li><li>– Bio security measures</li></ul>

The School subsidiaries hold their own registers of strategic and operational risks which are in a consistent format to that of the School and are reviewed by their respective boards on a regular basis.

#### POLICIES

##### Principal sources of funding

The principal sources of funding for the School are fees, commercial income generated by the subsidiaries, and bank finance including medium term bank borrowings and a bank overdraft facility. In addition, the School receives support for bursaries and capital programmes from the Foundation and other charities and donors.

##### Reserves

The Group policy is to invest retained surpluses to support the development of the School, while ensuring that sufficient reserves are held to meet any contingencies as they arise.

According to the Charities' SORP definition, free reserves should exclude endowment and restricted funds and funds which can only be realised by disposing of fixed assets held for School use. On this narrow basis, the Group has no free reserves but the Governors are satisfied with the position, given the unrestricted cash and unrestricted investments available which at the end of the financial period amounted to £11.993m (2023: £4.045m) alongside the overdraft facility of £1.000m. In addition, the School benefits from a portfolio of residential property totalling £6.156m (2023: £6.156m).

The Governors continue to monitor cash, investments and reserves closely to ensure that sufficient reserves are available to meet potential threats to future income, in particular from a deterioration in the economic climate. Subject to this, it is the intention of the Board to continue to reinvest operational surpluses generated into School improvements.

Total funds of the Group are £19.691m (2023: £19.063m), which comprise: endowment funds £1.793m (2023: £1.779m), restricted funds £0.719m (2023: £0.713m) and general funds of £17.179m (2023: £16.571m).

##### Investments

During the year the Group's funds under management were disinvested and placed in fixed rate cash deposits. A further £6.500m has been placed in cash deposits during the year, in a range of longer term fixed rate deposits and shorter term notice accounts with rates linked to the Bank of England base rate. The Group has an underlying investment strategy of long term capital preservation with the objective of delivering positive absolute returns with low volatility in capital values. The Group investment policy is approved by the Governors and monitored by the Investments Sub-Committee.

##### Public benefit

In setting objectives for means tested bursaries, community engagement and social inclusion, the Governors have had regard to the Charity Commission's guidance on public benefit. Further information can be found on page 5 of the Trustees' Report.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2024

#### Disabled persons

The School is committed to providing an environment which values and includes all pupils, staff and parents regardless of their educational, physical, sensory, social, spiritual, emotional and cultural needs. It seeks to challenge attitudes about disability and accessibility, and to develop a culture of awareness, tolerance and inclusion. The Group complies with all relevant legislation relating to disabled persons.

The School's policy requires that disabled job applicants would not be rejected for a reason which relates to their disability; job specifications are always used and selection criteria monitored to ensure that discrimination does not unwittingly occur; and recruitment and selection procedures are adapted where possible to ensure that they do not disadvantage disabled job applicants.

The School takes steps to try to enable an employee who becomes disabled to remain in employment. In consultation with the employee, adjustments to facilitate their retention will be considered. Employees with disabilities are provided with opportunities to develop full and rewarding careers on an equivalent basis to other employees.

The Accessibility Plans for both campuses illustrate how the School plans over time to further increase accessibility for pupils, staff and visitors who have disabilities. The School aims to make reasonable adjustments to allow disabled pupils to access the education available, bearing in mind the historic nature of its buildings and widespread campuses. These Plans are reviewed every twelve months.

#### ENVIRONMENTAL AND SUSTAINABILITY

The School recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused.

The School has followed the 2019 HM Government Environmental Reporting Guidelines. In addition, the School used the GHG Reporting Protocol – Corporate Standard and the 2020 UK Government's Conversion Factors for Company Reporting.

The School commissioned an ESOS compliant intermediate energy audit and report carried out by Arup during 2022/23. The report made recommendations for phased reductions in energy consumption by 2040 through the following measures: monitoring use, fabric upgrades, system optimisation, system intervention, and the introduction of renewable sources of energy.

#### Summary of data for the year

All figures have been quoted in terms of carbon dioxide equivalent which signifies the amount of CO<sub>2</sub> which would have the equivalent global warming impact. CO<sub>2</sub>e per pupil is the recommended ratio for the sector.

	2024		2023	
	kWh	Metric tonnes CO <sub>2</sub> e	kWh	Metric tonnes CO <sub>2</sub> e
<b>Scope 1</b>				
Gas Consumption	8,844,898	1,617,732	8,785,177	1,603,646
Transport	386,507	109,477	393,065	97,924
<b>Scope 2</b>				
Electricity Consumption	1,949,365	403,616	1,970,304	381,017
<b>TOTAL</b>	<b>11,180,770</b>	<b>2,130,825</b>	<b>11,148,546</b>	<b>2,082,587</b>
<b>Intensity ratio CO<sub>2</sub>e per pupil</b>		<b>2,708</b>		<b>2,653</b>

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2024

The results for 2024 reflect similar levels of energy consumption to 2023, with both winters being statistically similar. However, there was an increase in gas consumption despite the replacement of boilers with more efficient models, in the main due to weather patterns changing, with the damp winter 2023/24 continuing through into April and May. The marginal decrease in electricity consumption will further decrease as a result of further energy saving measures that have been implemented.

#### Improvements in energy efficiency

During the year the programme to improve energy efficiency continued. The achievements included:

- rationalisation of heating provision in the Design & Technology building by boiler replacement at £0.068m;
- £0.016m modifying heating circuits and introducing zone control in the main School building at Casterton;
- boilers were renewed in smaller buildings;
- investment of £0.180m to replace windows with uPVC double-glazed units to significantly reduce heat loss in three senior boarding houses;

The School continues to work on improvements in energy efficiency, in line with its Strategic Plan. Plans for the year ahead include;

- the continued replacement of the heating systems in Senior School boarding houses and a similar sized major building;
- the continued programme of replacement of windows with uPVC double-glazed units;
- the introduction of new and upgrades to existing boiler control systems for all buildings with significant gas usage and an investment of £0.100m in building management systems in five boarding houses and a swimming pool to be able to reduce energy consumption;
- Smart energy monitoring systems for gas and electricity covering fourteen large buildings across both School sites linked to a central web-based dashboard;
- the continued education and action on recycling and energy use in office and classrooms environments;
- the continued insulation upgrade to properties as necessary including continued extensive investment in double glazing in older buildings;
- the appraisal of renewable energy options and future purchasing strategy to progress toward net zero;
- the evaluation of sustainable travel including sports travel, off-site activities, business travel, staff travel to work and pupil transport to School.

The School has completed the main requirements of ESOS phase 3 and will submit the final part as an action plan by the end of February 2025. The School will adhere to the updated regulatory requirements of ESOS phase 4, including;

- reporting total energy consumption, including transport mileage, annually;
- developing plans to align energy audits more closely with net zero targets and carbon reduction;
- appointing a lead assessor;
- making a mandatory net zero assessment;
- aiming for a reporting deadline at the end of 2027.

#### Other sustainability measures

The School is developing a full sustainability plan which in addition to operational energy, carbon footprint and sustainable travel includes the following subjects:

- education and integration of sustainability into School daily life – a long term campaign to influence both staff and pupils with the inclusion of sustainability in the curriculum;
- water use – fast identification and resolution of leaking pipes and taps; reducing boarding house use by pupils;

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2024

- waste management including improved recycling, waste reduction, food waste bio-digestion and waste oil from kitchens sent to be made into bio-fuel;
- sustainable construction and refurbishment;
- sustainable procurement – through engagement with suppliers to assess their own commitment to sustainability;
- sustainable catering – reduction in fuel use through digital catering, food miles, locally produced produce, sustainable meat and fish products, reduction in food waste, and the elimination of the use of disposable plastics; and reduction in the number of kitchens by centralising production between pairs of boarding houses;
- biodiversity on campus – an intrinsic part of the estate management with maturing woodland planted over the last twenty years and a further 200 trees planted at Casterton.

#### STATEMENT OF COMPLIANCE

The Governors have complied with their duty in regard to the matters in section 172 (1) (a)-(f) of the Companies Act 2006 ('the Act').

The Governors confirm that they have acted in the way they consider, in good faith, would be most likely to promote the success of the School and for the benefit of its members as a whole, and in doing so have had regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the School's employees;
- the need to foster the School's business relationships;
- the impact of the School's operations on the community and the environment;
- the desirability of the School maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the School.

#### Relationships

The School recognises the importance of our stakeholders to the future of the School, including our pupils and their families, employees, suppliers, the Government and our strategic partners. Our approach to all these parties is founded on the principle of proactive and systematic communication based upon an open and honest dialogue and a clear appreciation of needs and objectives.

Relationships with parents are managed on an individual basis, through those in close contact with them through the education journey, as well as key communication forums and interaction with staff on the School site and at events. Parents are engaged with the relevant Parents' Associations at Senior and Prep Schools, providing feedback to the Heads on a termly basis.

The School, the Governors and senior employees participate in various education sector associations and groups, which give access to supplier groups and decision-makers, Government and other regulatory bodies.

The School is a member of the Headmasters' & Headmistresses' Conference, the Independent Association of Prep Schools, the Independent Schools' Bursars' Association and the Association of Governing Bodies of Independent Schools.

#### Employee engagement

The School continues to place a high emphasis on mutually beneficial relationships with its employees, whom it regards as essential to the School's future success.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2024

There is a well-established system for regular communication with staff at all levels in both Schools, including weekly departmental meetings, regular email updates, formal and informal staff presentations, as well as a full in-service training programme and an extensive social diary. Employees are encouraged to raise any issues or ideas for improvement they may have with their line manager or through the whistleblowing arrangements.

Staff at all levels are kept advised of the progress of the School in comparison with our strategic objectives and development plans, including matters that may be pertinent to their immediate interests.

The School puts great emphasis on providing equality of opportunity for all employees and ensuring that fair selection and development procedures apply. The aim of policies in this area is to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, sex, disability, marital status, colour, religion, race or ethnicity, or is disadvantaged by conditions or requirements which cannot be shown to be justifiable. In the event of an employee becoming disabled whilst in the School's employment, measures will be taken to ensure that they can continue in their employment as far as is practicable.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing document and constitution

Sedbergh School was endowed as a Chantry School in 1525 by Roger Lupton, Provost of Eton, and incorporated by Royal Charter of King Edward VI as a Free Grammar School in 1551. It was reconstituted under the Endowed Schools Act of October 1874. The Scheme, Provisions and subsequent amendments were repealed and reconstituted by Trust Deed in July 1956. This Trust Deed was amended during subsequent years, the last amendment being in 1980.

In 2000, the School became an incorporated charity (charity number 1080672, company number 3946280), entailing the preparation of new governing instruments and the transfer of the Charity's assets, with the exception of the Scholarship & Prize Funds which are classified as permanent endowment. These Scholarship & Prize Funds became linked charities with Sedbergh School and are incorporated within the School accounts. The Articles of Association were renewed in 2023 to meet current company and charity law and practice.

##### The Governing Body

All Members of the Company are Directors of the Company and Governors of the School. The membership of the Board of Governors consists of up to fifteen Co-optive Governors.

Until 5 July 2023, the Governing Body included His Majesty's Lord Lieutenant of Cumbria in an ex-officio position; this ceased with the retirement of the previous Lord Lieutenant. The Articles of Association now allow for the Lord Lieutenant to nominate a representative to hold a Co-optive Governor position; this position is currently vacant.

The Lord Archbishop of York also nominates a representative (Revd M D Ineson) who holds one of the Co-optive Governor positions.

The remaining Co-optive Governors are appointed by the Board of Governors for a specific period not exceeding three years initially. A Governor is eligible for re-election for up to three further terms of three years. Governors are reappointed at the Annual Retirement Meeting of Governors (replacing the AGM), which was held for the first time in March 2024.

The Charity has one Governing Body for both the Senior School and the Prep School, with separate registrations with the Department for Education for each site. Details of the Governing Body are provided on page 19.

##### Management arrangements

During the year, the day-to-day running of both Schools was delegated to: the Headmaster, Sedbergh School, the Chief Operating Officer, the Prep School Head and the Senior Management Teams at the Senior and Prep Schools.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2024

The Headmaster, Sedbergh School and the Chief Operating Officer are responsible to the Board for the delivery of the strategic objectives set out in the strategic plan and attend the Governors' Board and relevant Committee meetings as appropriate. In the financial year 2024/25, the COO and Prep School Head will be succeeded by new appointees, both of whom were appointed in 2023/24 following a rigorous recruitment process.

The Board delegates authority through formal terms of reference to a range of committees and sub-committees including the Executive, Education and Governance & Remuneration Committees and the Safeguarding, Audit & Risk Sub-Committee and the Investments Sub-Committee. The commercial subsidiaries are separate limited companies who report to their own independent boards.

#### **Arrangements for setting pay and remuneration of key management personnel**

Remuneration for senior management positions is determined by the Governance & Remuneration Committee. The Committee reviews the terms and conditions of the senior office holders on an annual basis. Due consideration is given to national benchmarking reports, including periodic surveys by independent authorities such as AGBIS and Baines Cutler Solutions (an independent schools consultancy business), to ensure that their remuneration is commensurate with similar roles within the sector.

#### **Indemnity insurance**

Third party indemnity insurance was in place for the benefit of Governors during the period.

#### **Appointment of new Governors**

Members of the Governing Body are recruited by invitation to ensure that the right mix of skills, talent, expertise and experience is achieved to deliver effective governance and achievement of the strategic goals of the School, as well as encouraging diversity of background and thinking on the Board. The Governance & Remuneration Committee meets regularly to consider new Governor appointments.

On appointment, new Governors receive induction training which takes into account their existing professional qualifications or area of expertise. An ongoing programme of Governor training is in place.

### **GROUP STRUCTURE AND RELATIONSHIPS**

The Charity has two wholly owned subsidiaries and an associated company; in addition it has close relationships with the Old Sedberghian Club and with two other unconnected separate charities, as follows:

#### **Subsidiaries**

Sedbergh School Developments Limited

Sedbergh School Developments Limited was incorporated on 11 April 1996. Its principal activities continue to be the provision of courses and other commercial trading ventures.

Sedbergh School International Limited

Sedbergh School International Limited was incorporated on 7 October 2015 in order to facilitate the provision of educational activities outside of the United Kingdom.

#### **Associate**

Sedbergh Hotel Enterprises Limited

Sedbergh Hotel Enterprises Limited is an associated company, set up to procure, refurbish and run The Black Bull in Sedbergh. Sedbergh School Developments Limited holds 36% of the issued share capital of Sedbergh Hotel Enterprises Limited

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2024

#### **Other**

The Sedbergh School Foundation (the Foundation)

The Foundation is a separate charity, whose purpose is to raise funds and support current and future investment in facilities, amenities and activities undertaken by the School. There is a close working relationship between the Foundation and the School, as described earlier.

The Old Sedberghian Club ('OS' Club)

The OS Club is a separate society which provides the School alumni with an extensive programme of events, activities and support. The School benefits from the generosity of a thriving network of Old Sedberghians whose close support is greatly appreciated and gladly acknowledged. There is a close working relationship between the Club, School and Foundation.

The Michael Robertson Scholarship Fund

The Michael Robertson Scholarship Fund is an independent restricted fund, not part of the Group, which kindly provides income on an annual basis to support bursary awards at the School.

#### **Fundraising and the Foundation**

The Foundation made restricted grants to the School during the year totalling £0.598m (2023: £0.917m). This included providing additional scholarships and bursary support and funding towards significant capital projects, including the replacement of windows in boarding houses with new double glazed units and phase 1 of an extensive Wi-Fi and digital transformation programme. The School did not carry out any direct fundraising activity on its own behalf and did not engage third party fundraisers.

Plans are in place well for the celebration of the quincentenary of the foundation of Sedbergh School in 2025, and a new history of the School will be published, written by M A F Raw, former Head of History.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2024

#### REFERENCE AND ADMINISTRATIVE DETAILS

##### Governing body

- Chairman: - R J Gledhill, MA (Cantab), ACA\*#
- Co-optive: - A J N Bedford BA (North Carolina)\*  
- R R Biggs MA (Oxon), BSc (Cape Town)  
- J D Campbell OBE, MA (hc), FRSA\*  
- T J Davies BSc (Newcastle) \*  
- I W Durrans BA (Oxon), ACA\*#  
- Lt Gen Sir Andrew Gregory KBE, CB, DL, MA (Cantab)  
- Revd M D Ineson MA, BA (Bristol), BEng (Birm) (representing The Lord Archbishop of York)#  
- Mrs K E Martin [resigned 29 February 2024]  
- Professor J Mennell BSc (Leeds), DL [resigned 11 February 2025]  
- R N Papworth BA (Oxon)\*#  
- M R Piercy MA (Leicester) [retired 15 March 2025]  
- J H B Warburton-Lee

\* Members of the Executive Committee at 31 August 2024

# Members of the Safeguarding, Audit and Risk Sub-Committee as at 31 August 2024

##### Headmaster and Head

- Sedbergh School and the Senior School: D J Harrison MA (Cantab)  
Prep School: W R Newman BEd (Exeter), MA (Victoria) [resigned 31 December 2024]  
K E Martin BA (Northumbria), PGCE [appointed 1 January 2025]

##### Chief Operating Officer, Company Secretary and Clerk to the Governors

P S Marshall TD

##### Registered address

Sedbergh School  
Malim Lodge  
Sedbergh  
LA10 5RY  
[www.sedberghschool.org](http://www.sedberghschool.org)

# SEDBERGH SCHOOL

## TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2024

### **Bankers**

Barclays Bank Plc  
1<sup>st</sup> Floor, 3 Hardman Street  
Spinningfields  
Manchester M3 3HF

### **Auditor**

HaysMac LLP  
10 Queen Street Place  
London  
EC4R 1AG

### **Solicitors**

Veale Wasbrough Vizards  
Narrow Quay House  
Narrow Quay  
Bristol BS1 4QA

Farrer & Co  
66 Lincoln's Inn Fields  
London  
WC2A 3LH

### **Investment managers (up to November 2023)**

Ruffer LLP  
31 Charlotte Square  
Edinburgh  
EH2 4ET

### **Insurance brokers**

Marsh Brokers Ltd  
Capital House  
1 - 5 Perrymount Road  
Haywards Heath RH16 3SY

Muckle LLP  
Time Central  
32 Gallowgate  
Newcastle upon Tyne NE1 4BF

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2024

#### STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITOR

The Governors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Governors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

#### AUDITOR

On 19 November 2024, the company's auditor changed its name from Haysmacintyre LLP to HaysMac LLP. The auditor, HaysMac LLP has indicated a willingness to continue in office. A resolution to reappoint HaysMac LLP as auditor will be put to the members at the AGM.

#### STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of Sedbergh School for the purposes of company law and the Trustees for the purposes of Charity Law) are responsible for preparing the Trustees' and Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Sedbergh School Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

This report, which incorporates the Strategic Report, was approved by the Governors on 15 March 2025 and signed on their behalf by:



R J Gledhill  
Chairman

# SEDBERGH SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEDBERGH SCHOOL

### Opinion

We have audited the financial statements of Sedbergh School for the year ended 31 August 2024 which comprise the Consolidated Statement of Financial Activities; the Consolidated and School Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2024 and of the group's and parent charitable company's net movement in funds, including the 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.

### Basis for opinion

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

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and

# SEDBERGH SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEDBERGH SCHOOL

- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

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

### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Education (Independent School Standards) Regulations 2014, safeguarding regulations, health and safety requirements, GDPR, employment law, company law and charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006, Charities Act 2011 and consider other factors such as payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to income recognition and management override of controls. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;

# SEDBERGH SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEDBERGH SCHOOL

- Identifying and testing journals, in particular journal entries posted at the year end; and
- Challenging assumptions and judgements made by management in their accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

### Use of our report

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



Tracey Young (Senior Statutory Auditor)  
For and on behalf of HaysMac LLP, Statutory Auditor  
Date: 27 March 2025

10 Queen Street Place  
London  
EC4R 1AG

## SEDBERGH SCHOOL

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 August 2024

	Note	Unrestricted £'000	Restricted £'000	Endowed £'000	Total 2024 £'000	Total 2023 £'000
<b>Income from:</b>						
Charitable activities:						
- School fee income	2	22,799	-	-	22,799	21,056
- Other educational income	3	687	-	-	687	704
- Other ancillary income	3	160	-	-	160	141
Other trading activities:						
- Trading income	4	1,839	-	-	1,839	2,100
Investment income	5	285	102	-	387	233
Donations, legacies & grants	6	200	832	-	1,032	1,199
Other income:						
- Sundry income		50	-	-	50	16
- Loss on sale of fixed assets		(4)	-	-	(4)	-
<b>Total Income</b>		<u>26,016</u>	<u>934</u>	<u>-</u>	<u>26,950</u>	<u>25,449</u>
<b>Expenditure on:</b>						
Charitable activities						
		23,516	810	-	24,326	22,454
Raising funds:						
- Trading costs		1,449	-	-	1,449	1,676
- Financing costs		565	-	-	565	421
<b>Total Expenditure</b>	8	<u>25,530</u>	<u>810</u>	<u>-</u>	<u>26,340</u>	<u>24,551</u>
<b>Net Income</b>		<u>486</u>	<u>124</u>	<u>-</u>	<u>610</u>	<u>898</u>
<b>Transfer Between Funds</b>		124	(124)	-	-	-
<b>Other Recognised Gains/(Losses)</b>						
Gains/(Losses) on investments	9	2	6	14	22	(138)
Actuarial losses on defined benefit pension scheme	20	(4)	-	-	(4)	(4)
<b>Net Movement in Funds</b>		<u>608</u>	<u>6</u>	<u>14</u>	<u>628</u>	<u>756</u>
<b>Total Funds Brought Forward</b>		<u>16,571</u>	<u>713</u>	<u>1,779</u>	<u>19,063</u>	<u>18,307</u>
<b>Total Funds Carried Forward</b>	17	<u>17,179</u>	<u>719</u>	<u>1,793</u>	<u>19,691</u>	<u>19,063</u>

All activities are classed as continuing. The notes on pages 28 to 54 form part of these accounts.

# SEDBERGH SCHOOL

## BALANCE SHEETS at 31 August 2024

Company number: 03946280

	Note	Consolidated		School	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Fixed Assets</b>					
Tangible fixed assets	10	25,809	25,237	25,807	25,237
Investments	11	9,855	3,767	9,288	3,204
		<u>35,664</u>	<u>29,004</u>	<u>35,095</u>	<u>28,441</u>
<b>Current Assets</b>					
Stocks	12	140	125	133	118
Debtors	13	1,826	2,148	1,990	2,237
Cash at bank and in hand		4,278	2,404	3,483	1,799
		<u>6,244</u>	<u>4,677</u>	<u>5,606</u>	<u>4,154</u>
<b>Creditors: amounts falling due within one year</b>	14	(15,810)	(7,802)	(15,695)	(7,596)
<b>Net Current Liabilities</b>		<u>(9,566)</u>	<u>(3,125)</u>	<u>(10,089)</u>	<u>(3,442)</u>
<b>Total Assets Less Current Liabilities</b>		<u>26,098</u>	<u>25,879</u>	<u>25,006</u>	<u>24,999</u>
<b>Creditors: amounts falling due after more than one year</b>	15	(6,407)	(6,816)	(6,407)	(6,816)
<b>Total Net Assets Excluding Defined Benefit Pension Scheme Asset</b>		<u>19,691</u>	<u>19,063</u>	<u>18,599</u>	<u>18,183</u>
Defined benefit pension scheme asset	20	-	-	-	-
<b>Total Net Assets</b>		<u>19,691</u>	<u>19,063</u>	<u>18,599</u>	<u>18,183</u>
<b>Funds</b>					
Unrestricted funds					
- General reserve	18c	12,753	12,145	12,228	11,827
- Revaluation reserve	18c	4,426	4,426	4,426	4,426
- Pension reserve	18c	-	-	-	-
		<u>17,179</u>	<u>16,571</u>	<u>16,654</u>	<u>16,253</u>
Endowment funds	18a	1,793	1,779	1,793	1,779
Restricted funds	18b	719	713	152	151
<b>Total Funds</b>		<u>19,691</u>	<u>19,063</u>	<u>18,599</u>	<u>18,183</u>

The School's net income for the year was £0.402m (2023: £0.568m) and the net movement in funds was £0.416m (2023: £0.463m).

The financial statements were approved, authorised for issue and signed on behalf of the Board of Governors on 15 March 2024.



R J Gledhill  
Chairman

**SEDBERGH SCHOOL**

**CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 August 2024**

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Operating Activities</b>				
Net income		610		898
Depreciation charge		1,271		1,166
Investment income		(209)		(233)
Interest paid		549		411
Investment management fee		4		24
Loss on sale of fixed assets		4		-
Defined benefit pension scheme		(4)		(4)
(Increase) in stocks		(15)		(6)
Decrease/(Increase) in debtors		322		(712)
Increase in creditors		7,995		637
<b>Net cash provided by Operating Activities</b>		10,527		2,181
<b>Investing Activities</b>				
Investment income	205		233	
Purchase of tangible fixed assets	(1,850)		(3,464)	
Proceeds on sale of tangible fixed assets	3		-	
Proceeds from sale of investments	2,509		2,360	
Purchase of investments	(8,575)		(1,545)	
<b>Net cash used in Investing Activities</b>		(7,708)		(2,416)
<b>Financing Activities</b>				
Interest paid	(549)		(411)	
New loans	-		1,000	
Repayment on loans	(351)		(453)	
Finance lease rentals	(45)		(29)	
<b>Net cash (used in)/provided by Financing Activities</b>		(945)		107
<b>Change in cash and cash equivalents in the year</b>		1,874		(128)
<b>Cash and cash equivalents at the beginning of the year</b>		2,404		2,532
<b>Cash and cash equivalents at the end of the year</b>		4,278		2,404
<b>Represented by:</b>				
Cash at bank and in hand		4,278		2,404

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS**  
**31 August 2024**

**1 Accounting policies**

**Legal status**

Sedbergh School is an incorporated (private company limited by guarantee) charity (charity no. 1080672, company no. 03946280), registered in England. The School's address is Sedbergh School, Malim Lodge, Sedbergh, LA10 5RY.

Sedbergh School was founded in 1525 and received a Royal Charter from King Edward VI in 1551. The object of Sedbergh School is to advance education by carrying on in Great Britain a school or schools at which infants, children and pupils may obtain education and instruction in academic, sporting, musical, cultural, scientific, technical, vocational, social and commercial subjects, activities and crafts of every description. Sedbergh School meets the definition of a public benefit entity under FRS 102.

**Basis of accounting**

The accounts are prepared under the Companies Act 2006, Charities Act 2011 and under the historical cost convention as modified by the adoption of fair value accounting for investments and the revaluation of private dwellings. These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities Statement of Recommended Practice ("Charities SORP (FRS 102) (second edition, effective January 2019)").

Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise indicated. The financial statements are presented in sterling which is also the functional currency of the School.

**Basis of consolidation**

The School's individual accounts include the linked charities Sedbergh School Prize Fund (charity no. 1080672-1), Sedbergh School Scholarship Fund (charity no. 1080672-2), Rosalie Mary Forster Bursary Fund (charity no. 1080672-3) and Casterton School Scholarship Fund (charity no. 1080672-4).

The consolidated accounts include the School, the Appeal Fund, the Education Fund, the School's trading subsidiaries, Sedbergh School Developments Limited (company no. 03184583) and Sedbergh School International Limited (company no 9814021) together with the share of the results of its associate Sedbergh Hotel Enterprises Limited (company no 10598631), in which Sedbergh School Developments Limited has a 36% shareholding.

All financial statements are made up to 31 August 2024 except for Sedbergh Hotel Enterprises Limited which has a financial year end of 30 June 2024. The following accounting policies have been applied consistently in dealing with items that are considered material to the School's financial statements.

The charity has taken the exemption from presenting its unconsolidated income and expenditure account under section 408 of the Companies Act 2006.

**Reduced disclosures**

In accordance with FRS 102, the School has taken advantage of the exemptions from the following disclosure requirement in the individual financial statements of Sedbergh School:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures.
- Section 11 'Basic Financial Instruments' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches.

**Going concern**

The Governors consider that there are no material uncertainties that could cast significant doubt on the School's ability to continue as a going concern.

The Governors have considered the current cash position and future forecasts including sensitivity analysis. Therefore, the Governors remain confident in the School's cash flow forecast and its ability to meet its ongoing

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2024**

obligations as they arise for the next twelve months from the date of approval of the financial statements. As a result, the financial statements are prepared on a going concern basis.

**Income**

Income from School fees represents fees earned in respect of tuition given during the year. Fees received in respect of tuition to be given after the year end are included in creditors as fees received in advance. Fees receivable are stated after deducting allowances for scholarships and bursaries granted by the School, but include contributions received from restricted funds for scholarships, bursaries and other grants.

Income from trading activities represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers during the period. Turnover is recognised when substantially all the risks and rewards of ownership have been transferred.

Donations received are recognised where there is entitlement, the receipt is probable, and the amount can be measured with sufficient reliability. Donations subject to specific wishes of the donors are carried to relevant restricted funds, or to endowment funds where the amount is required to be held as permanent capital.

Other income, including investment income, is accounted for on an accruals basis.

Grant income is recognised and accrued, in the period to which the relevant costs relate.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefit will be required in settlement and the amount of the obligation can be measured reliably. Amounts are discounted to present value for longer-term liabilities. Expenditure is summarised under functional headings on a direct costs basis.

Expenditure on raising funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Charitable activities include expenditure associated with the objects of the School and both the direct costs and support costs relating to this activity. Grants awarded are expensed as soon as they become legal or operational commitments. Management and administration costs include governance costs incurred in the governance of the School and its assets and are primarily associated with constitutional and statutory requirements.

**Taxation**

The School is a registered charity and therefore it is exempt from income and corporation tax on income and gains falling within chapter 3 Part 11 Corporation Tax Act 2010 or S256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

The subsidiary undertakings, Sedbergh School Developments Limited and Sedbergh School International Limited are liable to income and corporation tax on their income and gains. Gift aid payments, if made, paid to the Charity reduce the taxable income and gains. The subsidiaries are eligible to make gift aid payments to their holding company, the School.

**Fixed assets**

The School buildings, boarding houses and land owned by the School at Sedbergh are included on the balance sheet at the historical cost.

Private dwellings (“residential properties”) and property held for sale are held at valuation. All movements in value arising from a change in value of private dwellings, in excess of their original cost, are shown in the Statement of Financial Activities as revaluation gains or losses, with movements being credited/charged to the revaluation reserve. Any diminution in value below original cost is charged to the Statement of Financial Activities as an impairment.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2024**

All other fixed assets are measured at their cost or values at the time of acquisition, net of depreciation and any impairment losses. Capital items costing less than £1,000 are written off as an expense as acquired.

**Depreciation**

Depreciation is provided on tangible fixed assets at rates and bases calculated to write off the cost less estimated residual value, based on current market prices, of each asset over its expected useful life as follows:

School buildings	- 20 - 50 years
Fixtures and fittings	- 5 – 20 years
Computer equipment	- 3 years
All weather pitch	- 20 years
Motor vehicles	- 4 years
Leasehold improvements	- over the life of the lease

Land is not depreciated and assets under construction are only depreciated once they come into use.

**Impairment of fixed assets**

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the School estimates the recoverable amount of the asset.

**Investments**

Investments are stated in the balance sheet at their market value as at the balance sheet date. All movements in value arising from investment changes or revaluation are shown in the Statement of Financial Activities and are allocated to the appropriate fund according to the allocation of the underlying asset.

Investments in associates are recognised initially in the consolidated balance sheet at the transaction price and subsequently adjusted to reflect the group's share of total income and equity of the associate, less any impairment. Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the School has a legal obligation to make good the losses.

Investments in associates are accounted for at cost less impairment in the individual financial statements.

**Stock**

Stock is valued at the lower of cost (based on purchase price) and fair value.

**Pension schemes**

Retirement benefits for the School's teaching staff are provided by the Teachers' Pension Scheme ("TPS"). This is a defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme. This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS 102, the School accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

During the financial year, the School opted for phased withdrawal from the Teachers' Pension Scheme. This decision means that while no new employees will be able to join the scheme, existing members will continue to participate until they leave employment or choose to opt out. Those who previously opted out will not be able to rejoin the scheme under the phased withdrawal arrangement.

New teachers will be offered the group money purchase scheme to ensure that all employees have access to a pension plan that meets statutory requirements.

The School contributes to a separate defined benefit scheme for non-teaching staff. This is an occupational defined benefit scheme. The defined benefit pension scheme current service costs are charged to the Statement of Financial Activities within staff costs. Net interest on the net defined benefit asset is recognised in the Statement

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued)

31 August 2024

of Financial Activities. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses. The defined benefit scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The School only recognises an asset in respect of a surplus on the scheme valuation to the extent that the asset is recoverable through reduced future contributions or through a reimbursement from the Scheme.

The School also contributes to a group money purchase scheme which is available for all staff following the phased withdrawal from Teachers' Pension Scheme. Contributions are charged to the Statement of Financial Activities in the period in which the salaries to which they relate are payable. Defined contribution pension costs are allocated to unrestricted funds.

#### Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the School is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### Fund accounting

The School has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

Unrestricted funds	Funds which are expendable at the discretion of the Governors in furtherance of the objects of the School. In addition to expenditure on the School's operations, such funds may be held in order to finance capital investment and working capital.
Restricted funds	Donations or legacies received which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the School.
Endowment funds	Funds given to the School where the income may be used in furtherance of the objects, but the capital must be retained.
Designated funds	The School may at its discretion set aside funds for specific purposes which would otherwise form part of the general reserves of the School.

#### Financial instruments

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

Trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value. Bank loans and other loans are initially recognised at their transaction value and subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Investments are initially measured at transaction price and subsequently measured at fair value through net income or expenditure.

#### Leases

An asset and corresponding liability are recognised for leasing agreements that transfer to the School substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the Statement of Financial Activities so as to produce a constant periodic rate of interest on the remaining balance of the liability.

All other leases are operating leases and the annual rentals are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2024**

**Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Pension scheme valuation assumptions*

The present value of the defined benefit pension asset depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension asset. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 August 2021 has been used by the actuary in valuing the pensions asset at 31 August 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset.

The surplus on the pension scheme valuation as at 31 August 2024 has not been recognised as an asset because the Governors do not consider that it is recoverable.

*Fee debtor provision*

A provision for impairment of fee debtors is established when there is objective evidence that the amounts due will not be collected in line with the usual fee collections due to financial difficulty of the debtors.

*Useful life of fixed assets*

In making decisions regarding the depreciation of tangible fixed assets, management must estimate the useful life of said assets to the business. A change in estimate would result in a change in the depreciation charged to the Statement of Financial Activities in each year.

*Residential property valuations*

Residential properties are held at valuation. The Governors make informed decisions on an annual basis about property values in conjunction with the School's property advisers.

In the opinion of the Governors there are no critical judgements involved in the preparation of the financial information.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2024**

<b>2</b>	<b>School fee income</b>		<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
			<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	Gross fees			28,102		25,943
				<hr/>		<hr/>
	Bursaries			(1,860)		(1,545)
	Scholarships			(1,468)		(1,508)
	Other concessions			(2,621)		(2,395)
				<hr/>		<hr/>
				(5,949)		(5,448)
	Less contributions from restricted funds					
	Education Fund	16			82	
	Appeal Fund	12			2	
	Michael Robertson Scholarship Fund	173			226	
	Scholarship and Prize Funds	54			7	
	Sedbergh School Foundation	376			242	
	Casterton Old Girls Association	2			-	
	Casterton School Scholarship Fund	9			1	
	Rosalie Mary Forster Bursary Fund	4			1	
				646		561
				<hr/>		<hr/>
				(5,303)		(4,887)
				<hr/>		<hr/>
	Net fees			22,799		21,056
				<hr/>		<hr/>

<b>3</b>	<b>Other income from charitable activities</b>		<b>2024</b>	<b>2023</b>
			<b>£'000</b>	<b>£'000</b>
	<b>Other educational income</b>			
	Other fees		517	447
	Bookroom		55	66
	Sundry		17	17
	Registration fees		64	42
	Fees in lieu of notice		25	115
	Surcharge interest on late fees		9	17
			<hr/>	<hr/>
			687	704
			<hr/>	<hr/>

Other educational income is generated by the School only and is credited to unrestricted funds.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2024**

<b>3</b>	<b>Other income from charitable activities</b> <i>(continued)</i>	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
	<b>Other ancillary income</b>		
	Rent	143	116
	Commissions	1	1
	Insurance	-	4
	Sundry	16	20
		160	141
		160	141

Other ancillary income is generated by the School only and is credited to unrestricted funds.

<b>4</b>	<b>Trading income</b>	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
	Short courses	1,270	1,564
	Facilities and lettings	46	33
	Royalty and service fee income	523	503
		1,839	2,100
		1,839	2,100

<b>5</b>	<b>Investment income</b>	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
	Dividends received from fixed asset investments	5	30
	Bank interest received	382	203
		387	233
		387	233

2024: £102,000 (2023: £14,000) of investment income was credited directly to restricted funds.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2024**

<b>6</b>	<b>Income from donations, legacies and grants</b>	<b>2024</b>	<b>2023</b>
		<b>£'000</b>	<b>£'000</b>
	Donations (restricted)	281	731
	Donations (unrestricted)	200	-
	Sedbergh School Foundation (restricted to bursaries and scholarships)	376	242
	Michael Robertson Scholarship Fund (restricted to bursaries and scholarships)	173	226
	Casterton Old Girls Association (restricted to bursaries and scholarships)	2	-
		<u>1,032</u>	<u>1,199</u>
		<u><u>1,032</u></u>	<u><u>1,199</u></u>
<b>7</b>	<b>Expenditure</b>	<b>2024</b>	<b>2023</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Charitable expenditure includes:</b>		
	Depreciation – owned assets	1,223	1,118
	Depreciation – assets under finance leases	48	48
	Operating lease cost	133	118
		<u>1,404</u>	<u>1,284</u>
		<u><u>1,404</u></u>	<u><u>1,284</u></u>
	<b>Other expenditure (excl VAT) includes:</b>		
	Auditor's remuneration:		
	Statutory audit of parent company and group accounts	33	32
	Audit of subsidiaries where such services are provided by the group auditor	9	9
		<u>42</u>	<u>41</u>
	Total audit	42	41
	Other services	11	9
		<u>53</u>	<u>50</u>
		<u><u>53</u></u>	<u><u>50</u></u>
	<b>Financing costs</b>	<b>2024</b>	<b>2023</b>
		<b>£'000</b>	<b>£'000</b>
	Interest on bank loans and overdrafts	554	411
	Amortisation on bank loan arrangement fee	11	10
		<u>565</u>	<u>421</u>
		<u><u>565</u></u>	<u><u>421</u></u>

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2024**

**7 Expenditure (continued)**

<b>Staff costs</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	12,054	11,185
Social security costs	1,138	1,088
Pension costs	1,585	1,571
Redundancy costs	11	4
	<u>14,788</u>	<u>13,848</u>

**The average number of staff employed by the School during the year:**

	<b>2024</b>		<b>2023</b>	
	<b>No.</b>		<b>No.</b>	
	<b>Full time</b>	<b>Part time</b>	<b>Full time</b>	<b>Part time</b>
Teaching staff	123	65	115	67
Premises and grounds staff	27	6	25	6
Administration and clerical staff	31	26	35	22
Catering, boarding house and medical staff	76	123	87	113
	<u>257</u>	<u>220</u>	<u>262</u>	<u>208</u>

Neither the Governors nor persons connected with them received any remuneration or other benefits from the School or any connected organisation. Details of expenses paid to Governors are provided in note 19.

The number of employees whose emoluments, including benefits in kind, exceeded £60,000 was:

	<b>2024</b>	<b>2023</b>
	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	14	13
£70,001 - £80,000	4	3
£80,001 - £90,000	3	-
£100,000 - £100,000	-	1
£120,000 - £130,000	1	-
£130,000 - £140,000	-	1
£140,000 - £150,000	1	-
£150,000 - £160,000	-	1
£160,000 - £170,000	1	-

Included in the above higher paid employees were 17 (2023: 14) accruing benefits under defined benefit schemes until 30 April 2024. Following this date, all 17 of these employees ceased accruing benefits under defined benefit schemes as part of the phased withdrawal from TPS. Contributions in respect of these individuals totalled £0.196m (2023: £0.241m).

**Key management personnel**

The School considered its key management personnel during the year to comprise the two Headmasters, at the Senior School and the Prep School, and the Chief Operating Officer. The total employment benefits including employer pension contributions of the key management personnel were £0.576m (2023: £0.558m).

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)**

**31 August 2024**

**8 Analysis of expenditure**

	Staff costs £'000	Other £'000	Depreciation £'000	Total 2024 £'000
<b>Charitable activities</b>				
Teaching costs	7,949	798	-	8,747
Boarding houses, staff and medical provision	2,650	2,666	-	5,316
Premises costs	1,441	3,105	1,271	5,817
Management and administration	1,624	1,147	-	2,771
Grants, awards and prizes	-	760	-	760
Publicity	405	510	-	915
	14,069	8,986	1,271	24,326
<b>Raising funds</b>				
Trading	719	730	-	1,449
Financing costs (note 7)	-	565	-	565
	719	1,295	-	2,014
	14,788	10,281	1,271	26,340
		<i>Governance costs (included within management and administration costs)</i>		
Governors' meeting costs	-	16	-	16
Audit and accountancy (exc VAT)	-	53	-	53
	-	69	-	85

All expenditure is charged to the unrestricted fund, with the exception of £0.752m (2023: £1.001m) of grants, awards and prizes and £0.058m (2023: £0.063m) of management and administration costs that are charged to the restricted fund and £nil (2023: £0.016m) of management costs that are charged to endowed funds.

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2024**

**8 Analysis of expenditure (continued)**

	Staff costs £'000	Other £'000	Depreciation £'000	Total 2023 £'000
<b>Charitable activities</b>				
Teaching costs	7,326	708	-	8,034
Boarding houses, staff and medical provision	2,470	2,003	-	4,473
Premises costs	1,396	2,573	1,166	5,135
Management and administration	1,551	1,288	-	2,839
Grants, awards and prizes	-	1,006	-	1,006
Publicity	364	603	-	967
	13,107	8,181	1,166	22,454
<b>Raising funds</b>				
Trading	741	935	-	1,676
Financing costs (note 7)	-	421	-	421
	741	1,356	-	2,097
	13,848	9,537	1,166	24,551
		<i>Governance costs (included within management and administration costs)</i>		
Governors' meeting costs	-	19	-	19
Audit and accountancy	-	50	-	50
	-	50	-	50

**9 Fair value gains and losses**

	2024 £'000	2023 £'000
Fair value gains and losses on financial assets:		
Gain/(Loss) on fixed asset investments	22	(138)
	22	(138)

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2024**

**10 Tangible fixed assets**

<b>Consolidated</b>	<b>Residential property £'000</b>	<b>Leasehold improvements £'000</b>	<b>Fixtures &amp; fittings £'000</b>	<b>Other assets £'000</b>	<b>School land &amp; buildings £'000</b>	<b>All weather surfaces £'000</b>	<b>Assets under construction £'000</b>	<b>Total £'000</b>
<b>Cost or valuation</b>								
As at 1 Sept 2023	6,156	1,052	12,480	1,138	14,992	2,582	-	38,400
Additions	200	-	856	178	16	323	277	1,850
Disposal	-	-	(7)	-	(3)	-	-	(10)
Transfers	-	-	115	-	(115)	-	-	-
<b>As at 31 August 2024</b>	<b>6,356</b>	<b>1,052</b>	<b>13,444</b>	<b>1,316</b>	<b>14,890</b>	<b>2,905</b>	<b>277</b>	<b>40,240</b>
<b>Depreciation</b>								
At as 1 Sept 2023	-	130	8,120	987	3,258	668	-	13,163
Charge for the period	-	10	679	140	319	123	-	1,271
Disposal	-	-	(3)	-	-	-	-	(3)
Transfers	-	-	47	-	(47)	-	-	-
<b>As at 31 August 2024</b>	<b>-</b>	<b>140</b>	<b>8,843</b>	<b>1,127</b>	<b>3,530</b>	<b>791</b>	<b>-</b>	<b>14,431</b>
<b>Net book value</b>								
<b>As at 31 August 2024</b>	<b>6,356</b>	<b>912</b>	<b>4,601</b>	<b>189</b>	<b>11,360</b>	<b>2,114</b>	<b>277</b>	<b>25,809</b>
As at 31 August 2023	6,156	922	4,360	151	11,734	1,914	-	25,237

Included within the consolidated tangible fixed assets are fixtures and fittings with a net book value of £2,000 (2023: nil) relating to Sedbergh School Developments Limited. The remaining tangible fixed assets of £25,807,000 are those belonging to the standalone company of Sedbergh School.

The net book value of assets held under finance leases is £60,000 (2023: £98,000) included within School land & buildings. The depreciation charge in respect of these assets was £48,000 (2023: £48,000). School land and buildings have been valued for insurance purposes in October 2024 at £159m (2023: £159m). In addition, the School's contents are insured at a value of £9.7m (2023: £9.7m).

Private dwellings are revalued on a regular basis, and a full Red Book RICS valuation was performed by Davis & Bowring in July 2018, at open market value. The valuation of these properties was £5.6m. A subsequent increase of £0.560m was made at 31 August 2022 taking the total value to £6.2m. The Governors have considered the current market and, having consulted with external advisors, are of the opinion that there is no indication of a material change in the market value as at 31 August 2024.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2024**

**11 Investments**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Consolidated</b>		
<b>At market value:</b>		
Balance at 1 Sept 2023	3,767	4,744
Additions	8,575	1,545
Disposal proceeds	(2,509)	(2,360)
Increase in market value	22	(138)
Management fee	-	(24)
	9,855	3,767
	9,855	3,767
<b>School</b>		
<b>At market value:</b>		
Balance at 1 Sept 2023	3,204	4,058
Additions	8,007	1,201
Disposals proceeds	(1,940)	(1,937)
Increase in market value	17	(101)
Management fee	-	(17)
	9,288	3,204
	9,288	3,204

Included within the investments are balances of £2.950m (2023: nil) relating to cash investments that could be withdrawn within 95 days.

**Subsidiary undertakings**

The School controls 100% of Sedbergh School Developments Limited (company no. 03184583; with the same registered address as the School, detailed on page 19), which runs sporting and educational courses making use of the School's facilities. Its trading results and summary balance sheet, extracted from its audited accounts for the year ended 31 August 2024 were:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Turnover	1,316	1,597
Cost of sales	(807)	(1,003)
	509	594
Gross profit	509	594
Administration costs	(443)	(314)
Interest	(5)	(17)
	61	263
	61	263
Trading income is credited to unrestricted funds in the consolidated accounts.		
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Total assets	468	632
Total liabilities	(365)	(590)
	103	42
Total reserves	103	42

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2024**

**11 Investments (continued)**

The School also controls 100% of Sedbergh School International Limited (company no. 9814021; with the same registered address as the School, detailed on page 19) which was formed to facilitate opening of an overseas school. Its trading results and summary balance sheet, extracted from its audited accounts for the year ended 31 August 2024 were:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Turnover	523	504
Cost of sales	(26)	(110)
	<hr/>	<hr/>
Gross profit	497	394
Administration costs	(182)	(215)
	<hr/>	<hr/>
Net profit	315	179
	<hr/> <hr/>	<hr/> <hr/>

Trading income is credited to unrestricted funds in the consolidated accounts.

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Total assets	434	357
Total liabilities	(23)	(82)
	<hr/>	<hr/>
Total reserves	411	275
	<hr/> <hr/>	<hr/> <hr/>

**Associated Undertakings**

Sedbergh School Developments Limited holds 36% of the issued share capital of Sedbergh Hotel Enterprises Limited (company no. 10598631), set up to procure, refurbish and run The Black Bull in Sedbergh.

**Investment valuation**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
At 1 Sept 2023 and 31 August 2024	-	-
	<hr/> <hr/>	<hr/> <hr/>

	<b>Type of shares held</b>	<b>Proportion held (%)</b>	<b>Country of incorporation</b>	<b>Registered Office</b>
Sedbergh Hotel Enterprises Limited	A ordinary shares	36%	UK	44 Main Street, Sedbergh, LA10 5BL

The audited results of Sedbergh Hotel Enterprises Limited for their year ended 30 June 2024 are as follows;

	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>£'000</b>
	<b>£'000</b>	<b>£'000</b>
Aggregate amount of capital and reserves	(1,805)	(1,414)
	<hr/>	<hr/>
Loss for the period	(391)	(316)
	<hr/> <hr/>	<hr/> <hr/>

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2024**

**12 Stocks**

	<b>Consolidated</b>		<b>School</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Consumables	63	33	56	26
Bookroom stationery	77	92	77	92
	<u>140</u>	<u>125</u>	<u>133</u>	<u>118</u>

**13 Debtors**

	<b>Consolidated</b>		<b>School</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Debtors for school fees and extras	657	665	657	665
Trade debtors	79	348	-	-
Prepayments and accrued income	892	931	877	928
Other debtors	166	177	166	167
Amounts due from related undertakings	32	27	290	477
	<u>1,826</u>	<u>2,148</u>	<u>1,990</u>	<u>2,237</u>

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

	<b>Consolidated</b>		<b>School</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade creditors	939	1,167	849	1,070
Accruals and deferred income	839	1,388	814	1,279
Parental deposits	887	768	887	768
Fees received in advance	12,223	3,531	12,223	3,531
Taxation and social security	282	273	282	273
Finance lease creditor	48	35	48	35
Other creditors	232	280	232	280
Bank loans	360	360	360	360
	<u>15,810</u>	<u>7,802</u>	<u>15,695</u>	<u>7,596</u>

**Parental deposits**

All new pupils joining the School must pay a deposit. This is refunded when the pupil leaves the School.

**Fees received in advance**

Fees are apportioned over the pupil's time at the School. The money may be returned upon the withdrawal of the pupil from the School, cancellation of entry or exclusion, on the receipt of one term's notice.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2024**

**14 Creditors: amounts falling due within one year (continued)**

Assuming pupils remain in the School, advance fees will be applied as follows:

	<b>Consolidated and School</b>	
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Within 1 year	6,732	3,137
Within 1 to 2 years	2,702	219
Within 2 to 3 years	1,585	86
Greater than 3 years	1,204	89
	12,223	3,531
	12,223	3,531

The movements during the year were as follows:

	<b>Consolidated and School</b>	
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
As at 1 Sept 2023	3,531	3,484
New contracts	12,151	3,052
Refunded	-	(23)
Amounts utilised in payment of fees to the School	(3,459)	(2,982)
	12,223	3,531
	12,223	3,531

**Deferred income**

Deferred income at the prior year end relates to amounts received in advance from the Michael Robertson Scholarship Fund.

The movements during the year were as follows:

	<b>Consolidated and School</b>	
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
As at 1 Sept 2023	-	100
Released in year	-	(100)
Deferred in year	80	-
	80	-
	80	-

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2024**

**15 Creditors: amounts falling due after one year**

	<b>Consolidated and School</b>	
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans	6,370	6,721
Finance lease creditor	37	95
	6,407	6,816
	6,407	6,816

**Bank loans**

During 2023, a £7.252m term term loan was arranged at an interest rate of 2.6% over base rate and will be repaid by way of 59 monthly instalments of £30,092 with a final repayment after five years.

The bank loans fall due as follows:

	<b>Consolidated and School</b>	
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Amounts falling due within 1 year (note 14)	360	360
Amounts falling due within 1 to 2 years	360	360
Amounts falling due within 2 to 5 years	6,010	6,361
	6,730	7,081
	6,730	7,081

The bank loans, with an outstanding balance at 31 August 2024 of £6.730m (2023: £7.081m), are secured by way of legal charges over certain properties and a fixed and floating debenture over the School's assets.

**16 Analysis of changes in net debt**

	<b>At 1 September 2023</b>	<b>Non Cash Movements</b>	<b>Cash flows</b>	<b>At 31 August 2024</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	2,404	-	1,874	4,278
Sub-total	2,404	-	1,874	4,278
Loans falling due within one year	(360)	(360)	360	(360)
Loans falling due after more than one year	(6,721)	351	-	(6,370)
Finance lease obligations	(130)	(9)	54	(85)
Net funds/(debt)	(4,807)	(18)	2,288	(2,537)
	(4,807)	(18)	2,288	(2,537)

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2024**

**17 Allocation of the charity net assets**

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

<b>As at 31 August 2024</b>		<b>Fixed assets</b>	<b>Net current assets/(liabilities)</b>	<b>Long term liabilities</b>	<b>Total</b>
<b>Consolidated</b>		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Endowment	(18a)	1,408	385	-	1,793
Restricted	(18b)	666	53	-	719
Unrestricted funds	(18c)	33,590	(10,004)	(6,407)	17,179
		35,664	(9,566)	(6,407)	19,691
<b>School</b>					
Endowment	(18a)	1,408	385	-	1,793
Restricted	(18b)	99	53	-	152
Unrestricted funds	(18c)	33,588	(10,527)	(6,407)	16,654
		35,095	(10,089)	(6,407)	18,599
<b>As at 31 August 2023</b>					
<b>Consolidated</b>		<b>Fixed assets</b>	<b>Net current assets/(liabilities)</b>	<b>Long term liabilities</b>	<b>Total</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Endowment	(18a)	1,394	385	-	1,779
Restricted	(18b)	660	53	-	713
Unrestricted funds	(18c)	26,950	(3,563)	(6,816)	16,571
		29,004	(3,125)	(6,816)	19,063
<b>School</b>					
Endowment	(18a)	1,394	385	-	1,779
Restricted	(18b)	98	53	-	151
Unrestricted funds	(18c)	26,949	(3,880)	(6,816)	16,253
		28,441	(3,442)	(6,816)	18,183

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2024**

**18a Endowment funds**

	Balance at 1 Sept 2023 £'000	Income £'000	Expenditure £'000	Revaluation gains £'000	Balance at 31 Aug 2024 £'000
<b>Consolidated and School</b>					
Collingwood and Baynes Foundation	455	-	-	1	456
Scholarship and Prize Fund	1,129	-	-	11	1,140
Casterton School Scholarship Fund	195	-	-	2	197
	<u>1,779</u>	<u>-</u>	<u>-</u>	<u>14</u>	<u>1,793</u>
	<u><u>1,779</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>14</u></u>	<u><u>1,793</u></u>
	Balance at 1 Sep 2022 £'000	Income £'000	Expenditure £'000	Revaluation losses £'000	Balance at 31 Aug 2023 £'000
<b>Consolidated and School</b>					
Collingwood and Baynes Foundation	461	-	(1)	(5)	455
Scholarship and Prize Fund	1,218	-	(13)	(76)	1,129
Casterton School Scholarship Fund	210	-	(2)	(13)	195
	<u>1,889</u>	<u>-</u>	<u>(16)</u>	<u>(94)</u>	<u>1,779</u>
	<u><u>1,889</u></u>	<u><u>-</u></u>	<u><u>(16)</u></u>	<u><u>(94)</u></u>	<u><u>1,779</u></u>

The Collingwood & Baynes Foundation and the Scholarship and Prize Funds form part of the School's permanent endowment and were set up to provide scholarships and prizes to pupils attending the School.

Casterton School Scholarship Fund relates to funds transferred on the merger of Casterton and Sedbergh School. Charity Commission approval was obtained for these to be transferred from Casterton School to Sedbergh School.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2024**

**18b Restricted funds**

	Balance at 1 Sept 2023 £'000	Income £'000	Expenditure £'000	Transfer £'000	Revaluation gains £'000	Balance at 31 Aug 2024 £'000
General Funds	-	833	(709)	(124)	-	-
Rosalie Mary Forster Bursary Fund	92	4	(4)	-	1	93
Casterton School Scholarship Fund	5	-	-	-	-	5
Casterton Old Girls Association	53	2	(2)	-	-	53
Scholarship and Prize Fund	-	56	(56)	-	-	-
Casterton Scholarship Fund	-	9	(9)	-	-	-
Collingwood and Baynes Foundation	1	-	-	-	-	1
<b>School Funds</b>	<b>151</b>	<b>904</b>	<b>(780)</b>	<b>(124)</b>	<b>1</b>	<b>152</b>
Education Fund	314	17	(17)	-	3	317
Appeal Fund	248	13	(13)	-	2	250
<b>Consolidated Funds</b>	<b>713</b>	<b>934</b>	<b>(810)</b>	<b>(124)</b>	<b>6</b>	<b>719</b>

	Balance at 1 Sept 2022 £'000	Income £'000	Expenditure £'000	Transfer £'000	Revaluation losses £'000	Balance at 31 Aug 2023 £'000
General Funds	-	1,199	(963)	(236)	-	-
Rosalie Mary Forster Bursary Fund	99	1	(2)	-	(6)	92
Casterton School Scholarship Fund	5	-	-	-	-	5
Casterton Old Girls Association	53	-	-	-	-	53
Scholarship and Prize Fund	-	7	(7)	-	-	-
Casterton Scholarship Fund	-	1	(1)	-	-	-
Collingwood and Baynes Foundation	1	-	-	-	-	1
<b>School Funds</b>	<b>158</b>	<b>1,208</b>	<b>(973)</b>	<b>(236)</b>	<b>(6)</b>	<b>151</b>
Education Fund	417	3	(86)	-	(20)	314
Appeal Fund	268	2	(5)	-	(17)	248
<b>Consolidated Funds</b>	<b>843</b>	<b>1,213</b>	<b>(1,064)</b>	<b>(236)</b>	<b>(43)</b>	<b>713</b>

The Education Fund was set up to provide funds to assist the sons of Old Sedberghians (“OSs”) killed in the wars. It has since been widened to support primarily children of OSs without the means to attend Sedbergh, or indeed other pupils who are in need of financial support to attend the School.

The Appeal Fund was set up by the Governors in 1996 to fund various projects, including the raising of funds for Scholarships and Bursaries to pupils attending the School.

Casterton School restricted funds, including the Rosalie Mary Forster Bursary Fund, Casterton School Scholarship Fund and Casterton Old Girls Association, relate to funds transferred on the merger of Casterton and Sedbergh School. Charity Commission approval was obtained for these to be transferred from Casterton School to Sedbergh School. The Rosalie Mary Forster Bursary Fund remains a linked charity.

General funds are pooled grants, the majority of which are from Sedbergh School Foundation and the Michael Robertson Trust, relating to facility improvements or the betterment of education, including bursaries.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2024**

**18c Unrestricted funds**

	Balance at 1 Sept 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Revaluation gains/(losses) £'000	Balance at 31 Aug 2024 £'000
Revaluation Reserve	4,426	-	-	-	-	4,426
Pension Reserve	-	4	-	-	(4)	-
General Funds	11,216	24,504	(24,251)	218	-	11,687
Bursary Fund – designated	612	27	-	(94)	-	545
Local Young People’s Fund	19	3	(8)	-	2	16
Collingwood and Baynes Foundation	(20)	-	-	-	-	(20)
<b>School Funds</b>	<u>16,253</u>	<u>24,538</u>	<u>(24,259)</u>	<u>124</u>	<u>(2)</u>	<u>16,654</u>
Trading Company	318	1,839	(1,632)	-	-	525
<b>Consolidated Funds</b>	<u><u>16,571</u></u>	<u><u>26,377</u></u>	<u><u>(25,891)</u></u>	<u><u>124</u></u>	<u><u>(2)</u></u>	<u><u>17,179</u></u>

	Balance at 1 Sept 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Revaluation losses £'000	Balance at 31 Aug 2023 £'000
Revaluation Reserve	4,426	-	-	-	-	4,426
Pension Reserve	-	4	-	-	(4)	-
General Funds	10,699	22,188	(21,852)	181	-	11,216
Bursary Fund – designated	545	12	-	55	-	612
Local Young People’s Fund	23	3	(6)	-	(1)	19
Collingwood and Baynes Foundation	(20)	-	-	-	-	(20)
<b>School Funds</b>	<u>15,673</u>	<u>22,207</u>	<u>(21,858)</u>	<u>236</u>	<u>(5)</u>	<u>16,253</u>
Trading Company	(98)	2,100	(1,684)	-	-	318
<b>Consolidated Funds</b>	<u><u>15,575</u></u>	<u><u>24,307</u></u>	<u><u>(23,542)</u></u>	<u><u>236</u></u>	<u><u>(5)</u></u>	<u><u>16,571</u></u>

The Bursary Fund – designated, represents funds for Bursaries to pupils attending the School, not falling into the other funds.

Local Young Peoples’ Fund is a fund to provide grants to local children pursuing educational goals.

The revaluation reserve was created when the School’s residential property was revalued at market value. Any changes in valuation are credited/charged through the revaluation reserve.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2024**

**19 Related parties**

*a) Transactions with Governors*

Total expenses of £6,831 (2023: £3,670) were paid to 11 (2023: 9) Governors. These were in respect of travel and subsistence.

*b) Transactions with subsidiaries and associate*

Transactions with Sedbergh School Developments Limited (a 100% owned trading subsidiary of Sedbergh School) included expenditure of £0.808m (2023: £0.790m). As at 31 August 2024, Sedbergh School Developments Limited owed Sedbergh School £0.259m (2023: £0.291m). Amounts gift aided to Sedbergh School amounted to £nil (2023: £nil).

During 2020 Sedbergh School Developments Limited was in receipt of a loan facility from the School amounting to £0.300m of which £0.121m was drawn down as at 31 August 2023. Interest is charged on the loan at a rate of 3% above the Bank of England's base rate and the loan is repayable in full by 2025. The loan was repaid in full during the year to 31 August 2024.

Transactions with Sedbergh School International Limited (a 100% owned trading subsidiary of Sedbergh School) included expenditure of £0.178m (2023: £0.178m). As at 31 August 2024, Sedbergh School International Limited owed Sedbergh School £0.014m (2023: £0.053m). Amounts gift aided to Sedbergh School amounted to £0.179m (2023: £0.026m).

Transactions with Sedbergh Hotel Enterprises Limited (an associate undertaking of Sedbergh School Developments Limited) included expenditure of £0.004m (2023: £0.002m). As at 31 August 2024 £nil (2023: £nil) was due between entities.

*c) Sedbergh School Foundation*

The purpose of the Foundation is to promote or improve the education given at Sedbergh School, or the facilities thereof, or the amenities thereof, or the well-being of the pupils educated there, in relation to their education either at the School or at some other place of education, after leaving the School.

The amount owed by Sedbergh School Foundation as at 31 August 2024 was £0.190m (2023: £0.012m). Grants from the Foundation amounted to £0.602m (2023: £0.917m).

The School has a lease agreement with the Foundation for the rental of Guldrey Lodge, at a current rate of £52,000 per annum. This has been charged to the Statement of Financial Activities during the year. The rent is reviewed annually in line with the specific terms of the lease agreement.

# SEDBERGH SCHOOL

## NOTES TO THE ACCOUNTS (continued)

31 August 2024

### 20 Pension schemes

#### Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £0.989m (2023: £1.128m) and at the year-end £0.018m (2023: £0.092m) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report, which was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

During the financial year, the School opted for a phased withdrawal from the Teachers' Pension Scheme. This decision means that while no new employees will be able to join the scheme, existing members will continue to participate until they leave employment or choose to opt out. Those who previously opted out will not be able to rejoin the scheme under the phased withdrawal arrangement.

#### The Group Self Invested Personal Pension (SIPP)

In January 2024, the School opened a new self-invested personal pension scheme for its non-teaching staff. Employers' contributions are currently paid at a minimum rate of 5.05% of employee's salary. Following the phased withdrawal from TPS, the scheme was opened to teaching staff on 1 May 2024. Contributions by the School to the scheme totalled £0.613m (2023: £0.369m) and the balance outstanding with the scheme was £0.150m (2023: £0.052).

#### Sedbergh School Pension Fund

The School also operates a defined benefit scheme in the UK for certain (three) non-teaching staff. The last full actuarial valuation was carried out as at 31 August 2021. The initial results of that valuation have been projected to 31 August 2024 by a qualified independent actuary. The major assumptions used by the actuary were:

	2024	2023
	%	%
Rate of increase of pensions in payment	0.00	0.00
Discount rate	5.00	5.25
Inflation assumption RPI	3.25	3.50
Inflation assumption CPI	2.25	2.50

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2024**

**20 Pension schemes (continued)**

The mortality assumptions adopted at 31 August 2024, imply the following life expectancies:

	<b>2024</b>	<b>2023</b>
Expected age at death of current pensioner at age 65:		
Male aged 65 at year end	87.3	87.3
Female aged 65 at year end	89.7	89.6
Expected age at death of future pensioner at age 65:		
Male aged 45 at year end	88.9	88.9
Female aged 45 at year end	91.0	91.0

Analysis of amount debited/(credited) to the Statement of Financial Activities:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Net interest credit	(4)	(4)
	<u>(4)</u>	<u>(4)</u>
<b>Remeasurements of the net asset</b>		
Return of fund assets (excluding amount included in net interest)	(5)	59
Actuarial losses /(gains)	5	(36)
Surplus on scheme not recognised	4	(19)
	<u>4</u>	<u>4</u>
Total defined benefit cost/(credit)	<u>-</u>	<u>-</u>

Cumulative actuarial losses amounted to £nil at 31 August 2024 (2023: £nil).

Changes in the fair value of plan assets and changes in present value of defined benefit obligation:

	<b>2024</b>	<b>2024</b>	<b>2024</b>
	<b>Assets</b>	<b>Liabilities</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fair value of scheme assets/present value of (liabilities) at beginning of period	222	(144)	78
Contributions by employer	-	-	-
Benefits paid	-	-	-
Interest income/(cost)	12	(8)	4
Return on scheme assets (excluding amount included in net interest expense)	5	-	5
Actuarial loss	-	(5)	(5)
Fair value of scheme assets/present value of (liabilities) at end of period	<u>239</u>	<u>(157)</u>	<u>82</u>
Surplus on scheme not recognised	(82)	-	(82)
	<u>157</u>	<u>(157)</u>	<u>-</u>

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2024**

**20 Pension schemes (continued)**

Changes in the fair value of plan assets and changes in present value of defined benefit obligation:

	<b>2023</b>	<b>2023</b>	<b>2023</b>
	<b>Assets</b>	<b>Liabilities</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fair value of scheme assets/present value of (liabilities) at beginning of period	270	(173)	97
Contributions by employer	-	-	-
Benefits paid	-	-	-
Interest income/(cost)	11	(7)	4
Return on scheme assets (excluding amount included in net interest expense)	(59)	-	(59)
Actuarial gains	-	36	36
	<hr/>	<hr/>	<hr/>
Fair value of scheme assets/present value of (liabilities) at end of period	222	(144)	78
Surplus on scheme not recognised	(78)	-	(78)
	<hr/>	<hr/>	<hr/>
	144	(144)	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**The return on plan assets was:**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Interest income	12	11
Return on plan assets (excluding amount included in net interest expense)	5	(59)
	<hr/>	<hr/>
Total return on plan assets	17	(48)
	<hr/> <hr/>	<hr/> <hr/>

The fair values of assets of the scheme were:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Corporates	46	41
Gilts	193	181
	<hr/>	<hr/>
Total market value of assets	239	222
	<hr/> <hr/>	<hr/> <hr/>

The Fund has no investments in the School or in property occupied by the School.

Contributions of £nil are expected for the year to 31 August 2024 (2023: £nil).

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2024**

**21 Capital commitments**

At 31 August 2024 the School had capital commitments of £0.157m (2023: £0.289m).

**22 Commitments under operating leases**

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

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Amounts due:		
Within one year	58	105
Between one and five years	103	152
	161	257
	161	257

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2024**

**23 Comparative Statement of Financial Activities**

	Note	Unrestricted £'000	Restricted £'000	Endowed £'000	Total 2023 £'000
<b>Income from:</b>					
Charitable activities:					
- School fee income	2	21,056	-	-	<b>21,056</b>
- Other educational income	3	704	-	-	<b>704</b>
- Other ancillary income	3	141	-	-	<b>141</b>
Other trading activities:					
- Trading income	4	2,100	-	-	<b>2,100</b>
Investment income	5	219	14	-	<b>233</b>
Donations, legacies & grants	6	-	1,199	-	<b>1,199</b>
Other income:					
- Sundry income		16	-	-	<b>16</b>
<b>Total Income</b>		<u>24,236</u>	<u>1,213</u>	<u>-</u>	<u><b>25,449</b></u>
<b>Expenditure on:</b>					
Charitable activities					
		21,374	1,064	16	<b>22,454</b>
Raising funds:					
- Trading costs		1,676	-	-	<b>1,676</b>
- Financing costs		421	-	-	<b>421</b>
<b>Total Expenditure</b>	8	<u>23,471</u>	<u>1,064</u>	<u>16</u>	<u><b>24,551</b></u>
<b>Net Income/(Expenditure)</b>		<u>765</u>	<u>149</u>	<u>(16)</u>	<u><b>898</b></u>
<b>Transfer between funds</b>		236	(236)	-	-
<b>Other Recognised (Losses)</b>					
Losses on investments	9	(1)	(43)	(94)	<b>(138)</b>
Actuarial losses on defined benefit pension scheme	20	(4)	-	-	<b>(4)</b>
<b>Net Movement in Funds</b>		<u>996</u>	<u>(130)</u>	<u>(110)</u>	<u><b>756</b></u>
<b>Total Funds Brought Forward</b>		<u>15,575</u>	<u>843</u>	<u>1,889</u>	<u><b>18,307</b></u>
<b>Total Funds Carried Forward</b>	17	<u>16,571</u>	<u>713</u>	<u>1,779</u>	<u><b>19,063</b></u>

**SEDBERGH SCHOOL**

England & Wales - Charity number 1080672

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# Accounts

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**SEDBERGH SCHOOL**

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**for the year ended 31 August 2023**

**Registered charity: 1080672**

**Company number: 03946280**



**S E D B E R G H  
S C H O O L**

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*Founded in 1525*

# SEDBERGH SCHOOL

## ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 August 2023

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# SEDBERGH SCHOOL

## CHAIRMAN'S STATEMENT for the year ended 31 August 2023

After the COVID lockdowns, School closures and remote learning in the previous two years, life at Sedbergh School and at Casterton, Sedbergh Prep returned to a more familiar rhythm in 2022/23, with plays and concerts, fixtures and competitions, Chapel and hymn singing, the Wilson Run and of course public examinations.

We welcome these routines and cherish our traditions. But at the same time, we are constantly striving to enhance the experience of our pupils at Sedbergh, and the opportunities that a Sedbergh education offers. So, for example, in 2022/23 we have introduced Sedbergh Compass, a bespoke programme of PSHE and RSE teaching across all year groups: this is the first of *The Front Four*, a unique holistic education programme for our pupils. And going into the new School year, we launched the remaining elements of *The Front Four*, further details of which can be found in the Trustees' Report.

We are also continuing to invest in our School facilities. During the year a double astroturf pitch was built adjacent to the Hirst Centre, creating a wonderful sports hub for the senior school. The prep school netball courts and sports hall were also upgraded, and an outdoor classroom built allowing pre-prep children to be taught outdoors in all weathers. And we have an ambitious capital programme to celebrate our 500th anniversary in 2025, supported by the extraordinary generosity of so many of our alumni and past and present parents.

The School began 2022/23 with a record number of pupils of 779 across both Schools, and again in September 2023 with 787. This strong growth in pupil numbers has helped to restore the financial performance of the School after COVID and, importantly, to enable the School to meet the inflationary challenges that we have all faced over the last two years. Nonetheless we know that meeting the cost of a first-class independent education is a major investment for all our parents, and that many have to make significant sacrifices to meet this. And we also recognise that possible tax and other changes may add significantly to this cost after the next General Election. We are therefore continually seeking efficiency improvements in our educational provision and in the wider School operations.

I would like to thank all of our pupils and parents, the Senior Leadership Team and all our teachers and operational staff, and my Board of Governors, for all they do to make Sedbergh the great School that it is today.

Richard Gledhill  
Chairman  
Sedbergh School

## **SEDBERGH SCHOOL**

### **TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2023**

The Board of Governors of Sedbergh School presents its Annual Report and Consolidated Financial Statements for the year ended 31 August 2023 and confirm that they comply with the requirements of the Companies Act 2006, the Charities Act 2011 and the Charities SORP (FRS 102) – Second Edition.

#### **BACKGROUND TO SEDBERGH SCHOOL**

Sedbergh School was founded in 1525 and received a Royal Charter from King Edward VI in 1551. The Senior School ('Senior School') is based in the market town of Sedbergh in the Yorkshire Dales, and the Preparatory School ('Prep School') and Mulberry Bush nursery ('the Mulberry Bush') are located nine miles away in the village of Casterton. The two schools and the nursery (together 'the School') provide education to boys and girls between the ages of six months and 18 years.

The Senior School is predominantly boarding, with nine boarding houses. The Prep School has a mix of both boarding and day pupils. Boarding houses are the heart of the School; the term-time home of our pupils and where they forge the closest friendships. The House system creates a smaller, tight-knit, cross-year community within the School where pupils are well supported by staff they know well. The sense of belonging inspires confidence, allows problems to be resolved and develops strong social skills.

#### **CHARITABLE OBJECTS**

The object of the School is to advance education by carrying on in Great Britain a school or schools at which infants, children and pupils may obtain education and instruction in academic, sporting, musical, cultural, scientific, technical, vocational, social and commercial subjects, activities and crafts of every description.

#### **OBJECTIVES AND ACTIVITIES**

The mission of the School is:

*To nurture each Sedberghian so that they realise their full potential in a unique and rigorous environment of excellence, characterised by committed endeavour, moral purpose and integrity of contribution.*

In particular, the School aims to:

1. Identify and develop the potential of pupils in a variety of areas: academic, artistic, cultural, sporting, personal, social and spiritual; help them to obtain the best possible qualifications; and prepare them for the opportunities, responsibilities and experiences of life;
2. Provide a welcoming, friendly and supportive environment which recognises the worth of each individual;
3. Provide a fulfilling working environment for both teaching and support staff, and encourage their development;
4. Provide all of our pupils with the skills required to succeed in tomorrow's workplace, digitally confident in the rapidly changing world of technology;
5. Liaise closely with the parents of its pupils and encourage them to share in the life of the School and the house;
6. Work responsibly within its environment and community; and

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2023

7. Attract pupils from a wide range of social and financial backgrounds.

Progress in delivering our aims is summarised in the following strategic report.

#### STRATEGIC REPORT

##### Achievements and Performance

###### Senior School

The Senior School began the year with 581 pupils (2022: 569), its highest ever roll.

Following the pandemic requiring Teacher Assessed Grades of public examinations, the examination boards restated the grade boundaries for marking, meaning that it would be harder to achieve the top grades at GCSE and A level. The School was therefore delighted that the year 13 candidates achieved an A\*-C rate of 81.5% and a value-added score of +0.19, both above the levels achieved in 2019 (pre-pandemic; 77.1%, -0.35) and higher than the national average. 30.3% of grades were A\*-A/Di\*-D (2019: 23.4%). Amongst the results were some outstanding individual and departmental performances, including a pupil achieving four A\* grades.

Despite being a difficult year for university entrance, on the basis of these results 96% of pupils wishing to go to university gained a place. The bespoke advice service offered to each pupil throughout the application process and following receipt of examination results proved invaluable given the competition for places.

The School was also very proud of its year 11 pupils' outstanding GCSE results, where again the grade boundaries were restated. 90.6% of results were graded 9-4 (2019: 92.0%), and 36.8% grades 9-7 (2019: 40.7%) with an average value-added score of +0.3 (2019: +0.05), a significant achievement for this group. 15 pupils achieved an average of 7.2 or higher per subject.

## SEDBERGH VALUES



The introduction of the Sedbergh values expressed in HARK in 2022 has been further developed with a new Compass programme delivering PSHE and RSE to pupils in all year groups. This is the first of four strands of a bespoke model of pastoral care of Sedberghians, to deliver an authentic, holistic education for pupils nurturing their social

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2023

development, emotional wellbeing and mental health, and laying the foundations for a future where they can thrive and be happy. The 'Front Four' programme began fully in Michaelmas Term 2023 and also includes community service (Service), the careers programme (Pathways), well-being and counter-bullying (Spirit).

Maximising pupil participation in all areas of school life is important at Sedbergh, and the breadth of opportunities provided offers something for every pupil to enjoy beyond the classroom. Year 9 pupils undertake the John Muir Award in their first term, gaining outdoor skills and experience, and year 10 have a programme of adventurous activities in the Summer Term. This leads to participation in the Duke of Edinburgh Award Scheme, at Silver level for years 10 and 11, with twenty seven pupils gaining this award, and Gold for sixth form pupils, with ten pupils being invited to Buckingham Palace to receive their Gold awards. The School is able to take full advantage of its unique setting between the national parks of the Yorkshire Dales and Lake District for expeditions and activities.

The breadth of sport on offer is designed to ensure all pupils can participate – whatever their needs and ability. A structured games programme is provided five days a week, with a competitive fixture list in many sports. The year saw regional and national successes in hockey, netball, rugby, rugby sevens, fell and cross country running, athletics, equestrian, target shooting, swimming, sailing and cricket.

The programme of performing arts saw many pupils involved in concerts, plays and events. From *A Night at the Musicals* to *A Ceremony of Carols*, the musicians were busy through the year. The Hirst Centre was the venue for the Wilson Run concert, as it was for the Choral Society's coronation-themed concert. A School production of *Jesus Christ Superstar* in Michaelmas Term was performed four times in front of full audiences at the Brewery Arts Centre, Kendal.

#### **Preparatory School**

The Prep School also began the year with a record roll of 198 pupils (2022: 184), including a large proportion of new starters (55).

The campus was redeveloped and the pupils have benefited from the resurfacing of the netball courts and the refurbishment of the sports hall. This included a renovation and relining of the floor, creating two basketball courts, and the installation of two additional cricket nets, now three in total. This has hugely increased the capacity to coach cricket throughout the year. Girls' cricket has continued to develop and is now the primary team game for the summer, though rounders continues to also feature in their curriculum.

The popularity and strength of girls' cricket was seen in the progression of the U13 girls to the National Indoor finals held at Lords, placing them in the top five teams in the country. A talented cohort of sportswomen also made national finals in hockey, netball and cross-country, winning the latter at IAPS level.

Academic developments have included the continued roll out of fully interactive digital whiteboards into all of our classrooms and the creation of an outdoor classroom; *The Den*. Used primarily, but not exclusively, by Key Stage 1 and Lower Key Stage 2 pupils, this space has proved instantly popular with both children and staff with investment in suitable teaching resources.

Performing arts highlights included the summer production of *Shrek* for Years 6 and 7 as well as the first Year 8 movie, based on the bicentenary of Casterton School and built around our core values.

Pupils in all year groups from Year 3 to 8 enjoyed the chance to take part in residential trips to various parts of northern England and down to London, ranging from outdoor education to cultural visits. The biennial Easter ski trip to Italy was a great success, with over 40 pupils taking part.

In addition to the regular inclusion at our sports festivals hosted at the Prep School, we have provided use of our swimming pool, free of charge, to a local primary school in Kirkby Lonsdale on a weekly basis through the Summer Term and look forward to continuing and strengthening this partnership with them through the years to come.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2023

#### **The Mulberry Bush**

The Mulberry Bush Nursery at Casterton continued to provide first class nursery care and education to children aged six months and above. The Nursery is near capacity, with 59 children on its roll, and is thriving.

#### **Inspections**

No inspections took place during the year.

#### **PUBLIC BENEFIT ACTIVITIES AND COMMUNITY SUPPORT**

##### **Community support**

For several years both staff and pupils have supported a wide range of community initiatives in Sedbergh, most recently through the Sedbergh Gives Back programme. Giving back is an important feature of life at Sedbergh School. From regular Thursday afternoon voluntary service sessions in local charity shops, primary schools, food banks and conservation programmes to the whole-day *Sedbergh Gives Back* house projects at the end of Michaelmas Term and the projects of Challenge Week, pupils learn the importance of helping others. A number of individual fundraising events were also held throughout the year for specific charities, including raising over £60k for Siobhan's Trust to fund a mobile pizza van which provides hot food to refugees from the Ukraine war, and a collection of warm clothing and blankets, also for Ukrainian refugees.

From 2023/24, the Headmaster has introduced a minimum number of hours per year for pupils' giving back activities.

##### **Public benefit**

The School has an excellent record of facilitating access for children from a wide range of social and financial backgrounds, including the most disadvantaged, to provide them with the opportunity to benefit from the full breadth of a Sedbergh education with appropriate bursary and scholarship assistance, provided they meet the School's minimum entry requirements.

Parents who meet the relevant criteria are supported with means tested bursary awards within the funds available. Bursary awards are made on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk. In assessing means, a number of factors are taken into consideration including family income, investments and assets, together with family circumstances, as the School seeks to ensure opportunities are given to pupils across the full spectrum of affordability and social background. Means tested support is reviewed on a periodic basis to identify any significant change in financial circumstance.

Governors review both School policy and actual awards. The policy, which must fit within the framework of what the School can sensibly afford, is designed to provide the widest possible access including to those who fall within the definition of low income households.

The Michael Robertson Scholarship Fund, a separate charity which does not form part of the School Group, has continued to provide income to support bursary awards, which totalled £0.226m in the year (2022: £0.234m). The Governors recognise this significant contribution and express their gratitude to the Robertson family and appreciation for the work of the Trustees in generating income for the School.

The Roger Lupton Scholarship scheme, funded by the Sedbergh School Foundation, provides funding opportunities to children whose families otherwise could not consider a school such as Sedbergh. During the year there were six Roger Lupton Scholars in the School receiving support from the Foundation including three Ukrainian boys.

In addition the School has extended its scholarship scheme to provide free places to a number of pupils from a state school in Sedbergh, Settlebeck School, to attend Sedbergh for sixth form; there are now six such scholars in the School.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2023

Sedbergh School Foundation funded two such places to the value of £0.051m. Total funding under these scholarship schemes by the Foundation amounted to £0.242m for the year (2022: £0.140m).

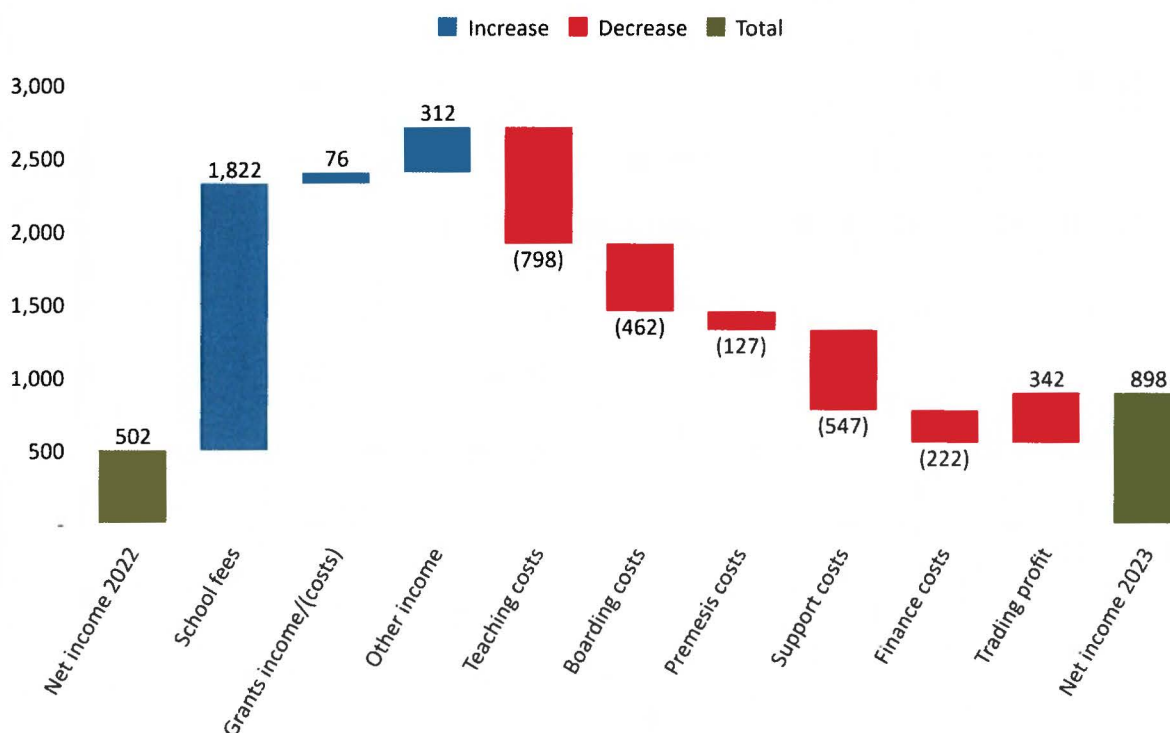
Including Michael Robertson Scholarship Fund and Sedbergh School Foundation funding, this year the School provided bursary support to 134 pupils amounting to £1.545m (2022: £1.174m) which equates to 5.6% of gross fee income.

#### Equal opportunity

The School is committed to the provision of equal opportunities and an environment that is free of any form of discrimination. Reasonable adjustments are made to meet the needs of pupils and staff who are, or become, disabled.

#### FINANCIAL REVIEW

#### Major movement to income and costs compared with prior year £'000



Total income received during the year amounted to £25.449m (2022: £21.947m). The majority of the Group's income is derived from school fee income which saw growth of 9.4% and amounted to £21.056m (2022: £19.234m). This growth was a result of an increase in pupil numbers of 4.1% across both Schools on a full-time equivalent basis, and fee increases in line with inflation.

Donations amounted to £1.199m (2022: £0.533m). This comprised donations towards bursaries, together with significant donations from The Sedbergh School Foundation towards major projects, including two new all-weather hockey pitches, an extensive LED conversion project and a new outdoor learning provision at the Prep School. Grant expenditure increased by £0.532m which had matching donation income.

Other income includes other educational income and investment income. Other educational income also saw significant growth of 20% with an increase in other fees eg Music, Tennis, Riding alongside an increase in fees in lieu of notice. Investment income was higher than the previous year £0.233m (2022: £0.041m) due to increases in interest

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2023

rates on cash deposits although the managed investment portfolio made a loss due to movements in the markets and a defensive investment strategy.

Expenditure on charitable activities increased by 13% to £22.454m (2022: £19.930m), £0.532m of the increase was due to the increase in grant expenditure which had matching donation income. The remaining £1.992m was the result of inflationary pressures and staff costs. Staff costs (including pensions) have risen by 12.3% to £13.848m (2022: £12.334m), due to the rise in pupil numbers requiring additional staffing resource, pay awards and a cost of living payment for all eligible staff to assist with the continuing cost of living crisis. Staff costs drive the majority of the increase in teaching costs, boarding costs, premises costs and support costs.

Finance costs increased to £0.421m (2022: £0.199m) due to increases in base rate alongside the increase in the term loan.

Trading income improved significantly increasing to £2.100m (2022: £1.398m) with the resumption of the International Summer School programme and record numbers of pupils attending short courses. Trading costs increased to £1.676m (2022: £1.316m) due to the significant increase in income but at a lower percentage thereby increasing the profitability of the trading activities.

#### Key financial performance indicators

Key financial performance indicators used by the School include the following:

	<u>2023</u>	<u>2022</u>
Pupil numbers (adjusted on a full time equivalent basis)	785	754
Teaching staff costs as % of net fees	34.6%	34.2%
Premises and boarding costs as % of net fees	45.6%	46.9%

Non-financial performance indicators include exam results as set out under the Achievement and Performance section of this report.

#### Financial position

The overall operating result for the year was net income of £0.898m (2022: £0.502m) driven by the increase in income. Deducting the loss on investments relating to the Group's funds under management of £0.138m (2022: gain £0.134m), the revaluation gain of the residential property portfolio of £nil (2022: £0.560m) and deducting the actuarial losses on the non-teaching defined benefit pension scheme arising from the FRS 102 revaluation of £0.004m produces a total net increase in the Group's funds of £0.756m (2022: £1.194m).

The Group's operating activities generated positive cash flow of £2.181m (2022: £2.434m). Investing activities included the purchase of tangible assets £3.464m (2022: £0.976m) including two new all-weather Tiger-Turf hockey pitches; paid for in part by drawing down £0.815m from short term cash deposits. The repayment of existing loans totalled £0.453m (2022: £0.564m). In April 2023 the overdraft facility was reduced by £1m and the term loan increased by £1m. Interest payments totalled £0.411m (2022: £0.199m). The overall cash position therefore decreased by £0.128m.

#### Going concern

The Governors do not consider there to be any material uncertainty about the School's ability to continue as a going concern, as set out in the accounting policies. Having reviewed the funding facilities available to the School together with the expected future cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Material uncertainties have been identified as a result of potential political threats associated with VAT on school fees. Scenario analysis has been conducted to model potential outcomes associated to this and in each scenario the business is considered a going concern. Accordingly, the School has continued to adopt the going concern basis in preparing the financial statements.

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Net current liabilities decreased to £3.125m (2022: £3.406m) and the level of fixed investments which could be disinvested amounts to £3.767m (2022: £4.744m).

#### STRATEGIC PLAN 2023-2028

The School's Strategic Plan for the period 2023-2028 is reviewed annually. The key objectives of the Plan are summarised below, together with a summary of progress during the year and future plans.

- **Employability and education for the future**

**To deliver a programme of study which will equip pupils to use technology safely and creatively, and to solve problems in such a way as to enhance their employment prospects. We will also deliver new curriculum development in both Schools.**

In the senior school the review of the curriculum will see further development of Global Perspectives, Information Technology and Computer Science, in parallel with planned developments in the School's facilities. This review also includes the provision of Information Technology within the whole School curriculum and digital technology in teaching practice.

Sedbergh continues to maintain its international reputation for sporting excellence and continues to offer a broad range of sports available to all pupils, combined with the provision of outstanding creative arts.

Pupils have gone on to study at a range of top university destinations in the UK and overseas including Durham, Edinburgh, Lancaster, Newcastle, Cardiff, Oxford, Cambridge and Leeds. Some pupils also chose to enter employment or gain an apprenticeship opportunity in a specific field.

- **Manage actively the wellbeing and mental health of pupils and staff**

**To ensure there is an ethos and environment which takes the mental health of pupils and staff seriously, and in which it is managed and monitored actively with staff and pupils being developed and supported, alongside developing the teaching of PSHE and RSE by tutors. Pupil and staff well-being will continue to be actively promoted and ill-health managed swiftly and appropriately to make the School an attractive place to live, work and learn.**

A range of initiatives is employed across both Schools to raise awareness and build resilience in our pupils including mental health awareness, mindfulness, wellbeing, prevention and reporting of bullying, online safety and extensive use of confidential surveys within the pupil body. At the senior school these have been developed into the 'Front Four' programme being introduced in Michaelmas Term 2023, the Compass programme of PSHE/RSE teaching beginning in 2022.

The School Counsellor continues to be an integral part of the School's pastoral provision.

Safeguarding policy and practice remains at the forefront of staff and Governor training, with regular assessment and review at all levels of daily operations. This training includes all staff, including those working within the trading subsidiaries.

Staff welfare remains paramount and work has commenced on a full review of systems and practice to support wellbeing in the workplace; the staff intranet includes access to counselling services and a suite of confidential health and wellbeing support services.

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- **Sustainability**

**To review every aspect of our operations to ensure that we operate on a sustainable basis including delivering target reductions in energy consumption and carbon emissions. Pupils will be involved in a range of initiatives to deepen their understanding of climate change and other environmental issues.**

The School has begun a major new investment in energy reduction measures as part of a longer term refurbishment of both campuses. During the year, the School replaced all lighting with LED and motion detection sensors. This is being followed by further insulation and double glazing projects in 2023/24 and beyond. A programme of future works over the next five years has been developed.

Ambitious targets to further reduce our carbon footprint are being finalised as part of a broader range of sustainability and corporate social responsibility objectives.

Pupils are engaged in a range of initiatives to raise awareness and involvement in all aspects of sustainability and the environment.

- **Development of land and assets**

**To progress plans for a new teaching facility to support further curriculum development in information technology; to modernise elements of the boarding house accommodation and to develop additional sports facilities.**

Plans are well advanced for a new Technology Centre in the senior school, aligned to the new curriculum development programme. Enabling works commenced during the year.

The sporting facilities at both schools were significantly enhanced during the year with the construction of a double astro-turf pitch with floodlighting at the senior school, and the refurbishment of the prep school sports hall providing additional facilities for the children on that campus.

Condition surveys have been completed on the boarding houses and School buildings on the Sedbergh campus as an early stage in the process of refurbishment which will include energy efficiency measures.

- **Overseas schools expansion**

**To support the development and academic success of Sedbergh School Fuzhou and open additional overseas schools under licensing and service agreements.**

Sedbergh School Fuzhou, owned by the Rong Qiao Group, opened in September 2018 with 116 pupils, world-class facilities and a strong and experienced leadership team offering a blended British curriculum and compulsory Chinese curriculum in a bilingual school. The pupil roll in September 2023 now exceeds 650 pupils. Sedbergh School International Limited continues to benefit from an outstanding investor partner in the Rong Qiao Group based in Fujian province.

The rebranding of a school in Ho Chi Minh city will see Sedbergh Vietnam open in September 2024. Sedbergh School International Limited continues to explore opportunities for further schools in selected countries overseas, seeking additional investor partners and local operators to provide a unique Sedbergh education internationally.

- **Non-fee based revenue generation**

**To deliver our targets for non-fee based revenue streams through a range of commercial**

Sedbergh School Developments Limited delivered its largest ever programme of courses in the Easter and summer holidays in 2023, with record attendance by children from 6 to 16 years of age, as well as providing training webinars

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### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2023

ventures undertaken by our commercial subsidiaries, Sedbergh School International Limited and Sedbergh School Developments Limited.

and outreach activity with schools and clubs. Over 3,000 children attended a SSDL training event across the UK. The unique coaching philosophy developed has been offered at courses and events in the north of England and overseas in the UAE and Europe.

The International Summer School enjoyed excellent bookings, delivering surplus significantly ahead of budget.

- **Financial security, including fundraising**

**To deliver long term financial security through effective commercial risk management, delivery of our medium term financial goals and support of our affiliated organisations, including fundraising and alumni development.**

The School monitors financial progress across both Schools and its commercial subsidiaries against a detailed five year rolling financial plan to deliver our long-term financial goals which include:

- generating additional liquid reserves
- funding future capital expenditure including new facilities, energy reduction measures and major renovation works
- strengthening our competitive position in our UK and global markets.

Financial performance against defined milestones is subject to termly review by the Executive Committee and Board of Governors.

Pupil numbers and the recruitment pipeline are central to the financial health of the School. Pupil numbers are currently at record levels in both Schools, with strong interest from prospective parents for both 2024 and 2025 entry.

Dynamic risk assessment measures are in place for each operational unit including the commercial subsidiaries, and strategic risks are considered and reviewed by the Senior Leadership Team on a monthly basis and by the Board of Governors on a termly basis.

The School is developing detailed plans to consider the implications of VAT being imposed on school fees, and how this could be addressed across the organisation.

Our fundraising activities are carried out through the Sedbergh School Foundation, which has continued to provide support via the Roger Lupton and Settlebeck Scholarship schemes throughout the School.

The Foundation has an ambitious fundraising plan to support the development of both Schools as part of the quincentenary celebrations in 2025. The fundraising campaign launched in June 2022 has secured donations and pledges totalling more than £3.154m as at 31 August 2023.

A restructure of the alumni relations teams took place during the year, to bring the Foundation and OS Club under the strategic management of the Headmaster, whilst retaining their independent trustee structures. The School is able to provide significant administrative and finance management support to both organisations enabling them to focus effectively on their clearly defined alumni functions.

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#### RISK MANAGEMENT

The School maintains an up-to-date Strategic Risk Register which identifies the most significant risks to ongoing operations of the School and to the delivery of its strategic objectives. The register details the appropriate risk mitigation measures and is reviewed on a regular basis by the Senior Leadership Team and on a termly basis by the Governors. Underneath this sits an Operational Risk Register, which is also reviewed regularly by the Senior Management Team. Governors have also reviewed the School's insurance cover to ensure that it is adequate.

The principal risks to the School and the School's approach to mitigate the risk are as follows:

Category	Risk	Principal mitigating actions
<b>Financial and Economic</b>	A failure to generate sufficient cash flow to meet strategic objectives and minimum cash generation requirements	<ul style="list-style-type: none"> <li>– Strict budgetary control of operational and capital expenditure</li> </ul>
	The impact of future increases in employer contributions to Teachers' Pension Scheme ("TPS").	<ul style="list-style-type: none"> <li>– Regular cashflow forecasting and reserves</li> <li>– Revised global marketing strategy</li> <li>– Five year capex programme review</li> <li>– Formal consultation commenced with the teaching staff to cap future contributions to TPS from May 2024</li> <li>– Detailed contingency planning</li> </ul>
<b>Staff</b>	Inability to recruit and retain high calibre teaching staff	<ul style="list-style-type: none"> <li>– Development of a new competitive salary scale and allowance package for teaching staff will be implemented in May 2024</li> </ul>
	Inability to recruit operational staff, impacting on operational support provision	<ul style="list-style-type: none"> <li>– Development of a new strategy for non-teaching staff recruitment</li> </ul>
	Strategic leadership and senior management changes of personnel.	<ul style="list-style-type: none"> <li>– Future succession planning for executive and senior management positions</li> </ul>
<b>Reputation</b>	Reputational damage as a result of an adverse incident at the School or in a subsidiary.	<ul style="list-style-type: none"> <li>– Development and testing of the major incident plan</li> <li>– Strict adherence of and training on core policies</li> </ul>
<b>Political</b>	Possible political, taxation and regulatory changes (such as loss of charitable status, imposition of VAT on school fees, loss of business rate relief, levy changes, changes in overseas pupil visas).	<ul style="list-style-type: none"> <li>– Detailed plans to mitigate the impact of VAT on school fees</li> <li>– Regular review of forecasts with sensitivity analysis</li> <li>– Legal/financial advice</li> <li>– Advice from sector bodies eg ISC and ISBA</li> <li>– Contingency plans</li> </ul>
<b>External event eg pandemic</b>	Impact in the School and threat to the local community.	<ul style="list-style-type: none"> <li>– Major incident planning</li> </ul>
	Inability to provide all aspects of the Sedbergh education on either campus, resulting in loss of revenue.	<ul style="list-style-type: none"> <li>– Review of policies and procedures</li> <li>– Remote learning plans and staff training</li> </ul>
	Additional costs arising from the event.	<ul style="list-style-type: none"> <li>– Cost contingency plans</li> <li>– Bio security measures</li> </ul>

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### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2023

The School subsidiaries hold their own registers of strategic and operational risks which are in a consistent format to that of the School and are reviewed by their respective boards on a regular basis.

#### POLICIES

##### Principal sources of funding

The principal sources of funding for the School are fees, commercial income generated by the subsidiaries, and bank finance including medium term bank borrowings and a bank overdraft facility. In addition, the School receives support for bursaries and capital programmes from the Foundation and other charities and donors.

##### Reserves

The Group policy is to invest retained surpluses to support the development of the School, while ensuring that sufficient reserves are held to meet any contingencies as they arise.

According to the Charities' SORP definition, free reserves should exclude endowment and restricted funds and funds which can only be realised by disposing of fixed assets held for School use. On this narrow basis, the Group has no free reserves but the Governors are satisfied with the position given the unrestricted cash and unrestricted investments available, which at the end of the financial period amounted to £4.045m (2022: £4.925m) alongside the overdraft facility of £1m. In addition, the School benefits from a portfolio of residential property totalling £6.156m (2022: £6.156m).

The Governors continue to monitor cash, investments and reserves closely to ensure that sufficient reserves are available to meet potential threats to future income, in particular from a deterioration in the economic climate. Subject to this, it is the intention of the Board to reinvest operational surpluses generated into School improvements.

Total funds of the Group are £19.063m (2022: £18.307m), which comprise: endowment funds £1.779m (2022: £1.889m), restricted funds £0.713m (2022: £0.843m) and general funds of £16.571m (2022: £15.575m).

##### Investments

The Group's funds under management were valued at £3.767m as at 31 August 2023 (2022: £4.744m). The Group has an underlying investment strategy of long term capital preservation with the objective of delivering positive absolute returns with low volatility in capital values. The funds are split between the CF Ruffer Total Return Fund and short term cash deposits. The Group investment policy is approved by the Governors and monitored by the Investments Sub-Committee. The funds' performance benefited from the defensive strategy employed which protected against the extremely turbulent market following the UK's exit from the European Union and the Russian invasion of Ukraine last year but this year that same defensive strategy has led to losses. Post year end the funds have been disinvested and placed into fixed rate cash deposits.

##### Public benefit

In setting objectives for means tested bursaries, community engagement and social inclusion, the Governors have had regard to the Charity Commission's guidance on public benefit. Further information can be found on page 5 of the Trustees' Report.

##### Disabled persons

The School is committed to providing an environment which values and includes all pupils, staff and parents regardless of their educational, physical, sensory, social, spiritual, emotional and cultural needs. It seeks to challenge attitudes about disability and accessibility, and to develop a culture of awareness, tolerance and inclusion. The Group complies with all relevant legislation relating to disabled persons.

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The School's policy requires that disabled job applicants would not be rejected for a reason which relates to their disability; job specifications are always used and selection criteria monitored to ensure that discrimination does not unwittingly occur; and recruitment and selection procedures are adapted where possible to ensure that they do not disadvantage disabled job applicants.

The School takes steps to try to enable an employee who becomes disabled to remain in employment. In consultation with the employee, adjustments to facilitate their retention will be considered. Employees with disabilities are provided with opportunities to develop full and rewarding careers on an equivalent basis to other employees.

The Accessibility Plans for both campuses illustrate how the School plans over time to further increase accessibility for pupils, staff and visitors who have disabilities. The School aims to make reasonable adjustments to allow disabled pupils to access the education available, bearing in mind the historic nature of its buildings and widespread campuses. These Plans are reviewed every twelve months.

#### ENVIRONMENTAL AND SUSTAINABILITY

The School recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused.

The School has followed the 2019 HM Government Environmental Reporting Guidelines. In addition, the School used the GHG Reporting Protocol – Corporate Standard and the 2020 UK Government's Conversion Factors for Company Reporting.

The School commissioned an ESOS compliant intermediate energy audit and report, carried out by Arup during 2022/23 which reported in February 2023. The report made recommendations for phased reductions in energy consumption by 2040 through the following measures: monitoring use, fabric upgrades, system optimisation, system intervention, and the introduction of renewables.

#### Summary of data for the year

All figures have been quoted in terms of carbon dioxide equivalent which signifies the amount of CO<sub>2</sub> which would have the equivalent global warming impact. CO<sub>2</sub>e per pupil is the recommended ratio for the sector.

	2023		2022 (Restated)	
	kWh	Metric tonnes CO <sub>2</sub> e	kWh	Metric tonnes CO <sub>2</sub> e
<b>Scope 1</b>				
Gas Consumption	8,785,177	1,603,646	8,655,909	1,582,473
Transport	393,065	97,924	343,990	85,408
<b>Scope 2</b>				
Electricity Consumption	1,970,304	381,017	1,989,485	422,427
<b>TOTAL</b>	<b>11,148,546</b>	<b>2,082,587</b>	<b>10,989,384</b>	<b>2,090,308</b>
<b>Intensity ratio CO<sub>2</sub>e per pupil</b>		<b>2,653</b>		<b>2,772</b>

2022 figures have been restated to reflect unbilled, but accrued for, invoices in the prior year.

The conversion factors have been updated in 2023 to reflect the latest UK Government data.

The results for 2023 reflect similar levels of energy consumption to 2022, with both winters being statistically similar. However, there was an increase in gas consumption despite the replacement of boilers with more efficient models, in the main due to weather patterns changing, with a very damp autumn in 2022, and a late cold spell in April 2023.

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There was a marginal decrease in electricity consumption which will grow because of energy saving measures that have been implemented.

#### Improvements in energy efficiency

During the year the programme to improve energy efficiency continued. The achievements included:

- replacement of a central heating boiler in a boarding house at a cost of £0.090m;
- boilers were renewed in smaller buildings;
- investment of £0.150m to replace windows with uPVC double-glazed units to significantly reduce heat loss in two boarding houses;
- investment of £0.400m in a whole School project to upgrade lighting to LED and introduced motion detection sensors in all buildings aiming to deliver a 15% energy saving for academic year 2023/24;
- provision of a further four electric vehicle charging points increasing EV charging capacity to eight vehicles; and
- introduction of a half term/weekend bus service for pupils to travel home to reduce multiple individual journeys by parents.

We continue to work on improvements in energy efficiency, in line with the School's Strategic Plan. Plans for the year ahead include;

- continued replacement of the heating systems in senior school boarding houses and similar sized major building;
- continued programme of replacement of windows with uPVC double-glazed units;
- introduction of new and upgrades to existing boiler management systems for all buildings with significant gas usage;
- school wide roll-out of automatic energy monitoring systems;
- continued education and action on recycling and energy use in our office environments;
- continued insulation upgrade to properties as necessary including continued extensive investment in double glazing in older buildings;
- appraisal of renewable energy options and our future purchasing strategy to progress toward net zero;
- evaluation of sustainable travel including sports travel, off-site activities, business travel, staff travel to work and pupil transport to School; and
- a complete renewal of printing hardware using less electricity and consumables.

The School continues to follow the requirements of ESOS phase 2, including;

- reporting total energy consumption, including transport mileage, annually;
- appointing a lead assessor;
- conducting an energy audit; and
- actioning the initial recommendations of the energy audit report.

#### Other sustainability measures

The School is developing a full sustainability plan which in addition to operational energy and carbon footprint and sustainable travel includes the following subjects:

- education and integration of sustainability into School daily life – a long term campaign to influence both staff and pupils with the eventual inclusion of sustainability in the curriculum;
- water use – fast identification and resolution of leaking pipes and taps; reducing boarding house use by pupils;

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- waste management including improved recycling, waste reduction, food waste bio-digestion and waste oil from kitchens sent to be made into bio-fuel;
- sustainable construction and refurbishment;
- sustainable procurement – through engagement with suppliers to assess their own commitment to sustainability;
- sustainable catering – reduction in fuel use through digital catering, food miles, locally produced produce, sustainable meat and fish products, reduction in food waste, and elimination of the use of disposable plastics; and
- biodiversity on campus – an acre of new woodland has been planted in memory of Her Majesty Queen Elizabeth II, adjacent to the School's nature reserves; tree planting to screen the new all-weather hockey pitches; maturing woodland planted over the last 20 years.

#### STATEMENT OF COMPLIANCE

The Governors have complied with their duty in regard to the matters in section 172 (1) (a)-(f) of the Companies Act 2006 ('the Act').

The Governors confirm that they have acted in the way they consider, in good faith, would be most likely to promote the success of the School and for the benefit of its members as a whole, and in doing so have had regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the School's employees;
- the need to foster the School's business relationships;
- the impact of the School's operations on the community and the environment;
- the desirability of the School maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the School.

#### Relationships

The School recognises the importance of our stakeholders to the future of the school, including our pupils and their families, employees, suppliers, the Government and our strategic partners. Our approach to all these parties is founded on the principle of proactive and systematic communication based upon an open and honest dialogue and a clear appreciation of needs and objectives.

Relationships with parents are managed on an individual basis, through those in close contact with them through the education journey, as well as key communication forums and interaction with staff on the School site and at events.

The School, the Governors and senior employees participate in various education sector associations and groups, which give access to supplier groups and decision-makers, Government and other regulatory bodies.

The School is a member of the Headmasters' & Headmistresses' Conference, the Independent Association of Prep Schools, the Independent Schools' Bursars' Association and the Association of Governing Bodies of Independent Schools.

#### Employee engagement

The School continues to place a high emphasis on mutually beneficial relationships with its employees, whom it regards as essential to the School's future success.

There is a well-established system for regular communication with staff at all levels in both Schools, including weekly departmental meetings, regular email updates, formal and informal staff presentations, as well as a full in-service

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training programme and an extensive social diary. Employees are encouraged to raise any issues or ideas for improvement they may have with their line manager or through the whistleblowing arrangements.

Staff at all levels are kept advised of the progress of the School in comparison with our strategic objectives and development plans, including matters that may be pertinent to their immediate interests.

The School puts great emphasis on providing equality of opportunity for all employees and ensuring that fair selection and development procedures apply. The aim of policies in this area is to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, sex, disability, marital status, colour, religion, race or ethnicity, or is disadvantaged by conditions or requirements which cannot be shown to be justifiable. In the event of an employee becoming disabled whilst in the School's employment, measures will be taken to ensure that they can continue in their employment as far as is practicable.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document and constitution**

Sedbergh School was endowed as a Chantry School in 1525 by Roger Lupton, Provost of Eton, and incorporated by Royal Charter of King Edward VI as a Free Grammar School in 1551. It was reconstituted under the Endowed Schools Act of October 1874. The Scheme, Provisions and subsequent amendments were repealed and reconstituted by Trust Deed in July 1956. This Trust Deed was amended during subsequent years, the last amendment being in 1980.

In 2000, the School became an incorporated charity (charity number 1080672, company number 3946280), entailing the preparation of new governing instruments and the transfer of the Charity's assets, with the exception of the Scholarship & Prize Funds which are classified as permanent endowment. These Scholarship & Prize Funds became linked charities with Sedbergh School and are incorporated within the School accounts. The Articles of Association were renewed during the year to meet current company and charity law and practice.

##### **The Governing Body**

The Trustees and Directors of Sedbergh School ('the Company') are the Governors of the School.

Under the new Articles of Association, all Members of the Company are Directors of the Company and Governors of the School. The membership of the Board of Governors consists of up to fifteen Co-optive Governors.

Until 5 July 2023, the Governing Body included His Majesty's Lord Lieutenant of Cumbria in an ex-officio position; this ceased with the retirement of the Lord Lieutenant on 5 July. The Articles of Association now allow for the Lord Lieutenant to nominate a representative to hold a Co-optive Governor position; this position is currently vacant.

The Lord Archbishop of York also nominates a representative (Revd M D Ineson) who holds one of the Co-optive Governor positions.

The remaining Co-optive Governors are appointed by the Board of Governors for a specific period not exceeding three years initially. A Governor is eligible for re-election for up to three further terms of three years. Governors are reappointed at the Annual Retirement Meeting of Governors (replacing the AGM), which will be held for the first time in March 2024.

The Charity has one Governing Body for both the Senior School and the Prep School, with separate registrations with the Department for Education for each site. Details of the Governing Body are provided on page 19.

##### **Management arrangements**

During the year, the day-to-day running of both Schools was delegated to: the Headmaster, Sedbergh School, the Chief Operating Officer, the Prep School Headmaster and the Senior Management Teams at the Senior and Prep

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Schools. The Headmaster, Sedbergh School and the Chief Operating Officer are responsible to the Board for the delivery of the strategic objectives set out in the strategic plan and attend the Governors' Board and relevant Committee meetings as appropriate.

The Board delegates authority through formal terms of reference to a range of committees and sub-committees including the Executive, Education and Nominations & Remuneration Committees and the Safeguarding, Audit & Risk Sub-Committee and the Investments Sub-Committee. The commercial subsidiaries are separate limited companies who report to their own independent boards.

#### **Arrangements for setting pay and remuneration of key management personnel**

Remuneration for senior management positions is determined by the Nominations & Remuneration Committee. The Committee reviews the terms and conditions of the senior office holders on an annual basis. Due consideration is given to national benchmarking reports, including periodic surveys by independent authorities such as AGBIS and Baines Cutler Solutions (an independent schools consultancy business), to ensure that their remuneration is commensurate with similar roles within the sector.

#### **Indemnity insurance**

Third party indemnity insurance was in place for the benefit of Governors during the period.

#### **Appointment of new Governors**

Members of the Governing Body are recruited by invitation to ensure that the right mix of skills, talent, expertise and experience is achieved to deliver effective governance and achievement of the strategic goals of the School, as well as encouraging diversity of background and thinking on the Board. The Nominations & Remuneration Committee meets regularly to consider new Governor appointments.

On appointment, new Governors receive induction training which takes into account their existing professional qualifications or area of expertise. An ongoing programme of Governor training is in place.

#### **GROUP STRUCTURE AND RELATIONSHIPS**

The Charity has two wholly owned subsidiaries and an associated company; in addition it has close relationships with the Old Sedberghian Club and with two other unconnected separate charities, as follows:

##### **Subsidiaries**

**Sedbergh School Developments Limited**

Sedbergh School Developments Limited was incorporated on 11 April 1996. Its principal activities continue to be the provision of courses and other commercial trading ventures.

**Sedbergh School International Limited**

Sedbergh School International Limited was incorporated on 7 October 2015 in order to facilitate the provision of educational activities outside of the United Kingdom.

##### **Associate**

**Sedbergh Hotel Enterprises Limited**

Sedbergh Hotel Enterprises Limited is an associated company, set up to procure, refurbish and run The Black Bull in Sedbergh. Sedbergh School Developments Limited holds 36% of the issued share capital of Sedbergh Hotel Enterprises Limited

##### **Other**

The Sedbergh School Foundation (the Foundation)

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The Foundation is a separate charity, whose purpose is to raise funds and support current and future investment in facilities, amenities and activities undertaken by the School. The close relationship between the Foundation and the School has been enhanced during the year with a restructure of strategic management, as described earlier.

#### The Old Sedberghian Club ('OS' Club)

The OS Club is a separate society which provides the School alumni with an extensive programme of events, activities and support. The School benefits from the generosity of a thriving network of Old Sedberghians whose close support is greatly appreciated and gladly acknowledged. There is a close working relationship between the Club, School and Foundation.

#### The Michael Robertson Scholarship Fund

The Michael Robertson Scholarship Fund is an independent restricted fund, not part of the Group, which kindly provides income on an annual basis to support bursary awards at the School.

#### Fundraising and the Foundation

The Foundation made restricted grants to the School during the year totalling £0.917m. This included providing additional scholarships and bursary support and funding towards significant capital projects, including two new all-weather hockey pitches and a new outdoor learning provision at the Prep school. In addition, an extensive LED conversion project was undertaken alongside several house based fundraising initiatives. The School did not carry out any direct fundraising activity on its own behalf and did not engage third party fundraisers.

Preparations are well progressed for the celebration of the quincentenary of the foundation of Sedbergh School in 2025. A number of high profile events are scheduled and a new history of the School will be published, written by M A F Raw, former Head of History.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2023

#### REFERENCE AND ADMINISTRATIVE DETAILS

##### Governing body

- Chairman: - R J Gledhill, MA (Cantab), ACA\*#
- Ex-Officio: - His Majesty's Lord-Lieutenant of Cumbria, Mrs C T Hensman CVO, BA (LSE) [retired 5 July 2023]
- Co-optive: - Mrs L Bates BA (Liverpool John Moores)\* [retired 11 March 2023]  
- A J N Bedford BA (North Carolina)\*  
- R R Biggs MA (Oxon), BSc (Cape Town)  
- J D Campbell OBE FRSA\*  
- T J Davies BSc (Newcastle) \*  
- I W Durrans BA (Oxon), ACA\*#  
- Lt Gen Sir Andrew Gregory KBE, CB, DL, MA (Cantab)  
- Revd M D Ineson MA, BA (Bristol), BEng (Birm) (representing The Lord Archbishop of York)#  
- Mrs K E Martin [appointed 1 January 2023]  
- Professor J Mennell BSc (Leeds), DL [appointed 17 June 2023]  
- R N Papworth BA (Oxon)\*#  
- M R Piercy MA (Leicester)  
- J H B Warburton-Lee

\* Members of the Executive Committee at 31 August 2023

# Members of the Safeguarding, Audit and Risk Sub-Committee as at 31 August 2023

##### Headmasters

Sedbergh School and the Senior School:

D J Harrison MA (Cantab)

Prep School:

W R Newman BEd (Exeter), MA (Victoria)

##### Chief Operating Officer, Company Secretary and Clerk to the Governors

P S Marshall TD

##### Registered address

Sedbergh School

Malim Lodge

Sedbergh

LA10 5RY

[www.sedberghschool.org](http://www.sedberghschool.org)

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2023

#### **Bankers**

Barclays Bank Plc  
1<sup>st</sup> Floor, 3 Hardman Street  
Spinningfields  
Manchester M3 3HF

#### **Auditor**

Haysmacintyre LLP  
10 Queen Street Place  
London  
EC4R 1AG

#### **Solicitors**

Veale Wasbrough Vizards  
Narrow Quay House  
Narrow Quay  
Bristol BS1 4QA

Farrer & Co  
66 Lincoln's Inn Fields  
London  
WC2A 3LH

#### **Investment managers (up to Nov 23)**

Ruffer LLP  
31 Charlotte Square  
Edinburgh  
EH2 4ET

#### **Insurance brokers**

Marsh Brokers Ltd  
Capital House  
1 - 5 Perrymount Road  
Haywards Heath RH16 3SY

Muckle LLP  
Time Central  
32 Gallowgate  
Newcastle upon Tyne NE1 4BF

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2023

#### STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITOR

The Governors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Governors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

#### AUDITOR

The auditor, Haysmacintyre LLP has indicated a willingness to continue in office. A resolution to reappoint Haysmacintyre LLP as auditor will be put to the members at the AGM.

#### STATEMENT OF GOVERNORS' RESPONSIBILITIES

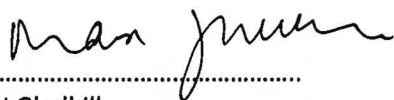
The Governors (who are also directors of Sedbergh School for the purposes of company law and the Trustees for the purposes of Charity Law) are responsible for preparing the Trustees' and Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Sedbergh School Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

This report, which incorporates the Strategic Report, was approved by the Governors on 9 March 2024 and signed on their behalf by:



R J Gledhill  
Chairman

# SEDBERGH SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEDBERGH SCHOOL

### Opinion

We have audited the financial statements of Sedbergh School for the year ended 31 August 2023 which comprise the Consolidated Statement of Financial Activities; the Consolidated and School Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2023 and of the group's and parent charitable company's net movement in funds, including the 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.

### Basis for opinion

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

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and

## SEDBERGH SCHOOL

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEDBERGH SCHOOL

- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

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

#### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Education (Independent School Standards) Regulations 2014, safeguarding regulations, health and safety requirements, GDPR, employment law, company law and charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006, Charities Act 2011 and consider other factors such as payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to income recognition and management override of controls. Audit procedures performed by the engagement team included:

## SEDBERGH SCHOOL

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEDBERGH SCHOOL

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted at the year end; and
- Challenging assumptions and judgements made by management in their accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

#### Use of our report

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



Tracey Young (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditor  
Date: 24 April 2024

10 Queen Street Place  
London  
EC4R 1AG

## SEDBERGH SCHOOL

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 August 2023

	Note	Unrestricted £'000	Restricted £'000	Endowed £'000	Total 2023 £'000	Total 2022 £'000
<b>Income from:</b>						
<b>Charitable activities:</b>						
- School fee income	2	21,056	-	-	21,056	19,234
- Other educational income	3	704	-	-	704	587
- Other ancillary income	3	141	-	-	141	136
<b>Other trading activities:</b>						
- Trading income	4	2,100	-	-	2,100	1,398
Investment income	5	219	14	-	233	41
Donations, legacies & grants	6	-	1,199	-	1,199	533
<b>Other income:</b>						
- Sundry income		16	-	-	16	18
<b>Total Income</b>		<u>24,236</u>	<u>1,213</u>	<u>-</u>	<u>25,449</u>	<u>21,947</u>
<b>Expenditure on:</b>						
Charitable activities		21,374	1,064	16	22,454	19,930
<b>Raising funds:</b>						
- Trading costs		1,676	-	-	1,676	1,316
- Financing costs		421	-	-	421	199
<b>Total Expenditure</b>	8	<u>23,471</u>	<u>1,064</u>	<u>16</u>	<u>24,551</u>	<u>21,445</u>
<b>Net Income/(Expenditure)</b>		765	149	(16)	898	502
<b>Transfer Between Funds</b>		236	(236)	-	-	-
<b>Other Recognised Gains/(Losses)</b>						
Revaluation of property	10	-	-	-	-	560
(Losses)/Gains on investments	9	(1)	(43)	(94)	(138)	134
Actuarial losses on defined benefit pension scheme	20	(4)	-	-	(4)	(2)
<b>Net Movement in Funds</b>		996	(130)	(110)	756	1,194
<b>Total Funds Brought Forward</b>		15,575	843	1,889	18,307	17,113
<b>Total Funds Carried Forward</b>	18	<u>16,571</u>	<u>713</u>	<u>1,779</u>	<u>19,063</u>	<u>18,307</u>

All activities are classed as continuing. The notes on pages 28 to 54 form part of these accounts.

# SEDBERGH SCHOOL

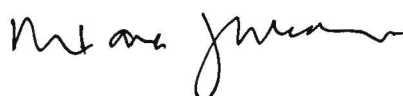
## BALANCE SHEETS at 31 August 2023

Company number: 03946280

	Note	Consolidated		School	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Fixed Assets</b>					
Tangible fixed assets	10	25,237	22,939	25,237	22,939
Investments	11	3,767	4,744	3,204	4,058
		29,004	27,683	28,441	26,997
<b>Current Assets</b>					
Stocks	12	125	119	118	112
Debtors	13	2,148	1,436	2,237	1,881
Cash at bank and in hand		2,404	2,532	1,799	1,930
		4,677	4,087	4,154	3,923
<b>Creditors: amounts falling due within one year</b>	14	(7,802)	(7,493)	(7,596)	(7,230)
<b>Net Current Liabilities</b>		(3,125)	(3,406)	(3,442)	(3,307)
<b>Total Assets Less Current Liabilities</b>		25,879	24,277	24,999	23,690
<b>Creditors: amounts falling due after more than one year</b>	15	(6,816)	(5,970)	(6,816)	(5,970)
<b>Total Net Assets Excluding Defined Benefit Pension Scheme Asset</b>		19,063	18,307	18,183	17,720
Defined benefit pension scheme asset	20	-	-	-	-
<b>Total Net Assets</b>		19,063	18,307	18,183	17,720
<b>Funds</b>					
<b>Unrestricted funds</b>					
- General reserve	18c	12,145	11,149	11,827	11,247
- Revaluation reserve	18c	4,426	4,426	4,426	4,426
- Pension reserve	18c	-	-	-	-
		16,571	15,575	16,253	15,673
Endowment funds	18a	1,779	1,889	1,779	1,889
Restricted funds	18b	713	843	151	158
<b>Total Funds</b>		19,063	18,307	18,183	17,720

The School's net income for the year was £0.568m (2022: £0.476m) and the net movement in funds was £0.463m (2022: £1.143m).

The financial statements were approved, authorised for issue and signed on behalf of the Board of Governors on 9 March 2024.



R J Gledhill  
Chairman

**SEDBERGH SCHOOL**

**CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 August 2023**

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Operating Activities</b>				
Net income		898		502
Depreciation charge		1,166		956
Investment income		(233)		(41)
Interest paid		411		199
Investment management fee		24		23
Defined benefit pension scheme		(4)		(2)
(Increase)/decrease in stocks		(6)		22
(Increase) in debtors		(712)		(218)
Increase in creditors		637		993
<b>Net cash provided by Operating Activities</b>		2,181		2,434
<b>Investing Activities</b>				
Investment income	233		41	
Purchase of tangible fixed assets	(3,464)		(976)	
Proceeds from sale of investments	2,360		1,304	
Purchase of investments	(1,545)		(1,304)	
<b>Net cash used in Investing Activities</b>		(2,416)		(935)
<b>Financing Activities</b>				
Interest paid	(411)		(199)	
New loans	1,000		-	
Repayment on loans	(453)		(564)	
Finance lease rentals	(29)		(8)	
<b>Net cash provided by/(used in) Financing Activities</b>		107		(771)
<b>Change in cash and cash equivalents in the year</b>		(128)		728
<b>Cash and cash equivalents at the beginning of the year</b>		2,532		1,804
<b>Cash and cash equivalents at the end of the year</b>		2,404		2,532
<b>Represented by:</b>				
Cash at bank and in hand		2,404		2,532

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS**  
**31 August 2023**

**1 Accounting policies**

**Legal status**

Sedbergh School is an incorporated (private company limited by guarantee) charity (charity no. 1080672, company no. 03946280), registered in England. The School's address is Sedbergh School, Malim Lodge, Sedbergh, LA10 5RY.

Sedbergh School was founded in 1525 and received a Royal Charter from King Edward VI in 1551. The object of Sedbergh School is to advance education by carrying on in Great Britain a school or schools at which infants, children and pupils may obtain education and instruction in academic, sporting, musical, cultural, scientific, technical, vocational, social and commercial subjects, activities and crafts of every description. Sedbergh School meets the definition of a public benefit entity under FRS 102.

**Basis of accounting**

The accounts are prepared under the Companies Act 2006, Charities Act 2011 and under the historical cost convention as modified by the adoption of fair value accounting for investments and the revaluation of private dwellings. These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities Statement of Recommended Practice ("Charities SORP (FRS 102) (second edition, effective January 2019)").

Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise indicated. The financial statements are presented in sterling which is also the functional currency of the School.

**Basis of consolidation**

The School's individual accounts include the linked charities Sedbergh School Prize Fund (charity no. 1080672-1), Sedbergh School Scholarship Fund (charity no. 1080672-2), Rosalie Mary Forster Bursary Fund (charity no. 1080672-3) and Casterton School Scholarship Fund (charity no. 1080672-4).

The consolidated accounts include the School, the Appeal Fund, the Education Fund, the School's trading subsidiaries, Sedbergh School Developments Limited (company no. 03184583) and Sedbergh School International Limited (company no 9814021) together with the share of the results of its associate Sedbergh Hotel Enterprises Limited (company no 10598631), in which Sedbergh School Developments Limited has a 36% shareholding.

All financial statements are made up to 31 August 2023 except for Sedbergh Hotel Enterprises Limited which has a financial year end of 30 June 2023. The following accounting policies have been applied consistently in dealing with items that are considered material to the School's financial statements.

The charity has taken the exemption from presenting its unconsolidated income and expenditure account under section 408 of the Companies Act 2006.

**Reduced disclosures**

In accordance with FRS 102, the School has taken advantage of the exemptions from the following disclosure requirement in the individual financial statements of Sedbergh School:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures.
- Section 11 'Basic Financial Instruments' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches.

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued)

31 August 2023

#### Going concern

The Governors consider that there are no material uncertainties that could cast significant doubt on the School's ability to continue as a going concern.

The Governors have considered the current cash position and future forecasts including sensitivity analysis. Therefore, the Governors remain confident in its cash flow forecast and its ability to meet its ongoing obligations as they arise for the next twelve months from the date of approval of the financial statements. As a result, the financial statements are prepared on a going concern basis.

#### Income

Income from School fees represents fees earned in respect of tuition given during the year. Fees received in respect of tuition to be given after the year end are included in creditors as fees received in advance. Fees receivable are stated after deducting allowances for scholarships and bursaries granted by the School, but include contributions received from restricted funds for scholarships, bursaries and other grants.

Income from trading activities represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers during the period. Turnover is recognised when substantially all the risks and rewards of ownership have been transferred.

Donations received are recognised where there is entitlement, the receipt is probable, and the amount can be measured with sufficient reliability. Donations subject to specific wishes of the donors are carried to relevant restricted funds, or to endowment funds where the amount is required to be held as permanent capital.

Other income, including investment income, is accounted for on an accruals basis.

Grant income, including income from the Coronavirus Job Retention Scheme, is recognised and accrued, in the period to which the relevant costs relate.

#### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefit will be required in settlement and the amount of the obligation can be measured reliably. Amounts are discounted to present value for longer-term liabilities. Expenditure is summarised under functional headings on a direct costs basis.

Expenditure on raising funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Charitable activities include expenditure associated with the objects of the School and both the direct costs and support costs relating to this activity. Grants awarded are expensed as soon as they become legal or operational commitments. Management and administration costs include governance costs incurred in the governance of the School and its assets and are primarily associated with constitutional and statutory requirements.

#### Taxation

The School is a registered charity and therefore it is exempt from income and corporation tax on income and gains falling within chapter 3 Part 11 Corporation Tax Act 2010 or S256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

The subsidiary undertakings, Sedbergh School Developments Limited and Sedbergh School International Limited are liable to income and corporation tax on their income and gains. Gift aid payments, if made, paid to the Charity reduce the taxable income and gains. The subsidiaries are eligible to make gift aid payments to their holding company, the School.

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued)

31 August 2023

#### Fixed assets

The School buildings, boarding houses and land owned by the School at Sedbergh are included on the balance sheet at the historical cost.

Private dwellings ("residential properties") and property held for sale are held at valuation. All movements in value arising from a change in value of private dwellings, in excess of their original cost, are shown in the Statement of Financial Activities as revaluation gains or losses, with movements being credited/charged to the revaluation reserve. Any diminution in value below original cost is charged to the Statement of Financial Activities as an impairment.

All other fixed assets are measured at their cost or values at the time of acquisition, net of depreciation and any impairment losses. Capital items costing less than £1,000 are written off as an expense as acquired.

#### Depreciation

Depreciation is provided on tangible fixed assets at rates and bases calculated to write off the cost less estimated residual value, based on current market prices, of each asset over its expected useful life as follows:

School buildings	- 50 years
Fixtures and fittings	- 5 – 20 years
Computer equipment	- 3 years
All weather pitch	- 20 years
Motor vehicles	- 4 years
Leasehold improvements	- over the life of the lease

Land is not depreciated and assets under construction are only depreciated once they come into use.

#### Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the School estimates the recoverable amount of the asset.

#### Investments

Investments are stated in the balance sheet at their market value as at the balance sheet date. All movements in value arising from investment changes or revaluation are shown in the Statement of Financial Activities and are allocated to the appropriate fund according to the allocation of the underlying asset.

Investments in associates are recognised initially in the consolidated balance sheet at the transaction price and subsequently adjusted to reflect the group's share of total income and equity of the associate, less any impairment. Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the School has a legal obligation to make good the losses.

Investments in associates are accounted for at cost less impairment in the individual financial statements.

#### Stock

Stock is valued at the lower of cost (based on purchase price) and fair value.

#### Pension schemes

Retirement benefits for the School's teaching staff are provided by the Teachers' Pension Scheme ("TPS"). This is a defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme. This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS 102, the School accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued)

31 August 2023

#### **Pension schemes (continued)**

The School contributes to a separate defined benefit scheme for non-teaching staff. This is an occupational defined benefit scheme. The defined benefit pension scheme current service costs are charged to the Statement of Financial Activities within staff costs. Net interest on the net defined benefit asset is recognised in the Statement of Financial Activities. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses. The defined benefit scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The School only recognises an asset in respect of a surplus on the scheme valuation to the extent that the asset is recoverable through reduced future contributions or through a reimbursement from the Scheme.

The School also contributes to a group money purchase scheme for non-teaching staff. Contributions are charged to the Statement of Financial Activities in the period in which the salaries to which they relate are payable. Defined contribution pension costs are allocated to unrestricted funds.

#### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the School is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **Fund accounting**

The School has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

Unrestricted funds	Funds which are expendable at the discretion of the Governors in furtherance of the objects of the School. In addition to expenditure on the School's operations, such funds may be held in order to finance capital investment and working capital.
Restricted funds	Donations or legacies received which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the School.
Endowment funds	Funds given to the School where the income may be used in furtherance of the objects, but the capital must be retained.
Designated funds	The School may at its discretion set aside funds for specific purposes which would otherwise form part of the general reserves of the School.

#### **Financial instruments**

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

Trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value. Bank loans and other loans are initially recognised at their transaction value and subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Investments are initially measured at transaction price and subsequently measured at fair value through net income or expenditure.

#### **Leases**

An asset and corresponding liability are recognised for leasing agreements that transfer to the School substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the Statement of Financial Activities so as to produce a constant periodic rate of interest on the remaining balance of the liability.

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued)

31 August 2023

#### *Leases (continued)*

All other leases are operating leases and the annual rentals are charged to the Statement of Financial Activities on a straight line basis over the lease term.

#### **Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### *Pension scheme valuation assumptions*

The present value of the defined benefit pension asset depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension asset. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 August 2018 has been used by the actuary in valuing the pensions asset at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset.

The surplus on the pension scheme valuation as at 31 August 2023 has not been recognised as an asset because the Governors do not consider that it is recoverable.

#### *Fee debtor provision*

A provision for impairment of fee debtors is established when there is objective evidence that the amounts due will not be collected in line with the usual fee collections due to financial difficulty of the debtors.

#### *Useful life of fixed assets*

In making decisions regarding the depreciation of tangible fixed assets, management must estimate the useful life of said assets to the business. A change in estimate would result in a change in the depreciation charged to the Statement of Financial Activities in each year.

#### *Residential property valuations*

Residential properties are held at valuation. The Governors make informed decisions on an annual basis about property values in conjunction with the School's property advisers.

In the opinion of the Governors there are no critical judgements involved in the preparation of the financial information.

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)**

**31 August 2023**

<b>2</b>	<b>School fee income</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	Gross fees		25,943		23,887
			<hr style="border-top: 1px solid black;"/>		<hr style="border-top: 1px solid black;"/>
	Bursaries		(1,545)		(1,174)
	Scholarships		(1,508)		(1,740)
	Other concessions		(2,395)		(2,150)
			<hr style="border-top: 1px solid black;"/>		<hr style="border-top: 1px solid black;"/>
			(5,448)		(5,064)
	Less contributions from restricted funds				
	Education Fund	82		3	
	Appeal Fund	2		2	
	Michael Robertson Scholarship Fund	226		234	
	Scholarship and Prize Funds	7		9	
	Sedbergh School Foundation	242		140	
	Casterton Old Girls Association	-		20	
	Casterton School Scholarship Fund	1		2	
	Rosalie Mary Forster Bursary Fund	1		1	
			561		411
			<hr style="border-top: 1px solid black;"/>		<hr style="border-top: 1px solid black;"/>
			(4,887)		(4,653)
			<hr style="border-top: 1px solid black;"/>		<hr style="border-top: 1px solid black;"/>
	Net fees		21,056		19,234
			<hr style="border-top: 1px solid black;"/>		<hr style="border-top: 1px solid black;"/>
			<hr style="border-top: 1px solid black;"/>		<hr style="border-top: 1px solid black;"/>
<b>3</b>	<b>Other income from charitable activities</b>			<b>2023</b>	<b>2022</b>
				<b>£'000</b>	<b>£'000</b>
	<b>Other educational income</b>				
	Other fees			447	416
	Bookroom			66	35
	Sundry			17	15
	Registration fees			42	45
	Fees in lieu of notice			115	52
	Surcharge interest on late fees			17	24
				<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
				704	587
				<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>

Other educational income is generated by the School only and is credited to unrestricted funds.

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)**

**31 August 2023**

<b>3</b>	<b>Other income from charitable activities (continued)</b>	<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Other ancillary income</b>		
	Rent	116	114
	Commissions	1	4
	Insurance	4	18
	Sundry	20	-
		<hr/>	<hr/>
		141	136
		<hr/> <hr/>	<hr/> <hr/>

Other ancillary income is generated by the School only and is credited to unrestricted funds.

<b>4</b>	<b>Trading income</b>	<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>
	Short courses	1,564	963
	School uniform	-	160
	Facilities and lettings	33	40
	Royalty and service fee income	503	235
		<hr/>	<hr/>
		2,100	1,398
		<hr/> <hr/>	<hr/> <hr/>

<b>5</b>	<b>Investment income</b>	<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>
	Dividends received from fixed asset investments	30	41
	Bank interest received	203	-
		<hr/>	<hr/>
		233	41
		<hr/> <hr/>	<hr/> <hr/>

2023: £14,000 (2022: £18,000) of investment income was credited directly to restricted funds.

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)**

**31 August 2023**

<b>6</b>	<b>Income from donations, legacies and grants</b>	<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>
	Donations (restricted)	731	136
	Income from Sedbergh School Foundation (restricted)	242	140
	Income from Michael Robertson Scholarship Fund (restricted)	226	234
	Income from Casterton Old Girls Association (restricted)	-	20
	Coronavirus Job Retention Scheme grant (unrestricted)	-	3
		<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>
		1,199	533
		<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>
<b>7</b>	<b>Expenditure</b>	<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Charitable expenditure includes:</b>		
	Depreciation – owned assets	1,118	948
	Depreciation – assets under finance leases	48	8
	Operating lease cost	118	112
		<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>
	<b>Other expenditure (excl VAT) includes:</b>		
	Auditor's remuneration:		
	Statutory audit of parent company and group accounts	32	28
	Audit of subsidiaries where such services are provided by the group auditor	9	7
		<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>
	Total audit	41	35
	Other services	9	1
		<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>
		50	36
		<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>
	<b>Financing costs</b>	<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>
	Interest on bank loans and overdrafts	411	199
	Amortisation on bank loan arrangement fee	10	-
		<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>
		421	199
		<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued) 31 August 2023

<b>7</b>	<b>Expenditure (continued)</b>		
	<b>Staff costs</b>	<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>
	Wages and salaries	11,211	9,996
	Social security costs	1,088	975
	Pension costs	1,571	1,363
	Redundancy costs	4	-
		13,848	12,334
		13,848	12,334

The average number of staff employed by the School during the year:

	2023		2022	
	No.		No.	
	Full time	Part time	Full time	Part time
Teaching staff	115	67	110	61
Premises and grounds staff	25	6	26	4
Administration and clerical staff	35	22	32	26
Catering, boarding house and medical staff	87	113	89	117
	262	208	257	208
	262	208	257	208

Neither the Governors nor persons connected with them received any remuneration or other benefits from the School or any connected organisation. Details of expenses paid to Governors are provided in note 19.

The number of employees whose emoluments, including benefits in kind, exceeded £60,000 was:

	2023	2022
	No.	No.
£60,001 - £70,000	13	5
£70,001 - £80,000	3	1
£80,001 - £90,000	-	1
£90,000 - £100,000	-	1
£100,000- £100,000	1	-
£120,000- £130,000	-	-
£130,000 - £140,000	1	2
£150,000 - £160,000	1	-

Included in the above higher paid employees were 14 (2022: 8) accruing benefits under defined benefit schemes. Contributions in respect of these individuals totalled £0.241m (2022: £0.143m).

#### **Key management personnel**

The School considered its key management personnel during the year to comprise the two Headmasters, at the Senior School and the Prep School, and the Chief Operating Officer. The total employment benefits including employer pension contributions of the key management personnel were £0.558m (2022: £0.508m).

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)  
31 August 2023**

**8 Analysis of expenditure**

	Staff costs £'000	Other £'000	Depreciation £'000	Total 2023 £'000
<b>Charitable activities</b>				
Teaching costs	7,326	708	-	8,034
Boarding houses, staff and medical provision	2,470	2,003	-	4,473
Premises costs	1,396	2,573	1,166	5,135
Management and administration	1,551	1,288	-	2,839
Grants, awards and prizes	-	1,006	-	1,006
Publicity	364	603	-	967
	13,107	8,181	1,166	22,454
<b>Raising funds</b>				
Trading	741	935	-	1,676
Interest on bank loans and overdrafts	-	421	-	421
	741	1,356	-	2,097
	13,848	9,537	1,166	24,551
		<i>Governance costs (included within management and administration costs)</i>		
Governors' meeting costs	-	19	-	19
Audit and accountancy (exc VAT)	-	50	-	50
	-	69	-	69

All expenditure is charged to the unrestricted fund, with the exception of £1.001m (2022: £0.411m) of grants, awards and prizes, £nil (2022: £0.04m) of boarding house costs and £0.063m (2022: £0.057m) of management and administration costs that are charged to the restricted fund and £0.016m (2022: £0.011m) of management costs that are charged to endowed funds.

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)**

**31 August 2023**

**8 Analysis of expenditure (continued)**

	Staff costs £'000	Other £'000	Depreciation £'000	Total 2022 £'000
<b>Charitable activities</b>				
Teaching costs	6,582	654	-	7,236
Boarding houses, staff and medical provision	2,162	1,849	-	4,011
Premises costs	1,271	2,781	956	5,008
Management and administration	1,313	1,151	-	2,464
Grants, awards and prizes	-	416	-	416
Publicity	371	424	-	795
	<u>11,699</u>	<u>7,275</u>	<u>956</u>	<u>19,930</u>
<b>Raising funds</b>				
Trading	635	681	-	1,316
Interest on bank loans and overdrafts	-	199	-	199
	<u>635</u>	<u>880</u>	<u>-</u>	<u>1,515</u>
	<u>12,334</u>	<u>8,155</u>	<u>956</u>	<u>21,445</u>
	<u><u>12,334</u></u>	<u><u>8,155</u></u>	<u><u>956</u></u>	<u><u>21,445</u></u>
		<i>Governance costs (included within management and administration costs)</i>		
Governors' meeting costs	-	26	-	26
Audit and accountancy	-	36	-	36
	<u>-</u>	<u>62</u>	<u>-</u>	<u>62</u>

**9 Fair value gains and losses**

	2023 £'000	2022 £'000
Fair value gains and losses on financial assets:		
(Loss)/gain on fixed asset investments	(138)	134
	<u>(138)</u>	<u>134</u>

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2023**

**10 Tangible fixed assets**

Consolidated and School	Residential property	Leasehold improvements	Fixtures & fittings	Other assets	School land & buildings	All weather surfaces	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>							
As at 1 Sept 2022	6,156	1,052	11,162	995	14,920	671	34,956
Additions	-	-	1,338	143	72	1,911	3,464
Disposal	-	-	(20)	-	-	-	(20)
<b>As at 31 August 2023</b>	<b>6,156</b>	<b>1,052</b>	<b>12,480</b>	<b>1,138</b>	<b>14,992</b>	<b>2,582</b>	<b>38,400</b>
<b>Depreciation</b>							
At as 1 Sept 2022	-	120	7,529	878	2,928	562	12,017
Charge for the period	-	10	611	109	330	106	1,166
Disposal	-	-	(20)	-	-	-	(20)
<b>As at 31 August 2023</b>	<b>-</b>	<b>130</b>	<b>8,120</b>	<b>987</b>	<b>3,258</b>	<b>668</b>	<b>13,163</b>
<b>Net book value</b>							
<b>As at 31 August 2023</b>	<b>6,156</b>	<b>922</b>	<b>4,360</b>	<b>151</b>	<b>11,734</b>	<b>1,914</b>	<b>25,237</b>
As at 31 August 2022	6,156	932	3,633	117	11,992	109	22,939

The net book value of assets held under finance leases is £98,000 (2022: £53,000) included within School land & buildings. The depreciation charge in respect of these assets was £48,000 (2022: £8,000). School land and buildings have been valued for insurance purposes in October 2023 at £159m (2022: £158m). In addition, the School's contents are insured at a value of £9.7m (2022: £8.3m).

Private dwellings are revalued on a regular basis, and a full Red Book RICS valuation was performed by Davis Bowring in July 2018, at open market value. The valuation of these properties was £5.6m. A subsequent increase of £0.560m was made at 31 August 2022 taking the total value to £6.2m. The Governors have considered the current market and, having consulted with external advisors, are of the opinion that there is no indication of a material change in the market value as at 31 August 2023.

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued) 31 August 2023

#### 11 Investments

	2023	2022
	£'000	£'000
<b>Consolidated</b>		
<b>At market value:</b>		
Balance at 1 Sept 2022	4,744	4,633
Additions	1,545	1,304
Disposal proceeds	(2,360)	(1,304)
Increase in market value	(138)	134
Management fee	(24)	(23)
	3,767	4,744
Balance at 31 August 2023	3,767	4,744
<b>School</b>	<b>2023</b>	<b>2022</b>
	£'000	£'000
<b>At market value:</b>		
Balance at 1 Sept 2022	4,058	3,967
Additions	1,201	1,122
Disposals proceeds	(1,937)	(1,122)
Increase in market value	(101)	109
Management fee	(17)	(18)
	3,204	4,058
Balance at 31 August 2023	3,204	4,058

#### Subsidiary undertakings

The School controls 100% of Sedbergh School Developments Limited (company no. 03184583; with the same registered address as the School, detailed on page 19), which runs sporting and educational courses making use of the School's facilities. Its trading results and summary balance sheet, extracted from its audited accounts for the year ended 31 August 2023 were:

	2023	2022
	£'000	£'000
Turnover	1,597	1,003
Cost of sales	(1,003)	(602)
	594	401
Gross profit		
Administration costs	(314)	(300)
Interest	(17)	(10)
	263	91
Net profit	263	91
Trading income is credited to unrestricted funds in the consolidated accounts.		
	<b>2023</b>	<b>2022</b>
	£'000	£'000
Total assets	632	327
Total liabilities	(590)	(548)
	42	(221)
Total reserves	42	(221)

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued) 31 August 2023

#### 11 Investments (continued)

The School also controls 100% of Sedbergh School International Limited (company no. 9814021; with the same registered address as the School, detailed on page 19) which was formed to facilitate opening of an overseas school. Its trading results and summary balance sheet, extracted from its audited accounts for the year ended 31 August 2023 were:

	2023 £'000	2022 £'000
Turnover	504	235
Cost of sales	(110)	(57)
	394	178
Gross profit		
Administration costs	(215)	(152)
	179	26
Net profit		

Trading income is credited to unrestricted funds in the consolidated accounts.

	2023 £'000	2022 £'000
Total assets	357	299
Total liabilities	(82)	(177)
	275	122
Total reserves		

#### Associated Undertakings

Sedbergh School Developments Limited holds 36% of the issued share capital of Sedbergh Hotel Enterprises Limited (company no. 10598631), set up to procure, refurbish and run The Black Bull in Sedbergh.

#### Investment valuation

	2023 £'000	2022 £'000
At 1 Sept 2022 and 31 August 2023	-	-

	Type of shares held	Proportion held (%)	Country of incorporation	Registered Office
Sedbergh Hotel Enterprises Limited	A ordinary shares	36%	UK	44 Main Street, Sedbergh, LA10 5BL

The audited results of Sedbergh Hotel Enterprises Limited for their year ended 30 June 2023 are as follows;

	2023 £'000	2022 (restated) £'000
Aggregate amount of capital and reserves	(1,414)	(1,098)
	(316)	(138)
Loss for the period		

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued) 31 August 2023

#### 12 Stocks

	Consolidated		School	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Consumables	33	88	26	81
Bookroom stationery	92	31	92	31
	125	119	118	112
	125	119	118	112

#### 13 Debtors

	Consolidated		School	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Debtors for school fees and extras	665	674	665	674
Trade debtors	348	-	-	-
Prepayments and accrued income	931	655	928	655
Other debtors	177	82	167	80
Amounts due from related undertakings	27	25	477	472
	2,148	1,436	2,237	1,881
	2,148	1,436	2,237	1,881

#### 14 Creditors: amounts falling due within one year

	Consolidated		School	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade creditors	1,167	693	1,070	659
Accruals and deferred income	1,388	1,357	1,279	1,291
Parental deposits	768	770	768	770
Fees received in advance	3,531	3,484	3,531	3,484
Taxation and social security	273	261	273	261
Finance lease creditor	35	-	35	-
Other creditors	280	364	280	201
Bank loans	360	564	360	564
	7,802	7,493	7,596	7,230
	7,802	7,493	7,596	7,230

#### Parental deposits

All new pupils joining the School must pay a deposit. This is refunded when the pupil leaves the School.

#### Fees received in advance

Fees are apportioned over the pupil's time at the School. The money may be returned subject to specific conditions on the receipt of one term's notice.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2023**

**14 Creditors: amounts falling due within one year (continued)**

Assuming pupils remain in the School, advance fees will be applied as follows:

	<b>Consolidated and School</b>	
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Within 1 year	3,137	2,966
Within 1 to 2 years	219	336
Within 2 to 3 years	86	91
Greater than 3 years	89	91
	<u>3,531</u>	<u>3,484</u>

The movements during the year were as follows:

	<b>Consolidated and School</b>	
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
As at 1 Sept 2022	3,484	3,395
New contracts	3,052	3,006
Refunded	(23)	(141)
Amounts utilised in payment of fees to the School	(2,982)	(2,776)
As at 31 August 2023	<u>3,531</u>	<u>3,484</u>

**Deferred income**

Deferred income at the prior year end relates to amounts received in advance from the Michael Robertson Scholarship Fund.

The movements during the year were as follows:

	<b>Consolidated and School</b>	
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
As at 1 Sept 2022	100	89
Released in year	(100)	(89)
Deferred in year	-	100
As at 31 August 2023	<u>-</u>	<u>100</u>

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2023**

**15 Creditors: amounts falling due after one year**

	<b>Consolidated and School</b>	
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans	6,721	5,970
Finance lease creditor	95	-
	6,816	5,970

**Bank loans**

During the year, the bank loan was renegotiated. The existing term loan and CBILS loan were consolidated and a further £1m borrowed, the overdraft facility was however reduced by £1m. The new £7.252m term loan was arranged at an interest rate of 2.6% over base rate and will be repaid by way of 59 monthly instalments of £30,092 with a final repayment after five years.

The bank loans fall due as follows:

	<b>Consolidated and School</b>	
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Amounts falling due within 1 year (note 14)	360	564
Amounts falling due within 1 to 2 years	360	564
Amounts falling due within 2 to 5 years	6,361	5,406
	7,081	6,534

The bank loans, with an outstanding balance at 31 August 2023 of £7.081m (2022: £6.534m), are secured by way of legal charges over certain properties and a fixed and floating debenture over the School's assets.

**16 Analysis of changes in net debt**

	<b>At 1 September 2022</b>	<b>Non Cash Movements</b>	<b>Cash flows</b>	<b>At 31 August 2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	2,532	-	(128)	2,404
Sub-total	2,532	-	(128)	2,404
Loans falling due within one year	(564)	(207)	411	(360)
Loans falling due after more than one year	(5,970)	249	(1,000)	(6,721)
Finance lease obligations	-	(159)	29	(130)
Net funds/(debt)	(4,002)	(117)	(688)	(4,807)

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)**

**31 August 2023**

**17 Allocation of the charity net assets**

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

<b>As at 31 August 2023</b>		<b>Fixed assets</b>	<b>Net current assets/(liabilities)</b>	<b>Long term liabilities</b>	<b>Total</b>
<b>Consolidated</b>		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Endowment	(18a)	1,394	385	-	1,779
Restricted	(18b)	660	53	-	713
Unrestricted funds	(18c)	26,950	(3,563)	(6,816)	16,571
		<u>29,004</u>	<u>(3,125)</u>	<u>(6,816)</u>	<u>19,063</u>
<b>School</b>					
Endowment	(18a)	1,394	385	-	1,779
Restricted	(18b)	98	53	-	151
Unrestricted funds	(18c)	26,949	(3,880)	(6,616)	16,253
		<u>28,411</u>	<u>(3,442)</u>	<u>(6,616)</u>	<u>18,183</u>
<b>As at 31 August 2022</b>					
<b>Consolidated</b>		<b>Fixed assets</b>	<b>Net current assets/(liabilities)</b>	<b>Long term liabilities</b>	<b>Total</b>
<b>Consolidated</b>		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Endowment	(18a)	1,504	385	-	1,889
Restricted	(18b)	790	53	-	843
Unrestricted funds	(18c)	25,389	(3,844)	(5,970)	15,575
		<u>27,683</u>	<u>(3,406)</u>	<u>(5,970)</u>	<u>18,307</u>
<b>School</b>					
Endowment	(18a)	1,504	385	-	1,889
Restricted	(18b)	105	53	-	158
Unrestricted funds	(18c)	25,388	(3,745)	(5,970)	15,673
		<u>26,997</u>	<u>(3,307)</u>	<u>(5,970)</u>	<u>17,720</u>

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2023**

**18a Endowment funds**

<b>Consolidated and School</b>	<b>Balance at 1 Sept 2022 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Revaluation losses £'000</b>	<b>Balance at 31 Aug 2023 £'000</b>
Collingwood and Baynes Foundation	461	-	(1)	(5)	455
Scholarship and Prize Fund	1,218	-	(13)	(76)	1,129
Casterton School Scholarship Fund	210	-	(2)	(13)	195
	<u>1,889</u>	<u>-</u>	<u>(16)</u>	<u>(94)</u>	<u>1,779</u>
	<u><u>1,889</u></u>	<u><u>-</u></u>	<u><u>(16)</u></u>	<u><u>(94)</u></u>	<u><u>1,779</u></u>
<b>Consolidated and School</b>	<b>Balance at 1 Sep 2021 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Revaluation gains £'000</b>	<b>Balance at 31 Aug 2022 £'000</b>
Collingwood and Baynes Foundation	459	-	(1)	3	461
Scholarship and Prize Fund	1,183	-	(9)	44	1,218
Casterton School Scholarship Fund	204	-	(1)	7	210
	<u>1,846</u>	<u>-</u>	<u>(11)</u>	<u>54</u>	<u>1,889</u>
	<u><u>1,846</u></u>	<u><u>-</u></u>	<u><u>(11)</u></u>	<u><u>54</u></u>	<u><u>1,889</u></u>

The Collingwood & Baynes Foundation and the Scholarship and Prize Funds form part of the School's permanent endowment and were set up to provide scholarships and prizes to pupils attending the School.

Casterton School Scholarship Fund relates to funds transferred on the merger of Casterton and Sedbergh School. Charity Commission approval was obtained for these to be transferred from Casterton School to Sedbergh School.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2023**

**18b Restricted funds**

	Balance at 1 Sept 2022 £'000	Income £'000	Expenditure £'000	Transfer £'000	Revaluation losses £'000	Balance at 31 Aug 2023 £'000
General Funds	-	1,199	(963)	(236)	-	-
Rosalie Mary Forster Bursary Fund	99	1	(2)	-	(6)	92
Casterton School Scholarship Fund	5	-	-	-	-	5
Casterton Old Girls Association	53	-	-	-	-	53
Scholarship and Prize Fund	-	7	(7)	-	-	-
Casterton School Scholarship Fund	-	1	(1)	-	-	-
Collingwood and Baynes Foundation	1	-	-	-	-	1
<b>School Funds</b>	<b>158</b>	<b>1,208</b>	<b>(973)</b>	<b>(236)</b>	<b>(6)</b>	<b>151</b>
Education Fund	417	3	(86)	-	(20)	314
Appeal Fund	268	2	(5)	-	(17)	248
<b>Consolidated Funds</b>	<b>843</b>	<b>1,213</b>	<b>(1,064)</b>	<b>(236)</b>	<b>(43)</b>	<b>713</b>

	Balance at 1 Sept 2021 £'000	Income £'000	Expenditure £'000	Transfer £'000	Revaluation gains £'000	Balance at 31 Aug 2022 £'000
General Funds	-	530	(484)	(46)	-	-
Rosalie Mary Forster Bursary Fund	96	1	(2)	-	4	99
Casterton School Scholarship Fund	5	-	-	-	-	5
Casterton Old Girls Association	53	20	(20)	-	-	53
Scholarship and Prize Fund	-	9	(9)	-	-	-
Casterton School Scholarship Fund	-	2	(2)	-	-	-
Collingwood and Baynes Foundation	-	1	-	-	-	1
<b>School Funds</b>	<b>154</b>	<b>543</b>	<b>(497)</b>	<b>(46)</b>	<b>4</b>	<b>158</b>
Education Fund	406	3	(7)	-	15	417
Appeal Fund	260	2	(4)	-	10	268
<b>Consolidated Funds</b>	<b>820</b>	<b>548</b>	<b>(508)</b>	<b>(46)</b>	<b>29</b>	<b>843</b>

The Education Fund was set up to provide funds to assist the sons of Old Sedberghians ("OSs") killed in the wars. It has since been widened to support primarily children of OSs without the means to attend Sedbergh, or indeed other pupils who are in need of financial support to attend the School.

The Appeal Fund was set up by the Governors in 1996 to fund various projects, including the raising of funds for Scholarships and Bursaries to pupils attending the School.

Casterton School restricted funds, including the Rosalie Mary Forster Bursary Fund, Casterton School Scholarship Fund and Casterton Old Girls Association, relate to funds transferred on the merger of Casterton and Sedbergh School. Charity Commission approval was obtained for these to be transferred from Casterton School to Sedbergh School. The Rosalie Mary Forster Bursary Fund remains a linked charity.

General funds are pooled grants, the majority of which are from Sedbergh School Foundation, relating to facility improvements or the betterment of education.

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)  
31 August 2023**

**18c Unrestricted funds**

	Balance at 1 Sept 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Revaluation losses £'000	Balance at 31 Aug 2023 £'000
Revaluation Reserve	4,426	-	-	-	-	4,426
Pension Reserve	-	4	-	-	(4)	-
General Funds	10,699	22,188	(21,852)	181	-	11,216
Bursary Fund – designated	545	12	-	55	-	612
Local Young People's Fund	23	3	(6)	-	(1)	19
Collingwood and Baynes Foundation	(20)	-	-	-	-	(20)
<b>School Funds</b>	<u>15,673</u>	<u>22,207</u>	<u>(21,858)</u>	<u>236</u>	<u>(5)</u>	<u>16,253</u>
Trading Company	(98)	2,100	(1,684)	-	-	318
<b>Consolidated Funds</b>	<u><u>15,575</u></u>	<u><u>24,307</u></u>	<u><u>(23,542)</u></u>	<u><u>236</u></u>	<u><u>(5)</u></u>	<u><u>16,571</u></u>

	Balance at 1 Sept 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Revaluation gains/(losses) £'000	Balance at 31 Aug 2022 £'000
Revaluation Reserve	3,866	-	-	-	560	4,426
Pension Reserve	-	2	-	-	(2)	-
General Funds	10,177	20,241	(19,802)	51	32	10,699
Bursary Fund – designated	528	5	(3)	(5)	20	545
Local Young People's Fund	26	3	(5)	-	(1)	23
Collingwood and Baynes Foundation	(20)	-	-	-	-	(20)
<b>School Funds</b>	<u>14,577</u>	<u>20,251</u>	<u>(19,810)</u>	<u>46</u>	<u>609</u>	<u>15,673</u>
Trading Company	(130)	1,238	(1,206)	-	-	(98)
<b>Consolidated Funds</b>	<u><u>14,447</u></u>	<u><u>21,489</u></u>	<u><u>(21,016)</u></u>	<u><u>46</u></u>	<u><u>609</u></u>	<u><u>15,575</u></u>

The Bursary Fund – designated, represents funds for Bursaries to pupils attending the School, not falling into the other funds.

Local Young Peoples' Fund is a fund to provide grants to local children pursuing educational goals.

The revaluation reserve was created when the School's residential property was revalued at market value. Any changes in valuation are credited/charged through the revaluation reserve.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2023**

**19 Related parties**

*a) Transactions with Governors*

The following Governors had children attending the School during the year:

	<b>Number of children at the School</b>
Mr J H B Warburton-Lee	1

Total expenses of £3,670 (2022: £6,063) were paid to 9 (2022: 10) Governors. These were in respect of travel and subsistence.

*b) Transactions with subsidiaries and associate*

Transactions with Sedbergh School Developments Limited (a 100% owned trading subsidiary of Sedbergh School) included expenditure of £0.790m (2022: £0.59m). As at 31 August 2023, Sedbergh School Developments Limited owed Sedbergh School £0.291m (2022: £0.18m). Amounts gift aided to Sedbergh School amounted to £nil (2022: £nil).

During 2020 Sedbergh School Developments Limited was in receipt of a loan facility from the School amounting to £0.300m of which £0.121m was drawn down as at 31 August 2023 (2022: £0.271m). Interest is charged on the loan at a rate of 3% above the Bank of England's base rate and the loan is repayable in full by 2025.

Transactions with Sedbergh School International Limited (a 100% owned trading subsidiary of Sedbergh School) included expenditure of £0.178m (2022: £0.140m). As at 31 August 2023, Sedbergh School International Limited owed Sedbergh School £0.053m (2022: £0.009m). Amounts gift aided to Sedbergh School amounted to £0.026m (2022: £0.086m).

Transactions with Sedbergh Hotel Enterprises Limited (an associate undertaking of Sedbergh School Developments Limited) included expenditure of £0.002m (2022: £0.003m). As at 31 August 2023 £nil (2022: £nil) was due between entities.

*c) Sedbergh School Foundation*

The purpose of the Foundation is to promote or improve the education given at Sedbergh School, or the facilities thereof, or the amenities thereof, or the well-being of the pupils educated there, in relation to their education either at the School or at some other place of education, after leaving the School.

The amount owed by Sedbergh School Foundation as at 31 August 2023 was £0.012m (2022: £0.010m). Grants from the Foundation amounted to £0.917m (2022: £0.221m).

The School has a lease agreement with the Foundation for the rental of Guldrey Lodge, at a current rate of £52,000 p.a. This has been charged to the Statement of Financial Activities during the year. The rent is reviewed annually in line with the specific terms of the lease agreement.

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued)

31 August 2023

#### 20 Pension schemes

The School's teaching staff belong to one principal pension scheme, the Teachers' Pension Scheme England and Wales ("TPS"). All full time and part time non-teaching staff are now eligible to join the Sedbergh School Money Purchase Plan.

##### Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1.128m (2022: £1.019m) and at the year-end £0.092m (2022: £0.082m) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report, which was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

##### The Group Self Invested Personal Pension (SIPP)

In May 2009, the School opened a new self-invested personal pension scheme for its non-teaching staff. Employers' contributions are currently paid at a minimum rate of 5.05% of employee's salary. Contributions by the School to the scheme totalled £0.369m (2022: £0.323m) and the balance outstanding with the scheme was £0.052m (2022: £0.041).

##### Sedbergh School Pension Fund

The School also operates a defined benefit scheme in the UK for certain (3) non-teaching staff. The last full actuarial valuation was carried out as at 31 August 2021. The initial results of that valuation have been projected to

31 August 2023 by a qualified independent actuary. The major assumptions used by the actuary were:

	2023	2022
	%	%
Rate of increase of pensions in payment	0.00	0.00
Discount rate	5.25	4.10
Inflation assumption RPI	3.50	3.45
Inflation assumption CPI	2.50	2.45

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)  
31 August 2023**

**20 Pension schemes (continued)**

The mortality assumptions adopted at 31 August 2023, imply the following life expectancies:

	<b>2023</b>	<b>2022</b>
Expected age at death of current pensioner at age 65:		
Male aged 65 at year end	87.3	88.0
Female aged 65 at year end	89.6	90.2
Expected age at death of future pensioner at age 65:		
Male aged 45 at year end	88.9	89.7
Female aged 45 at year end	91.0	91.6

Analysis of amount debited/(credited) to the Statement of Financial Activities:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Net interest credit	(4)	(2)
	<u>(4)</u>	<u>(2)</u>
<b>Remeasurements of the net asset</b>		
Return of fund assets (excluding amount included in net interest)	59	138
Actuarial gains	(36)	(114)
Surplus on scheme not recognised	(19)	(22)
	<u>4</u>	<u>2</u>
Total defined benefit cost	<u>-</u>	<u>-</u>

Cumulative actuarial losses amounted to £nil at 31 August 2023 (2022: £nil).

Changes in the fair value of plan assets and changes in present value of defined benefit obligation:

	<b>2023</b>	<b>2023</b>	<b>2023</b>
	<b>Assets</b>	<b>Liabilities</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fair value of scheme assets/present value of (liabilities) at beginning of period	270	(173)	97
Contributions by employer	-	-	-
Benefits paid	-	-	-
Interest income/(cost)	11	(7)	4
Return on scheme assets (excluding amount included in net interest expense)	(59)	-	(59)
Actuarial gains	-	36	36
	<u>222</u>	<u>(144)</u>	<u>78</u>
Surplus on scheme not recognised	(78)	-	(78)
	<u>144</u>	<u>(144)</u>	<u>-</u>

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2023**

**20 Pension schemes (continued)**

Changes in the fair value of plan assets and changes in present value of defined benefit obligation:

	<b>2022</b>	<b>2022</b>	<b>2022</b>
	<b>Assets</b>	<b>Liabilities</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fair value of scheme assets/present value of (liabilities) at beginning of period	401	(282)	119
Contributions by employer	-	-	-
Benefits paid			
Interest income/(cost)	7	(5)	2
Return on scheme assets (excluding amount included in net interest expense)	(138)	-	(138)
Actuarial gains	-	114	114
	<hr/>	<hr/>	<hr/>
Fair value of scheme assets/present value of (liabilities) at end of period	270	(173)	97
Surplus on scheme not recognised	(97)	-	(97)
	<hr/>	<hr/>	<hr/>
	173	(173)	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**The return on plan assets was:**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Interest income	11	7
Return on plan assets (excluding amount included in net interest expense)	(59)	(138)
	<hr/>	<hr/>
Total return on plan assets	(48)	(131)
	<hr/> <hr/>	<hr/> <hr/>

The fair values of assets of the scheme were:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Corporates	41	45
Gilts	181	225
	<hr/>	<hr/>
Total market value of assets	222	270
	<hr/> <hr/>	<hr/> <hr/>

The Fund has no investments in the School or in property occupied by the School.

Contributions of £nil are expected for the year to 31 August 2023 (2022: £nil).

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2023**

**21 Capital commitments**

At 31 August 2023 the School had capital commitments of £0.289m (2022: £0.217m).

**22 Commitments under operating leases**

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

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Amounts due:		
Within one year	105	70
Between one and five years	152	89
	<hr/> 257	<hr/> 159
	<hr/> <hr/>	<hr/> <hr/>

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2023**

**23 Comparative Statement of Financial Activities**

	Note	Unrestricted £'000	Restricted £'000	Endowed £'000	Total 2022 £'000
<b>Income from:</b>					
<b>Charitable activities:</b>					
- School fee income	2	19,234	-	-	19,234
- Other educational income	3	587	-	-	587
- Other ancillary income	3	136	-	-	136
<b>Other trading activities:</b>					
- Trading income	4	1,398	-	-	1,398
Investment income	5	23	18	-	41
Donations, legacies & grants	6	3	530	-	533
<b>Other income:</b>					
- Profit/(loss) on sale of fixed assets		-	-	-	-
- Sundry income		18	-	-	18
<b>Total Income</b>		<u>21,399</u>	<u>548</u>	<u>-</u>	<u>21,947</u>
<b>Expenditure on:</b>					
Charitable activities		19,411	508	11	19,930
<b>Raising funds:</b>					
- Trading costs		1,316	-	-	1,316
- Financing costs		199	-	-	199
<b>Total Expenditure</b>	8	<u>20,926</u>	<u>508</u>	<u>11</u>	<u>21,445</u>
<b>Net Income/(Expenditure)</b>		<u>473</u>	<u>40</u>	<u>(11)</u>	<u>502</u>
<b>Transfer between funds</b>		46	(46)	-	-
<b>Other Recognised Gains/(Losses)</b>					
Revaluation of property	10	560	-	-	560
Gains on investments	9	51	29	54	134
Actuarial losses on defined benefit pension scheme	20	(2)	-	-	(2)
<b>Net Movement in Funds</b>		<u>1,128</u>	<u>23</u>	<u>43</u>	<u>1,194</u>
<b>Total Funds Brought Forward</b>		<u>14,447</u>	<u>820</u>	<u>1,846</u>	<u>17,113</u>
<b>Total Funds Carried Forward</b>	17	<u>15,575</u>	<u>843</u>	<u>1,889</u>	<u>18,307</u>

**SEDBERGH SCHOOL**

England & Wales - Charity number 1080672

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# Accounts

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**SEDBERGH SCHOOL**

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**for the year ended 31 August 2022**

**Registered charity: 1080672**

**Company number: 03946280**



**S E D B E R G H  
S C H O O L**

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*Founded in 1525*

# SEDBERGH SCHOOL

## ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 August 2022

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# **SEDBERGH SCHOOL**

## **CHAIRMAN'S STATEMENT for the year ended 31 August 2022**

If you have visited Sedbergh in the last year, or attended Foundation or Old Sedberghian Club events, the chances are that you will have heard the Headmaster talk about the four core values that are central to life at Sedbergh School – Humility, Ambition, Resilience and Kindness.

Walking round the School, talking to pupils and staff, you see everyday examples of these values in the thoughts and behaviours of Sedberghians; they provide a moral compass that help our pupils grow and thrive, at Sedbergh and in their life beyond School.

Over the last year, the value that has been most evident at the School, and in our pupils and staff, is Resilience. Sedbergh has bounced back from Covid-19 and all the challenges that this brought and is bigger and better for it.

This resilience is a tribute to the leadership and staff of the School, and to our pupils and their families, as well as to the wonderful support we continue to receive from the Old Sedberghian Club and our alumni, the Foundation and the wider School community. The pupils and staff have adapted to an ever-changing environment through Covid-19 lockdowns and returning to campus, assisted by the adoption of new technologies and working practices.

It is clear to me that the mental and physical resilience that the School nurtures and encourages in all our pupils is one of the most important benefits of a Sedbergh education. Life for school leavers, at university or college, in the world of work and socially, can be very challenging. However the life skills that pupils learn at Sedbergh through lectures, personal social and health education (PHSE) and participation in sport, music, drama and outdoor pursuits alongside the tremendous network of friends that they acquire here, provide invaluable support to all our alumni.

The Old Sedberghian Club is also working hard to help young OS navigate life after Sedbergh, maintain old friendships and make new ones, and access work experience and job opportunities. And since the year end, we have launched a mentoring support network for OS entrepreneurs and start-ups.

Resilience is of course a daily imperative for the people of Ukraine. In Michaelmas Term 2022 the School has welcomed three displaced children from Ukraine to Sedbergh on full scholarships. Since the year end the School has raised significant funds in association with Siobhan's Trust to purchase a mobile pizza vehicle which is currently based in eastern Ukraine, providing meals and practical support to desperate internally displaced refugees.

In conclusion, I would again like to thank my Board of Governors, who give so generously of their time and expertise, and the leadership and staff of the School. I am lucky to have such a strong team, who work tirelessly to sustain and develop our great School and to support, encourage and inspire our pupils.

Richard Gledhill  
Chairman  
Sedbergh School

# SEDBERGH SCHOOL

## TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2022

The Board of Governors of Sedbergh School presents its Annual Report and Consolidated Financial Statements for the year ended 31 August 2022 and confirm that they comply with the requirements of the Companies Act 2006, the Charities Act 2011 and the Charities SORP (FRS 102) – Second Edition.

### BACKGROUND TO SEDBERGH SCHOOL

Sedbergh School was founded in 1525 and received a Royal Charter from King Edward VI in 1551. The Senior School ('Senior School') is based in the market town of Sedbergh in the Yorkshire Dales, and the Preparatory School ('Prep School') and Mulberry Bush nursery ('the Mulberry Bush') are located nine miles away in the village of Casterton. The two schools and the nursery (together 'the School') provide education to boys and girls between the ages of six months and 18 years.

The Senior School is predominantly boarding, with nine boarding houses. The Prep School has a mix of both boarding and day pupils. Boarding houses are the heart of the School; the term-time home of our pupils and where they forge the closest friendships. The House system creates a smaller, tight-knit, cross-year community within the School where pupils are well supported by staff they know well. The sense of belonging inspires confidence, allows problems to be resolved and develops strong social skills.

### CHARITABLE OBJECTS

The object of the School is to advance education by carrying on in Great Britain a school or schools at which infants, children and pupils may obtain education and instruction in academic, sporting, musical, cultural, scientific, technical, vocational, social and commercial subjects, activities and crafts of every description.

### OBJECTIVES AND ACTIVITIES

The mission of the School is:

*To nurture each Sedberghian so that they realise their full potential in a unique and rigorous environment of excellence, characterised by committed endeavour, moral purpose and integrity of contribution.*

In particular, the School aims to:

1. Identify and develop the potential of pupils in a variety of areas: academic, artistic, cultural, sporting, personal, social and spiritual; help them to obtain the best possible qualifications; and prepare them for the opportunities, responsibilities and experiences of life;
2. Provide a welcoming, friendly and supportive environment which recognises the worth of each individual;
3. Provide a fulfilling working environment for both teaching and support staff, and encourage their development;
4. Liaise closely with the parents of its pupils and encourage them to share in the life of the School and the house;
5. Work responsibly within its environment and community; and
6. Attract pupils from a wide range of social and financial backgrounds.

Progress in delivering our aims is summarised in the following strategic report.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2022

#### STRATEGIC REPORT

##### Achievements and Performance

###### Getting back to normal

For the first time in nearly two years, the School was able to get back to a full programme of normal education and extra-curricular activities. Pupils and staff enjoyed the return to the classroom, sports fields and courts, lecture theatre and music studio, as well as to outdoor activities and time spent with friends in the School and boarding houses.

###### Senior School

The Senior School began the year with 569 pupils (2021: 531), its highest ever roll. The School has continued to grow, in part due to the quality of the remote learning provision during the Covid-19 pandemic.

As with all schools, A level and GCSE examinations were externally assessed for the first time since 2019, with pupils sitting in an examination hall for the first time ever, in some cases. The 111 candidates achieved the best ever A level and BTEC results, with 88.6% of grades at A\* to C/Di\* to M (2019: 77.1%), and 36.8% A\*-A/Di\*-D (2019: 23.4%). The value-added score per pupil averaged +0.36 (2019: -0.35). Amongst the results were some outstanding individual and departmental performances.

Despite being a difficult year for university entrance, on the basis of these results 96% of pupils wishing to go to university gained a place. The bespoke advice service offered to each pupil proved invaluable given the competition for places.

The School was also very proud of its year 11 pupils' outstanding GCSE results. 112 pupils sat these examinations: 93.3% of results were graded 9-4 (2019: 92.0%), and 38.6% grades 9-7 (2019: 40.7%) with an average value-added score of +0.37 (2019: +0.05), a significant achievement for this group. 19 pupils achieved an average of 7.5 or higher per subject.

The School returned after the summer with some Covid-related restrictions in place for a short period. However the School was soon able to return to normal operations including full competitive sport fixtures, inter-house competitions of all types, pupil-led academic societies, singing in Chapel services and the usual programme of concerts and recitals.

Maximising pupil participation in all areas of school life is important at Sedbergh, and the breadth of opportunities provided offers something for every pupil to enjoy beyond the classroom. Year 9 pupils undertake the John Muir Award in their first term, gaining outdoor skills and experience, and year 10 have a programme of adventurous activities in the Summer Term. This leads to participation in the Duke of Edinburgh Award Scheme, at Silver level for years 10 and 11, with fifteen pupils gaining this award, and Gold for sixth form pupils, with five pupils being invited to Buckingham Palace to receive their Gold awards. The School is able to take full advantage of its unique setting between the national parks of the Yorkshire Dales and Lake District for expeditions and activities.

The breadth of sport on offer is designed to ensure all pupils can participate – whatever their needs and ability. A structured games programme is provided five days a week, with a competitive fixture list in many sports. The year saw regional and national successes in hockey, netball, rugby, rugby sevens, fell and cross country running, athletics, equestrian, target shooting, swimming, sailing and cricket. The Wilson Run record was broken by almost one minute, and the same athlete broke two School records on the track on Sports Day; and Sedbergh had its first representative in an English cricket test match team for 87 years.

The programme of performing arts saw many pupils involved in concerts, plays and events. From *A Night at the Musicals* to *A Ceremony of Carols*, the musicians were busy through the year. The Hirst Centre was the venue for the Wilson Run concert for the first time, as it was for the Choral Society's performance of Mozart's *Requiem*. A School

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2022

production of *The Thirty-Nine Steps* in Michaelmas Term was followed by pupils from years 9 and 10 performing Terry Pratchett's *Wyrd Sisters*, and the year ended with the inaugural *Carnival Day* seeing pupils engaged in an unprecedented range of activities. The Chapel Choir toured Italy early in the summer holiday, including a televised concert in Milan Cathedral.

Speech Day in July saw the return of Mrs Sara Hirst, the School's first Senior Mistress, who had overseen the move to co-education 20 years earlier. The Headmaster introduced new awards for pupils who had demonstrated the key Sedberghian values of Humility, Ambition, Resilience and Kindness, linked to the hills that stand around the School.

## SEDBERGH VALUES



### Preparatory School

The Prep School also began the year with a record roll of 184 pupils (2021: 169), including the greatest ever number of new starters, and finished the Summer Term with 199 pupils.

The Prep School undertook a series of standardised tests to assess the effect of home learning as a result of Covid-19 lockdowns; the results demonstrated that pupils were well above the national average in the core subjects of Mathematics, English and Science. The support of pupils with additional learning needs was enhanced and new boarding routines were introduced providing better support for pupils, duty staff and form tutors. Field trips returned, making the most of the countryside on the School's doorstep.

As at the Senior School, participation beyond the classroom is an important feature of Sedbergh Prep School. A wide range of sports are offered, including for the first time girls' cricket fixtures, and pupils enjoyed a sports tour to Northern Ireland. The programme of music and drama included exeat and half term concerts, LAMDA performances, a Christmas musical, a Summer Term production of *Madagascar* and the introduction of a 'cub choir' for pupils in Years 1 and 2.

Charity activities and fundraising are an important facet of Prep School life; pupils raised funds for a wide range of charities by participating in an array of events, from cake stalls to non-uniform days and the whole-School Sponsored Walk. The School also collected an impressive number of items to send to Ukraine to support families displaced by the war.

The Prep School values summarised in 'The Ways of the Wolf' feature regularly in assemblies and communication with pupils and parents: ambition, collaboration, courage, creativity, kindness and responsibility.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2022

#### The Mulberry Bush

The Mulberry Bush Nursery at Casterton continued to provide first class nursery care and education to children aged six months and above. The Nursery is at its current capacity, with 65 children on its roll, including an increased number of babies post-Covid, and is thriving.

#### Inspections

Both Schools underwent inspections during the year. The Nursery was not inspected during the year.

The Senior School's Regulatory Compliance Inspection (RCI) took place in February 2022 and was combined with a material change visit to assess the School's proposal to increase the capacity of the School by 40 pupils. The School fully met the standards with no further action required. The inspectors also recommended the approval of the application to increase potential pupil numbers.

The Prep School underwent a Focused Compliance and Educational Quality Inspection in March 2022. The School passed the compliance inspection, again with no further action required. The inspectors ranked the School as 'excellent' for both the quality of the pupils' academic education and their personal development.

The Prep School inspection report praised '**excellent pupil progress across all abilities**', underpinned by '**very strong study skills**', excellent attitudes to learning and '**high levels of knowledge, skill and understanding across the curriculum**'. The quality of the children's academic achievement was found to be supported by '**well-resourced departments, time in the curriculum and opportunities to practise**', as well as smaller class sizes and the positive relationships between staff and pupils, which were noted as '**exceptional**'.

The inspectors also commented on the pupils' '**extremely competent**' use of ICT and highlighted them as '**confident mathematicians**', writers and readers who display '**excellent communication skills**'. It also noted that they make the most of '**the very rich range of sport, music, drama and outdoor opportunities**', with success in these areas being exceptionally strong and celebrated by all.

The inspection reports are available on the School website.

#### PUBLIC BENEFIT ACTIVITIES AND COMMUNITY SUPPORT

##### Community support

For several years both staff and pupils have supported a wide range of community initiatives in Sedbergh, most recently through the Sedbergh Gives Back programme. Giving back is an important feature of life at Sedbergh School. From regular Thursday afternoon voluntary service sessions in local charity shops, primary schools, food banks and conservation programmes to the whole-day *Sedbergh Gives Back* house projects at the end of Michaelmas Term and the projects of Challenge Week, pupils learn the importance of helping others. A number of individual fundraising events were also held throughout the year for specific charities.

##### Public benefit

The School has an excellent record of facilitating access for children from a wide range of social and financial backgrounds, including the most disadvantaged, to provide them with the opportunity to benefit from the full breadth of a Sedbergh education with appropriate bursary and scholarship assistance, provided they meet the School's minimum entry requirements.

Parents who meet the relevant criteria are supported with means tested bursary awards within the funds available. Bursary awards are made on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk. In assessing means, a number of factors are taken into consideration including family income, investments and assets, together with family circumstances, as the School seeks to ensure

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2022

opportunities are given to pupils across the full spectrum of affordability and social background. Means tested support is reviewed on a periodic basis to identify any significant change in financial circumstance.

Governors review both School policy and actual awards. The policy, which must fit within the framework of what the School can sensibly afford, is designed to provide the widest possible access including to those who fall within the definition of low income households.

The Michael Robertson Scholarship Fund, a separate charity which does not form part of the School Group, has continued to provide income to support bursary awards, which totalled £0.234m in the year (2021: £0.141m). The Governors recognise this significant contribution and express their gratitude to the Robertson family and appreciation for the work of the Trustees in generating income for the School.

The Roger Lupton Scholarship scheme, funded by the Sedbergh School Foundation, provides funding opportunities to children whose families otherwise could not consider a school such as Sedbergh. During the year there were four Roger Lupton Scholars in the School receiving support from the Foundation.

In addition the School has extended its scholarship scheme to provide free places to a number of pupils from a state school in Sedbergh, Settlebeck School, to attend Sedbergh for sixth form. Sedbergh School Foundation funded two such places to the value of £0.053m. Alongside £0.001m of remaining hardship funding this took total funding by the Foundation to £0.140m for the year (2021: £0.144m).

Including Michael Robertson and Sedbergh School Foundation funding, this year the School provided bursary support to 128 pupils amounting to £1.174m (2021: £1.022m) which equates to 4.9% of gross fee income.

#### **Equal opportunity**

The School is committed to the provision of equal opportunities and an environment that is free of any form of discrimination. Reasonable adjustments are made to meet the needs of pupils and staff who are, or become, disabled.

#### **FINANCIAL REVIEW**

Following two years dominated by the impact of the Covid-19 pandemic, the financial year ended 31 August 2022, benefited from a return to a fully operational school with no physical closure of the site.

Total income received during the year amounted to £21.947m (2021: £17.879m). The majority of the Group's income is derived from school fee income which amounted to £19.234m (2021: £15.178m). In 2021 physical closures of the Schools necessitated the provision of remote learning and an associated reduction in fees. The absence of remote learning, an increase in pupil numbers and a fall in total concessions as a percentage of gross fees accounts for the 27% increase in school fee income.

Pupil numbers, on a full time equivalent basis, across both Schools rose by 6.2%. Successful retention and recruitment of pupils post the pandemic is attributed to the support of both parent bodies, the quality of our remote learning provision during the pandemic and the dedication of our teaching staff.

Trading income improved significantly increasing to £1.398m (2021: £0.897m) with the resumption of the International Summer School programme and record numbers of pupils attending short courses. Sedbergh School International Ltd received a reduced service fee from Sedbergh School Fuzhou due to Covid-19.

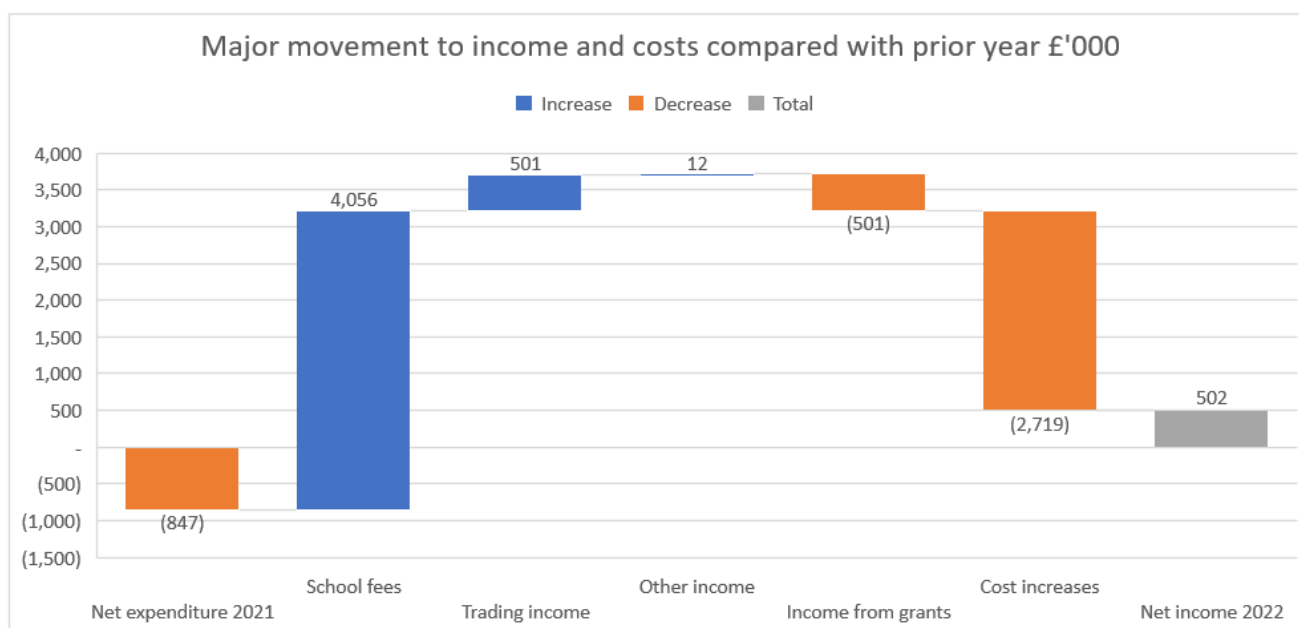
In 2021, in order to secure employees' jobs during the pandemic, the Group accessed the Coronavirus Job Retention Scheme claiming £0.504m. In September 2021 the scheme came to an end, resulting in a fall in income from grants of £0.501m.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2022

Total expenditure increased by 14.5% to £21.445m (2021: £18.726m) with a return to full onsite provision of schooling, increased pupil numbers alongside cost pressures from inflation and legislative changes.

Staff costs have risen by 7.1% to £12.334m (2021: £11.515m), due to the rise in pupil numbers requiring additional staffing resource and pay awards, including a cost of living payment for all eligible staff.



#### Key financial performance indicators

Key financial performance indicators used by the School include the following:

	<u>2022</u>	<u>2021</u>
Pupil numbers (adjusted on a full time equivalent basis)	754	710
Teaching staff costs as % of net fees	34.2%	41.0%
Premises and boarding costs as % of net fees	46.9%	52.9%

The prior year KPI percentages are high due to the loss of income in 2021 due to Covid-19.

Non-financial performance indicators include exam results as set out under the Achievement and Performance section of this report.

#### Financial position

The overall operating result for the year was net income of £0.502m (2021: net expenditure of £0.847m) driven by the increase in income. Adding the gains on investments relating to the Group's funds under management of £0.134m (2021: £0.234m), the revaluation gain of the residential property portfolio of £0.560m (2021: £nil) and deducting the actuarial losses on the non-teaching defined benefit pension scheme arising from the FRS 102 revaluation of £0.002m produces a total net increase in the Group's funds of £1.194m (2021: loss of £0.615m).

The Group's operating activities generated positive cash flow of £2.434m (2021: £0.094m). The positive movement returned cash generation to a position broadly comparable with pre-Covid levels in 2019. Investing activities included the purchase of tangible assets totalling £0.976m (2021: £1.035m); no additional funds were added to the managed investment portfolio. The repayment of loans, following a capital repayment holiday in 2021, totalled £0.564m (2021:

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2022

£nil) alongside interest payments of £0.199m (2021: £0.171m). The overall cash position therefore increased by £0.728m.

#### Going concern

The Governors do not consider there to be any material uncertainty about the School's ability to continue as a going concern, as set out in the accounting policies. Having reviewed the funding facilities available to the School together with the expected future cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the School's financial viability. Accordingly, the School has continued to adopt the going concern basis in preparing the financial statements.

Net current liabilities increased marginally to £3.406m (2021: £3.345m) and the level of fixed investments which could be disinvested rose to £4.744m (2021: £4.633m).

#### STRATEGIC PLAN 2020-2025

The School's Strategic Plan for the period 2020-2025 is reviewed annually and the Plan for the ensuing five year period is currently under development. The key objectives of the Plan are summarised below, together with a summary of progress during the year and future plans.

- **Employability and education for the future**

**To deliver a programme of study which will equip pupils to use technology safely and creatively, and to solve problems in such a way as to enhance their employment prospects. We will also deliver new curriculum development in both Schools.**

In the Prep School, a new Head of Computer Science has maintained the momentum of recent years, supported by a Pre-Prep Co-Ordinator who also has a strong background in teaching this subject. The rollout of interactive screens to all classrooms has continued with more to follow in the next academic year. Computing clubs for interested pupils have included the physical dismantling and re-assembling of old PCs, as well as the creation of a 'flight simulator'.

In the Senior School, Computer Science was added to the curriculum for GCSE and A level. A longer term strategic review of the curriculum has proposed developments in Design & Technology, Global Perspectives, Engineering and Information Technology and Computer Science, in parallel with planned developments in the School's facilities. This review also includes the provision of Information Technology within the whole school curriculum.

Sedbergh has also maintained its international reputation for sporting excellence, developing a broader range of sports available to pupils, combined with the provision of outstanding music and drama.

Pupils have gone on to study their first choice of subject at a range of top university destinations in the UK and overseas including Durham, Lancaster, Newcastle, Loughborough, Oxford, Cambridge and Leeds. Some pupils also chose to enter employment or gain an apprenticeship opportunity in a specific field.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2022

<ul style="list-style-type: none"><li>• <b>Manage actively the wellbeing and mental health of pupils and staff</b></li></ul>	
<p><b>To ensure there is an ethos and environment which takes the mental health of pupils and staff seriously, and in which it is managed and monitored actively with staff and pupils being developed and supported, alongside developing the teaching of PSHE and RSE by tutors. Pupil and staff well-being will continue to be actively promoted and ill-health managed swiftly and appropriately to make the School an attractive place to live, work and learn.</b></p>	<p>A range of initiatives is employed across both Schools to raise awareness and build resilience in our pupils including mental health awareness, mindfulness, wellbeing, prevention and reporting of bullying, online safety and extensive use of confidential surveys within the pupil body.</p> <p>The School Counsellor continues to be an integral part of the School's pastoral provision.</p> <p>Safeguarding policy and practice remains at the forefront of staff and Governor training, with regular assessment and review at all levels of daily operations. This training includes all staff, including those working within the trading subsidiaries.</p> <p>Staff welfare remains paramount and work has commenced on a full review of systems and practice to support wellbeing in the workplace; the staff intranet includes access to counselling services and a suite of confidential health and wellbeing support services.</p>
<ul style="list-style-type: none"><li>• <b>Sustainability</b></li></ul>	
<p><b>To review every aspect of our operations to ensure that we operate on a sustainable basis including delivering target reductions in energy consumption and carbon emissions. Pupils will be involved in a range of initiatives to deepen their understanding of climate change and other environmental issues.</b></p>	<p>The School has begun a major new investment in energy reduction measures as part of a longer term refurbishment of both campuses. This includes plans for the complete replacement of all lighting with LED during the financial year 2022/23.</p> <p>Ambitious targets to further reduce our carbon footprint are being finalised as part of a broader range of sustainability and corporate social responsibility objectives.</p> <p>Pupils are engaged in a range of initiatives to raise awareness and involvement in all aspects of sustainability and the environment.</p>
<ul style="list-style-type: none"><li>• <b>Development of land and assets</b></li></ul>	
<p><b>To progress plans for a new teaching facility to support further curriculum development in design and information technology; to modernise elements of the boarding house accommodation and to develop additional sports facilities.</b></p>	<p>Plans are well advanced for a new Technology Centre in the Senior School, aligned to the new curriculum development programme. Formal planning permission was obtained in autumn 2022 and preparatory works are scheduled to start in Lent Term 2023.</p> <p>Work began in January 2023 to provide two additional all-weather sports pitches in recognition of the importance of hockey, which is now a major sport at Sedbergh, and for a range of other sports.</p> <p>Further work to refurbish boarding houses and School buildings on the Sedbergh campus is being planned, including additional energy saving measures.</p> <p>Improvements to the sports hall on the Prep School campus are under way, and a new play barn will be constructed in 2022/23 to allow outdoor play for pre-prep children in all weathers.</p>

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2022

<ul style="list-style-type: none"><li>• <b>Overseas schools expansion</b></li></ul>	
<p><b>To support the development and academic success of Sedbergh School Fuzhou and open additional overseas schools under licensing and service agreements.</b></p>	<p>Sedbergh School Fuzhou, owned by the Rong Qiao Group, opened in September 2018 with 116 pupils, world-class facilities and a strong and experienced leadership team offering a blended British curriculum and compulsory Chinese curriculum in a bilingual school. The pupil roll in September 2022 now exceeds 700 pupils. Sedbergh School International Limited continues to benefit from an outstanding investor partner in the Rong Qiao Group based in Fujian province.</p> <p>Sedbergh School International Limited continues to explore opportunities for further schools in selected countries overseas, seeking additional investor partners and local operators to provide a unique Sedbergh education internationally.</p>
<ul style="list-style-type: none"><li>• <b>Non-fee based revenue generation</b></li></ul>	
<p><b>To deliver our targets for non-fee based revenue streams through a range of commercial ventures undertaken by our commercial subsidiaries, Sedbergh School International Limited and Sedbergh School Developments Limited.</b></p>	<p>Sedbergh School Developments Limited delivered its biggest ever programme of courses in the Easter and summer holidays in 2022, with record attendance by children from 6 to 16 years of age, as well as providing training webinars and outreach activity with schools and clubs.</p>
<ul style="list-style-type: none"><li>• <b>Financial security, including fundraising</b></li></ul>	
<p><b>To deliver long term financial security through effective commercial risk management, delivery of our medium term financial goals and support of our affiliated organisations, including fundraising and alumni development.</b></p>	<p>The School monitors financial progress across both Schools and its commercial subsidiaries against a detailed five year rolling financial plan to deliver our long-term financial goals which include:</p> <ul style="list-style-type: none"><li>• generating additional liquid reserves</li><li>• funding future capital expenditure</li><li>• strengthening our competitive position in our UK and global markets.</li></ul> <p>Financial performance against defined milestones is subject to termly review by the Executive Committee and Board of Governors.</p> <p>Pupil numbers and the recruitment pipeline are central to the financial health of the School. Pupil numbers are currently at record levels in both Schools, with strong interest from prospective parents for both 2023 and 2024 entry.</p> <p>Dynamic risk assessment measures are in place for each operational unit including the commercial subsidiaries, and strategic risks are considered and reviewed by the Senior Leadership Team on a monthly basis and by the Board of Governors on a termly basis.</p> <p>Our fundraising activities are carried out through the Foundation, which has continued to provide support via the Roger Lupton and Settlebeck Scholarship schemes and ad hoc house-based projects throughout the School.</p>

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2022

	<p>The Foundation has an ambitious fundraising plan to support the development of both Schools as part of the quinqucentenary celebrations in 2025. The fundraising campaign was launched at a dinner in London in June 2022, and has already secured donations and pledges totalling more than £3m. In addition the Foundation has unrestricted funds of £2m to support the development plan.</p> <p>The School also continues to be well supported by its alumni via the Old Sedberghian Club and by the parents of current and past pupils.</p>
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#### RISK MANAGEMENT

The School maintains an up-to-date Strategic Risk Register which identifies the most significant risks to ongoing operations of the School and to the delivery of its strategic objectives. The register details the appropriate risk mitigation measures and is reviewed on a regular basis by the Senior Leadership Team and on a termly basis by the Governors. Underneath this sits an Operational Risk Register, which is also reviewed regularly by the Senior Management Team. Governors have also reviewed the School's insurance cover to ensure that it is adequate.

The principal risks to the School and the School's approach to mitigate the risk are as follows:

Category	Risk	Principal mitigating actions
<b>Financial and Economic</b>	A failure to generate sufficient cash flow to meet strategic objectives and minimum cash generation requirements.	<ul style="list-style-type: none"> <li>– Strict financial management</li> <li>– Monthly review of financial forecasts</li> <li>– Pupil fee forecasts</li> <li>– Cashflows and reserves policy</li> <li>– Marketing strategy</li> <li>– Loan facility review</li> <li>– Capex programme review</li> <li>– Contingency planning</li> <li>– Review of teaching staff pension provision</li> </ul>
<b>Staff</b>	<p>Inability to recruit and retain high calibre teaching and operational staff, resulting in staff shortages.</p> <p>Loss of key staff or Senior Management Team, due to illness or accident.</p>	<ul style="list-style-type: none"> <li>– Staff communication and engagement</li> <li>– Staff training and development</li> <li>– Review of remuneration packages</li> <li>– Succession planning</li> <li>– Health insurance and health checks for key staff</li> </ul>
<b>Reputation</b>	Reputational damage as a result of an adverse incident at the School or in a subsidiary.	<ul style="list-style-type: none"> <li>– Policies, procedures and staff training</li> <li>– Communications plan in place</li> </ul>
<b>Political</b>	Possible political, taxation and regulatory changes (such as loss of charitable status, imposition of VAT on school fees, loss of business rate relief, levy changes, increases in Teachers' Pensions contributions, changes in overseas pupil visas).	<ul style="list-style-type: none"> <li>– Regular review of forecasts with sensitivity analysis</li> <li>– Legal/financial advice</li> <li>– Advice from sector bodies eg ISC and ISBA</li> <li>– Contingency plans</li> </ul>

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### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2022

Category	Risk	Principal mitigating actions
<b>External event eg pandemic</b>	Impact in the School and threat to the local community.  Inability to provide all aspects of the Sedbergh education, eg enforced lockdown resulting in temporary closure of the School and resulting in loss of revenue.  Additional costs arising from the event.	<ul style="list-style-type: none"><li>– Major incident planning</li><li>– Review of policies and procedures</li><li>– Remote learning plans and staff training</li><li>– Cost contingency plans</li><li>– Bio security measures</li></ul>

The School subsidiaries hold their own registers of strategic and operational risks which are in a consistent format to that of the School and are reviewed by their respective boards on a regular basis.

#### POLICIES

##### Principal sources of funding

The principal sources of funding for the School are fees, commercial income generated by the subsidiaries, and bank finance including medium term bank borrowings and a bank overdraft facility. In addition, the School receives support for bursaries and capital programmes from the Foundation and other charities and donors.

##### Reserves

The Group policy is to invest retained surpluses to support the development of the School, while ensuring that sufficient reserves are held to meet any contingencies as they arise.

According to the Charities' SORP definition, free reserves should exclude endowment and restricted funds and funds which can only be realised by disposing of fixed assets held for School use. On this narrow basis, the Group has no free reserves but the Governors are satisfied with the position given the unrestricted cash and unrestricted investments available, which at the end of the financial period amounted to £4.925m (2021: £4.19m) alongside the overdraft facility of £2m. In addition, the School benefits from a portfolio of residential property totalling £6.156m (2021: £5.590m).

The Governors continue to monitor cash, investments and reserves closely to ensure that sufficient reserves are available to meet potential threats to future income, in particular from a deterioration in the economic climate. Subject to this, it is the intention of the Board to reinvest operational surpluses generated into School improvements.

Total funds of the Group are £18.307m (2021: £17.113m), which comprise: endowment funds £1.889m (2021: £1.846m), restricted funds £0.843m (2021: £0.820m) and general funds of £15.575m (2021: £14.447m).

##### Investments

The Group's funds under management were valued at £4.744m as at 31 August 2022 (2021: £4.633m). The Group has an underlying investment strategy of long term capital preservation with the objective of delivering positive absolute returns with low volatility in capital values. The funds are split between the CF Ruffer Total Return Fund and short term cash deposits. The Group investment policy is approved by the Governors and monitored by the Investments Sub-Committee. The funds' performance benefited from the defensive strategy employed which protected against the extremely turbulent market following the UK's exit from the European Union and the Russian invasion of Ukraine.

##### Public benefit

In setting objectives for means tested bursaries, community engagement and social inclusion, the Governors have had regard to the Charity Commission's guidance on public benefit.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2022

#### Disabled persons

The School is committed to providing an environment which values and includes all pupils, staff and parents regardless of their educational, physical, sensory, social, spiritual, emotional and cultural needs. It seeks to challenge attitudes about disability and accessibility, and to develop a culture of awareness, tolerance and inclusion. The Group complies with all relevant legislation relating to disabled persons.

The School's policy requires that disabled job applicants would not be rejected for a reason which relates to their disability; job specifications are always used and selection criteria monitored to ensure that discrimination does not unwittingly occur; and recruitment and selection procedures are adapted where possible to ensure that they do not disadvantage disabled job applicants.

The School takes steps to try to enable an employee who becomes disabled to remain in employment. In consultation with the employee, adjustments to facilitate their retention will be considered. Employees with disabilities are provided with opportunities to develop full and rewarding careers on an equivalent basis to other employees.

The Accessibility Plans for both campuses illustrate how the School plans over time to further increase accessibility for pupils, staff and visitors who have disabilities. The School aims to make reasonable adjustments to allow disabled pupils to access the education available, bearing in mind the historic nature of its buildings and widespread campuses. These Plans are reviewed every twelve months.

#### ENVIRONMENTAL AND SUSTAINABILITY

The School recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused.

The School has followed the 2019 HM Government Environmental Reporting Guidelines. In addition, the School used the GHG Reporting Protocol – Corporate Standard and the 2020 UK Government's Conversion Factors for Company Reporting.

#### Summary of data for the year

All figures have been quoted in terms of carbon dioxide equivalent which signifies the amount of CO<sub>2</sub> which would have the equivalent global warming impact. CO<sub>2</sub>e per pupil is the recommended ratio for the sector.

	2022		2021	
	kWh	Metric tonnes CO <sub>2</sub> e	kWh	Metric tonnes CO <sub>2</sub> e
<b>Scope 1</b>				
Gas Consumption	8,109,138	1,482,513	8,558,419	1,564,650
Transport	343,990	85,408	256,240	63,807
<b>Scope 2</b>				
Electricity Consumption	1,989,485	422,427	1,817,333	385,874
<b>TOTAL</b>	<b>10,442,613</b>	<b>1,990,348</b>	<b>10,631,992</b>	<b>2,014,331</b>
<b>Intensity ratio CO<sub>2</sub>e per pupil</b>		<b>2,640</b>		<b>2,837</b>

Despite a return to a fully operational campus compared to 2021 energy consumption has decreased, with a marked reduction in gas consumption due to energy saving improvements taking effect. In addition, the winter of 2022 was a statistically milder winter than average whereas the winter of 2021 was statistically colder than average.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2022

#### Improvements in energy efficiency

During the year there were a number of energy efficiency projects. These included new central heating systems, the replacement of a number of boarding houses windows with uPVC double-glazed units which significantly reduces heat loss and the commencement of a large whole school project to upgrade lighting to LED.

We continue to work on improvements in energy efficiency, in line with the School's Strategic Plan. Plans for the year ahead include;

- completion of the LED lighting project; upgrading numerous lighting systems with modern energy saving LED fittings and fitting presence detection where appropriate overcoming the human error of not switching lights off;
- replacement of the heating system in a Senior School boarding house;
- continued education and action on recycling and energy use in our office environments;
- insulation upgrade to properties as necessary including extensive investment in double glazing in older buildings;
- appraisal of renewable energy options and our future purchasing strategy.

#### Other sustainability measures

The School strives to improve its sustainability in a number of other ways, including a complete renewal of printing hardware using less electricity and consumables; recycling facilities are provided throughout both campuses and waste oil from kitchens is made into bio-fuel. Following the construction of the new all-weather hockey pitches, a significant area of additional woodland will be planted in memory of Her Majesty Queen Elizabeth II, adjacent to the School's nature reserves.

#### STATEMENT OF COMPLIANCE

The Governors have complied with their duty in regard to the matters in section 172 (1) (a)-(f) of the Companies Act 2006 ('the Act').

The Governors confirm that they have acted in the way they consider, in good faith, would be most likely to promote the success of the School and for the benefit of its members as a whole, and in doing so have had regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the School's employees;
- the need to foster the School's business relationships;
- the impact of the School's operations on the community and the environment;
- the desirability of the School maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the School.

#### Relationships

The School is influenced by our stakeholders, including our pupils and their families, employees, suppliers, the Government and our strategic partners. Our approach to all these parties is founded on the principle of open and honest dialogue based on a mutual understanding of needs and objectives.

Relationships with parents are managed on an individual basis, through those in close contact with them through the education journey, as well as key communication forums and interaction with staff on the School site and at events.

The School, the Governors and senior employees participate in various education sector associations and groups, which give access to supplier groups and decision-makers, Government and other regulatory bodies.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2022

The School is a member of the Headmasters' & Headmistresses' Conference, the Independent Association of Prep Schools, the Independent Schools' Bursars' Association and the Association of Governing Bodies of Independent Schools.

#### **Employee engagement**

The School continues to place a high emphasis on mutually beneficial relationships with its employees, whom it regards as essential to the School's future success.

There is a well-established system for regular communication with staff at all levels in both Schools, including weekly departmental meetings, regular email updates, formal and informal staff presentations, as well as a full in-service training programme and an extensive social diary. Employees are encouraged to raise any issues or ideas for improvement they may have with their line manager or through the whistleblowing arrangements.

Staff at all levels are kept advised of the progress of the School in comparison with our strategic objectives and development plans, including matters that may be pertinent to their immediate interests. The Chairman of Governors and a staff liaison Governor both attend occasional staff meetings.

The School puts great emphasis on providing equality of opportunity for all employees and ensuring that fair selection and development procedures apply. The aim of policies in this area is to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, sex, disability, marital status, colour, religion, race or ethnicity, or is disadvantaged by conditions or requirements which cannot be shown to be justifiable. In the event of an employee becoming disabled whilst in the School's employment, measures will be taken to ensure that they can continue in their employment as far as is practicable.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document and constitution**

Sedbergh School was endowed as a Chantry School in 1525 by Roger Lupton, Provost of Eton, and incorporated by Royal Charter of King Edward VI as a Free Grammar School in 1551. It was reconstituted under the Endowed Schools Act of October 1874. The Scheme, Provisions and subsequent amendments were repealed and reconstituted by Trust Deed in July 1956. This Trust Deed was amended during subsequent years, the last amendment being in 1980.

In 2000, the School became an incorporated charity (charity number 1080672, company number 3946280), entailing the preparation of new governing instruments and the transfer of the Charity's assets, with the exception of the Scholarship & Prize Funds which are classified as permanent endowment. These Scholarship & Prize Funds became linked charities with Sedbergh School and are incorporated within the School accounts.

##### **The Governing Body**

The Trustees and Directors of Sedbergh School ('the Company') are the Governors of the School.

Under the current Memorandum and Articles of Association, all Members of the Company are Directors of the Company and Governors of the School. The membership of the Board of Governors consists of two Ex-Officio Governors, one Representative Governor and up to fifteen Co-optive Governors. The Memorandum & Articles of Association will be revised during the next financial year to reflect modern company law and practice.

Until 2 July 2022, the Governing Body included a Representative Governor appointed by the Council of St John's College, Cambridge; this position lapsed with the retirement of Dr E J L Waring at the end of the Summer Term and will not be replaced.

The two ex-officio members of the Board are the Lord Archbishop of York who appoints a representative (Revd M D Ineson), and His Majesty's Lord-Lieutenant of Cumbria.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2022

The Co-optive Governors are appointed by the Board of Governors for a specific period not exceeding three years initially. One third of the Co-optive Governors retire from office at each Annual General Meeting. A Governor is eligible for re-election for up to three further terms of three years.

The Charity has one Governing Body for both the Senior School and the Prep School, with separate registrations with the Department for Education for each site. Details of the Governing Body are provided on page 18.

#### **Management arrangements**

During the year, the day-to-day running of both Schools was delegated to: the Headmaster, Sedbergh School, the Chief Operating Officer, the Prep School Headmaster and the Senior Management Teams at the Senior and Prep Schools. The Headmaster, Sedbergh School and the Chief Operating Officer are responsible to the Board for the delivery of the strategic objectives set out in the strategic plan and attend the Governors' Board and relevant Committee meetings as appropriate.

The Board delegates authority through formal terms of reference to a range of committees and sub-committees including the Executive, Education and Nominations & Remuneration Committees and the Safeguarding, Audit & Risk Sub-Committee (formerly know as the Audit & Compliance Sub-Committee) and the Investments Sub-Committee. The commercial subsidiaries are separate limited companies who report to their own independent boards.

#### **Arrangements for setting pay and remuneration of key management personnel**

Remuneration for senior management positions is determined by the Nominations & Remuneration Committee. The Committee reviews the terms and conditions of the senior office holders on an annual basis. Due consideration is given to national benchmarking reports, including periodic surveys by independent authorities such as AGBIS and Baines Cutler Solutions (an independent schools consultancy business), to ensure that their remuneration is commensurate with similar roles within the sector.

#### **Indemnity insurance**

Third party indemnity insurance was in place for the benefit of Governors during the period.

#### **Appointment of new Governors**

Members of the Governing Body are recruited by invitation to ensure that the right mix of skills, talent, expertise and experience is achieved to deliver effective governance and achievement of the strategic goals of the School, as well as encouraging diversity of background and thinking on the Board. The Nominations & Remuneration Committee meets regularly to consider new Governor appointments.

On appointment, new Governors receive induction training which takes into account their existing professional qualifications or area of expertise. An ongoing programme of Governor training is in place.

### **GROUP STRUCTURE AND RELATIONSHIPS**

The Charity has two wholly owned subsidiaries and an associated company; in addition it has close relationships with the Old Sedberghian Club and with two other unconnected separate charities, as follows:

#### **Subsidiaries**

Sedbergh School Developments Limited

Sedbergh School Developments Limited was incorporated on 11 April 1996. Its principal activities continue to be the provision of courses and other commercial trading ventures.

Sedbergh School International Limited

Sedbergh School International Limited was incorporated on 7 October 2015 in order to facilitate the provision of educational activities outside of the United Kingdom.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2022

#### **Associate**

Sedbergh Hotel Enterprises Limited

Sedbergh Hotel Enterprises Limited is an associated company, set up to procure, refurbish and run The Black Bull in Sedbergh. Sedbergh School Developments Limited holds 36% of the issued share capital of Sedbergh Hotel Enterprises Limited

#### **Other**

The Sedbergh School Foundation (the Foundation)

The Foundation is a separate charity, whose purpose is to raise funds and support current and future investment in facilities, amenities and activities undertaken by the School. There is a close relationship between the Foundation and the School, with a number of Governors sitting on the Board of the Foundation.

The Old Sedberghian Club ('OS' Club)

The OS Club is a separate society which provides the School alumni with an extensive programme of events, activities and support. The School benefits from the generosity of a thriving network of Old Sedberghians whose close support is greatly appreciated and gladly acknowledged.

The Michael Robertson Scholarship Fund

The Michael Robertson Scholarship Fund is an independent restricted fund, not part of the Group, which kindly provides income on an annual basis to support bursary awards at the School.

#### **Fundraising and the Foundation**

The Foundation made restricted grants to the School during the year totalling £0.220m providing additional scholarships and bursary support alongside several house based fundraising initiatives. The School did not carry out any direct fundraising activity on its own behalf and did not engage third party fundraisers.

As the School looks forward to the next five years, the Foundation Trustees and the Governors have developed an ambitious plan to celebrate the bicentenary of the foundation of Casterton School in 2023 and its pioneering role in the education of girls in the north of England, and the quincentenary of the foundation of Sedbergh School in 2025. Both anniversaries will be celebrated by drawing on the histories of the Schools and commemorating the milestone with alumni, pupils and parents.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2022

#### REFERENCE AND ADMINISTRATIVE DETAILS

##### Governing body

- Chairman: - R J Gledhill, MA (Cantab), ACA\*#
- Ex-Officio: - The Lord Archbishop of York, represented by Revd M D Ineson MA, BA (Bristol), BEng (Birm)#  
- His Majesty's Lord-Lieutenant of Cumbria, Mrs C T Hensman CVO, BA (LSE)
- Representative: - Dr E J L Waring PhD, MA (Cantab), LLM (Harvard), St John's College, Cambridge [retired 2 July 2022]
- Co-optive: - The Venerable N J W Barker MA (Oxon) [retired 31 March 2022]  
- Mrs L Bates BA (Liverpool John Moores)\*  
- A J N Bedford BA (North Carolina)\*  
- R R Biggs MA (Oxon), BSc (Cape Town)  
- J D Campbell OBE FRSA\*  
- T J Davies BSc (Newcastle) \*  
- I W Durrans BA (Oxon), ACA\*#  
- Lt Gen Sir Andrew Gregory KBE, CB, DL, MA (Cantab)  
- Mrs K E Martin [appointed 1 January 2023]  
- R N Papworth BA (Oxon)\*#  
- M R Piercy MA (Leicester)  
- J H B Warburton-Lee

\* Members of the Executive Committee at 31 August 2022

# Members of the Safeguarding, Audit and Risk Sub-Committee as at 31 August 2022

##### Headmasters

Sedbergh School and the Senior School: D J Harrison MA (Cantab)  
Prep School: W R Newman BEd (Exeter), MA (Victoria)

##### Chief Operating Officer, Company Secretary and Clerk to the Governors

P S Marshall TD

##### Registered address

Sedbergh School  
Malim Lodge  
Sedbergh  
LA10 5RY  
[www.sedberghschool.org](http://www.sedberghschool.org)

##### Bankers

Barclays Bank Plc  
1<sup>st</sup> Floor, 3 Hardman Street  
Spinningfields  
Manchester M3 3HF

##### Investment managers

Ruffer LLP  
31 Charlotte Square  
Edinburgh  
EH2 4ET

**SEDBERGH SCHOOL**

**TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT)  
for the year ended 31 August 2022**

**Auditor**

Haysmacintyre LLP  
10 Queen Street Place  
London  
EC4R 1AG

**Insurance brokers**

Marsh Brokers Ltd  
Capital House  
1 - 5 Perrymount Road  
Haywards Heath RH16 3SY

**Solicitors**

Veale Wasbrough Vizards  
Narrow Quay House  
Narrow Quay  
Bristol BS1 4QA

Muckle LLP  
Time Central  
32 Gallowgate  
Newcastle upon Tyne NE1 4BF

Farrer & Co  
66 Lincoln's Inn Fields  
London  
WC2A 3LH

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2022

#### STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITOR

The Governors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Governors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

#### AUDITOR

The auditor, Haysmacintyre LLP has indicated a willingness to continue in office. A resolution to reappoint Haysmacintyre LLP as auditor will be put to the members at the AGM.

#### STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of Sedbergh School for the purposes of company law and the Trustees for the purposes of Charity Law) are responsible for preparing the Trustees' and Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Sedbergh School Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report, which incorporates the Strategic Report, was approved by the Governors on 22<sup>nd</sup> May 2023 and signed on their behalf by:



R J Gledhill  
Chairman

# SEDBERGH SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEDBERGH SCHOOL

### Opinion

We have audited the financial statements of Sedbergh School for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities; the Consolidated and School Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2022 and of the group's and parent charitable company's net movement in funds, including the 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.

### Basis for opinion

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

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and

# SEDBERGH SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEDBERGH SCHOOL

- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

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

### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Education (Independent School Standards) Regulations 2014, safeguarding regulations, health and safety requirements, GDPR, employment law, company law and charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006, Charities Act 2011 and consider other factors such as payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to income recognition and management override of controls. Audit procedures performed by the engagement team included:

# SEDBERGH SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEDBERGH SCHOOL

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted at the year end; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

### Use of our report

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



Tracey Young (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditor  
Date: 30.5.23

10 Queen Street Place  
London  
EC4R 1AG

## SEDBERGH SCHOOL

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 August 2022

	Note	Unrestricted £'000	Restricted £'000	Endowed £'000	Total 2022 £'000	Total 2021 £'000
<b>Income from:</b>						
Charitable activities:						
- School fee income	2	19,234	-	-	19,234	15,178
- Other educational income	3	587	-	-	587	443
- Other ancillary income	3	136	-	-	136	175
Other trading activities:						
- Trading income	4	1,398	-	-	1,398	897
Investment income	5	23	18	-	41	33
Donations, legacies & grants	6	3	530	-	533	1,120
Other income:						
- Profit on sale of fixed assets		-	-	-	-	3
- Sundry income		18	-	-	18	30
<b>Total Income</b>		<u>21,399</u>	<u>548</u>	<u>-</u>	<u>21,947</u>	<u>17,879</u>
<b>Expenditure on:</b>						
Charitable activities						
		19,411	508	11	19,930	17,649
Raising funds:						
- Trading costs		1,316	-	-	1,316	906
- Financing costs		199	-	-	199	171
<b>Total Expenditure</b>	8	<u>20,926</u>	<u>508</u>	<u>11</u>	<u>21,445</u>	<u>18,726</u>
<b>Net Income/(Expenditure)</b>		<u>473</u>	<u>40</u>	<u>(11)</u>	<u>502</u>	<u>(847)</u>
<b>Transfer between funds</b>		46	(46)	-	-	-
<b>Other Recognised Gains/(Losses)</b>						
Revaluation of property	10	560	-	-	560	-
Gains on investments	9	51	29	54	134	234
Actuarial losses on defined benefit pension scheme	20	(2)	-	-	(2)	(2)
<b>Net Movement in Funds</b>		<u>1,128</u>	<u>23</u>	<u>43</u>	<u>1,194</u>	<u>(615)</u>
<b>Total Funds Brought Forward</b>		<u>14,447</u>	<u>820</u>	<u>1,846</u>	<u>17,113</u>	<u>17,728</u>
<b>Total Funds Carried Forward</b>	17	<u>15,575</u>	<u>843</u>	<u>1,889</u>	<u>18,307</u>	<u>17,113</u>

All activities are classed as continuing. The notes on pages 27 to 53 form part of these accounts.

# SEDBERGH SCHOOL

## BALANCE SHEETS at 31 August 2022

Company number: 03946280

	Note	Consolidated		School	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
<b>Fixed Assets</b>					
Tangible fixed assets	10	22,939	22,359	22,939	22,359
Investments	11	4,744	4,633	4,058	3,967
		<u>27,683</u>	<u>26,992</u>	<u>26,997</u>	<u>26,326</u>
<b>Current Assets</b>					
Stocks	12	119	141	112	134
Debtors	13	1,436	1,218	1,881	1,484
Cash at bank and in hand		2,532	1,804	1,930	1,618
		<u>4,087</u>	<u>3,163</u>	<u>3,923</u>	<u>3,236</u>
<b>Creditors: amounts falling due within one year</b>	14	(7,493)	(6,508)	(7,230)	(6,451)
<b>Net Current Liabilities</b>		<u>(3,406)</u>	<u>(3,345)</u>	<u>(3,307)</u>	<u>(3,215)</u>
<b>Total Assets Less Current Liabilities</b>		<u>24,277</u>	<u>23,647</u>	<u>23,690</u>	<u>23,111</u>
<b>Creditors: amounts falling due after more than one year</b>	15	(5,970)	(6,534)	(5,970)	(6,534)
<b>Total Net Assets Excluding Defined Benefit Pension Scheme Asset</b>		<u>18,307</u>	<u>17,113</u>	<u>17,720</u>	<u>16,577</u>
Defined benefit pension scheme asset	20	-	-	-	-
<b>Total Net Assets</b>		<u>18,307</u>	<u>17,113</u>	<u>17,720</u>	<u>16,577</u>
<b>Funds</b>					
Unrestricted funds					
- General reserve	18c	11,149	10,581	11,247	10,711
- Revaluation reserve	18c	4,426	3,866	4,426	3,866
- Pension reserve	18c	-	-	-	-
		<u>15,575</u>	<u>14,447</u>	<u>15,673</u>	<u>14,577</u>
Endowment funds	18a	1,889	1,846	1,889	1,846
Restricted funds	18b	843	820	158	154
<b>Total Funds</b>		<u>18,307</u>	<u>17,113</u>	<u>17,720</u>	<u>16,577</u>

The School's net income for the year was £0.476m (2021: net expenditure £0.799m) and the net movement in funds was £1.143m (2021: (£0.610m)).

The financial statements were approved, authorised for issue and signed on behalf of the Board of Governors on 22<sup>nd</sup> May 2023.



R J Gledhill  
Chairman

**SEDBERGH SCHOOL**

**CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 August 2022**

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Operating Activities</b>				
Net income/(expenditure)		502		(847)
Depreciation charge		956		924
Investment income		(41)		(33)
Interest paid		199		171
Investment management fee		23		22
Profit on sale of fixed assets		-		(3)
Defined benefit pension scheme		(2)		(2)
Decrease in stocks		22		92
(Increase)/decrease in debtors		(218)		78
Increase/(decrease) in creditors		993		(308)
<b>Net cash provided by Operating Activities</b>		2,434		94
<b>Investing Activities</b>				
Investment income	41		33	
Purchase of tangible fixed assets	(976)		(1,035)	
Proceeds from sale of investments	1,304		917	
Purchase of investments	(1,304)		(1,917)	
<b>Net cash used in Investing Activities</b>		(935)		(2,002)
<b>Financing Activities</b>				
Interest paid	(199)		(171)	
Payments on loans	(564)		-	
Finance lease rentals	(8)		(8)	
<b>Net cash used in Financing Activities</b>		(771)		(179)
<b>Change in cash and cash equivalents in the year</b>		728		(2,087)
<b>Cash and cash equivalents at the beginning of the year</b>		1,804		3,891
<b>Cash and cash equivalents at the end of the year</b>		2,532		1,804
<b>Represented by:</b>				
Cash at bank and in hand		2,532		1,804

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS**  
**31 August 2022**

**1 Accounting policies**

**Legal status**

Sedbergh School is an incorporated (private company limited by guarantee) charity (charity no. 1080672, company no. 03946280), registered in England. The School's address is Sedbergh School, Malim Lodge, Sedbergh, LA10 5RY.

Sedbergh School was founded in 1525 and received a Royal Charter from King Edward VI in 1551. The object of Sedbergh School is to advance education by carrying on in Great Britain a school or schools at which infants, children and pupils may obtain education and instruction in academic, sporting, musical, cultural, scientific, technical, vocational, social and commercial subjects, activities and crafts of every description. Sedbergh School meets the definition of a public benefit entity under FRS 102.

**Basis of accounting**

The accounts are prepared under the Companies Act 2006, Charities Act 2011 and under the historical cost convention as modified by the adoption of fair value accounting for investments and the revaluation of private dwellings. These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities Statement of Recommended Practice ("Charities SORP (FRS 102)(second edition, effective January 2019)").

Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise indicated. The financial statements are presented in sterling which is also the functional currency of the School.

**Basis of consolidation**

The School's individual accounts include the linked charities Sedbergh School Prize Fund (charity no. 1080672-1), Sedbergh School Scholarship Fund (charity no. 1080672-2), Rosalie Mary Forster Bursary Fund (charity no. 1080672-3) and Casterton School Scholarship Fund (charity no. 1080672-4).

The consolidated accounts include the School, the Appeal Fund, the Education Fund, the School's trading subsidiary, Sedbergh School Developments Limited (company no. 03184583) and Sedbergh School International Limited (company no 9814021) together with the share of the results of its associate Sedbergh Hotel Enterprises Limited (company no 10598631), in which Sedbergh School Developments Limited has a 36% shareholding.

All financial statements are made up to 31 August 2022 except for Sedbergh Hotel Enterprises Limited which has a financial year end of 30 June 2022. The following accounting policies have been applied consistently in dealing with items that are considered material to the School's financial statements.

The charity has taken the exemption from presenting its unconsolidated income and expenditure account under section 408 of the Companies Act 2006.

**Reduced disclosures**

In accordance with FRS 102, the School has taken advantage of the exemptions from the following disclosure requirement in the individual financial statements of Sedbergh School:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures.
- Section 11 'Basic Financial Instruments' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2022**

**Going concern**

The Governors consider that there are no material uncertainties that could cast significant doubt on the School's ability to continue as a going concern.

The Governors have considered the current cash position and future forecasts including sensitivity analysis. Therefore, the Governors remain confident in its cash flow forecast and its ability to meet its ongoing obligations as they arise for the next twelve months from the date of approval of the financial statements. As a result, the financial statements are prepared on a going concern basis.

**Income**

Income from School fees represents fees earned in respect of tuition given during the year. Fees received in respect of tuition to be given after the year end are included in creditors as fees received in advance. Fees receivable are stated after deducting allowances for scholarships and bursaries granted by the School, but include contributions received from restricted funds for scholarships, bursaries and other grants.

Income from trading activities represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers during the period. Turnover is recognised when substantially all the risks and rewards of ownership have been transferred.

Donations received are recognised where there is entitlement, the receipt is probable, and the amount can be measured with sufficient reliability. Donations subject to specific wishes of the donors are carried to relevant restricted funds, or to endowment funds where the amount is required to be held as permanent capital.

Other income, including investment income, is accounted for on an accruals basis.

Grant income, including income from the Coronavirus Job Retention Scheme, is recognised and accrued, in the period to which the relevant costs relate.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefit will be required in settlement and the amount of the obligation can be measured reliably. Amounts are discounted to present value for longer-term liabilities. Expenditure is summarised under functional headings on a direct costs basis.

Expenditure on raising funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Charitable activities include expenditure associated with the objects of the School and both the direct costs and support costs relating to this activity. Grants awarded are expensed as soon as they become legal or operational commitments. Management and administration costs include governance costs incurred in the governance of the School and its assets and are primarily associated with constitutional and statutory requirements.

**Taxation**

The School is a registered charity and therefore it is exempt from income and corporation tax on income and gains falling within chapter 3 Part 11 Corporation Tax Act 2010 or S256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

The subsidiary undertakings, Sedbergh School Developments Limited and Sedbergh School International Limited are liable to income and corporation tax on their income and gains. Gift aid payments, if made, paid to the Charity reduce the taxable income and gains. The subsidiaries are eligible to make gift aid payments to their holding company, the School.

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued)

31 August 2022

#### Fixed assets

The School buildings, boarding houses and land owned by the School at Sedbergh are included on the balance sheet at the historical cost.

Private dwellings (“residential properties”) and property held for sale are held at valuation. All movements in value arising from a change in value of private dwellings, in excess of their original cost, are shown in the Statement of Financial Activities as revaluation gains or losses, with movements being credited/charged to the revaluation reserve. Any diminution in value below original cost is charged to the Statement of Financial Activities as an impairment.

All other fixed assets are measured at their cost or values at the time of acquisition, net of depreciation and any impairment losses. Capital items costing less than £1,000 are written off as an expense as acquired.

#### Depreciation

Depreciation is provided on tangible fixed assets at rates and bases calculated to write off the cost less estimated residual value, based on current market prices, of each asset over its expected useful life as follows:

School buildings	- 50 years
Fixtures and fittings	- 5 – 20 years
Computer equipment	- 3 years
All weather pitch	- 20 years
Motor vehicles	- 4 years
Leasehold improvements	- over the life of the lease

Land is not depreciated and assets under construction are only depreciated once they come into use.

#### Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the School estimates the recoverable amount of the asset.

#### Investments

Investments are stated in the balance sheet at their market value as at the balance sheet date. All movements in value arising from investment changes or revaluation are shown in the Statement of Financial Activities and are allocated to the appropriate fund according to the allocation of the underlying asset.

Investments in associates are recognised initially in the consolidated balance sheet at the transaction price and subsequently adjusted to reflect the group's share of total income and equity of the associate, less any impairment. Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the School has a legal obligation to make good the losses.

Investments in associates are accounted for at cost less impairment in the individual financial statements.

#### Stock

Stock is valued at the lower of cost (based on purchase price) and fair value.

#### Pension schemes

Retirement benefits for the School's teaching staff are provided by the Teachers' Pension Scheme (“TPS”). This is a defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme. This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS 102, the School accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued)

31 August 2022

#### **Pension schemes** *(continued)*

The School contributes to a separate defined benefit scheme for non-teaching staff. This is an occupational defined benefit scheme. The defined benefit pension scheme current service costs are charged to the Statement of Financial Activities within staff costs. Net interest on the net defined benefit asset is recognised in the Statement of Financial Activities. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses. The defined benefit scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The School only recognises an asset in respect of a surplus on the scheme valuation to the extent that the asset is recoverable through reduced future contributions or through a reimbursement from the Scheme.

The School also contributes to a group money purchase scheme for non-teaching staff. Contributions are charged to the Statement of Financial Activities in the period in which the salaries to which they relate are payable. Defined contribution pension costs are allocated to unrestricted funds.

#### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the School is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **Fund accounting**

The School has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

Unrestricted funds	Funds which are expendable at the discretion of the Governors in furtherance of the objects of the School. In addition to expenditure on the School's operations, such funds may be held in order to finance capital investment and working capital.
Restricted funds	Donations or legacies received which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the School.
Endowment funds	Funds given to the School where the income may be used in furtherance of the objects, but the capital must be retained.
Designated funds	The School may at its discretion set aside funds for specific purposes which would otherwise form part of the general reserves of the School.

#### **Financial instruments**

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

Trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value. Bank loans and other loans are initially recognised at their transaction value and subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Investments are initially measured at transaction price and subsequently measured at fair value through net income or expenditure.

#### **Leases**

An asset and corresponding liability are recognised for leasing agreements that transfer to the School substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the Statement of Financial Activities so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2022**

**Leases** *(continued)*

All other leases are operating leases and the annual rentals are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Pension scheme valuation assumptions*

The present value of the defined benefit pension asset depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension asset. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 August 2018 has been used by the actuary in valuing the pensions asset at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset.

The surplus on the pension scheme valuation as at 31 August 2022 has not been recognised as an asset because the Governors do not consider that it is recoverable.

*Fee debtor provision*

A provision for impairment of fee debtors is established when there is objective evidence that the amounts due will not be collected in line with the usual fee collections due to financial difficulty of the debtors.

*Useful life of fixed assets*

In making decisions regarding the depreciation of tangible fixed assets, management must estimate the useful life of said assets to the business. A change in estimate would result in a change in the depreciation charged to the Statement of Financial Activities in each year.

*Residential property valuations*

Residential properties are held at valuation. The Governors make informed decisions on an annual basis about property values in conjunction with the School's property advisers.

In the opinion of the Governors there are no critical judgements involved in the preparation of the financial information.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2022**

<b>2</b>	<b>School fee income</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	Gross fees		23,887		19,393
			<hr/>		<hr/>
	Bursaries		1,174		1,022
	Scholarships		1,740		1,574
	Other concessions		2,150		1,922
			<hr/>		<hr/>
			5,064		4,518
	Less contributions from restricted funds				
	Education Fund	(3)		(4)	
	Appeal Fund	(2)		(2)	
	Michael Robertson Scholarship Fund	(234)		(141)	
	Scholarship and Prize Funds	(9)		(9)	
	Sedbergh School Foundation	(140)		(144)	
	Casterton Old Girls Association	(20)		-	
	Casterton School Scholarship Fund	(2)		(2)	
	Rosalie Mary Forster Bursary Fund	(1)		(1)	
			(411)		(303)
			<hr/>		<hr/>
			4,653		4,215
			<hr/>		<hr/>
	Net fees		19,234		15,178
			<hr/>		<hr/>

<b>3</b>	<b>Other income from charitable activities</b>	<b>2022</b>	<b>2021</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Other educational income</b>		
	Other fees	416	333
	Bookroom	35	25
	Sundry	15	-
	Registration fees	45	45
	Fees in lieu of notice	52	37
	Surcharge interest on late fees	24	3
		<hr/>	<hr/>
		587	443
		<hr/>	<hr/>

Other educational income is generated by the School only and is credited to unrestricted funds.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2022**

<b>3</b>	<b>Other income from charitable activities</b> <i>(continued)</i>	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
	<b>Other ancillary income</b>		
	Rent	114	114
	Commissions	4	6
	Insurance	18	54
	Sundry	-	1
		136	175
		136	175

Other ancillary income is generated by the School only and is credited to unrestricted funds.

<b>4</b>	<b>Trading income</b>	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
	Short courses	963	385
	School uniform	160	234
	Facilities and lettings	40	1
	Royalty and service fee income	235	277
		1,398	897
		1,398	897

<b>5</b>	<b>Investment income</b>	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
	Dividends received from fixed asset investments	41	33
		41	33
		41	33

2022: £18,000 (2021: £17,000) of investment income was credited directly to restricted funds.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2022**

<b>6</b>	<b>Income from donations, legacies and grants</b>	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
	Donations (restricted)	136	300
	Income from Sedbergh School Foundation (restricted)	140	144
	Income from Michael Robertson Scholarship Fund (restricted)	234	141
	Income from Casterton Old Girls Association (restricted)	20	-
	Government funding (restricted)	-	31
	Coronavirus Job Retention Scheme grant (unrestricted)	3	504
		533	1,120
		533	1,120
 <b>7</b>	 <b>Expenditure</b>	 <b>2022</b> <b>£'000</b>	 <b>2021</b> <b>£'000</b>
	<b>Charitable expenditure includes:</b>		
	Depreciation – owned assets	948	922
	Depreciation – assets under finance leases	8	2
	Operating lease cost	112	106
		968	1,030
	<b>Other expenditure (excl VAT) includes:</b>		
	Auditor's remuneration:		
	Statutory audit of parent company and group accounts	28	27
	Audit of subsidiaries where such services are provided by the group auditor	7	7
		35	34
	Total audit	35	34
	Other services	1	7
		36	41
		36	41
	 <b>Financing costs</b>	 <b>2022</b> <b>£'000</b>	 <b>2021</b> <b>£'000</b>
	Interest on bank loans and overdrafts	199	171
		199	171
		199	171

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2022**

**7 Expenditure (continued)**

<b>Staff costs</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	9,996	9,376
Social security costs	975	867
Pension costs	1,363	1,254
Redundancy costs	-	18
	12,334	11,515
	12,334	11,515

**The average number of staff employed by the School during the year:**

	<b>2022</b>		<b>2021</b>	
	<b>No.</b>		<b>No.</b>	
	<b>Full time</b>	<b>Part time</b>	<b>Full time</b>	<b>Part time</b>
Teaching staff	110	61	101	64
Premises and grounds staff	26	4	24	4
Administration and clerical staff	32	26	30	26
Catering, boarding house and medical staff	89	117	81	122
	257	208	236	216
	257	208	236	216

Neither the Governors nor persons connected with them received any remuneration or other benefits from the School or any connected organisation. Details of expenses paid to Governors are provided in note 19.

The number of employees whose emoluments, including benefits in kind, exceeded £60,000 was:

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	5	5
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£90,000 - £100,000	1	1
£120,000 - £130,000	-	1
£130,000 - £140,000	2	-
£200,001 - £210,000	-	1

Included in the above higher paid employees were 8 (2021: 8) accruing benefits under defined benefit schemes. Contributions in respect of these individuals totalled £0.143m (2021: £0.127m).

**Key management personnel**

The School considered its key management personnel during the year to comprise the two Headmasters, at the Senior School and the Prep School, and the Chief Operating Officer. The total employment benefits including employer pension contributions of the key management personnel were £0.508m (2021: £0.660m). The prior year also included the Principal.

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)**

**31 August 2022**

**8 Analysis of expenditure**

	Staff costs £'000	Other £'000	Depreciation £'000	Total 2022 £'000
<b>Charitable activities</b>				
Teaching costs	6,582	654	-	7,236
Boarding houses, staff and medical provision	2,162	1,849	-	4,011
Premises costs	1,271	2,781	956	5,008
Management and administration	1,313	1,151	-	2,464
Grants, awards and prizes	-	416	-	416
Publicity	371	424	-	795
	<u>11,699</u>	<u>7,275</u>	<u>956</u>	<u>19,930</u>
<b>Raising funds</b>				
Trading	635	681	-	1,316
Interest on bank loans and overdrafts	-	199	-	199
	<u>635</u>	<u>880</u>	<u>-</u>	<u>1,515</u>
	<u>12,334</u>	<u>8,155</u>	<u>956</u>	<u>21,445</u>
	<u><u>12,334</u></u>	<u><u>8,155</u></u>	<u><u>956</u></u>	<u><u>21,445</u></u>
		<i>Governance costs (included within management and administration costs)</i>		
Governors' meeting costs	-	26	-	26
Audit and accountancy (exc VAT)	-	36	-	36
	<u><u>-</u></u>	<u><u>62</u></u>	<u><u>-</u></u>	<u><u>62</u></u>

All expenditure is charged to the unrestricted fund, with the exception of £0.411m (2021: £0.30m) of grants, awards and prizes, £nil (2021: £30,000) of finance costs, £nil (2021: £2,000) of teaching costs, £40,000 (2021: £4,000) of boarding house costs and £57,000 (2021: £49,000) of management and administration costs that are charged to the restricted fund and £11,000 (2021: £9,000) of management costs that are charged to endowed funds.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2022**

**8 Analysis of expenditure (continued)**

	Staff costs £'000	Other £'000	Depreciation £'000	Total 2021 £'000
<b>Charitable activities</b>				
Teaching costs	6,237	443	-	6,680
Boarding houses, staff and medical provision	2,229	1,512	-	3,741
Premises costs	1,133	2,230	924	4,287
Management and administration	1,169	866	-	2,035
Grants, awards and prizes	-	308	-	308
Publicity	339	259	-	598
	<u>11,107</u>	<u>5,618</u>	<u>924</u>	<u>17,649</u>
<b>Raising funds</b>				
Trading	408	498	-	906
Interest on bank loans and overdrafts	-	171	-	171
	<u>408</u>	<u>669</u>	<u>-</u>	<u>1,077</u>
	<u>11,515</u>	<u>6,287</u>	<u>924</u>	<u>18,726</u>
	<u><u>11,515</u></u>	<u><u>6,287</u></u>	<u><u>924</u></u>	<u><u>18,726</u></u>
		<i>Governance costs (included within management and administration costs)</i>		
Governors' meeting costs	-	13	-	13
Audit and accountancy	-	41	-	41
	<u><u>-</u></u>	<u><u>54</u></u>	<u><u>-</u></u>	<u><u>54</u></u>

**9 Fair value gains and losses**

	2022 £'000	2021 £'000
Fair value gains and losses on financial assets:		
Gain on fixed asset investments	134	234
	<u><u>134</u></u>	<u><u>234</u></u>

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2022**

**10 Tangible fixed assets**

Consolidated and School	Residential property	Leasehold improvements	Fixtures & fittings	Other assets	School land & buildings	All weather surfaces	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>							
As at 1 Sept 2021	5,596	1,052	10,535	875	14,758	604	33,420
Additions	-	-	627	120	162	67	976
Revaluation	560	-	-	-	-	-	560
<b>As at 31 August 2022</b>	<u>6,156</u>	<u>1,052</u>	<u>11,162</u>	<u>995</u>	<u>14,920</u>	<u>671</u>	<u>34,956</u>
<b>Depreciation</b>							
At as 1 Sept 2021	-	109	7,013	788	2,601	550	11,061
Charge for the period	-	11	516	90	327	12	956
<b>As at 31 August 2022</b>	<u>-</u>	<u>120</u>	<u>7,529</u>	<u>878</u>	<u>2,928</u>	<u>562</u>	<u>12,017</u>
<b>Net book value</b>							
<b>As at 31 August 2022</b>	<u>6,156</u>	<u>932</u>	<u>3,633</u>	<u>117</u>	<u>11,992</u>	<u>109</u>	<u>22,939</u>
As at 31 August 2021	<u>5,596</u>	<u>943</u>	<u>3,522</u>	<u>87</u>	<u>12,157</u>	<u>54</u>	<u>22,359</u>

The net book value of assets held under finance leases is £53,000 (2021: £61,000) included within School land & buildings. The depreciation charge in respect of these assets was £8,000 (2021: £21,000). School land and buildings have been valued for insurance purposes in October 2022 at £158m (2021: £157m). In addition, the School's contents are insured at a value of £8.3m (2021: £8.3m).

Private dwellings are revalued on a regular basis, and a full Red Book RICS valuation was performed by Davis Bowring in July 2018, at open market value. The valuation of these properties was £5.6m. The Governors have considered the current market and, having consulted with external advisors, are of the opinion that there is a £0.560m increase in market value as at 31 August 2022.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2022**

**11 Investments**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Consolidated</b>		
<b>At market value:</b>		
Balance at 1 Sept 2021	4,633	3,421
Additions	1,304	1,917
Disposal proceeds	(1,304)	(917)
Increase in market value	134	234
Management fee	(23)	(22)
	4,744	4,633
	4,744	4,633
<b>School</b>		
<b>At market value:</b>		
Balance at 1 Sept 2021	3,967	2,794
Additions	1,122	1,742
Disposals proceeds	(1,122)	(742)
Increase in market value	109	191
Management fee	(18)	(18)
	4,058	3,967
	4,058	3,967

**Subsidiary undertakings**

The School controls 100% of Sedbergh School Developments Limited (company no. 03184583; with the same registered address as the School, detailed on page 18), which runs sporting and educational courses making use of the School's facilities. Its trading results and summary balance sheet, extracted from its audited accounts for the year ended 31 August 2022 were:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Turnover	1,003	386
Cost of sales	(602)	(205)
	401	181
Gross profit	401	181
Administration costs	(300)	(242)
Interest	(10)	(5)
	91	(66)
	91	(66)

Trading income is credited to unrestricted funds.

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Total assets	327	146
Total liabilities	(548)	(458)
	(221)	(312)
Total reserves	(221)	(312)

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2022**

**11 Investments (continued)**

The School also controls 100% of Sedbergh School International Limited (company no. 9814021; with the same registered address as the School, detailed on page 18) which was formed to facilitate opening of an overseas school. Its trading results and summary balance sheet, extracted from its audited accounts for the year ended 31 August 2022 were:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Turnover	235	276
Cost of sales	(57)	-
	178	276
Gross profit		
Administration costs	(152)	(168)
	26	108
Net profit		

Trading income is credited to unrestricted funds.

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Total assets	299	223
Total liabilities	(177)	(41)
	122	182
Total reserves		

**Associated Undertakings**

Sedbergh School Developments Limited holds 36% of the issued share capital of Sedbergh Hotel Enterprises Limited (company no. 10598631), set up to procure, refurbish and run The Black Bull in Sedbergh.

**Investment valuation**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
At 1 Sept 2021 and 31 August 2022	-	-
	-	-

	Type of shares held	Proportion held (%)	Country of incorporation	Registered Office
Sedbergh Hotel Enterprises Limited	A ordinary shares	36%	UK	44 Main Street, Sedbergh, LA10 5BL

The audited results of Sedbergh Hotel Enterprises Limited for their year ended 30 June 2022 are as follows;

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Aggregate amount of capital and reserves	(1,299)	(1,161)
	(138)	(29)
Loss for the period		

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2022**

**12 Stocks**

	Consolidated		School	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Consumables	88	116	81	109
Bookroom stationery	31	25	31	25
	<u>119</u>	<u>141</u>	<u>112</u>	<u>134</u>

**13 Debtors**

	Consolidated		School	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Debtors for school fees and extras	674	675	674	675
Trade debtors	-	123	-	-
Prepayments and accrued income	655	319	655	282
Other debtors	82	79	80	79
Amounts due from related undertakings	25	22	472	448
	<u>1,436</u>	<u>1,218</u>	<u>1,881</u>	<u>1,484</u>

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

	Consolidated		School	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade creditors	693	390	659	381
Accruals and deferred income	1,357	1,028	1,291	980
Parental deposits	770	757	770	757
Fees received in advance	3,484	3,395	3,484	3,395
Taxation and social security	261	223	261	223
Finance lease creditor	-	8	-	8
Other creditors	364	143	201	143
Bank loans	564	564	564	564
	<u>7,493</u>	<u>6,508</u>	<u>7,230</u>	<u>6,451</u>

**Parental deposits**

All new pupils joining the School must pay a deposit. This is refunded when the pupil leaves the School.

**Fees received in advance**

Parents may pay to the School up to the equivalent of seven years' fees in advance. Fees are apportioned over the pupil's time at the School. The money may be returned subject to specific conditions on the receipt of one term's notice.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2022**

**14 Creditors: amounts falling due within one year (continued)**

Assuming pupils remain in the School, advance fees will be applied as follows:

	<b>Consolidated and School</b>	
	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Within 1 year	2,966	2,687
Within 1 to 2 years	336	475
Within 2 to 3 years	91	168
Greater than 3 years	91	65
	3,484	3,395
	3,484	3,395

The movements during the year were as follows:

	<b>Consolidated and School</b>	
	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
As at 1 Sept 2021	3,395	3,053
New contracts	3,006	2,721
Refunded	(141)	(78)
Amounts utilised in payment of fees to the School	(2,776)	(2,301)
	3,484	3,395
	3,484	3,395

**Deferred income**

Deferred income at the year end relates to amounts received in advance from the Michael Robertson Scholarship Fund.

The movements during the year were as follows:

	<b>Consolidated and School</b>	
	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
As at 1 Sept 2021	89	171
Released in year	(89)	(171)
Deferred in year	100	89
	100	89
	100	89

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2022**

**15 Creditors: amounts falling due after one year**

	<b>Consolidated and School</b>	
	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans	5,970	6,534
	5,970	6,534

**Bank loans**

During 2018 a £6.5m loan facility was arranged at an interest rate of 2.25% plus LIBOR, which will be repaid by way of 15 quarterly instalments of £86,000 with a final repayment after five years. A capital repayment holiday was negotiated for the twelve months from September 2021 following which the instalments were rescheduled to £91,000 per quarter.

During 2020 a £1m loan facility was arranged under the Coronavirus Business Interruption Loan Scheme ("CBILS") at an interest rate of 2.44% above base. The loan is repayable by way of 20 quarterly instalments of £50,000 from Sept 2021.

Following the withdrawal of the LIBOR rate the applicable interest rate, from 31 January 2022, was 2.25% above base, plus a 3 month credit adjustment of 0.0793%.

The bank loans fall due as follows:

	<b>Consolidated and School</b>	
	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Amounts falling due within 1 year (note 14)	564	564
Amounts falling due within 1 to 2 years	564	564
Amounts falling due within 2 to 5 years	5,406	5,970
	6,534	7,098

The bank loans, with an outstanding balance at 31 August 2022 of £6.534m (2021: £7.098m), are secured by way of legal charges over certain properties and a fixed and floating debenture over the School's assets.

£5.970m of the bank loan has been presented as falling due after one year despite an expiry date of April 2023. Subsequent to the year-end and as stated in note 22, the bank loan was renegotiated consolidating the existing term loan, CBILS loan and converting £1m of overdraft facility. As a result, repayment of this element of the bank loan is not expected within one year and therefore has been presented as falling due after one year. The new £7.252m term loan was arranged at an interest rate of 2.6% over base rate and will be repaid by way of 59 monthly instalments of £30,092 with a final repayment after five years.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2022**

**16 Analysis of changes in net debt**

	At 1 September 2021 £'000	Non Cash Movements £'000	Cash flows £'000	At 31 August 2022 £'000
Cash at bank and in hand	1,804	-	728	2,532
Sub-total	<u>1,804</u>	<u>-</u>	<u>728</u>	<u>2,532</u>
Loans falling due within one year	(564)	(564)	564	(564)
Loans falling due after more than one year	(6,534)	564	-	(5,970)
Finance lease obligations	(8)	-	8	-
Net funds/(debt)	<u>(5,302)</u>	<u>-</u>	<u>1,300</u>	<u>(4,002)</u>

**17 Allocation of the charity net assets**

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

<b>As at 31 August 2022</b>		<b>Fixed assets</b>	<b>Net current assets/(liabilities)</b>	<b>Long term liabilities</b>	<b>Total</b>
<b>Consolidated</b>		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Endowment	(18a)	1,504	385	-	1,889
Restricted	(18b)	790	53	-	843
Unrestricted funds	(18c)	25,389	(3,844)	(5,970)	15,575
		<u>27,683</u>	<u>(3,406)</u>	<u>(5,970)</u>	<u>18,307</u>
<b>School</b>					
Endowment	(18a)	1,504	385	-	1,889
Restricted	(18b)	105	53	-	158
Unrestricted funds	(18c)	25,388	(3,745)	(5,970)	15,673
		<u>26,997</u>	<u>(3,307)</u>	<u>(5,970)</u>	<u>17,720</u>
<b>As at 31 August 2021</b>					
<b>Consolidated</b>		<b>Fixed assets</b>	<b>Net current assets/(liabilities)</b>	<b>Long term liabilities</b>	<b>Total</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Endowment	(18a)	1,461	385	-	1,846
Restricted	(18b)	767	53	-	820
Unrestricted funds	(18c)	24,764	(3,783)	(6,534)	14,447
		<u>26,992</u>	<u>(3,345)</u>	<u>(6,534)</u>	<u>17,113</u>
<b>School</b>					
Endowment	(18a)	1,461	385	-	1,846
Restricted	(18b)	101	53	-	154
Unrestricted funds	(18c)	24,764	(3,653)	(6,534)	14,577
		<u>26,326</u>	<u>(3,215)</u>	<u>(6,534)</u>	<u>16,577</u>

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2022**

**18a Endowment funds**

	Balance at 1 Sept 2021 £'000	Income £'000	Expenditure £'000	Revaluation gains/(losses) £'000	Balance at 31 Aug 2022 £'000
<b>Consolidated and School</b>					
Collingwood and Baynes Foundation	459	-	(1)	3	461
Scholarship and Prize Fund	1,183	-	(9)	44	1,218
Casterton School Scholarship Fund	204	-	(1)	7	210
	<u>1,846</u>	<u>-</u>	<u>(11)</u>	<u>54</u>	<u>1,889</u>
	<u><u>1,846</u></u>	<u><u>-</u></u>	<u><u>(11)</u></u>	<u><u>54</u></u>	<u><u>1,889</u></u>
	Balance at 1 Sep 2020 £'000	Income £'000	Expenditure £'000	Revaluation gains/(losses) £'000	Balance at 31 Aug 2021 £'000
<b>Consolidated and School</b>					
Collingwood and Baynes Foundation	455	-	(1)	5	459
Scholarship and Prize Fund	1,115	-	(7)	75	1,183
Casterton School Scholarship Fund	191	-	(1)	14	204
	<u>1,761</u>	<u>-</u>	<u>(9)</u>	<u>94</u>	<u>1,846</u>
	<u><u>1,761</u></u>	<u><u>-</u></u>	<u><u>(9)</u></u>	<u><u>94</u></u>	<u><u>1,846</u></u>

The Collingwood & Baynes Foundation and the Scholarship and Prize Funds form part of the School's permanent endowment and were set up to provide scholarships and prizes to pupils attending the School.

Casterton School Scholarship Fund relates to funds transferred on the merger of Casterton and Sedbergh School. Charity Commission approval was obtained for these to be transferred from Casterton School to Sedbergh School.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2022**

**18b Restricted funds**

	Balance at 1 Sept 2021 £'000	Income £'000	Expenditure £'000	Transfer £'000	Revaluation gains/ (losses) £'000	Balance at 31 Aug 2022 £'000
General Funds	-	530	(484)	(46)	-	-
Rosalie Mary Forster Bursary Fund	96	1	(2)	-	4	99
Casterton School Scholarship Fund	5	-	-	-	-	5
Casterton Old Girls Association	53	-	-	-	-	53
Scholarship and Prize Fund	-	9	(9)	-	-	-
Casterton School Scholarship Fund	-	2	(2)	-	-	-
Collingwood and Baynes Foundation	-	1	-	-	-	1
<b>School Funds</b>	<b>154</b>	<b>543</b>	<b>(497)</b>	<b>(46)</b>	<b>4</b>	<b>158</b>
Education Fund	406	3	(7)	-	15	417
Appeal Fund	260	2	(4)	-	10	268
<b>Consolidated Funds</b>	<b>820</b>	<b>548</b>	<b>(508)</b>	<b>(46)</b>	<b>29</b>	<b>843</b>

	Balance at 1 Sept 2020 £'000	Income £'000	Expenditure £'000	Transfer £'000	Revaluation gains/ (losses) £'000	Balance at 31 Aug 2021 £'000
General Funds	309	615	(365)	(559)	-	-
Rosalie Mary Forster Bursary Fund	91	1	(2)	-	6	96
Casterton School Scholarship Fund	5	-	-	-	-	5
Casterton Old Girls Association	53	-	-	-	-	53
Scholarship and Prize Fund	-	9	(9)	-	-	-
Casterton School Scholarship Fund	-	2	(2)	-	-	-
<b>School Funds</b>	<b>458</b>	<b>627</b>	<b>(378)</b>	<b>(559)</b>	<b>6</b>	<b>154</b>
Education Fund	382	4	(6)	-	26	406
Appeal Fund	245	2	(4)	-	17	260
<b>Consolidated Funds</b>	<b>1,085</b>	<b>633</b>	<b>(388)</b>	<b>(559)</b>	<b>49</b>	<b>820</b>

The Education Fund was set up to provide funds to assist the sons of Old Sedberghians (“OSs”) killed in the wars. It has since been widened to support primarily children of OSs without the means to attend Sedbergh, or indeed other pupils who are in need of financial support to attend the School.

The Appeal Fund was set up by the Governors in 1996 to fund various projects, including the raising of funds for Scholarships and Bursaries to pupils attending the School.

Casterton School restricted funds, including the Rosalie Mary Forster Bursary Fund, Casterton School Scholarship Fund and Casterton Old Girls Association, relate to funds transferred on the merger of Casterton and Sedbergh School. Charity Commission approval was obtained for these to be transferred from Casterton School to Sedbergh School. The Rosalie Mary Forster Bursary Fund remains a linked charity.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2022**

**18c Unrestricted funds**

	Balance at 1 Sept 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Revaluation gains/(losses) £'000	Balance at 31 Aug 2022 £'000
Revaluation Reserve	3,866	-	-	-	560	4,426
Pension Reserve	-	2	-	-	(2)	-
General Funds	10,177	20,241	(19,802)	51	32	10,699
Bursary Fund – designated	528	5	(3)	(5)	20	545
Local Young People's Fund	26	3	(5)	-	(1)	23
Collingwood and Baynes Foundation	(20)	-	-	-	-	(20)
<b>School Funds</b>	<u>14,577</u>	<u>20,251</u>	<u>(19,810)</u>	<u>46</u>	<u>609</u>	<u>15,673</u>
Trading Company	(130)	1,238	(1,206)	-	-	(98)
<b>Consolidated Funds</b>	<u><u>14,447</u></u>	<u><u>21,489</u></u>	<u><u>(21,016)</u></u>	<u><u>46</u></u>	<u><u>609</u></u>	<u><u>15,575</u></u>

	Balance at 1 Sept 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Revaluation gains/(losses) £'000	Balance at 31 Aug 2021 £'000
Revaluation Reserve	3,866	-	-	-	-	3,866
Pension Reserve	-	2	-	-	(2)	-
General Funds	10,600	16,574	(17,614)	563	54	10,177
Bursary Fund – designated	498	4	(3)	(4)	33	528
Local Young People's Fund	24	3	(5)	-	4	26
Collingwood and Baynes Foundation	(20)	-	-	-	-	(20)
<b>School Funds</b>	<u>14,968</u>	<u>16,583</u>	<u>(17,622)</u>	<u>559</u>	<u>89</u>	<u>14,577</u>
Trading Company	(86)	663	(707)	-	-	(130)
<b>Consolidated Funds</b>	<u><u>14,882</u></u>	<u><u>17,246</u></u>	<u><u>(18,329)</u></u>	<u><u>559</u></u>	<u><u>89</u></u>	<u><u>14,447</u></u>

The Bursary Fund – designated, represents funds for Bursaries to pupils attending the School, not falling into the other funds.

Local Young Peoples' Fund is a fund to provide grants to local children pursuing educational goals.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2022**

**19 Related parties**

*a) Transactions with Governors*

The following Governors had children attending the School during the year:

	<b>Number of children at the School</b>
Mr J H B Warburton-Lee	1

Total expenses of £6,063 (2021: £300) were paid to 10 (2021: 1) Governors. These were in respect of travel and subsistence.

*b) Transactions with subsidiaries and associate*

Transactions with Sedbergh School Developments Limited (a 100% owned trading subsidiary of Sedbergh School) included expenditure of £0.59m (2021: £0.45m). As at 31 August 2022, Sedbergh School Developments Limited owed Sedbergh School £0.18m (2021: £0.13m). Amounts gift aided to Sedbergh School amounted to £nil (2021: £nil).

During 2020 Sedbergh School Developments Limited was in receipt of a loan facility from the School amounting to £0.300m of which £0.271m was drawn down as at 31 August 2022 (2021: £0.271m). Interest is charged on the loan at a rate of 3% above the Bank of England's base rate and the loan is repayable in full by 2025.

Transactions with Sedbergh School International Limited (a 100% owned trading subsidiary of Sedbergh School) included expenditure of £0.140m (2021: £0.190m). As at 31 August 2022, Sedbergh School International Limited owed Sedbergh School £0.009m (2021: £0.003m). Amounts gift aided to Sedbergh School amounted to £0.086m (2021: £0.087m).

Transactions with Sedbergh Hotel Enterprises Limited (an associate undertaking of Sedbergh School Developments Limited) included expenditure of £0.003m (2021: £0.001m). As at 31 August 2022 £nil (2021: £nil) was due between entities.

*c) Sedbergh School Foundation*

The purpose of the Foundation is to promote or improve the education given at Sedbergh School, or the facilities thereof, or the amenities thereof, or the well-being of the pupils educated there, in relation to their education either at the School or at some other place of education, after leaving the School.

The amount owed by Sedbergh School Foundation as at 31 August 2022 was £0.010m (2021: £0.001m). Grants from the Foundation amounted to £0.221m (2021: £0.400m).

The School has a lease agreement with the Foundation for the rental of Guldrey Lodge, at a current rate of £52,000 p.a. This has been charged to the Statement of Financial Activities during the year. The rent is reviewed annually in line with the specific terms of the lease agreement.

*d) The Michael Robertson Scholarship Fund*

The Michael Robertson Scholarship Fund ("MRSF"), a registered charity (no. 1014388). The main objective of the Fund is to further the education of children attending Sedbergh School. MRSF had net assets of £7.166m in its latest published accounts as at 31 December 2021. These are not included in the School's balance sheet.

In the prior year, the MRSF was identified as a related party due to A A P Fleck, the former Principal of the School being a Trustee of the MRSF. Following the retirement of A A P Fleck as Principal, he stepped down as a Trustee of the Fund therefore MRSF ceased to be a related party from 31 August 2021. During the prior year the MRSF funded bursaries totalling £0.141m which have been included within donations (note 6).

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued)

31 August 2022

#### 20 Pension schemes

The School's teaching staff belong to one principal pension scheme, the Teachers' Pension Scheme England and Wales ("TPS"). All full time and part time non-teaching staff are now eligible to join the Sedbergh School Money Purchase Plan.

##### Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1.019m (2021: £0.942m) and at the year-end £0.082m (2021: £0.073m) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions. On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2022**

**20 Pension schemes (continued)**

**The Group Self Invested Personal Pension (SIPP)**

In May 2009, the School opened a new self-invested personal pension scheme for its non-teaching staff. Employers' contributions are currently paid at a minimum rate of 5.05% of employee's salary. Contributions by the School to the scheme totalled £0.323m (2021: £0.300m) and the balance outstanding with the scheme was £0.041m (2021: £nil).

**Sedbergh School Pension Fund**

The School also operates a defined benefit scheme in the UK for certain non-teaching staff. The last full actuarial valuation was carried out as at 31 August 2018. The initial results of that valuation have been projected to 31 August 2022 by a qualified independent actuary. The major assumptions used by the actuary were:

	<b>2022</b>	<b>2021</b>
	%	%
Rate of increase of pensions in payment	0.00	0.00
Discount rate	4.10	1.70
Inflation assumption RPI	3.45	3.45
Inflation assumption CPI	2.45	2.45

The mortality assumptions adopted at 31 August 2022, imply the following life expectancies:

	<b>2022</b>	<b>2021</b>
Expected age at death of current pensioner at age 65:		
Male aged 65 at year end	88.0	88.2
Female aged 65 at year end	90.2	89.7
Expected age at death of future pensioner at age 65:		
Male aged 45 at year end	89.7	89.9
Female aged 45 at year end	91.6	90.9

Analysis of amount debited/(credited) to the Statement of Financial Activities:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Net interest (credit)/expense	(2)	(2)
	<hr/>	<hr/>
	(2)	(2)
	<hr/>	<hr/>
<b>Remeasurements of the net asset</b>		
Return of fund assets (excluding amount included in net interest)	138	4
Actuarial (gains)/losses	(114)	1
Surplus on scheme not recognised	(22)	(3)
	<hr/>	<hr/>
	2	2
	<hr/>	<hr/>
Total defined benefit cost	-	-
	<hr/>	<hr/>

Cumulative actuarial losses amounted to £nil at 31 August 2022 (2021: £nil).

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2022**

**20 Pension schemes (continued)**

Changes in the fair value of plan assets and changes in present value of defined benefit obligation:

	<b>2022</b>	<b>2022</b>	<b>2022</b>
	<b>Assets</b>	<b>Liabilities</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fair value of scheme assets/present value of (liabilities) at beginning of period	401	(282)	119
Contributions by employer	-	-	-
Benefits paid			
Interest income/(cost)	7	(5)	2
Return on scheme assets (excluding amount included in net interest expense)	(138)	-	(138)
Actuarial gains	-	114	114
	<hr/>	<hr/>	<hr/>
Fair value of scheme assets/present value of (liabilities) at end of period	270	(173)	97
Surplus on scheme not recognised	(97)	-	(97)
	<hr/>	<hr/>	<hr/>
	173	(173)	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Changes in the fair value of plan assets and changes in present value of defined benefit obligation:

	<b>2021</b>	<b>2021</b>	<b>2021</b>
	<b>Assets</b>	<b>Liabilities</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fair value of scheme assets/present value of (liabilities) at beginning of period	484	(362)	122
Contributions by employer	-	-	-
Benefits paid	(86)	86	-
Interest income/(cost)	7	(5)	2
Return on scheme assets (excluding amount included in net interest expense)	(4)	-	(4)
Actuarial (losses)/gains	-	(1)	(1)
	<hr/>	<hr/>	<hr/>
Fair value of scheme assets/present value of (liabilities) at end of period	401	(282)	119
Surplus on scheme not recognised	(119)	-	(119)
	<hr/>	<hr/>	<hr/>
	282	(282)	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**The return on plan assets was:**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Interest income	7	7
Return on plan assets (excluding amount included in net interest expense)	(138)	(4)
	<hr/>	<hr/>
Total return on plan assets	(131)	3
	<hr/> <hr/>	<hr/> <hr/>

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2022**

**20 Pension schemes (continued)**

The fair values of assets of the scheme were:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Corporates	45	67
Gilts	225	334
Total market value of assets	270	401

The Fund has no investments in the School or in property occupied by the School.

Contributions of £nil are expected for the year to 31 August 2023 (2021: £nil).

**21 Capital commitments**

At 31 August 2022 the School had capital commitments of £0.217m (2021: £0.246m).

**22 Commitments under operating leases**

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

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Amounts due:		
Within one year	70	89
Between one and five years	89	131
	159	220

**22 Subsequent events**

Subsequent to the year-end the bank loans, as detailed in note 14, were renegotiated and a £7.252m term loan was arranged consolidating the existing term loan, the CBILS loan and converting £1m of the existing overdraft facility. The new loan is repayable by way of 59 monthly instalments of £30,092 with interest at 2.6% above base rate.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2022**

**23 Comparative Statement of Financial Activities**

	Note	Unrestricted £'000	Restricted £'000	Endowed £'000	Total 2021 £'000
<b>Income from:</b>					
Charitable activities:					
- School fee income	2	15,178	-	-	15,178
- Other educational income	3	443	-	-	443
- Other ancillary income	3	175	-	-	175
Other trading activities:					
- Trading income	4	897	-	-	897
Investment income	5	16	17	-	33
Donations, legacies & grants	6	504	616	-	1,120
Other income:					
- Profit/(loss) on sale of fixed assets		3	-	-	3
- Sundry income		30	-	-	30
<b>Total Income</b>		<u>17,246</u>	<u>633</u>	<u>-</u>	<u>17,879</u>
<b>Expenditure on:</b>					
Charitable activities		17,282	358	9	17,649
Raising funds:					
- Trading costs		906	-	-	906
- Financing costs		141	30	-	171
<b>Total Expenditure</b>	8	<u>18,329</u>	<u>388</u>	<u>9</u>	<u>18,726</u>
<b>Net Income/(Expenditure)</b>		<u>(1,083)</u>	<u>245</u>	<u>(9)</u>	<u>(847)</u>
<b>Transfer between funds</b>		559	(559)	-	-
<b>Other Recognised Gains/(Losses)</b>					
Gains on investments	9	91	49	94	234
Actuarial losses on defined benefit pension scheme	20	(2)	-	-	(2)
<b>Net Movement in Funds</b>		<u>(435)</u>	<u>(265)</u>	<u>85</u>	<u>(615)</u>
<b>Total Funds Brought Forward</b>		<u>14,882</u>	<u>1,085</u>	<u>1,761</u>	<u>17,728</u>
<b>Total Funds Carried Forward</b>	17	<u>14,447</u>	<u>820</u>	<u>1,846</u>	<u>17,113</u>

**SEDBERGH SCHOOL**

England & Wales - Charity number 1080672

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# Accounts

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**SEDBERGH SCHOOL**

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**for the year ended 31 August 2021**

**Registered charity: 1080672**

**Company number: 03946280**



**S E D B E R G H  
S C H O O L**

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*Founded in 1525*

# SEDBERGH SCHOOL

## ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 August 2021

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# **SEDBERGH SCHOOL**

## **CHAIRMAN'S STATEMENT for the year ended 31 August 2021**

Young people have had a raw deal during the pandemic. Their education has been disrupted, and their life at school and in further education has been put on hold for extended periods. At the same time, the mental health of many young people has been impacted by social isolation and other adverse consequences of the pandemic.

Anticipating these challenges, and mitigating their consequences for our pupils at Sedbergh, has been a constant priority for my Board and for the leadership of the School. Our staff have worked tirelessly to sustain the quality and breadth of the Sedbergh education and the pastoral care and support for all our pupils, both in School and, as necessary, at home during government-mandated school closures and self isolation.

I am hugely proud of what the School, the staff and the pupils themselves have achieved in this time, in spite of the pandemic. And I am grateful too, for the immense support we have received throughout this period from parents, from the Old Sedberghian Club and our alumni, and from the wider Sedbergh School community.

An important measure of what has been achieved is the record pupil numbers in the School at the start of the new school year in September 2021. Factors that have brought new families to Sedbergh include the quality and continuity of our education and pastoral care during the pandemic, the breadth of our educational provision and extracurricular activities, and the healthy environment and lifestyle at Sedbergh. The strength of the pupil roll in both the Senior School and at the Prep School is a clear demonstration of the quality and resilience of a Sedbergh education, and of the future opportunity that this engenders for our pupils and our staff.

As a Board, we are working very closely with the executive team to ensure strategic and operational resilience to uncertainty and potential turbulence in global markets and in the UK economy. We also remain alert to both challenges and opportunities in our local market. We are committed to a more sustainable world and we accept the challenge to advance our focus on the environment in all that we do.

Technology and digital media impacts increasingly on our everyday life. We want future generations of Sedberghians to be ready for the accelerating pace of change in technology, both at home and in the workplace, and we are developing our curriculum and our facilities to sustain this ambition. At the same time we will not deviate from our primary responsibility to ensure our pupils have the necessary life skills to be successful and happy individuals, with a clear moral compass.

Outside of School, we know that life for many in Sedbergh and the surrounding area has been very difficult during the pandemic. The School has therefore sought to scale up its community outreach programme, Sedbergh Gives Back, over the last two years. A variety of projects are supported each Thursday afternoon during term time as part of the voluntary service programme, and once a year all the boarding houses undertake a full day's work for charities or local communities. The School was recognised for its community work in 2021, winning the Community Involvement Award at the In-Cumbria Business Awards.

I am delighted to have had the opportunity to visit Sedbergh more in 2021 than in the previous year, and to meet more pupils and parents, as well as School staff. One event during the year stands out in my mind. In October, we celebrated twenty years of girls at Sedbergh, and the transformation they have helped bring about, in the life of pupils and in the culture and environment of the School. It was wonderful to see so many confident and successful young women returning to the School to celebrate this anniversary and to meet old friends and many of the teachers that helped shape their young lives. I am constantly grateful to the leadership of the School at that time, for the inspired decision to admit girls.

Next year sees another important anniversary in the history of girls' education. 2023 is the two hundredth anniversary of the founding of Casterton School by the Reverend Carus Wilson, to educate the daughters of clergy. Casterton became part of Sedbergh in 2013, and its impressive campus is now the home of our Prep School. Covid permitting, we will provide opportunities for Casterton Old Girls to visit their school next year, and to celebrate this important anniversary.

## **SEDBERGH SCHOOL**

### **CHAIRMAN'S STATEMENT for the year ended 31 August 2021**

I would like to reiterate my thanks to Andrew Fleck, who retired at the end of August 2021 after eleven years at the helm of the School, initially as Headmaster and latterly as Principal. Andrew's vision and ambition for the School has shaped the Sedbergh of the twenty-first century and has underpinned our continuing progress and success, and his strategy and management capability have helped us navigate some of the greatest opportunities, and also the biggest challenges, the School has ever faced.

Through his leadership, we have seen strong progress by both Schools on academic standards, in the quality of the Common Room, in the range of extracurricular activities and in the culture and ethos of the School. But to my mind the things that best demonstrate Andrew's achievements at Sedbergh are that, at the end of his tenure, we have a School full of happy, confident young people who are a credit to the School, and a first rate Common Room, full of great teachers who love Sedbergh.

Dan Harrison has taken over the leadership of the whole School, as Headmaster of Sedbergh School. I have worked closely with Dan since my appointment as Chairman, and I am delighted to have such an able and experienced Headmaster to lead the School.

Finally, I would like to pay tribute to Sir Roger Gifford, Old Sedberghian and Governor of Sedbergh School, who sadly died last year. Roger's wise counsel and his friendship is greatly missed by all of us.

I firmly intend to spend more time in Sedbergh in the coming year. I look forward to the opportunity to meet more pupils and their families, and to thank in person the staff of the School for all the great work that they do.

Richard Gledhill  
Chairman  
Sedbergh School

## **SEDBERGH SCHOOL**

### **TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2021**

The Board of Governors of Sedbergh School presents its Annual Report and Consolidated Financial Statements for the year ended 31 August 2021 and confirm that they comply with the requirements of the Companies Act 2006, the Charities Act 2011 and the Charities SORP (FRS102) – Second Edition.

#### **BACKGROUND TO SEDBERGH SCHOOL**

Sedbergh School was founded in 1525 and received a Royal Charter from King Edward VI in 1551. The Senior School ('Senior School') is based in the market town of Sedbergh in the Yorkshire Dales, and the Preparatory School ('Prep School') and Mulberry Bush nursery ('The Mulberry Bush') are located nine miles away in the village of Casterton. The two schools and the nursery (together 'the School') provide education to boys and girls between the ages of six months and 18 years. The Senior School is boarding, with nine boarding houses. The Prep School has a mix of both boarding and day pupils.

#### **CHARITABLE OBJECTS**

The object of the School is to advance education by carrying on in Great Britain a school or schools at which infants, children and pupils may obtain education and instruction in academic, sporting, musical, cultural, scientific, technical, vocational, social and commercial subjects, activities and crafts of every description.

#### **OBJECTIVES AND ACTIVITIES**

The mission of the School is:

*To nurture each Sedberghian so that they realise their full potential in a unique and rigorous environment of excellence, characterised by committed endeavour, moral purpose and integrity of contribution.*

In particular, the School aims to:

1. Identify and develop the potential of pupils in a variety of areas: academic, artistic, cultural, sporting, personal, social and spiritual; help them to obtain the best possible qualifications; and prepare them for the opportunities, responsibilities and experiences of life;
2. Provide a welcoming, friendly and supportive environment which recognises the worth of each individual;
3. Provide a fulfilling working environment for both teaching and support staff, and encourage their development;
4. Liaise closely with the parents of its pupils and encourage them to share in the life of the School and the house;
5. Work responsibly within its environment and community; and
6. Attract pupils from a wide range of social and financial backgrounds.

Progress in delivering our aims is summarised in the following strategic report.

# SEDBERGH SCHOOL

## TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2021

### STRATEGIC REPORT

#### Achievement and performance

The academic year was significantly affected by the Covid-19 pandemic, with the closure of school premises across the United Kingdom in January 2021 for almost all of the Lent Term. Nonetheless the School sustained continuity of educational provision and extra-curricular activities throughout the year and achieved excellent results in A levels, BTECs and GCSEs, in the context of previous years and given that the School is non-selective.

#### Senior School

The Senior School began the year with 531 pupils (2020: 554) and finished the year with 547 pupils. The small decline in pupil numbers relative to the prior year was primarily due to the pandemic. Recruitment activity continued through the year, with record numbers confirmed for Michaelmas Term 2021, buoyed by the School's performance during the pandemic.

A level and GCSE results were based on teacher assessed grades, that were produced over the Summer Term following a rigorous process of assessment. After the grades had been submitted to the examination boards both the grades and assessment evidence were externally verified by the boards.

Sedbergh's 105 A level and BTEC candidates achieved excellent results overall, with a 100% pass rate across all subjects in year 13. Impressively, 50.0% of pupils achieved A\*-A or Di\*-Di grades (2020: 45.8%), and 90.0% of all results were A\*-C or Di\*-M (2020: 92.6%). On the basis of these results, 90 pupils gained 2021 entry to their firm or insurance choice of university, with a further six entering via clearing. The value-added score per pupil averaged +0.82 (2020: +0.72).

115 year 11 pupils sat GCSEs and also achieved outstanding results: 59% of grades were 9-7 (2020: 49%), with 97% of grade 4 or above (2020: 95%). On average each pupil achieved 9.1 passes at grade 4 or above, and 16 pupils achieved an average of 8.5 or higher per subject. This set of results showed an average value-added score of +1.21 (2020: +0.78).

The School has prioritised the continuity, quality and breadth of our educational provision during the pandemic. When school closures were mandated by the Government in early January, we were able to switch immediately to a comprehensive programme of remote learning, building on the success of our remote learning in the previous summer. A combination of 'Daily Briefing' emails and regular, on-line meetings with tutors and Housemasters and Housemistresses helped to keep the pupils engaged and to ensure the quality of our remote education and pastoral care. We received excellent feedback from both pupils and parents during this challenging period.

The Summer Term saw a return to competitive sport, including a number of sports normally undertaken in the Michaelmas and Lent Terms. This included competitive rugby at all levels, with fixtures against other schools, and the Wilson Run which took place in June, albeit as a closed event with only pupils in attendance. A full Sports Day was held in early July with tug o' war and Westmorland & Cumberland wrestling included in the programme.

Musical activity was very limited during the periods of remote learning, due to government restrictions surrounding choirs and ensembles; however individual instrumental lessons continued on-line. In the second half of the Summer Term the Chapel Choir led worship in weekly Chapel services, and the Wilson Run concert was held outside, at the Cloisters, on the day of the race.

#### Preparatory School

The Prep School began the year with a roll of 169 pupils (2020: 178), including 51 new pupils. Again, these numbers were encouraging during a time of economic difficulty for many.

Like the Senior School, continuity of high quality educational provision has been a priority for the Prep School. During the national lockdown in Lent Term 2021, all pupils received live on-line lessons, with a small cohort of key workers'

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2021

children attending in-person lessons in the School. The weekly programme was amended to devote greater time to numeracy and literacy, and three 'drop down days' were provided full of activities away from the screen.

Restrictions as a result of Covid-19 affected school sport throughout the year, with no fixtures taking place until Summer Term 2021. Meanwhile the School focussed on developing pupils' skills, through games lessons and in-School clubs for running, netball, swimming, cricket and tennis. Riding lessons continued to be popular. In the Summer Term, there was a return to training and sporting endeavours including athletics, cricket and rounders.

The pandemic meant that there were no live musical or dramatic performances in the Michaelmas or Lent Terms, but innovative alternatives enabled music and drama to continue in the Prep School. Video recordings were made of the pre-prep nativity performance and a production of *Jack & The Bean Stalk* by years 3-5, and other concerts made up of recordings of individual performance by pupils were streamed. LAMDA training and examinations continued with almost 50 participants, and 75 one-to-one music lessons took place each week.

#### **The Mulberry Bush**

The Mulberry Bush Nursery at Casterton continued to provide first class nursery care and education to children aged six months and above. Numbers varied through the year, averaging 50 per week. The Nursery remained open for the children of key workers during the second national lockdown.

#### **Inspections**

There were no inspections at either School during the year.

#### **Mitigating the financial impact of Covid-19**

The Board approved significant fee reductions for all pupils and in particular for boarders when the School was closed and remote learning was necessary, resulting in a significant loss of income.

In parallel, a programme of cost savings was implemented, taking into consideration the anticipated reopening of the campuses and the need to ensure operational capability was maintained. Operational budgets were reviewed, reduced or frozen, making considerable savings in the financial year. The School also benefited from the Government's Coronavirus Job Retention Scheme. Non-urgent capital projects were deferred where appropriate.

### **PUBLIC BENEFIT ACTIVITIES AND COMMUNITY SUPPORT**

#### **Hardship Fund**

Financial hardship as a result of the pandemic threatened the continuity of education of a number of pupils at the School, with many parents experiencing financial challenges. Throughout the year the School has maintained a programme of communication with parents during this difficult period, and has continued to offer support to a number of families directly and through The Hardship Fund launched in the previous year. This fund has distributed £90,000 to a number of families over the last two years. Again, we are very grateful to parents, Old Sedberghians and others who gave so generously to this fund.

#### **Community support**

For several years the School and its staff and pupils have supported a range of community initiatives in Sedbergh, most recently through the Sedbergh Gives Back programme. These include supporting a local community 'meals on wheels' service and a shopping and delivery service for mobility impaired and clinically vulnerable people. Allied with the weekly voluntary service programme and the annual house community service day forming the backbone of the outreach programme.

The community work of so many pupils was officially recognised in 2021, when the School won the Community Involvement Award at the In-Cumbria Business Awards.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2021

#### Public benefit

The School has an excellent record of facilitating access for children from a wide range of social and financial backgrounds, including the most disadvantaged, to provide them with the opportunity to benefit from the full breadth of a Sedbergh education with appropriate bursary and scholarship assistance, provided they meet the School's minimum entry requirements.

Parents who meet the relevant criteria are supported with means tested bursary awards within the funds available. Bursary awards are made on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk. In assessing means, a number of factors are taken into consideration including family income, investments and assets, together with family circumstances, as the School seeks to ensure opportunities are given to pupils across the full spectrum of affordability and social background. Means tested support is reviewed on a periodic basis to identify any significant change in financial circumstance.

Governors review both School policy and actual awards. The policy, which must fit within the framework of what the School can sensibly afford, is designed to provide the widest possible access including to those who fall within the definition of low income households.

The Michael Robertson Scholarship Fund, a separate charity which does not form part of the School group, has continued to provide income to support bursary awards, which totalled £0.14m in 2020/21. The Governors recognise this significant contribution and express their gratitude to the Robertson family and appreciation for the work of the Trustees in generating income for the School.

In addition, the Roger Lupton Scholarship scheme, funded by the Sedbergh School Foundation, provides fully funded opportunities to children whose families otherwise could not consider a school such as Sedbergh. In 2020/21 there were five Roger Lupton Scholars in the School receiving support to the value of £0.12m.

Including Michael Robertson and Roger Lupton Scholarships, this year the School provided bursary support to 148 pupils amounting to £1.02m which equates to 5.3% of gross fee income.

The School has established a scholarship scheme to provide free places to two pupils from the local state school, which has no sixth form, to attend Sedbergh for years 12 and 13; the first pupils under this scheme entered the School in Michaelmas Term 2021.

#### Equal opportunity

The School is committed to the provision of equal opportunities and an environment that is free of any form of discrimination. Reasonable adjustments are made to meet the needs of pupils and staff who are, or become, disabled.

#### STRATEGIC PLAN 2020-2025

The School's Strategic Plan is for the period 2020-2025. The key objectives of the Plan are summarised below, together with a summary of progress during the year and future plans.

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- **Employability and education for the future**

**To deliver a programme of study which will equip pupils to use technology safely and creatively, and to solve problems in such a way as to enhance their employment prospects. We will also deliver new curriculum development in both Schools.**

In the Prep School further investment in technology has enabled children from year 2 to year 8 to explore Robotics Computer Language Training and Computer Aided Design, with significant further investment planned in ICT.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2021

In the Senior School, new subjects have been introduced to the curriculum including Computer Science. A longer term strategic review of the curriculum has proposed developments in Design & Technology, Global Perspectives, Engineering and Information Technology and Computer Science, in parallel with planned developments in the School's facilities.

In the summer of 2021, 220 pupils were awarded their A level, BTEC or GCSE qualifications. Sixth form results were in line with expectations. The School's GCSE results were the best in recent history. There were many outstanding individual achievements within these GCSE, A level and BTEC results.

The School has strong links with Oxbridge Colleges and other universities and has an outstanding programme of preparation for entry to Oxford, Cambridge and other elite universities in Britain, Europe and America.

Sedbergh has also maintained its international reputation for sporting excellence, developing a broader range of sports available to pupils, combined with the provision of outstanding music and drama.

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- **Manage actively the wellbeing and mental health of pupils and staff**

**To ensure there is an ethos and environment which takes the mental health of pupils and staff seriously, and in which it is managed and monitored actively with staff and pupils being developed and supported, alongside developing the teaching of PSHE and RSE by tutors. Pupil and staff well-being will continue to be actively promoted and ill-health managed swiftly and appropriately to make the School an attractive place to live, work and learn.**

A range of initiatives has been employed to raise awareness and build resilience in our pupils including mental health awareness, mindfulness, wellbeing, prevention and reporting of bullying, online safety and extensive use of confidential surveys within the pupil body.

The School Counsellor continues to be an integral part of the School's pastoral provision.

Throughout periods of lockdown the Senior School engaged with pupils using the Daily Briefing emails, providing a variety of extra-curricular offerings, coupled with regular meetings with Tutors and Housemasters/Housemistresses. Lessons were delivered via Microsoft Teams with a shorter School day providing time in the afternoons for exercise and Daily Challenges away from the computer screen. Regular surveys of pupil well-being were undertaken and action taken as appropriate where concerns were raised. Similar surveys were undertaken at the Prep School in addition to twice-daily tutor meetings.

Safeguarding policy and practice remains at the forefront of staff and Governor training, with regular assessment and review at all levels of daily operations. This training includes all staff, including those working within the trading subsidiaries.

Staff welfare remains paramount and work has commenced on a full review of systems and practice to support wellbeing in the workplace; the staff intranet includes access to counselling services and a suite of confidential health and wellbeing support services.

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- **Sustainability**

**To review every aspect of our operations to ensure that we operate on a sustainable basis including delivering target reductions in energy consumption and carbon emissions. Pupils will be involved in a range of initiatives to deepen their understanding of climate change and other environmental issues.**

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2021

Investment in energy reduction measures as part of the planned refurbishment work of the campus has commenced and we continue to closely monitor our carbon footprint. Pupils have also been engaged in a range of initiatives to raise awareness and involvement in all aspects of sustainability and the environment.

The School recognises our corporate and social obligations to set clear targets to reduce greenhouse gas emissions with a range of extensive measures and investment planned over the next five years. They include plans for extensive boarding house modernisation.

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- **Development of land and assets**

**To progress plans for a new teaching facility to support further curriculum development in design and information technology; to modernise elements of the boarding house accommodation and to develop additional sports facilities.**

Plans are well advanced for a new Technology Centre aligned to the new curriculum development programme, with a full planning submission expected in the Summer of 2022.

A planning application has been submitted to provide additional all weather sports pitches in recognition of the importance of hockey as a major sport and to provide additional capacity for a range of general sports.

Work to refurbish boarding houses and School buildings on the Sedbergh campus is being planned, which will incorporate energy saving measures.

Improvements to the sports hall and music facilities on the Prep School campus are also under consideration.

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- **Overseas schools expansion**

**To support the development and academic success of Rong Qiao Sedbergh School, Fuzhou and open additional overseas schools under licensing and service agreements**

Rong Qiao Sedbergh School, in Fujian Province, China opened in September 2018 with 116 pupils, world-class facilities and a strong and experienced leadership team offering a blended British curriculum and compulsory Chinese curriculum in a bilingual school. The pupil roll is now 567 and is projected to exceed 700 pupils by September 2022. Sedbergh School International Limited continues to benefit from an outstanding investor partner in the Rong Qiao Group based in Fujian province. The Rong Qiao Group plans to seek further opportunities for expansion of their educational division within mainland China in future years.

Sedbergh School International Limited continues to explore opportunities for further schools abroad as it seeks additional investor partners and local operators to provide a unique Sedbergh education around the world.

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- **Non-fee based revenue generation**

**To deliver our targets for non-fee based revenue streams through a range of commercial ventures undertaken by our commercial subsidiaries, Sedbergh School International Limited and Sedbergh School Developments Limited.**

Whilst the pandemic prohibited some of the planned fee generation activity for 2021, Sedbergh School Developments Limited was able to successfully deliver a full programme of residential courses over the summer, as well as webinars and outreach activity with schools and clubs.

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## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2021

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- **Financial security, including fundraising**

**To deliver long term financial security through effective commercial risk management, delivery of our medium term financial goals and support of our affiliated organisations, including fundraising and alumni development.**

The charity monitors financial progress across both Schools and its commercial subsidiaries against a detailed five year rolling financial plan to deliver our long-term financial goals which include:

- generating additional liquid reserves
- funding future capital expenditure
- strengthening our competitive position in our UK and global markets.

Financial performance against defined milestones is subject to termly review by the Executive Committee and Board of Governors.

Dynamic risk assessment measures are in place for each operational unit including the commercial subsidiaries, and strategic risks are considered and reviewed by the Senior Leadership Team on a monthly basis and by the Board of Governors on a termly basis.

Our fundraising activities are carried out through the Foundation, which has continued to provide support via the pandemic Hardship Fund, the Roger Lupton Scholarship scheme and ad hoc house-based projects throughout the School. The Foundation has an ambitious fundraising plan to support the development of both Schools as part of the quincentenary celebrations in 2025.

The School also continues to be well supported by its alumni via the Old Sedberghian Club.

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#### **FINANCIAL REVIEW**

The financial year ended 31 August 2021 was, for the second year, dominated by the impact of the pandemic, resulting in the closure of the Senior School for a period of two weeks in the Michaelmas Term and both the Senior School and Prep School for seven weeks of the Lent Term. The physical closure of the School necessitated the provision of remote learning and the associated reduction in fees resulted in a second year of losses to charitable activity income.

The increase in school fee income of £0.25m reflected a reduced level of concessions. The loss of fee income was offset in part by a grant under the Coronavirus Job Retention Scheme amounting to £0.50m (2020: £1.03m), significantly lower than in the previous year due to the reduced period of furlough and number of staff involved.

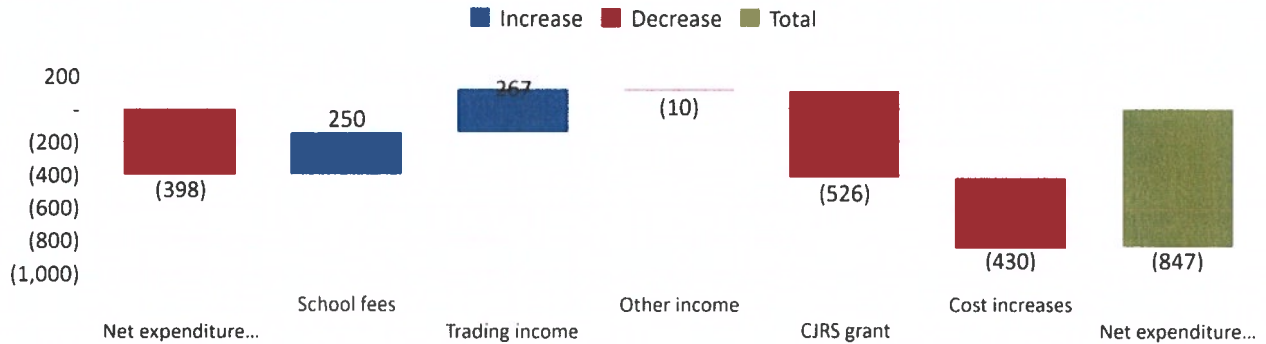
Operating costs were reduced where possible, although the long-term prosperity of the School was balanced against the need for short term cuts. In particular, the School needed to prepare for a significant increase in projected pupil numbers in the Michaelmas Term. These factors, together with inflationary pressures, resulted in increases in operating costs totalling £0.43m.

Trading income improved on the prior year by £0.27m predominately due to the increased number of short courses running; however the Tens tournament and the International Summer Schools programme were cancelled for the second year due to the pandemic.

# SEDBERGH SCHOOL

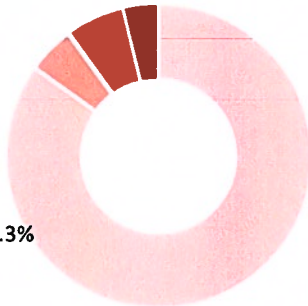
## TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2021

### Major movement to income and costs compared with prior year £'000



### INCOME

- School fees 85%
- Trading turnover 5%
- Investments 0.2%
- Donations & legacies 6.3%
- Other income 3.6%



### Income

Total income remained in line with the prior year at £17.9m, reflecting similar levels of fee reductions as a result of the School closure and the shift to remote learning.

Pupil numbers (on a full time equivalent basis) across both Schools fell by 2% primarily due to the pandemic; however Nursery pupils increased. Successful retention of pupils during the pandemic is attributed to the support of both parent bodies, the quality of our remote learning provision and the dedication of our teaching staff.

Concessions as a percentage of gross fee income have reduced by 1.2% to 23.3% (2020: 24.5%) overall, notwithstanding the increased level of means tested support.

Short course income recovered in part due to the provision of more courses, but the International Summer School did not take place.

The Coronavirus Job Retention Scheme provided £0.5m of income compared with £1.03m in the prior year.

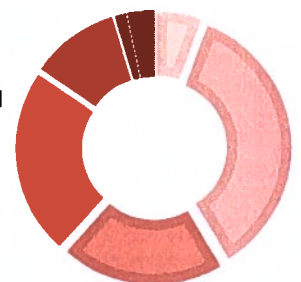
### Expenditure

Total expenditure increased by 2.3% to £18.7m (2020: £18.3m). Strong cost control measures were in place during the year, and the School was able to respond swiftly when the Government mandated school closures, with operational budgets frozen or reduced.

Boarding house costs increased to 20% of the total cost base (2020: 18%) due to additional Covid-19 measures, including the provision of quarantine houses to enable overseas pupils to return to School and comply with the Government rules, and also due to increased food costs.

### EXPENDITURE

- Trading and finance costs 6%
- Teaching costs 36%
- Boarding house, staff and medical costs 20%
- Premises costs 23%
- Management and administration 11%
- Grants, awards and prizes 1%
- Publicity 3%



Staff costs remained in line with the prior year at £11.5m (2020:£11.5m). Savings from the prior year redundancy programme were offset by the annual pay award.

# SEDBERGH SCHOOL

## TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2021

### Key financial performance indicators

Key financial performance indicators used by the School include the following:

	<u>2020/21</u>	<u>2019/20</u>
Pupil numbers (adjusted on a full time equivalent basis)	710	723
Teaching staff costs as % of net fees	41.0%	41.2%
Premises and boarding costs as % of net fees	52.9%	46.7%

Non-financial performance indicators include exam results as set out under the Achievement and Performance section of this report.

### Financial position

Operating activities generated £0.09m of cash, reflecting the significant loss of income due to the pandemic together with increased costs.

Nevertheless the School continued to invest. Capital expenditure was £1.04m including the conversion of an existing building to provide a new sixth form centre, the creation of additional boarding capacity and significant upgrades to the lighting in the School Chapel, partly funded by generous donations from the Foundation. In addition £1m of cash was invested in short term deposits which can be easily converted back to cash.

The School benefited from a capital repayment holiday on its loan amounting to £0.3m.

The overall cash position therefore reduced by £2.09m.

Net assets decreased by £0.62m to £17.11m (2020: £17.73m).

### Going concern

The Governors do not consider there to be any material uncertainty about the School's ability to continue as a going concern, as set out in the accounting policies. Having reviewed the funding facilities available to the School together with the expected future cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the School's financial viability. Accordingly, the School has continued to adopt the going concern basis in preparing the financial statements.

Net current liabilities increased to £3.35m (2020: £0.89m) primarily as a result of increased fees received in advance relating to future years, the conversion of £1m of cash to fixed asset investments and the impact of the pandemic on operating cash flow.

## POLICIES

### Principal sources of funding

The principal sources of funding for the School are fees, commercial income generated by the subsidiaries, and bank finance including medium term bank borrowings and a bank overdraft facility. In addition, the School receives support for bursaries and capital programmes from the Foundation and other charities and donors.

### Reserves

The School policy is to invest retained surpluses to support the development of the School, while ensuring that sufficient reserves are held to meet any contingencies as they arise.

According to the Charities SORP definition, free reserves should exclude endowment and restricted funds and funds which can only be realised by disposing of fixed assets held for School use. On this narrow basis, the School has no free reserves but the Governors are satisfied with the School's position given the unrestricted cash and unrestricted

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2021

investments available, which at the end of the financial period amounted to £4.19m (2020: £5.16m) alongside the overdraft facility of £2m. In addition, the School benefits from a portfolio of residential property totalling £5.6m.

The Governors continue to monitor cash, investments and reserves closely to ensure that sufficient reserves are available to meet potential threats to future income, in particular from a deterioration in the economic climate. Subject to this, it is the intention of the Board to reinvest operational surpluses generated into School improvements.

Total funds of the School are £17.1m (2020: £17.7m), which comprise: endowment funds £1.8m (2020: £1.8m), restricted funds £0.8m (2020: £1.1m) and general funds of £14.4m (2020: £14.9m).

#### **Investments**

The School's funds under management were valued at £4.6m as at 31 August 2021 (2020: £3.4m). The School has an underlying investment strategy of long term capital preservation with the objective of delivering positive absolute returns with low volatility in capital values. The funds are split between the CF Ruffer Total Return Fund and short term cash deposits. The School investment policy is approved by the Governors and monitored by the Investments Sub-Committee. The funds' performance was consistent with this policy.

#### **Public benefit**

In setting objectives for means tested bursaries, community engagement and social inclusion, the Governors have had regard to the Charity Commission's guidance on public benefit.

#### **Disabled persons**

The School is committed to providing an environment which values and includes all pupils, staff and parents regardless of their educational, physical, sensory, social, spiritual, emotional and cultural needs. It seeks to challenge attitudes about disability and accessibility, and to develop a culture of awareness, tolerance and inclusion. The School complies with all relevant legislation relating to disabled persons.

The School's policy requires that disabled job applicants would not be rejected for a reason which relates to their disability; job specifications are always used and selection criteria monitored to ensure that discrimination does not occur; and recruitment and selection procedures are adapted where possible to ensure that they do not disadvantage disabled job applicants.

The School takes steps to try to enable an employee who becomes disabled to remain in employment. In consultation with the employee, adjustments to facilitate their retention will be considered. Employees with disabilities are provided with opportunities to develop full and rewarding careers on an equivalent basis to other employees with similar skills and abilities.

The Accessibility Plans for both campuses illustrate how the School plans over time to further increase accessibility for pupils, staff and visitors who have disabilities. The School aims to make reasonable adjustments to allow disabled pupils to access the education available, bearing in mind the historic nature of its buildings and widespread campuses. These Plans are reviewed every twelve months.

#### **Risk management**

The School maintains an up-to-date Strategic Risk Register which identifies the most significant risks to ongoing operations of the School and to the delivery of its strategic objectives. The register details the appropriate risk mitigation measures and is reviewed on a regular basis by the senior management team and on a termly basis by the Governors. Underneath this sits an Operational Risk Register, which is also reviewed regularly by the senior management team. Governors have also reviewed the School's insurance cover to ensure that it is adequate.

The principal risks to the School and the School's approach to mitigate the risk are as follows:

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2021

Category	Risk	Principal mitigating actions
<b>Pandemic</b>	Impact of infection in the School and threat to the local community.  Inability to provide all aspects of the Sedbergh education, including an enforced lockdown resulting in temporary closure of the School and resulting in loss of revenue.  Additional costs arising from the pandemic.	<ul style="list-style-type: none"> <li>– Pandemic working group</li> <li>– Review of policies and procedures</li> <li>– Remote learning plans and staff training</li> <li>– Cost contingency plans</li> <li>– Bio security measures</li> </ul>
<b>Financial and Economic</b>	A failure to generate sufficient cash flow to meet strategic objectives and minimum cash generation requirements.	<ul style="list-style-type: none"> <li>– Pupil fee forecasts</li> <li>– Cashflows and reserves policy</li> <li>– Marketing strategy</li> <li>– Monthly review of financial forecasts</li> <li>– Loan facility review</li> <li>– Capex programme review</li> <li>– Contingency planning</li> </ul>
<b>Staff</b>	Inability to recruit and retain high calibre teaching and operational staff, resulting in staff shortages.  Loss of key staff or senior management team, due to illness or accident.	<ul style="list-style-type: none"> <li>– Review of remuneration packages</li> <li>– Succession planning</li> <li>– Health insurance and health checks for key staff</li> </ul>
<b>Reputation</b>	Reputational damage as a result of an adverse incident at the School or in a subsidiary.	<ul style="list-style-type: none"> <li>– Appropriate policies, procedures and staff training</li> <li>– Communications plan in place</li> </ul>
<b>Political</b>	Possible political, taxation and regulatory changes (such as loss of charitable status, imposition of VAT on school fees, loss of business rate relief, levy changes, increases in Teachers' Pensions contributions, changes in overseas pupil visas).	<ul style="list-style-type: none"> <li>– Regular review of forecasts with sensitivity analysis</li> <li>– Legal/financial advice</li> <li>– Advice from sector bodies eg ISC and ISBA</li> <li>– Contingency plans</li> </ul>

The School subsidiaries hold their own registers of strategic and operational risks which are in a consistent format to that of the School and are reviewed by their respective boards on a regular basis.

#### **ENVIRONMENTAL AND SUSTAINABILITY**

The School recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused.

The School has followed the 2019 HM Government Environmental Reporting Guidelines. In addition, the School used the GHG Reporting Protocol – Corporate Standard and the 2020 UK Government's Conversion Factors for Company Reporting.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2021

	2021		2020 restated*	
	kWh	Metric tonnes CO <sub>2</sub> e	kWh	Metric tonnes CO <sub>2</sub> e
<b>Scope 1</b>				
Gas Consumption	8,558,419	1,564,650	8,108,280	1,490,869
Transport	256,240	63,807	196,985	36,798
<b>Scope 2</b>				
Electricity Consumption	1,817,333	385,874	1,716,512	400,188
<b>TOTAL</b>	<b>10,631,992</b>	<b>2,014,331</b>	<b>10,021,778</b>	<b>1,927,856</b>
<b>Intensity ratio CO<sub>2</sub>e per pupil</b>		<b>2,837</b>		<b>2,666</b>

\*2020 figures have been recalculated following a review of the available records.

Whilst the School has progressive plans for reduction in consumption and emissions, gas consumption in particular increased due to factors associated with the pandemic.

#### Intensity measurement

All figures have been quoted in terms of carbon dioxide equivalent which signifies the amount of CO<sub>2</sub> which would have the equivalent global warming impact. CO<sub>2</sub>e per pupil is the recommended metric for the sector.

#### Improvements in energy efficiency

During the year improvements included: the full replacement of the windows of one building to uPVC double-glazed with significant reduced heat loss; and renewal of the central heating and hot water boiler system in a boarding house.

We continue to work on improvements in energy efficiency, in line with the School's Strategic Plan, including:

- increased education and action on recycling and energy use in our physical and remote office environments;
- insulation upgrade to properties as necessary including extensive investment in double glazing in older buildings;
- appraisal of renewable energy options and our future purchasing strategy;
- reduced energy usage by using more efficient products and materials when undergoing major repairs & renewals and capital projects including:
  - lighting upgrades to LED equivalents
  - upgrade to heating systems

#### STATEMENT OF COMPLIANCE

The Governors have complied with their duty in regard to the matters in section 172 (1) (a)-(f) of the Companies Act 2006 ('the Act').

The Governors confirm that they have acted in the way they consider, in good faith, would be most likely to promote the success of the School and for the benefit of its members as a whole, and in doing so have had regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the School's employees;
- the need to foster the School's business relationships;
- the impact of the School's operations on the community and the environment;
- the desirability of the School maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the School.

## **SEDBERGH SCHOOL**

### **TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2021**

#### **Relationships**

The School is influenced by our stakeholders, including our pupils and their families, employees, suppliers, the Government and our strategic partners. Our approach to all these parties is founded on the principle of open and honest dialogue based on a mutual understanding of needs and objectives.

Relationships with parents are managed on an individual basis, through those in close contact with them through the education journey, as well as key communication forums and interaction with staff on the School site and at events. During the pandemic, the School has implemented a range of additional and innovative virtual communications, to compensate for reduced in-person contact.

The School, the Governors and senior employees participate in various education sector associations and groups, which give access to supplier groups and decision-makers, Government and other regulatory bodies.

The School is a member of the Headmasters' & Headmistresses' Conference, the Independent Association of Prep Schools, the Independent Schools' Bursars' Association and the Association of Governing Bodies of Independent Schools.

#### **Employee engagement**

The School continues to place a high emphasis on mutually beneficial relationships with its employees, whom it regards as essential to the School's future success.

There is a well-established system for regular communication with staff at all levels in both Schools, including weekly departmental meetings, regular email updates, and formal and informal staff presentations, as well as a full in-service training programme and an extensive social diary. Employees are encouraged to raise any issues or ideas for improvement they may have with their line manager or through the whistleblowing arrangements.

Staff at all levels are kept advised of the progress of the School in comparison with our strategic objectives and development plans, including matters that may be pertinent to their immediate interests. The Chairman of Governors and a staff liaison Governor both attend occasional staff meetings.

During the pandemic staff engagement and communication has been enhanced, although much of this has been done remotely.

The School puts great emphasis on providing equality of opportunity for all employees and ensuring that fair selection and development procedures apply. The aim of policies in this area is to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, sex, disability, marital status, colour, religion, race or ethnic origin, or is disadvantaged by conditions or requirements which cannot be shown to be justifiable. In the event of an employee becoming disabled whilst in the Schools employment, measures will be taken to ensure that they can continue in their employment as far as is practical.

#### **POST BALANCE SHEET EVENTS**

There have been no material post balance sheet events.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document and constitution**

Sedbergh School was endowed as a Chantry School in 1525 by Roger Lupton, Provost of Eton, and incorporated by Royal Charter of King Edward VI as a Free Grammar School in 1551. It was reconstituted under the Endowed Schools Act of October 1874. The Scheme, Provisions and subsequent amendments were repealed and reconstituted by Trust Deed in July 1956. This Trust Deed was amended during subsequent years, the last amendment being in 1980.

## **SEDBERGH SCHOOL**

### **TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2021**

In 2000, the School became an incorporated charity (charity number 1080672, company number 3946280), entailing the preparation of new governing instruments and the transfer of the Charity's assets, with the exception of the Scholarship & Prize Funds which are classified as permanent endowment. These Scholarship & Prize Funds became linked charities with Sedbergh School, and are incorporated within the School accounts.

#### **The Governing Body**

The Trustees and Directors of Sedbergh School ("the Company") are the Governors of the School.

Under the Memorandum and Articles of Association, all Members of the Company are Directors of the Company and Governors of the School. The membership of the Board of Governors consists of two Ex-Officio Governors, one Representative Governor and up to fifteen Co-optive Governors.

The Representative Governor is appointed by the Council of St John's College, Cambridge. The two ex-officio members of the Board are the Lord Archbishop of York, represented by the former Archdeacon of Auckland, and Her Majesty's Lord-Lieutenant of Cumbria. The Co-optive Governors are appointed by the Board of Governors for a specific period not exceeding three years initially. One third of the Co-optive Governors retire from office at each Annual General Meeting. A Governor is eligible for re-election for up to three further terms of three years, up to the age of 70.

The Charity has one governing body for both the Senior School and the Prep School, with separate registrations with the Department for Education for each site. Details of the Governing Body are provided on page 18.

#### **Management arrangements**

During the year, the day-to-day running of both Schools was delegated to: the Principal, the Chief Operating Officer, the Senior School Headmaster, the Prep School Headmaster and the senior management teams at the Senior and Prep Schools. The Principal and the Chief Operating Officer were responsible to the Board for the delivery of the strategic objectives set out in the strategic plan and attend the Governors' Board and relevant Committee and Sub-Committee meetings as appropriate.

The Board delegates authority through formal terms of reference to a range of committees and sub-committees including the Executive, Education and Nominations & Remuneration Committees and Audit & Compliance and Investments Sub-Committees. The commercial subsidiaries are separate limited companies who report to their own independent boards.

The Principal retired on the 31 August 2021. With effect from 1 September 2021, the day-to-day running of both Schools is delegated to: the Headmaster, the Chief Operating Officer, the Prep School Headmaster and the senior management teams at the Senior and Prep Schools.

#### **Arrangements for setting pay and remuneration of key management personnel**

Remuneration for senior management positions is determined by the Nominations & Remuneration Committee. The Committee reviews the terms and conditions of the senior office holders on an annual basis. Due consideration is given to national benchmarking reports, including periodic surveys by independent authorities such as AGBIS and Baines Cutler (an independent schools consultancy business), to ensure that their remuneration is commensurate with similar roles within the sector.

#### **Indemnity insurance**

Third party indemnity insurance was in place for the benefit of Governors during the period.

#### **Appointment of new Governors**

Members of the Governing Body are recruited by invitation to ensure that the right mix of skills, talent, expertise and experience is achieved to deliver effective governance and achievement of the strategic goals of the School. The diversity of age, gender and ethnicity is also considered. The Nominations & Remuneration Committee meets regularly to consider new Governor appointments.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2021

On appointment, new Governors receive induction training which takes into account their existing professional qualifications or area of expertise. An ongoing programme of Governor training is in place.

#### GROUP STRUCTURE AND RELATIONSHIPS

The Charity has two wholly owned subsidiaries and an associated company; in addition it has close relationships with the Old Sedberghian Club and with two other unconnected separate charities, as follows:

##### Subsidiaries

Sedbergh School Developments Limited

Sedbergh School Developments Limited was incorporated on 11 April 1996. Its principal activities continue to be the provision of courses and other commercial trading ventures.

Sedbergh School International Limited

Sedbergh School International Limited was incorporated on 7 October 2015 in order to facilitate the provision of educational activities outside of the United Kingdom.

##### Associate

Sedbergh Hotel Enterprises Limited

Sedbergh Hotel Enterprises Limited is an associated company, set up to procure, refurbish and run The Black Bull in Sedbergh. Sedbergh School Developments Limited holds 36% of the issued share capital of Sedbergh Hotel Enterprises Limited

##### Other

The Sedbergh School Foundation (the Foundation)

The Foundation is a separate charity, whose purpose is to raise funds and support current and future investment in facilities, amenities and activities undertaken by the School. There is a close relationship between the Foundation and the School, with a number of Governors sitting on the Board of the Foundation.

The Old Sedberghian Club ('OS' Club)

The OS Club is a separate society which provides the School alumni with an extensive programme of events, activities and support. The School benefits from the generosity of a thriving network of Old Sedberghians whose close support is greatly appreciated and gladly acknowledged.

The Michael Robertson Scholarship Fund

The Michael Robertson Scholarship Fund is an independent restricted fund, not part of the group, which kindly provides income on an annual basis to support bursary awards at the School.

##### Fundraising and the Foundation

The Foundation is an independent charity that provides financial support to the School. The Foundation made restricted grants to the School during the year totalling £0.4m providing additional scholarships and bursary support alongside several house based fundraising initiatives and two significant capital projects. The School did not carry out any direct fundraising activity on its own behalf and did not engage third party fundraisers.

As the School looks forward to the next five years, the Foundation Trustees and the Governors have developed an ambitious plan to celebrate the bicentenary of the foundation of Casterton School in 2023 which marks 200 years of the education of girls at Casterton; and the quincentenary of the foundation of Sedbergh School in 2025. Both anniversaries will be celebrated by drawing on the histories of the Schools and celebrating with alumni, pupils and parents.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2021

#### REFERENCE AND ADMINISTRATIVE DETAILS

##### Governing body

- Chairman: - R J Gledhill, MA (Cantab), ACA \*#
- Ex-Officio: - The Lord Archbishop of York, represented by the Venerable N J W Barker MA (Oxon) # [to 31 August 2021]  
- The Lord Archbishop of York, represented by Revd M D Ineson MA, BA (Bristol), BEng (Birm) [from 1 September 2021]  
- Her Majesty's Lord-Lieutenant of Cumbria, Mrs C T Hensman BA (LSE)
- Representative: - Dr E J L Waring PhD, MA (Cantab), LLM (Harvard), St John's College, Cambridge
- Co-optive: - The Venerable N J W Barker MA (Oxon) [from 1 September 2021]  
- Mrs L Bates BA (Liverpool John Moores)\*  
- A J N Bedford BA (North Carolina)  
- R R Biggs MA (Oxon), BSc (Cape Town) [from 1 September 2021]  
- J D Campbell OBE FRSA\*  
- T J Davies BSc (Newcastle) [from 1 September 2021]  
- I W Durrans BA (Oxon), ACA\*#  
- Lt Gen Sir Andrew Gregory KBE, CB, DL, MA (Cantab)  
- R N Papworth BA (Oxon) \*#  
- M R Piercy MA (Leicester)  
- J H B Warburton-Lee

\* Members of the Executive Committee at 31 August 2021

# Members of the Audit and Compliance Committee as at 31 August 2021

Sir Roger Gifford was a Governor until his death on 25 May 2021.

##### Principal

A A P Fleck BSc (Nottingham), MA (Sussex) retired 31 August 2021

##### Headmasters

Senior School: D J Harrison MA (Cantab)

Prep School: W R Newman BEd (Exeter), MA (Victoria)

With effect from 1 September 2021, D J Harrison became Headmaster of the School as a whole.

##### Chief Operating Officer, Company Secretary and Clerk to the Governors

P S Marshall TD

##### Registered address

Sedbergh School

Malim Lodge

Sedbergh

LA10 5RY

[www.sedberghschool.org](http://www.sedberghschool.org)

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2021

#### **Bankers**

Barclays Bank Plc  
1<sup>st</sup> Floor, 3 Hardman Street  
Spinningfields  
Manchester M3 3HF

#### **Auditor**

Haysmacintyre LLP  
10 Queen Street Place  
London  
EC4R 1AG

#### **Solicitors**

Veale Wasbrough Vizards  
Narrow Quay House  
Narrow Quay  
Bristol BS1 4QA

#### **Farrer & Co**

66 Lincoln's Inn Fields  
London  
WC2A 3LH

#### **Investment managers**

Ruffer LLP  
31 Charlotte Square  
Edinburgh  
EH2 4ET

#### **Insurance brokers**

Marsh Brokers Ltd  
Capital House  
1 - 5 Perrymount Road  
Haywards Heath RH16 3SY

#### **Muckle LLP**

Time Central  
32 Gallowgate  
Newcastle upon Tyne NE1 4BF

#### **STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITOR**

The Governors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Governors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

#### **AUDITOR**

The auditor, Haysmacintyre LLP has indicated a willingness to continue in office. A resolution to reappoint Haysmacintyre LLP as auditor will be put to the members at the AGM.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2021

#### STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of Sedbergh School for the purposes of company law and the Trustees for the purposes of Charity Law) are responsible for preparing the Trustees' and Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Sedbergh School Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the trustees are required to:

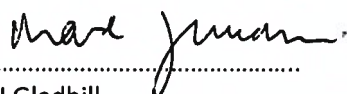
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report, which incorporates the Strategic Report, was approved by the Governors on 12 March 2022 and signed on their behalf by:



.....  
R J Gledhill  
Chairman

# SEDBERGH SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEDBERGH SCHOOL

### Opinion

We have audited the financial statements of Sedbergh School for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities; the Consolidated and School Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2021 and of the group's and parent charitable company's net movement in funds, including the 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.

### Basis for opinion

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

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

# SEDBERGH SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEDBERGH SCHOOL

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

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

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

### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to independent school regulations, safeguarding regulations, health and safety requirements, GDPR, employment law, company law and charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006, Charities Act 2011 and consider other factors such as payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to income recognition and management override of controls. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted at the year end; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

## SEDBERGH SCHOOL

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEDBERGH SCHOOL

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

#### Use of our report

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



Tracey Young (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditor  
Date: 5.5.22

10 Queen Street Place  
London  
EC4R 1AG

## SEDBERGH SCHOOL

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES For the year ended 31 August 2021

	Note	Unrestricted £'000	Restricted £'000	Endowed £'000	Total 2021 £'000	Total 2020 £'000
<b>Income from:</b>						
<b>Charitable activities:</b>						
- School fee income	2	15,178	-	-	15,178	14,928
- Other educational income	3	443	-	-	443	612
- Other ancillary income	3	175	-	-	175	142
<b>Other trading activities:</b>						
- Trading income	4	897	-	-	897	630
Investment income	5	16	17	-	33	53
Donations, legacies & grants	6	504	616	-	1,120	1,502
<b>Other income:</b>						
- Profit/(loss) on sale of fixed assets		3	-	-	3	(3)
- Sundry income		30	-	-	30	34
<b>Total Income</b>		<u>17,246</u>	<u>633</u>	<u>-</u>	<u>17,879</u>	<u>17,898</u>
<b>Expenditure on:</b>						
Charitable activities		17,282	358	9	17,649	17,218
<b>Raising funds:</b>						
- Trading costs		906	-	-	906	896
- Financing costs		141	30	-	171	182
<b>Total Expenditure</b>	8	<u>18,329</u>	<u>388</u>	<u>9</u>	<u>18,726</u>	<u>18,296</u>
<b>Net (Expenditure)/Income</b>		<u>(1,083)</u>	<u>245</u>	<u>(9)</u>	<u>(847)</u>	<u>(398)</u>
<b>Transfer between funds</b>		559	(559)	-	-	-
<b>Other Recognised Gains/(Losses)</b>						
Gains on investments	9	91	49	94	234	158
Actuarial losses on defined benefit pension scheme	20	(2)	-	-	(2)	(14)
<b>Net Movement in Funds</b>		<u>(435)</u>	<u>(265)</u>	<u>85</u>	<u>(615)</u>	<u>(254)</u>
<b>Total Funds Brought Forward</b>		<u>14,882</u>	<u>1,085</u>	<u>1,761</u>	<u>17,728</u>	<u>17,982</u>
<b>Total Funds Carried Forward</b>	17	<u>14,447</u>	<u>820</u>	<u>1,846</u>	<u>17,113</u>	<u>17,728</u>

All activities are classed as continuing. The notes on pages 27 to 52 form part of these accounts.

# SEDBERGH SCHOOL

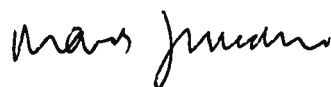
## BALANCE SHEETS At 31 August 2021

Company number: 03946280

	Note	Consolidated		School	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Fixed Assets</b>					
Tangible fixed assets	10	22,359	22,304	22,359	22,304
Investments	11	4,633	3,421	3,967	2,794
		<u>26,992</u>	<u>25,725</u>	<u>26,326</u>	<u>25,098</u>
<b>Current Assets</b>					
Stocks	12	141	233	134	226
Debtors	13	1,218	1,237	1,484	1,458
Cash at bank and in hand		1,804	3,891	1,618	3,648
		<u>3,163</u>	<u>5,361</u>	<u>3,236</u>	<u>5,332</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(6,508)</u>	<u>(6,252)</u>	<u>(6,451)</u>	<u>(6,137)</u>
<b>Net Current Liabilities</b>		<u>(3,345)</u>	<u>(891)</u>	<u>(3,215)</u>	<u>(805)</u>
<b>Total Assets Less Current Liabilities</b>		<u>23,647</u>	<u>24,834</u>	<u>23,111</u>	<u>24,293</u>
<b>Creditors: amounts falling due after more than one year</b>	15	<u>(6,534)</u>	<u>(7,106)</u>	<u>(6,534)</u>	<u>(7,106)</u>
<b>Total Net Assets Excluding Defined Benefit Pension Scheme Asset</b>		<u>17,113</u>	<u>17,728</u>	<u>16,577</u>	<u>17,187</u>
Defined Benefit Pension Scheme Liability	20	-	-	-	-
<b>Total Net Assets</b>		<u>17,113</u>	<u>17,728</u>	<u>16,577</u>	<u>17,187</u>
<b>Funds</b>					
Unrestricted funds					
- General reserve	18c	10,581	11,016	10,711	11,102
- Revaluation reserve	18c	3,866	3,866	3,866	3,866
- Pension reserve	18c	-	-	-	-
		<u>14,447</u>	<u>14,882</u>	<u>14,577</u>	<u>14,968</u>
Endowment funds	18a	1,846	1,761	1,846	1,761
Restricted funds	18b	820	1,085	154	458
<b>Total Funds</b>		<u>17,113</u>	<u>17,728</u>	<u>16,577</u>	<u>17,187</u>

The School's net expenditure for the year was £0.799m (2020: net expenditure £0.023m) and the net movement in funds was (£0.610m) (2020: £0.092m).

The financial statements were approved, authorised for issue and signed on behalf of the Board of Governors on 12 March 2022.



R J Gledhill  
Chairman

## SEDBERGH SCHOOL

### CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 August 2021

	2021		2020	
	£'000	£'000	£'000	£'000
<b>Operating Activities</b>				
Net costs		(847)		(398)
Depreciation charge		924		873
Investment income		(33)		(53)
Interest paid		171		182
Investment management fee		22		18
(Profit)/Loss on sale of fixed assets		(3)		3
Defined benefit pension scheme		(2)		(14)
Decrease in stocks		92		71
Decrease in debtors		78		492
(Decrease)/increase in creditors		(308)		(676)
<b>Net cash provided by Operating Activities</b>		94		498
<b>Investing Activities</b>				
Investment income	33		53	
Purchase of tangible fixed assets	(1,035)		(717)	
Proceeds from sale of investments	917		886	
Purchase of investments	(1,917)		(887)	
<b>Net cash used in Investing Activities</b>		(2,002)		(665)
<b>Financing Activities</b>				
Interest paid	(171)		(182)	
Receipts from loans	-		1,000	
Payments on loans	-		(344)	
Finance lease rentals	(8)		(17)	
<b>Net cash (used in) / provided by Financing Activities</b>		(179)		457
<b>Change in cash and cash equivalents in the period</b>		(2,087)		290
<b>Cash and cash equivalents at the beginning of the period</b>		3,891		3,601
<b>Cash and cash equivalents at the end of the period</b>		1,804		3,891
<b>Represented by:</b>				
Cash at bank and in hand		1,804		3,891

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS**  
**31 August 2021**

**1 Accounting policies**

**Legal status**

Sedbergh School is an incorporated (private company limited by guarantee) charity (charity no. 1080672, company no. 03946280), registered in England. The School's address is Sedbergh School, Malim Lodge, Sedbergh, LA10 5RY.

Sedbergh School was founded in 1525 and received a Royal Charter from King Edward VI in 1551. The object of Sedbergh School is to advance education by carrying on in Great Britain a school or schools at which infants, children and pupils may obtain education and instruction in academic, sporting, musical, cultural, scientific, technical, vocational, social and commercial subjects, activities and crafts of every description. Sedbergh School meets the definition of a public benefit entity under FRS 102.

**Basis of accounting**

The accounts are prepared under the Companies Act 2006, Charities Act 2011 and under the historical cost convention as modified by the adoption of fair value accounting for investments and the revaluation of private dwellings. These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities Statement of Recommended Practice ("Charities SORP (FRS 102)(second edition, effective January 2019)").

Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise indicated. The financial statements are presented in sterling which is also the functional currency of the School.

**Basis of consolidation**

The School's individual accounts include the linked charities Sedbergh School Prize Fund (charity no. 1080672-1), Sedbergh School Scholarship Fund (charity no. 1080672-2), Rosalie Mary Forster Bursary Fund (charity no. 1080672-3) and Casterton School Scholarship Fund (charity no. 1080672-4).

The consolidated accounts include the School, the Appeal Fund, the Education Fund, the School's trading subsidiary, Sedbergh School Developments Limited (company no. 03184583) and Sedbergh School International Limited (company no 9814021) together with the share of the results of its associate Sedbergh Hotel Enterprises Limited (company no 10598631), in which Sedbergh School Developments Limited has a 36% shareholding.

All financial statements are made up to 31 August 2021 except for Sedbergh Hotel Enterprises Limited which has a financial year end of 30 June 2021. The following accounting policies have been applied consistently in dealing with items that are considered material to the School's financial statements.

The charity has taken the exemption from presenting its unconsolidated income and expenditure account under section 408 of the Companies Act 2006.

**Reduced disclosures**

In accordance with FRS 102, the School has taken advantage of the exemptions from the following disclosure requirement in the individual financial statements of Sedbergh School:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures.
- Section 11 'Basic Financial Instruments' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2021**

**Going concern**

The Governors consider that there are no material uncertainties that could cast significant doubt on the School's ability to continue as a going concern.

The COVID-19 pandemic has impacted significantly for a second year running. Whilst the future results may be affected by this pandemic, at the time of approving the accounts the School has strong pupil numbers and pipelines. The Governors have considered the current cash position and future forecasts including sensitivity analysis. Therefore, the Governors remain confident in its cash flow forecast and its ability to meet its ongoing obligations as they arise for the next twelve months from the date of approval of the financial statements. As a result, the financial statements are prepared on a going concern basis.

**Income**

Income from School fees represents fees earned in respect of tuition given during the year. Fees received in respect of tuition to be given after the year end are included in creditors as fees received in advance. Fees receivable are stated after deducting allowances for scholarships and bursaries granted by the School, but include contributions received from restricted funds for scholarships, bursaries and other grants.

Income from trading activities represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers during the period. Turnover is recognised when substantially all the risks and rewards of ownership have been transferred.

Donations received are recognised where there is entitlement, the receipt is probable, and the amount can be measured with sufficient reliability. Donations subject to specific wishes of the donors are carried to relevant restricted funds, or to endowment funds where the amount is required to be held as permanent capital.

Other income, including investment income, is accounted for on an accruals basis.

Grant income, including income from the Coronavirus Job Retention Scheme, is recognised and accrued, in the period to which the relevant costs relate.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefit will be required in settlement and the amount of the obligation can be measured reliably. Amounts are discounted to present value for longer-term liabilities. Expenditure is summarised under functional headings on a direct costs basis.

Expenditure on raising funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Charitable activities include expenditure associated with the objects of the School and both the direct costs and support costs relating to this activity. Grants awarded are expensed as soon as they become legal or operational commitments. Management and administration costs include governance costs incurred in the governance of the School and its assets and are primarily associated with constitutional and statutory requirements.

**Taxation**

The School is a registered charity and therefore it is exempt from income and corporation tax on income and gains falling within chapter 3 Part 11 Corporation Tax Act 2010 or S256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

The subsidiary undertakings, Sedbergh School Developments Limited and Sedbergh School International Limited are liable to income and corporation tax on their income and gains. Gift aid payments paid to the Charity will reduce the taxable income and gains. The subsidiaries are eligible to make gift aid payments to their holding company, the School. Details of Sedbergh School Developments Limited and Sedbergh School International Limited policies on gift aid can be found within their financial statements.

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued)

31 August 2021

#### Fixed assets

The School buildings, boarding houses and land owned by the School at Sedbergh are included on the balance sheet at the historical cost.

Private dwellings (“residential properties”) and property held for sale are held at valuation. All movements in value arising from a change in value of private dwellings, in excess of their original cost, are shown in the Statement of Financial Activities as revaluation gains or losses, with movements being credited/charged to the revaluation reserve. Any diminution in value below original cost is charged to the Statement of Financial Activities as an impairment.

All other fixed assets are measured at their cost or values at the time of acquisition, net of depreciation and any impairment losses. Capital items costing less than £1,000 are written off as an expense as acquired.

#### Depreciation

Depreciation is provided on tangible fixed assets at rates and bases calculated to write off the cost less estimated residual value, based on current market prices, of each asset over its expected useful life as follows:

School buildings	- 50 years
Fixtures and fittings	- 5 – 20 years
Computer equipment	- 3 years
All weather pitch	- 20 years
Motor vehicles	- 4 years
Leasehold improvements	- over the life of the lease

Land is not depreciated and assets under construction are only depreciated once they come into use.

#### Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the School estimates the recoverable amount of the asset.

#### Investments

Investments are stated in the balance sheet at their market value as at the balance sheet date. All movements in value arising from investment changes or revaluation are shown in the Statement of Financial Activities and are allocated to the appropriate fund according to the allocation of the underlying asset.

Investments in associates are recognised initially in the consolidated balance sheet at the transaction price and subsequently adjusted to reflect the group's share of total income and equity of the associate, less any impairment. Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the School has a legal obligation to make good the losses.

Investments in associates are accounted for at cost less impairment in the individual financial statements.

#### Stock

Stock is valued at the lower of cost (based on purchase price) and fair value.

#### Pension schemes

Retirement benefits for the School's teaching staff are provided by the Teachers' Pension Scheme (“TPS”). This is a defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme. This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS 102, the School accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued)

31 August 2021

#### **Pension schemes (continued)**

The School contributes to a separate defined benefit scheme for non-teaching staff. This is an occupational defined benefit scheme. The defined benefit pension scheme current service costs are charged to the Statement of Financial Activities within staff costs. Net interest on the net defined benefit asset is recognised in the Statement of Financial Activities. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses. The defined benefit scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The School only recognises an asset in respect of a surplus on the scheme valuation to the extent that the asset is recoverable through reduced future contributions or through a reimbursement from the Scheme.

The School also contributes to a group money purchase scheme for non-teaching staff. Contributions are charged to the Statement of Financial Activities in the period in which the salaries to which they relate are payable. Defined contribution pension costs are allocated to unrestricted funds.

#### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the School is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **Fund accounting**

The School has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

Unrestricted funds	Funds which are expendable at the discretion of the Governors in furtherance of the objects of the School. In addition to expenditure on the School's operations, such funds may be held in order to finance capital investment and working capital.
Restricted funds	Donations or legacies received which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the School.
Endowment funds	Funds given to the School where the income may be used in furtherance of the objects, but the capital must be retained.
Designated funds	The School may at its discretion set aside funds for specific purposes which would otherwise form part of the general reserves of the School.

#### **Financial instruments**

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

Trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value. Bank loans and other loans are initially recognised at their transaction value and subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Investments are initially measured at transaction price and subsequently measured at fair value through net income or expenditure.

#### **Leases**

An asset and corresponding liability are recognised for leasing agreements that transfer to the School substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the Statement of Financial Activities so as to produce a constant periodic rate of interest on the remaining balance of the liability.

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued)

31 August 2021

#### *Leases (continued)*

All other leases are operating leases and the annual rentals are charged to the Statement of Financial Activities on a straight line basis over the lease term.

#### **Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### *Pension scheme valuation assumptions*

The present value of the defined benefit pension asset depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension asset. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 August 2018 has been used by the actuary in valuing the pensions asset at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset.

The surplus on the pension scheme valuation as at 31 August 2021 has not been recognised as an asset because the Governors do not consider that it is recoverable.

#### *Fee debtor provision*

A provision for impairment of fee debtors is established when there is objective evidence that the amounts due will not be collected in line with the usual fee collections due to financial difficulty of the debtors.

#### *Useful life of fixed assets*

In making decisions regarding the depreciation of tangible fixed assets, management must estimate the useful life of said assets to the business. A change in estimate would result in a change in the depreciation charged to the Statement of Financial Activities in each year.

#### *Residential property valuations*

Residential properties are held at valuation. The Governors make informed decisions on an annual basis about property values in conjunction with the School's property advisers.

In the opinion of the Governors there are no critical judgements involved in the preparation of the financial information.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2021**

2	<b>School fee income</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
					<b>Restated</b>
	Gross fees		19,393		19,234
			<u>          </u>		<u>          </u>
	Bursaries		1,022		956
	Scholarships		1,574		1,610
	Other concessions		1,922		2,154
			<u>          </u>		<u>          </u>
			4,518		4,720
	Less contributions from restricted funds				
	Education Fund	(4)		(4)	
	Appeal Fund	(2)		(2)	
	Michael Robertson Scholarship Fund	(141)		(218)	
	Scholarship and Prize Funds	(9)		(11)	
	Sedbergh School Foundation	(144)		(177)	
	Casterton School Scholarship Fund	(2)		(2)	
	Rosalie Mary Forster Bursary Fund	(1)		-	
			<u>          </u>		<u>          </u>
			(303)		(414)
			<u>          </u>		<u>          </u>
			4,215		4,306
			<u>          </u>		<u>          </u>
	Net fees		<u>          </u>		<u>          </u>
			15,178		14,928
			<u>          </u>		<u>          </u>

The 2020 comparative figures have been restated to reclassify other fees into other educational income.

3	<b>Other income from charitable activities</b>	<b>2021</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>
			<b>Restated</b>
	<b>Other educational income</b>		
	Other fees	333	401
	Bookroom	25	33
	Sundry	-	1
	Registration fees	45	33
	Fees in lieu of notice	37	127
	Surcharge interest on late fees	3	17
		<u>          </u>	<u>          </u>
		443	612
		<u>          </u>	<u>          </u>

Other educational income is generated by the School only and is credited to unrestricted funds.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2021**

<b>3</b>	<b>Other income from charitable activities (continued)</b>	<b>2021</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Other ancillary income</b>		
	Rent	114	136
	Commissions	6	6
	Insurance	54	-
	Sundry	1	-
		<u>175</u>	<u>142</u>
		<u><u>175</u></u>	<u><u>142</u></u>

Other ancillary income is generated by the School only and is credited to unrestricted funds.

<b>4</b>	<b>Trading income</b>	<b>2021</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>
	Short courses	385	32
	School uniform	234	232
	Facilities and lettings	1	19
	Royalty and service fee income	277	347
		<u>897</u>	<u>630</u>
		<u><u>897</u></u>	<u><u>630</u></u>

<b>5</b>	<b>Investment income</b>	<b>2021</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>
	Bank interest received	-	20
	Dividends received from fixed asset investments	33	33
		<u>33</u>	<u>53</u>
		<u><u>33</u></u>	<u><u>53</u></u>

2021 £17,000 (2020: £19,000) of investment income was credited directly to restricted funds.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2021**

<b>6</b>	<b>Income from donations, legacies and grants</b>	<b>2021</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>
	Donations (unrestricted)	-	2
	Donations (restricted)	300	74
	Income from Sedbergh School Foundation (restricted)	144	177
	Income from Michael Robertson Scholarship Fund (restricted)	141	218
	Government funding (restricted)	31	-
	Coronavirus Job Retention Scheme grant (unrestricted)	504	1,031
		<u>1,120</u>	<u>1,502</u>
		<u><u>1,120</u></u>	<u><u>1,502</u></u>
<b>7</b>	<b>Expenditure</b>	<b>2021</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Charitable expenditure includes:</b>		
	Depreciation – owned assets	922	867
	Depreciation – assets under finance leases	2	6
	Operating lease cost	106	89
		<u>1,030</u>	<u>962</u>
		<u><u>1,030</u></u>	<u><u>962</u></u>
	<b>Other expenditure (excl VAT) includes:</b>		
	Auditor's remuneration:		
	Statutory audit of parent company and group accounts	27	26
	Audit of subsidiaries where such services are provided by the group auditor	7	7
		<u>34</u>	<u>33</u>
	Total audit	34	33
	Other services	7	15
		<u>41</u>	<u>48</u>
		<u><u>41</u></u>	<u><u>48</u></u>
	<b>Financing costs</b>	<b>2021</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>
	Interest on bank loans and overdrafts	171	182
		<u>171</u>	<u>182</u>
		<u><u>171</u></u>	<u><u>182</u></u>

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)**

**31 August 2021**

**7 Expenditure (continued)**

<b>Staff costs</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	9,376	9,297
Social security costs	867	794
Pension costs	1,254	1,219
Redundancy costs	18	152
	11,515	11,462
	11,515	11,462

**The average number of staff employed by the School during the year:**

	<b>2021</b>		<b>2020</b>	
	<b>No.</b>		<b>No.</b>	
	<b>Full time</b>	<b>Part time</b>	<b>Full time</b>	<b>Part time</b>
Teaching staff	101	64	107	61
Premises and grounds staff	24	4	24	4
Administration and clerical staff	30	26	30	26
Catering, boarding house and medical staff	81	122	68	134
	236	216	229	225
	236	216	229	225

Neither the Governors nor persons connected with them received any remuneration or other benefits from the School or any connected organisation. Details of expenses paid to Governors are provided in note 19.

The number of employees whose emoluments, including benefits in kind, exceeded £60,000 was:

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	5	-
£70,001 - £80,000	1	3
£80,001 - £90,000	1	-
£90,000 - £100,000	1	1
£120,000 - £130,000	1	1
£190,000 - £200,000	-	1
£200,001 - £210,000	1	-

Included in the above higher paid employees were 8 (2020: 4) accruing benefits under defined benefit schemes. Contributions in respect of these individuals totalled £0.127m (2020: £0.068m).

**Key management personnel**

The School considered its key management personnel during the year to comprise the Principal, Chief Operating Officer and two headmasters, at the Senior School and the Prep School. The total employment benefits including employer pension contributions of the key management personnel were £0.66m (2020: £0.65m).

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)**

**31 August 2021**

**8 Analysis of expenditure**

	Staff costs £'000	Other £'000	Depreciation £'000	Total 2021 £'000
<b>Charitable activities</b>				
Teaching costs	6,237	443	-	6,680
Boarding houses, staff and medical provision	2,229	1,512	-	3,741
Premises costs	1,133	2,230	924	4,287
Management and administration	1,169	866	-	2,035
Grants, awards and prizes	-	308	-	308
Publicity	339	259	-	598
	<u>11,107</u>	<u>5,618</u>	<u>924</u>	<u>17,649</u>
<b>Raising funds</b>				
Trading	408	498	-	906
Interest on bank loans and overdrafts	-	171	-	171
	<u>408</u>	<u>669</u>	<u>-</u>	<u>1,077</u>
	<u>11,515</u>	<u>6,287</u>	<u>924</u>	<u>18,726</u>
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>
		<i>Governance costs (included within management and administration costs)</i>		
Governors' meeting costs	-	13	-	13
Audit and accountancy (exc VAT)	-	41	-	41
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2021**

**8 Analysis of expenditure (continued)**

	Staff costs £'000	Other £'000	Depreciation £'000	Total 2020 £'000
<b>Charitable activities</b>				
Teaching costs	6,323	372	-	6,695
Boarding houses, staff and medical provision	2,079	1,137	-	3,216
Premises costs	1,027	1,850	873	3,750
Management and administration	1,207	1,164	-	2,371
Grants, awards and prizes	-	474	-	474
Publicity	375	337	-	712
	<u>11,011</u>	<u>5,334</u>	<u>873</u>	<u>17,218</u>
<b>Raising funds</b>				
Trading	451	445	-	896
Interest on bank loans and overdrafts	-	182	-	182
	<u>451</u>	<u>627</u>	<u>-</u>	<u>1,078</u>
	<u>11,462</u>	<u>5,961</u>	<u>873</u>	<u>18,296</u>
		<i>Governance costs (included within management and administration costs)</i>		
Governors' meeting costs	-	18	-	18
Audit and accountancy	-	48	-	48
				<u>48</u>

All expenditure is charged to the unrestricted fund, with the exception of £0.30m (2020: £0.44m) of grants, awards and prizes, £30,000 finance costs, £2,000 teaching costs, £4,000 Boarding house costs and £49,000 (2020: £37,000) of management costs that are charged to the restricted fund and £9,000 (2020: £6,000) of management costs that are charged to endowed funds.

**9 Fair value gains and losses**

	2021 £'000	2020 £'000
Fair value gains and losses on financial assets:		
Gain on fixed asset investments	234	158
	<u>234</u>	<u>158</u>

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2021**

**10 Tangible fixed assets**

Consolidated and School	Residential property	Assets under construction	Leasehold improvements	Fixtures & fittings	Other assets	School land & buildings	All weather surfaces	Total
	£'000	£000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>								
As at 1 Sept 2020	5,596	143	1,052	10,030	832	14,233	604	32,490
Additions	-	12	-	555	43	425	-	1,035
Transfers	-	(100)	-	-	-	100	-	-
Disposals	-	(55)	-	(50)	-	-	-	(105)
<b>As at 31 August 2021</b>	<u>5,596</u>	<u>-</u>	<u>1,052</u>	<u>10,535</u>	<u>875</u>	<u>14,758</u>	<u>604</u>	<u>33,420</u>
<b>Depreciation</b>								
At as 1 Sept 2020	-	-	98	6,555	734	2,278	521	10,186
Charge for the period	-	-	11	507	54	323	29	924
Disposals	-	-	-	(49)	-	-	-	(49)
<b>As at 31 August 2021</b>	<u>-</u>	<u>-</u>	<u>109</u>	<u>7,013</u>	<u>788</u>	<u>2,601</u>	<u>550</u>	<u>11,061</u>
<b>Net book value</b>								
<b>As at 31 August 2021</b>	<u>5,596</u>	<u>-</u>	<u>943</u>	<u>3,522</u>	<u>87</u>	<u>12,157</u>	<u>54</u>	<u>22,359</u>
As at 31 August 2020	<u>5,596</u>	<u>143</u>	<u>954</u>	<u>3,475</u>	<u>98</u>	<u>11,955</u>	<u>83</u>	<u>22,304</u>

The net book value of assets held under finance leases is £61,000 (2020: £82,000) included within School land & buildings. The depreciation charge in respect of these assets was £1,500 (2020: £6,000). School land and buildings have been valued for insurance purposes in October 2021 at £157m (2020: £150m). In addition, the School's contents are insured at a value of £8.3m (2020: £8.2m).

Private dwellings are revalued on a regular basis, and a full Red Book RICS valuation was performed by Davis Bowring in July 2018, at open market value. The valuation of these properties was £5.6m. The Governors have considered the current market and, having consulted with external advisors, are of the opinion that there is no indication of a material change in the market value as at 31 August 2021.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2021**

**11 Investments**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Consolidated</b>		
<b>At market value:</b>		
Balance at 1 Sept 2020	3,421	3,280
Additions	1,917	887
Disposal proceeds	(917)	(886)
Increase in market value	234	158
Management fee	(22)	(18)
	4,633	3,421
Balance at 31 August 2021	4,633	3,421
<b>School</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>At market value:</b>		
Balance at 1 Sept 2020	2,794	2,679
Additions	1,742	718
Disposals proceeds	(742)	(717)
Increase in market value	191	129
Management fee	(18)	(15)
	3,967	2,794
Balance at 31 August 2021	3,967	2,794

**Subsidiary undertakings**

The School controls 100% of Sedbergh School Developments Limited (company no. 03184583; with the same registered address as the School, detailed on page 18), which runs sporting and educational courses making use of the School's facilities. Its trading results and summary balance sheet, extracted from its audited accounts for the year ended 31 August 2021 were:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Turnover	386	51
Cost of sales	(205)	(140)
Gross profit/(loss)	181	(89)
Administration costs	(242)	(234)
Interest	(5)	-
Net loss	(66)	(323)
	(66)	(323)

Trading income is credited to unrestricted funds.

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Total assets	146	78
Total liabilities	(458)	(324)
Total reserves	(312)	(246)
	(312)	(246)

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued)

31 August 2021

#### 11 Investments (continued)

The School also controls 100% of Sedbergh School International Limited (company no. 9814021; with the same registered address as the School, detailed on page 18) which was formed to facilitate opening of an overseas school. Its trading results and summary balance sheet, extracted from its audited accounts for the year ended 31 August 2021 were:

	2021 £'000	2020 £'000
Turnover	276	347
Cost of sales	-	(42)
	276	305
Gross profit		
Administration costs	(168)	(207)
	108	98
Net profit		
Trading income is credited to unrestricted funds.		
	2021 £'000	2020 £'000
Total assets	223	201
Total liabilities	(41)	(41)
	182	160
Total reserves		

#### Associated Undertakings

Sedbergh School Developments Limited holds 36% of the issued share capital of Sedbergh Hotel Enterprises Limited (company no. 10598631), set up to procure, refurbish and run The Black Bull in Sedbergh.

	2021 £'000	2020 £'000
At 1 Sept 2020 and 31 August 2021	-	-

	Type of shares held	Proportion held (%)	Country of incorporation	Registered Office
Sedbergh Hotel Enterprises Limited	A ordinary shares	36%	UK	44 Main Street, Sedbergh, LA10 5BL

The audited results of Sedbergh Hotel Enterprises Limited for their year ended 30 June 2021 are as follows;

	2021 £'000	2020 £'000
Aggregate amount of capital and reserves	(1,161)	(1,132)
	(29)	(214)
Loss for the period		

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2021**

**12 Stocks**

	Consolidated		School	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Consumables	116	218	109	211
Bookroom stationery	25	15	25	15
	141	233	134	226
	141	233	134	226

**13 Debtors**

	Consolidated		School	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Debtors for school fees and extras	675	560	675	560
Trade debtors	123	-	-	-
Prepayments and accrued income	319	489	282	475
Other debtors	79	117	79	117
Amounts due from related undertakings	22	71	448	306
	1,218	1,237	1,484	1,458
	1,218	1,237	1,484	1,458

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

	Consolidated		School	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade creditors	390	631	381	617
Accruals and deferred income	1,028	1,084	980	1,027
Parental deposits	757	700	757	700
Fees received in advance	3,395	3,053	3,395	3,053
Taxation and social security	223	243	223	199
Finance lease creditor	8	8	8	8
Other creditors	143	533	143	533
Bank loans	564	-	564	-
	6,508	6,252	6,451	6,137
	6,508	6,252	6,451	6,137

**Parental deposits**

All new pupils joining the School must pay a deposit. This is refunded when the pupil leaves the School.

**Fees received in advance**

Parents may pay to the School up to the equivalent of seven years' fees in advance. Fees are apportioned over the pupil's time at the School. The money may be returned subject to specific conditions on the receipt of one term's notice.

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)  
31 August 2021**

- 14 Creditors: amounts falling due within one year (continued)**  
Assuming pupils remain in the School, advance fees will be applied as follows:

	<b>Consolidated and School</b>	
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Within 1 year	2,687	2,189
Within 1 to 2 years	475	449
Within 2 to 3 years	168	281
Greater than 3 years	65	134
	3,395	3,053
	3,395	3,053

The movements during the year were as follows:

	<b>Consolidated and School</b>	
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
As at 1 Sept 2020	3,053	3,907
New contracts	2,721	2,161
Refunded	(78)	-
Amounts utilised in payment of fees to the School	(2,301)	(3,015)
	3,395	3,053
	3,395	3,053

- 15 Creditors: amounts falling due after one year**

	<b>Consolidated and School</b>	
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans	6,534	7,098
Finance lease creditor	-	8
	6,534	7,106
	6,534	7,106

**Bank loans**

During 2020 a £1m loan facility was arranged under the Coronavirus Business Interruption Loan Scheme ("CBILS") at an interest rate of 2.44% above base. The loan is repayable by way of 20 quarterly instalments of £0.05m from Sept 2021.

During 2018 a £6.5m loan facility was arranged at an interest rate of 2.25% plus Libor, which will be repaid by way of 15 quarterly instalments of £86,000 with a final repayment after 5 years.

A capital repayment holiday was negotiated for the twelve months from September 2021 following which the instalments were rescheduled to £91,000 per quarter.

Following the withdrawal of the Libor rate, with effect from 31 January 2022, the applicable interest rate will be 2.25% above base, plus a 3 month credit adjustment of 0.0793%.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2021**

**15 Creditors: amounts falling due after one year (continued)**

The bank loans fall due as follows:

	<b>Consolidated and School</b>	
	<b>Bank Loans</b>	
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Amounts falling due within 1 year (note 14)	564	-
Amounts falling due within 1 to 2 years	564	344
Amounts falling due within 2 to 5 years	5,970	6,754
	7,098	7,098
	7,098	7,098

The bank loans, with an outstanding balance at 31 August 2021 of £7.10m (2020: £7.10m), are secured by way of legal charges over certain properties and a fixed and floating debenture over the School's assets.

The finance lease creditors of £8,000 (2020: £16,000) are secured against the assets to which they relate.

**16 Analysis of changes in net debt**

	<b>At 1 September</b>	<b>Non Cash</b>	<b>Cash flows</b>	<b>At 31 August</b>
	<b>2020</b>	<b>Movements</b>		<b>2021</b>
	<b>£'000</b>		<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	3,891	-	(2,087)	1,804
Sub-total	3,891		(2,087)	1,804
Loans falling due within one year	-	(564)	-	(564)
Loans falling due after more than one year	(7,098)	564	-	(6,534)
Finance lease obligations	(16)	-	8	(8)
Net funds/(debt)	(3,223)	-	(2,079)	(5,302)

**17 Allocation of the charity net assets**

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

<b>As at 31 August 2021</b>		<b>Fixed assets</b>	<b>Net current</b>	<b>Long term</b>	
<b>Consolidated</b>		<b>£'000</b>	<b>assets/(liabilities)</b>	<b>liabilities</b>	<b>Total</b>
			<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Endowment	(18a)	1,461	385	-	1,846
Restricted	(18b)	767	53	-	820
Unrestricted funds	(18c)	24,764	(3,783)	(6,534)	14,447
		26,992	(3,345)	(6,534)	17,113
		26,992	(3,345)	(6,534)	17,113

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2021**

**17 Allocation of the charity net assets (continued)**

<b>As at 31 August 2021</b>		<b>Fixed assets</b>	<b>Net current assets/(liabilities)</b>	<b>Long term liabilities</b>	<b>Total</b>
<b>School</b>					
Endowment	(18a)	1,461	385	-	1,846
Restricted	(18b)	101	53	-	154
Unrestricted funds	(18c)	24,764	(3,653)	(6,534)	14,577
		26,326	(3,215)	(6,534)	16,577
<b>As at 31 August 2020</b>					
<b>Consolidated</b>		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Endowment	(18a)	1,376	385	-	1,761
Restricted	(18b)	1,032	53	-	1,085
Unrestricted funds	(18c)	23,317	(1,329)	(7,106)	14,882
		25,725	(891)	(7,106)	17,728
<b>School</b>					
Endowment	(18a)	1,376	385	-	1,761
Restricted	(18b)	405	53	-	458
Unrestricted funds	(18c)	23,317	(1,243)	(7,106)	14,968
		25,098	(805)	(7,106)	17,187

**18a Endowment funds**

	<b>Balance at 1 Sept 2020</b>	<b>Income</b>	<b>Expenditure</b>	<b>Revaluation gains/(losses)</b>	<b>Balance at 31 Aug 2021</b>
<b>Consolidated and School</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Collingwood and Baynes Foundation	455	-	(1)	5	459
Scholarship and Prize Fund	1,115	-	(7)	75	1,183
Casterton School Scholarship Fund	191	-	(1)	14	204
	1,761	-	(9)	94	1,846

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2021**

**18a Endowment funds (continued)**

Consolidated and School	Balance at 1 Sep 2019 £'000	Income £'000	Expenditure £'000	Revaluation gains/(losses) £'000	Balance at 31 Aug 2020 £'000
Collingwood and Baynes Foundation	452	-	-	3	455
Scholarship and Prize Fund	1,069	-	(5)	51	1,115
Casterton School Scholarship Fund	183	-	(1)	9	191
	<u>1,704</u>	<u>-</u>	<u>(6)</u>	<u>63</u>	<u>1,761</u>

The Collingwood & Baynes Foundation and the Scholarship and Prize Funds form part of the School's permanent endowment and were set up to provide scholarships and prizes to pupils attending the School.

Casterton School Scholarship Fund relates to funds transferred on the merger of Casterton and Sedbergh School. Charity Commission approval was obtained for these to be transferred from Casterton School to Sedbergh School.

**18b Restricted funds**

	Balance at 1 Sept 2020 £'000	Income £'000	Expenditure £'000	Transfer £'000	Revaluation gains/ (losses) £'000	Balance at 31 Aug 2021 £'000
General Funds	309	615	(365)	(559)	-	-
Rosalie Mary Forster Bursary Fund	91	1	(2)	-	6	96
Casterton School Scholarship Fund	5	-	-	-	-	5
Casterton Old Girls Association	53	-	-	-	-	53
Scholarship and Prize Fund	-	9	(9)	-	-	-
Casterton School Scholarship Fund	-	2	(2)	-	-	-
	<u>458</u>	<u>627</u>	<u>(378)</u>	<u>(559)</u>	<u>6</u>	<u>154</u>
<b>School Funds</b>	<b>458</b>	<b>627</b>	<b>(378)</b>	<b>(559)</b>	<b>6</b>	<b>154</b>
Education Fund	382	4	(6)	-	26	406
Appeal Fund	245	2	(4)	-	17	260
	<u>1,085</u>	<u>633</u>	<u>(388)</u>	<u>(559)</u>	<u>49</u>	<u>820</u>
<b>Consolidated Funds</b>	<b>1,085</b>	<b>633</b>	<b>(388)</b>	<b>(559)</b>	<b>49</b>	<b>820</b>

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2021**

**18b Restricted funds (continued)**

	Balance at 1 Sept 2019 £'000	Income £'000	Expenditure £'000	Revaluation gains/(losses) £'000	Balance at 31 Aug 2020 £'000
General Funds	291	468	(450)	-	309
Rosalie Mary Forster Bursary Fund	86	1	(1)	5	91
Casterton School Scholarship Fund	5	-	-	-	5
Casterton Old Girls Association Scholarship and Prize Fund	53	-	-	-	53
Casterton School Scholarship Fund	-	11	(11)	-	-
	-	2	(2)	-	-
<b>School Funds</b>	<b>435</b>	<b>482</b>	<b>(464)</b>	<b>5</b>	<b>458</b>
Education Fund	366	4	(6)	18	382
Appeal Fund	235	2	(3)	11	245
<b>Consolidated Funds</b>	<b>1,036</b>	<b>488</b>	<b>(473)</b>	<b>34</b>	<b>1,085</b>

The Education Fund was set up to provide funds to assist the sons of Old Sedberghians (“OSs”) killed in the wars. It has since been widened to support primarily children of OSs without the means to attend Sedbergh, or indeed other pupils who are in need of financial support to attend the School.

The Appeal Fund was set up by the Governors in 1996 to fund various projects, including the raising of funds for Scholarships and Bursaries to pupils attending the School.

Casterton School restricted funds, including the Rosalie Mary Forster Bursary Fund, Casterton School Scholarship Fund and Casterton Old Girls Association, relate to funds transferred on the merger of Casterton and Sedbergh School. Charity Commission approval was obtained for these to be transferred from Casterton School to Sedbergh School. The Rosalie Mary Forster Bursary Fund remains a linked charity.

**18c Unrestricted funds**

	Balance at 1 Sept 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Revaluation gains/(losses) £'000	Balance at 31 Aug 2021 £'000
Revaluation Reserve	3,866	-	-	-	-	3,866
Pension Reserve	-	2	-	-	(2)	-
General Funds	10,600	16,574	(17,614)	563	54	10,177
Bursary Fund – designated	498	4	(3)	(4)	33	528
Local Young People’s Fund	24	3	(5)	-	4	26
Collingwood and Baynes Foundation	(20)	-	-	-	-	(20)
<b>School Funds</b>	<b>14,968</b>	<b>16,583</b>	<b>(17,622)</b>	<b>559</b>	<b>89</b>	<b>14,577</b>
Trading Company	(86)	663	(707)	-	-	(130)
<b>Consolidated Funds</b>	<b>14,882</b>	<b>17,246</b>	<b>(18,329)</b>	<b>559</b>	<b>89</b>	<b>14,447</b>

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2021**

**18c Unrestricted funds (continued)**

	Balance at 1 Sept 2019	Income	Expenditure	Transfers	Revaluation gains/(losses)	Other gains/(losses)	Balance at 31 Aug 2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revaluation Reserve	3,866	-	-	-	-	-	3,866
Pension Reserve	-	-	2	12	-	(14)	-
General Funds	10,608	17,003	(17,041)	(6)	36	-	10,600
Bursary Fund – designated	477	5	(3)	(5)	24	-	498
Local Young People's Fund	25	3	(5)	-	1	-	24
Collingwood and Baynes Foundation	(20)	1	-	(1)	-	-	(20)
<b>School Funds</b>	<b>14,956</b>	<b>17,012</b>	<b>(17,047)</b>	<b>-</b>	<b>61</b>	<b>(14)</b>	<b>14,968</b>
Trading Company	286	398	(770)	-	-	-	(86)
<b>Consolidated Funds</b>	<b>15,242</b>	<b>17,410</b>	<b>(17,817)</b>	<b>-</b>	<b>61</b>	<b>(14)</b>	<b>14,882</b>

The Bursary Fund – designated, represents funds for Bursaries to pupils attending the School, not falling into the other funds.

Local Young Peoples' Fund is a fund to provide grants to local children pursuing educational goals.

**19 Related parties**

*a) Transactions with Governors*

The following Governors had children attending the School during the year:

	Number of children at the School
Mr J D Campbell	1
Mr J H B Warburton-Lee	2

Total expenses of £300 (2020: £4,800) were paid to 1 (2020: 9) Governor. These were in respect of travel and subsistence.

*b) Transactions with subsidiaries and associate*

Transactions with Sedbergh School Developments Limited (a 100% owned trading subsidiary of Sedbergh School) included expenditure of £0.45m (2020: £0.1m). As at 31 August 2021, Sedbergh School Developments Limited owed Sedbergh School £0.13m (2020: £0.08m). Amounts gift aided to Sedbergh School amounted to £nil (2020: £nil).

During 2020 Sedbergh School Developments Limited was in receipt of a loan facility from the School amounting to £0.3m of which £0.27m was drawn down as at 31 August 2021 (2020 £0.15m). Interest is charged on the loan at a rate of 3% and the loan is repayable in full by 2025.

Transactions with Sedbergh School International Limited (a 100% owned trading subsidiary of Sedbergh School) included expenditure of £0.19m (2020: £0.16m). As at 31 August 2021, Sedbergh School International Limited owed Sedbergh School £0.003m (2020: £0.002m). Amounts gift aided to Sedbergh School amounted to £0.087m (2020: £0.12m).

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued)

31 August 2021

Transactions with Sedbergh Hotel Enterprises Limited (an associate undertaking of Sedbergh School Developments Limited) included expenditure of £0.001m (2020: £0.004m). As at 31 August 2021 £nil (2020: £nil) was due between entities.

#### *c) Sedbergh School Foundation*

The purpose of the Foundation is to promote or improve the education given at Sedbergh School, or the facilities thereof, or the amenities thereof, or the well-being of the pupils educated there, in relation to their education either at the School or at some other place of education, after leaving the School.

The amount owed by Sedbergh School Foundation as at 31 August 2021 was £0.001m (2020: £0.075m). Grants from the Foundation amounted to £0.40m (2020: £0.20m).

The School has a lease agreement with the Foundation for the rental of Guldrey Lodge, at a current rate of £52,000 p.a. This has been charged to the Statement of Financial Activities during the year. The rent is reviewed annually in line with the specific terms of the lease agreement.

#### *d) The Michael Robertson Scholarship Fund*

Mr A A P Fleck, Principal of Sedbergh School, was a trustee of the Michael Robertson Scholarship Fund ("MRSF") until 19<sup>th</sup> July 2021 when he resigned, a registered charity (no. 1014388). The main objective of the Fund is to further the education of children attending Sedbergh School. MRSF had assets of £6.3m in its latest published accounts as at 31 December 2020. These are not included in the School's balance sheet.

During the year the MRSF funded bursaries totalling £0.141m (2020: £0.22m) which have been included within donations (note 6).

## 20 Pension schemes

The School's teaching staff belong to one principal pension scheme, the Teachers' Pension Scheme England and Wales ('TPS'). All full time and part time non-teaching staff are now eligible to join the Sedbergh School Money Purchase Plan.

#### **Teachers' Pension Scheme**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1.34m (2020: £1.25m) and at the year-end £0.10m (2020: £0.10m) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued)

31 August 2021

#### 20 Pension schemes (continued)

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

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

Until the cost cap mechanism revision is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

#### The Group Self Invested Personal Pension (SIPP)

In May 2009, the School opened a new self-invested personal pension scheme for its non-teaching staff. Employers' contributions are currently paid at a minimum rate of 5.05% of employee's salary. Contributions by the School to the scheme totalled £0.30m (2020: £0.26m) and the balance outstanding with the scheme was £nil (2020: £35,000).

#### Sedbergh School Pension Fund

The School also operates a defined benefit scheme in the UK for certain non-teaching staff. The last full actuarial valuation was carried out as at 31 August 2018. The initial results of that valuation have been projected to 31 August 2021 by a qualified independent actuary. The major assumptions used by the actuary were:

	2021	2020
	%	%
Rate of increase of pensions in payment	0.00	0.00
Discount rate	1.70	1.65
Inflation assumption RPI	3.45	3.05
Inflation assumption CPI	2.45	2.05

The mortality assumptions adopted at 31 August 2020, imply the following life expectancies:

	2021	2020
Expected age at death of current pensioner at age 65:		
Male aged 65 at year end	88.2	88.1
Female aged 65 at year end	89.7	89.6
Expected age at death of future pensioner at age 65:		
Male aged 45 at year end	89.9	89.8
Female aged 45 at year end	90.9	90.8

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2021**

**20 Pension schemes (continued)**

Analysis of amount debited/(credited) to the Statement of Financial Activities:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Service cost</b>		
Net interest (credit)/expense	(2)	(2)
	(2)	(2)
<b>Remeasurements of the net asset</b>		
Return of fund assets (excluding amount included in net interest)	4	(11)
Actuarial losses	1	9
Surplus on scheme not recognised	(3)	16
	2	14
<b>Total defined benefit cost</b>	-	12

Cumulative actuarial losses amounted to £nil at 31 August 2021 (2020: £nil).

Changes in the fair value of plan assets and changes in present value of defined benefit obligation:

	<b>2021</b>	<b>2021</b>	<b>2021</b>
	<b>Assets</b>	<b>Liabilities</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fair value of scheme assets/present value of (liabilities) at beginning of period	484	(362)	122
Contributions by employer	-	-	-
Benefits paid	(86)	86	-
Interest income/(cost)	7	(5)	2
Return on scheme assets (excluding amount included in net interest expense)	(4)	-	(4)
Actuarial (losses)/gains	-	(1)	(1)
	401	(282)	119
Fair value of scheme assets/present value of (liabilities) at end of period	(119)	-	(119)
Surplus on scheme not recognised	282	(282)	-

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)**

**31 August 2021**

**20 Pension schemes (continued)**

Changes in the fair value of plan assets and changes in present value of defined benefit obligation:

	2020 Assets £'000	2020 Liabilities £'000	2020 Total £'000
Fair value of scheme assets/present value of (liabilities) at beginning of period	461	(355)	106
Contributions by employer	12	-	12
Benefits paid	(8)	8	-
Interest income/(cost)	8	(6)	2
Return on scheme assets (excluding amount included in net interest expense)	11	-	11
Actuarial (losses)/gains	-	(9)	(9)
	484	(362)	122
Fair value of scheme assets/present value of (liabilities) at end of period			
Surplus on scheme not recognised	(122)	-	(122)
	362	(362)	-

**The return on plan assets was:**

	2021 £'000	2020 £'000
Interest income	7	8
Return on plan assets (excluding amount included in net interest expense)	(4)	11
	3	19
	3	19

The fair values of assets of the scheme were:

	2021 £'000	2020 £'000
Corporates	67	63
Gilts	334	325
Current liability	-	(1)
Cash	-	97
	401	484
	401	484

The Fund has no investments in the School or in property occupied by the School.

Contributions of £nil are expected for the year to 31 August 2022 (2020: £nil).

**21 Capital commitments**

At 31 August 2021 the School had capital commitments of £0.246m (2020: £0.024m).

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)**

**31 August 2021**

**22 Commitments under operating leases**

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

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Amounts due:		
Within one year	89	97
Between one and five years	131	183
	<u>220</u>	<u>280</u>
	<u><u>220</u></u>	<u><u>280</u></u>

**SEDBERGH SCHOOL**

England & Wales - Charity number 1080672

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# Accounts

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**SEDBERGH SCHOOL**

**REPORT AND ACCOUNTS**

**For the year ended 31 August 2020**

**Registered charity: 1080672  
Company number: 03946280**



**S E D B E R G H  
S C H O O L**

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*Founded in 1525*

**SEDBERGH SCHOOL**  
**REPORT AND ACCOUNTS**  
**for the year ended 31 August 2020**

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 <b>The following pages do not form part of the audited financial statements</b>	
Detailed Statement of Financial Activities for Sedbergh School	Appendix 1
Schedules to the Detailed Statement of Financial Activities for Sedbergh School	Appendices 2-3

# SEDBERGH SCHOOL

## CHAIRMAN'S STATEMENT for the year ended 31 August 2020

Sedbergh is a diverse organisation. In the UK it comprises Sedbergh Senior and Prep Schools, The Mulberry Bush Nursery, and commercial subsidiaries offering a wide range of short courses and developing schools overseas. It is supported by the global alumni association, the Old Sedberghian Club, and by the Sedbergh School Foundation.

All share one ethos delivering an outstanding education for boys and girls up to the age of 18. Our Schools are inclusive of pupils of a wide range of ability and talents and provide a broad selection of academic and extra-curricular opportunities to match. There is something for everyone here.

Sedbergh School was established in 1525. At the heart of our education lies the pastoral care of our pupils, whether they be boarding or day pupils. At Sedbergh they will meet exceptional teachers, make friends for life, and become part of a community from which they may benefit long after they leave.

It is hard to imagine a more inspiring place in which to live, work and learn. The magnificent location means pupils can enjoy school life in a safe, healthy and dynamic environment. Academic study is central for every pupil and will always take priority, but the experiences of a Sedberghian are never confined only to the classroom.

The current global pandemic has taught us many things – the importance of family values, fresh air and a healthy lifestyle, and the ability to adapt. It has also demonstrated the resilience and commitment of staff, pupils and parents. Alongside the challenges, the change of circumstances has precipitated many new initiatives, foremost amongst which are the acceleration of independent learning skills and the further adoption of technology in teaching and learning.

The shift to remote learning was managed with reluctant ease as the infrastructures and skills were already in place and we had spent three weeks practising with our staff and pupils in anticipation of the shift. One day of schooling was lost as the community moved home, but the following day began promptly with wake-up calls and morning assembly. Throughout the period when School attendance was suspended for all but vulnerable children and those of key workers, both Schools provided daily assemblies, sports, music and drama activities as well as on-line lessons, and undertook regular pastoral reviews and interviews with pupils.

We recognised the challenge of children being at home from March until September and so continued to provide a stimulating range of cultural activities and physical challenges throughout the summer holidays and the community came together to share their experiences online through the *#sedberghathome* hashtag. The outcome was the strongest possible support for the Schools amongst our parent and pupil community, a stable School roll in September 2020 and strong interest from prospective parents for 2021.

It has been a challenging year financially as well as operationally, with the reduction in Summer Term fees to a remote learning fee and the loss of SSDL's annual programme of courses. However, through careful stewardship and financial support from the government, we have mitigated this loss of revenue and the School's finances remain robust. I am particularly grateful to the staff of the School, for the contribution and sacrifices they have made to help achieve this outcome.

At the start of the Summer Term, the Principal launched a Hardship Fund to support the local community in Sedbergh town, to provide fee support for pupils whose education might otherwise have been interrupted due to Covid-related financial hardship, and to support staff who were significantly affected. The response of the School community was extraordinary: the first donation was received by the Foundation within seven minutes of launch and over £100,000 was donated by the conclusion of the appeal on 31 October 2020. The generosity of parents, Old Sedberghians and friends enabled us to make a significant donation to the Sedbergh United Charities Trust to administer within the town and to provide fee support which enabled pupils from 28 families to continue in School.

None of the foregoing would have been achieved without the universal support of so many within the Sedbergh School community. As Chairman, I wish to take this opportunity to record my deepest thanks to members of the Senior Leadership Team who have led the Schools on the ground through unprecedented challenges, and to all the School staff, who have worked tirelessly to ensure the best possible experience for all our pupils. Across the

# **SEDBERGH SCHOOL**

## **CHAIRMAN'S STATEMENT for the year ended 31 August 2020**

community, I offer sincere thanks to our parents and pupils for their support and engagement, and to the Old Sedberghian Club and the wider Sedbergh community for their encouragement and support. I would also like to thank fellow Board members for their unstinting commitment and support through this difficult period.

This is my first report, as the new Chairman of the Board. Much of the reason for the School's resilience has been the work of my predecessor, Hugh Blair. Hugh came to the end of his term of office in July 2020 after nine years as Chairman. During that time, he has overseen the appointment of almost the entire Board, brought new commercial acumen to the running of the Charity and expanded the Schools' footprint through the merger with Casterton School in 2013 and the opening of Rong Qiao Sedbergh School in 2018. I am enormously grateful to Hugh for all he has done for Sedbergh School, and for his support and friendship to me.

The Board has also prepared diligently for further change this year, and in October announced the planned retirement of Andrew Fleck, Principal. Prior to that, the Board commissioned a thorough review of management structures and processes to ensure the School's leadership structure would best serve the organisation and our pupils for the foreseeable future. Andrew has worked with the Board in designing the new structure which will see him succeeded by the current Headmaster of the Senior School, Dan Harrison.

The Senior Leadership Team has met almost daily since March 2020 and this has allowed the School to plan for immediate challenges, respond to a fast-changing situation and maintain its focus on further development. This report is written during a period of enforced School closure in February 2021, but already a complete programme is in place in readiness for re-opening on 8 March. Both Schools are prepared for ISI inspections which have been delayed due to the pandemic, and are focussed on developments for the future.

Our immediate priorities are continuing to deliver a world class education and to care for our pupils whilst preserving the financial strength of the School, and renewed growth in pupil numbers to help support new educational developments. Chief amongst these are the development of a Technology Centre in the Senior School which will provide innovative curriculum experiences in the fields of advanced design and manufacturing and computer science with a focus on major global challenges including water poverty, global-warming and transport sustainability. A new astro-turf pitch is in the planning stage and at Casterton, Sedbergh Prep School development work will focus on major refurbishment of our music facility and sports hall.

The School is also preparing to celebrate the 20<sup>th</sup> anniversary of co-education at Sedbergh in 2021, the bicentenary of the foundation of Casterton School in 2023 and the quincentenary of the foundation of Sedbergh School in 2025. We are proud of our history and look forward to the future with confidence and ambition.

Richard Gledhill  
Chairman  
Sedbergh School

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2020

The Board of Governors of Sedbergh School presents its report and financial statements for the year ended 31 August 2020 in accordance with the Companies Act 2006 and the Charities Act 2011, together with the audited accounts for the year, and confirm that the latter comply with the requirements of the Companies Act 2006, the Charities Act 2011 and the Charities SORP (FRS102).

#### BACKGROUND TO SEDBERGH SCHOOL

Sedbergh School was founded in 1525 and received a Royal Charter from King Edward VI in 1551. The Senior School ('Senior School') is based in the market town of Sedbergh in the Yorkshire Dales, and the Preparatory School ('Prep School') and nursery ('The Mulberry Bush') are located nine miles away in the village of Casterton. Together the combined 'School' provides education to boys and girls between the ages of six months and 18 years. The Senior School is boarding, with nine boarding houses. The Prep School has a mix of both boarding and day pupils.

#### CHARITABLE OBJECTS

The object of the School is to advance education by carrying on in Great Britain a school or schools at which infants, children and pupils may obtain education and instruction in academic, sporting, musical, cultural, scientific, technical, vocational, social and commercial subjects, activities and crafts of every description.

#### OBJECTIVES AND ACTIVITIES

The mission of the School is:

*To nurture each Sedberghian so that they realise their full potential in a unique and rigorous environment of excellence, characterised by committed endeavour, moral purpose and integrity of contribution.*

In particular, the School aims to:

1. Identify and develop the potential of pupils in a variety of areas: academic, artistic, cultural, sporting, personal, social and spiritual; help them to obtain the best possible qualifications; and prepare them for the opportunities, responsibilities and experiences of life;
2. Provide a welcoming, friendly and supportive environment which recognises the worth of each individual;
3. Provide a fulfilling working environment for both teaching and support staff, and encourage their development;
4. Liaise closely with the parents of its pupils and encourage them to share in the life of the School and the house;
5. Work responsibly within its environment and community;
6. Attract pupils from a wide range of social and financial backgrounds.

Progress in delivering our aims is summarised below in the strategic report.

# SEDBERGH SCHOOL

## TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2020

### STRATEGIC REPORT

#### Achievement and performance

The academic year was affected by the Covid-19 pandemic and the closure of schools across the United Kingdom in March 2020. This significantly impacted both the Senior and Prep Schools in the Lent and Summer Terms.

The Senior School began the year with 554 pupils. A level and GCSE examinations did not take place in Summer 2020 and results were awarded on the basis of Centre Assessed Grades. Sedbergh's 105 A level and BTEC candidates had a similar academic profile to the previous year. Carefully targeted support of pupils was rewarded with an improvement in results compared to what might have been expected, with 45.8% of exams being graded A\* to A and Di\* to Di; 92.6% of all grades were A\* to C or Di\* to M. The value-added score per pupil averaged +0.72. On the basis of these results, 82% of pupils gained entry to their *firm* or *insurance* choice of university and a further 8 pupils entered via clearing.

115 year 11 candidates were awarded GCSEs, also on the basis of Centre Assessed Grades. 94.9% of pupils were awarded five or more grades 9-4, with 49% of examinations being graded 9-7. One candidate achieved ten grade 9s, and 14 achieved an average grade of 8 or higher.

The pandemic had a significant impact on School sport from early March. Limited fixtures took place in that month followed by a term of remote teaching due to School closure.

The Michaelmas Term began with the U15 Cricket team becoming the National T20 champions. Despite an evenly matched game with Blackrock College from Dublin Sedbergh secured a victory with the last ball of the game. The 1<sup>st</sup> XV Rugby team narrowly missed achieving a third consecutive unbeaten season, with a defeat by Millfield School. The girls' Hockey teams enjoyed an increase in whole-School fixtures and were county champions in three age groups. One pupil was selected for England U16, with many attending hockey performance centres. The Netball teams were county and North West champions at three age groups, with the 1<sup>st</sup> VII qualifying for the National Netball Finals (sadly cancelled). The U18 Fives team were runners up in the inaugural Northern School's Championships, and participation in Cross-Country running continued to grow with four teams competing in the King Henry VIII Relay. A large Equestrian team participated in the National Schools Equestrian Championships, with pupils from year 5 to year 13. Three riders achieved top eight places. There was wide-ranging participation in the *Sedbergh Global Run* in place of the cancelled Wilson Run: pupils, parents, staff and OSs around the world ran in their location in a virtual event.

The School's Music and Drama had a busy year planned: *Oliver!* was performed at the Brewery Arts Centre, Kendal in November; and Britten's *Ceremony of Carols*, the Christmas Concert and Carol Service brought the term to a conclusion. In Lent Term a capacity audience for A Night at the Movies in Powell Hall, and the School Choral Society, including singers from the town community, performed highlights of Handel's *Messiah* in the Hirst Centre. The Chamber Choir reached the final five of the BBC Young Choir of the Year competition; sadly the final was another victim of the pandemic. Pupils from across the School received an average distinction grade in their ABRSM exams, the best results for more than fifteen years, including a Diploma in flute in which the candidate was just two marks short of perfection.

The programme of voluntary service and conservation was further extended, with 100 pupils from years 10 to 13 participating in a wide range of activities on a weekly basis. These included classroom assistance in local primary schools, work in centres for adults with learning disabilities, sports coaching at the Prep School, working in charity shops and on local conservation projects and EcoSedbergh projects, and establishing a new Education for Heroes programme. This programme gives educational and study support to forces veterans in the north west. The Eco-Sedbergh group seeks to make significant changes designed to reduce the School's carbon footprint; the School was awarded the Eco-Schools Bronze Award for reducing energy consumption by 9%.

The national lockdown to reduce the spread of Covid-19 occurred with one week of the Lent Term remaining. Having anticipated this as a possibility, the School was well prepared to begin on-line teaching. This allowed a week of on-line lessons, as a result of which the timetable was amended for the Summer Term to give pupils and staff more time away from their screens. Alongside teaching, a daily email to pupils, parents and staff set a challenge for the day, alongside some suggested physical activity or exercise programme. Challenges ranged from cookery to Sudoku

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2020

puzzles. Pupils submitted photographs for the daily interhouse competition. Alongside this Housemasters/mistresses and Tutors maintained regular pastoral contact with pupils and parents; and Chapel services were streamed, as were major School events such as the Sportswomen's Dinner and Speech Day.

The Prep School began the year with a roll of 178 pupils, of which 72 were boarding on a full or weekly basis. The programme for boarding pupils continued to diversify with lectures on a wide range of subjects and a variety of evening and weekend activities making the most of the School's location. Year 7 pupils enjoyed a trip to France in the Michaelmas Term.

The curriculum for year 7 and 8 pupils was enhanced with the introduction of Philosophy for Children, taught by a specialist teacher, aimed at promoting thinking skills.

All pupils were provided with the opportunity to play a range of sports and every child had the opportunity to represent the School. The U13 boys' hockey team were county champions and competed in the North West Finals. Six year 8 girls were selected for the county netball squad. Cross country running continued to be popular; the squad won a number of events and six pupils qualified to run for South Lakes at primary age. Cricket training for boys and girls continued throughout the year; sadly no fixtures were possible.

All pupils in years 3, 4 and 5 performed in a musical production *My Pudding for a Chimney Sweep* and Nursery and Reception pupils put on a fine performance of the nativity musical *The Inn-Spectors*. Two casts of year 8 pupils performed Willy Russell's *Our Day Out*. Participation in LAMDA training and examinations increased, and pupils had the opportunity to learn 14 different instruments. The choirs had a busy programme including the Kirkby Lonsdale Christmas Festival, exeat concerts and Senior School Chapel services. All pupils were involved in charity fundraising, including a whole-School sponsored walk, fancy dress days and an elf run.

During the national lockdown, all Prep School pupils received live on-line lessons. Pupils in year 3 and below were provided with an exercise programme to help coordination and improve physical literacy; pupils in year 4 to 8 were given aerobic, strength and coordination challenges. Instrumental and drama lessons were provided on-line. Weekly assemblies were uploaded to YouTube. A small number of key worker children remained in School, and the majority of children enjoyed at least a partial return to the classroom at the end of Summer Term.

The Mulberry Bush Nursery at Casterton continued to provide first class nursery care and education to children aged six months and above. Numbers varied through the year, averaging 35 per week, and where possible the Nursery children joined the Prep School in its activities, for example World Book Day. The Nursery remained closed during the first national lockdown.

There were no inspections at either School during the year.

#### **The impact of the Covid 19 Global pandemic**

After a largely normal Michaelmas Term, focus quickly turned to the threat of the Covid-19 outbreak which developed rapidly in the early months of 2020. This resulted in the UK Government imposing significant travel and transport restrictions with mandated closures, self-isolation and quarantine restrictions in March of that year. In anticipation of enforced closure of both campuses the School developed extensive contingency plans to provide the highest quality of remote learning, extra curricula activities and pastoral care whilst maximising operational cost savings.

All teaching and learning activity moved to remote learning, which required a new level of digital teaching capability for pupils to access education in the UK and across the globe. Both sites were closed for the last week of the Lent Term and the whole of the Summer Term. However, the Prep School partially opened for most of the Summer Term to provide support for key workers and vulnerable children.

In response to the closure of the campuses the School implemented a detailed operational plan which included reducing the School fees to reflect the remote teaching, and a cost reduction plan which included furloughing a large number of non-teaching positions during this period.

# SEDBERGH SCHOOL

## TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2020

### Mitigating the financial impact of Covid-19

The closure of the School alongside the cancellation of both Easter and Summer courses resulted in a significant loss of income. Additional costs were incurred on reopening, implementing a comprehensive regime of bio-security measures. The School responded swiftly implementing a range of mitigating cost saving measures including:

- the utilisation of the furlough scheme
- a 10% voluntary pay cut for all staff not on furlough for four months
- frozen operational budgets
- a reduction in maintenance, repairs and renewals programme
- a staff restructuring programme

As the future remained uncertain, the School also secured and drew down a Coronavirus Business Interruption Loan (CBILs) of £1m to add to existing liquid reserves.

### PUBLIC BENEFIT ACTIVITIES AND COMMUNITY SUPPORT

#### Hardship Fund

Financial hardship as a result of the pandemic threatened the continuity of education of a number of pupils at the School and also the Sedbergh Community. Throughout the year the School has maintained a regular and extensive ongoing programme of communication with parents offering support during this difficult period with many parents experiencing uncertainty in terms of job security and future income. In conjunction with the wider Sedbergh community and together with the Sedbergh School Foundation, a Hardship Fund was established for the benefit of pupils, parents and members of our local community.

#### Community support

For several years the School has provided support within the local community, including a range of community ventures led by Sedbergh School staff and pupils who give generously of their free time in many quite extraordinary ways. The School has a proud history of work in our local and wider community.

Additional initiatives were developed and implemented in response to the pandemic including a local 'meals on wheels' service, shopping and delivery for mobility impaired and clinically vulnerable people, with volunteer staff working alongside other members of the community to provide assistance to those most affected.

The community work of so many pupils was officially recognised in 2020 by winning the *Best Community Work Award* at the Boarding Schools' Association (BSA) Awards 2020. The judges were impressed with the scale of our community work, in particular our charity campaign #SedberghGivesBack – quoting our entry by saying, "The hashtag #SedberghGivesBack is more than a social media campaign but a genuine commitment to helping others".

#### Public benefit

The School has an excellent record of facilitating access for children from a wide range of social and financial backgrounds, including the most disadvantaged, to provide them with the opportunity to benefit from the full breadth of a Sedbergh education with appropriate bursary and scholarship assistance, provided they meet the School's minimum entry requirements.

Parents who may not normally be able to afford the full fees are supported with means tested bursary awards within the funds available from permanent endowment assets and restricted funds. Bursary awards are made on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk. In assessing means, a number of factors are taken into consideration including family income, investments and assets, together with family circumstances such as dependant relatives and the number of siblings.

This year, the School provided bursary support to 121 pupils amounting to £0.81m which equates to 4.1% of gross fee income. Governors review both the School policy and actual awards. The policy, which must fit within the framework of what the School can sensibly afford, is designed to provide the widest possible access including to those

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2020

who fall within the definition of low income households. Means tested support is reviewed on a periodic basis to identify any significant change in financial circumstance.

The Michael Robertson Scholarship Fund, a separate charity which does not form part of the group, has continued to provide income to support bursary awards, which totalled £0.22m in 2019/20. The Governors recognise this significant contribution and express their gratitude to the Robertson family and appreciation for the work of the Trustees in generating income for the School.

In addition, the Roger Lupton Scholarship scheme, funded by the Sedbergh School Foundation, provides life changing opportunities to children whose families otherwise could not consider a school such as Sedbergh. In 2019/20 there were six Roger Lupton Scholars in the School receiving support to the value of £0.15m.

The School is committed to the provision of equal opportunities and an environment that is free of any form of discrimination. Reasonable adjustments are made to meet the needs of pupils and staff who are, or become, disabled.

#### STRATEGIC PLAN 2020 -2025

The School's Strategic Plan is for the period 2020-2025. The key objectives of the Plan are summarised below, together with a summary of progress during the year and future plans.

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- **Employability and education for the future**

**To deliver a programme of study which will equip pupils to use technology safely and creatively, and to solve problems in such a way as to enhance their employment prospects. We will also deliver new curriculum development in both Schools.**

In the Prep School further investment in technology has enabled children from year 2 to year 8 to explore robotics computer language training and computer aided design with significant further investment planned in ICT.

In the Senior School, new subjects have been introduced to the curriculum including Performing Arts, Digital Media and additional BTEC options. In addition, a longer term strategic review of the curriculum has commenced which will include enhanced provision for Design & Technology, global perspectives, Engineering and Computer Science.

In the summer of 2020, 221 pupils were awarded their A level, BTEC or GCSE examinations, the largest cohort in the School's history. Sixth form results were in line with expectations, with linear A levels and BTEC assessment including examination. GCSEs produced the second best set of results in the past ten years. There were many outstanding individual achievements within these results at both GCSE, A level and BTEC.

The School continued to develop strong links with Oxbridge Colleges and other universities in order to create an outstanding programme of preparation for entry to Oxford, Cambridge and elite universities in Britain, Europe and America.

Sedbergh has also maintained its international reputation for sporting excellence, developing a broader range of sports available to pupils, combined with the provision of outstanding music and drama.

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**TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT)  
for the year ended 31 August 2020**

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- **Manage actively the wellbeing and mental health of pupils and staff**

**To ensure there is an ethos and environment which takes the mental health of pupils and staff seriously, and in which it is managed and monitored actively with staff and pupils being developed and supported, alongside investment in the subject in the curriculum. Pupil and staff well-being will continue to be actively promoted and ill-health managed swiftly and appropriately to make the School and all its subsidiaries an attractive place to live, work and learn.**

- In the year the role of the School Counsellor has become an integral part of our pastoral provision. A range of new initiatives have been implemented to raise awareness and build resilience in our pupils including mental health awareness, mindfulness, wellbeing, prevention and reporting of bullying, online safety and extensive use of confidential surveys within the pupil body.
- Safeguarding policy and practice remains at the forefront of staff and Governor inset training, with regular assessment and review at all levels of daily operations. This training includes all staff including those working within the trading subsidiaries.

Staff welfare remains paramount and work has commenced on a full review of systems and practice to support wellbeing in the workplace with the launch of the staff intranet which includes access to counselling services and a suite of confidential health and wellbeing support services.

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- **Sustainability**

**To review every aspect of our operations to ensure that we operate on a sustainable basis including delivering target reductions in energy consumption and carbon emissions. Pupils will be involved in a range of initiatives to deepen their understanding of climate change and other environmental issues.**

Investment in energy reduction measures as part of the planned refurbishment work of the campus has commenced and we continue to closely monitor our carbon footprint. Pupils have been engaged in a range of initiatives to raise awareness and involvement in all aspects of sustainability and the environment (further details on page 14).

The School recognises our corporate and social obligations to set clear targets to reduce greenhouse gas emissions with a range of extensive measures and investment planned over the next five years. They include plans for extensive boarding house modernisation.

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- **Development of land and assets**

**To progress plans for a new teaching facility to support further curriculum development in design and information technology; to modernise elements of the boarding house accommodation and to develop additional sports facilities.**

The recently constructed Hirst Sports Centre at the Senior School was put to full use in the year, providing the School with an additional double court sports hall and an extensive fitness and conditioning centre which is equipped with the latest technology. It was also widely used for recreational and social activities by both pupils and the local community.

Development of a future vision for an educational journey which places real emphasis on global citizenship and technology skills in the workplace has continued and will provide the basis upon which detailed plans for a new Technology Centre will be finalised. Plans for the new facility have been aligned to a new curriculum development programme and we are in the process of engaging the design team for this exciting project.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2020

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- **Overseas schools expansion**

**To support the development and academic success of Rong Qiao Sedbergh School, Fuzhou and open additional overseas schools under licensing and service agreements**

Rong Qiao Sedbergh School, in Fujian Province, China opened in September 2018 with 116 pupils, world-class facilities and a strong and experienced leadership team offering a blended British curriculum and compulsory Chinese curriculum in a bilingual school. The pupil roll is now over 400 and is projected to exceed 700 pupils by September 2021. Sedbergh School International Limited continues to benefit from an outstanding investor partner in the Rong Qiao Group based in Fujian province who continue to seek further opportunities for expansion of their educational division within mainland China.

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- **Non-fee based revenue generation**

**To deliver our targets for non-fee based revenue streams through a range of commercial ventures undertaken by our commercial subsidiaries, Sedbergh School International Limited and Sedbergh School Developments Limited.**

Whilst the pandemic prohibited the majority of the planned fee generation activity for 2020, Sedbergh School Developments Limited was able to deliver successful day courses over the summer and a series of webinars and its outreach activity continued with Schools and clubs.

Looking forward we remain positive, and we aim to:

- Be recognised as a centre of excellence in the UK and the centre of excellence in the north of England for high quality coaching courses for children, coaches, parents, clubs and prep schools;
  - Enhance established and create new partnerships with schools and clubs nationally and internationally, offering bespoke packages via an elite coaching and support team;
  - Build on the success of the International Summer School to develop a market leading and innovative product range for the overseas market;
  - Strengthen the collaborative partnership with The Magic Academy, which is a world leading provider of sports coaching, and introduce corporate development packages to forge new links with the business world;
  - Generate a sustainable and growing revenue stream for the School from overseas schools; and
  - Secure a new partner for international school expansion and opening further schools overseas.
- 

- **Financial security, including fundraising**

**To deliver long term financial security through effective commercial risk management, delivery of our medium term financial goals and support of our affiliated organisations including fundraising and alumni development.**

The charity monitors financial progress across both Schools and its commercial subsidiaries against a detailed five year rolling financial plan to deliver our long term long financial goals which include:

- generating additional liquid reserves
- funding future capital expenditure
- to strengthen our competitive position in our UK and global markets.

Financial performance against defined milestones is subject to termly review by the Executive Committee and Board of Governors.

# SEDBERGH SCHOOL

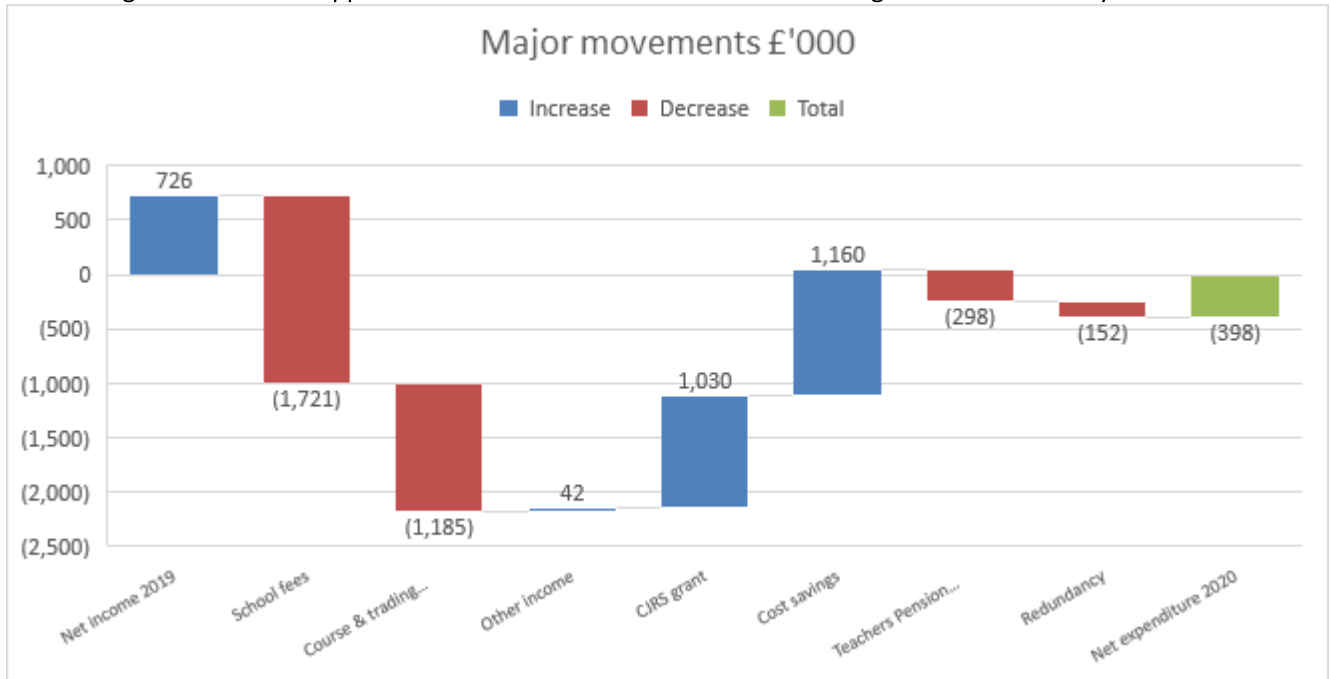
## TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2020

Dynamic risk assessment measures are in place for each operational unit including the commercial subsidiaries and strategic risks are considered and reviewed by the Strategic Leadership Team on a monthly basis and by the Board of Governors on a termly basis.

Our fundraising activities are carried out through the Foundation which has continued to provide support via a pandemic Hardship Fund, the Roger Lupton Scholarship scheme and supporting ad hoc house-based projects throughout the School. Further details are set out on page 17 of this report, and page 48 of the Accounts. The School also continues to be well supported by its alumni via the Old Sedberghian Club. The Foundation has an ambitious fundraising plan to support the development of both Schools.

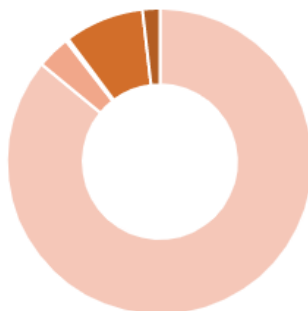
### FINANCIAL REVIEW

The financial year ended 31 August 2020 was dominated by the impact of the pandemic, resulting in the closure of both School campuses and the move to remote working in the last week of the Lent Term and throughout the Summer Term, as well as the cancellation of nearly all short courses. This led to a significant loss of income but with careful cost management and the support of the Coronavirus Job Retention Scheme grant the loss in the year was minimised.



### INCOME

- School fees 86%
- Trading turnover 3.5%
- Investments 0.3%
- Donations, legacies & grants 8.4%
- Other income 1.8%



Total income fell by 9% to £17.9m (£19.7m in 2018/19) resulting from the reduced fee and loss of short course income and offset by £1.03m of funding from the Coronavirus Job Retention Scheme (or furlough scheme). The fall in income was wholly attributable to the pandemic; pupil numbers (on a full time equivalent basis) across both schools remained in line with the prior year, although below pre-pandemic expectations. Successful retention of pupils during the pandemic is attributed to the support of both parent bodies, the quality of our remote learning provision and the dedication of our teaching staff.

Concessions as a percentage of gross fee income have remained at 22% (22% 2018/19) overall. The School policy on scholarship and bursary awards ensures that significant emphasis is placed upon providing means tested support.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2020

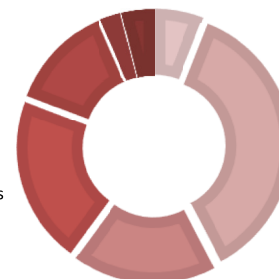
To offset the income loss a programme of cost savings was swiftly implemented:

- Operational budgets were reduced or frozen;
- The scheduled programme of capital investment was reduced;
- Staff took a voluntary pay cut for four months.

Overall, staff costs rose by 4% to £11.4m (£11.0m in 2018/19). This was due to unavoidable increased TPS contributions of £298k and redundancy costs of £152k. The voluntary pay cut offset inflationary pay increases.

#### EXPENDITURE

■ Trading and finance costs	5.9%
■ Teaching costs	36.4%
■ Boarding house, staff and medical costs	17.7%
■ Premises costs	20.7%
■ Management, admin, bad debt & provisions	12.8%
■ Grants, awards and prizes	2.5%
■ Publicity	3.9%



#### Key financial performance indicators

Key financial performance indicators used by the School include the following:

	<u>2019/20</u>	<u>2018/19</u>
Pupil numbers (adjusted on a full time equivalent basis)	723	724
Teaching costs as % of net fees	43.5%	37.8%
Premises and boarding costs as % of net fees	45.3%	44.4%

Non-financial key performance indicators include exam results as set out under the Achievement and Performance section of this report.

#### Redundancy and restructure programme

With the significant loss of income in 2020 and static pupil numbers, a redundancies and restructure programme was necessary; however this was significantly smaller than initially anticipated as pupil retention and the recruitment pipeline remained positive. The programme was completed in August 2020 at a cost of £152k and will result in an annual saving of £290k going forward.

#### Financial position

Net assets decreased by £0.25m to £17.73m (2018/19 £17.98m) during the year. Capital expenditure for the year was £0.7m, primarily on the ongoing refurbishments on the School land and buildings. The School will continue to invest in its infrastructure in line with its future plans.

#### Going concern

The Governors do not consider there to be any material uncertainty about the School's ability to continue as a going concern, as set out in the accounting policies. Having reviewed the funding facilities available to the School together with the expected future cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the School's financial viability. Accordingly, the School has continued to adopt the going concern basis in preparing the financial statements.

The School has net current liabilities at 31 August of 2020 of £0.9m (2019 net current liabilities: £1.65m) as a result of fees received in advance relating to future years. The funds in respect of future financial years are held in a separate bank account.

# SEDBERGH SCHOOL

## TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2020

### POLICIES

#### Principal sources of funding

The principal sources of funding for the School are fees including fees received in advance, commercial income generated by the subsidiaries, and bank finance including medium term bank borrowings and a bank overdraft facility. In addition, the School receives support for bursaries and capital programmes from the Foundation and other charities and donors.

#### Reserves

The School policy is to invest retained surpluses to support the development of the School, while ensuring that sufficient reserves are held to meet any contingencies as they arise.

According to the Charities' SORP definition, free reserves should exclude endowment and restricted funds and funds which can only be realised by disposing of fixed assets held for School use. On this narrow basis, the School has no free reserves but the Governors are satisfied with the School's position given the unrestricted cash and unrestricted investments available, which at the end of the financial period amounted to £5.16m (2019: £4.82m) alongside the undrawn bank facilities of £2m. In addition, the School benefits from a portfolio of residential property totalling £5.6m.

The Governors continue to monitor cash, investments and reserves closely to ensure that sufficient reserves are available to meet potential threats to future income, in particular from a deterioration in the economic climate. Subject to this, it is the intention of the Board to reinvest operational surpluses generated into School improvements.

With the impact of the pandemic managed proactively, and with the receipt of the CBILs funds of £1m, the School has maintained its reserves and cash position.

Total funds of the School are £17.7m, which comprise: Endowment funds £1.7m, Restricted Funds £1.1m and General funds of £14.9m.

#### Investments

The School's funds under management were valued at £3.4m as at 31 August 2020. The School has an underlying investment strategy of long term capital preservation with the objective of delivering positive absolute returns with low volatility in capital values. The funds are split between the CF Ruffer Total Return Fund and short term cash deposits. The School investment policy is approved by the Governors and monitored by the Investments Sub-Committee. In accordance with this policy the funds performed adequately.

#### Public benefit

In setting objectives for means tested bursaries, community engagement and social inclusion, the Governors have had regard to the Charity Commission's guidance on public benefit.

#### Disabled persons

The School is committed to providing an environment which values and includes all pupils, staff and parents regardless of their educational, physical, sensory, social, spiritual, emotional and cultural needs. It seeks to challenge attitudes about disability and accessibility, and to develop a culture of awareness, tolerance and inclusion. The School complies with all relevant legislation relating to disabled persons.

The School's policy requires that a disabled job applicant would not be rejected for a reason which relates to his/her disability; job specifications are always used and selection criteria monitored to ensure that discrimination does not unwittingly occur; and recruitment and selection procedures are adapted where possible to ensure that they do not disadvantage disabled job applicants. The School takes steps to try to enable an employee who becomes disabled to remain in employment. In consultation with the employee, adjustments to facilitate their retention will be considered. Employees with disabilities are provided with opportunities to develop full and rewarding careers on an equivalent basis to other employees with similar skills and abilities.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2020

The Accessibility Plans for both campuses illustrate how the School plans over time to further increase accessibility for pupils, staff and visitors who have disabilities. The School aims to make reasonable adjustments to allow disabled pupils to access the education available, bearing in mind the historic nature of its buildings and widespread campuses. These Plans are reviewed every twelve months.

#### Risk management

The School maintains an up-to-date Strategic Risk Register which identifies the most significant risks to ongoing operations of the School and to the delivery of its strategic objectives. The register details the appropriate risk mitigation measures and is reviewed on a regular basis by the senior management team and on a termly basis by the Governors. Underneath this sits an Operational Risk Register, which is also reviewed regularly by the senior management team. Governors have also reviewed the School's insurance cover to ensure that it is adequate.

The principal risks to the School and the School's approach to mitigate the risk are as follows:

Category	Risk	Principal mitigating actions
<b>Pandemic</b>	Impact of infection in the School and threat to the local community Inability to provide all aspects of the Sedbergh education, including an enforced lockdown resulting in temporary closure of the School and resulting in loss of revenue Additional costs arising from the pandemic	<ul style="list-style-type: none"> <li>– Pandemic working group established</li> <li>– Developed policies and procedures</li> <li>– Cost contingency plan actioned</li> <li>– Bio security measures implemented</li> </ul>
<b>Financial and Economic</b>	A failure to generate sufficient cash flow to meet strategic objectives and minimum cash generation requirements	<ul style="list-style-type: none"> <li>– Pupil fee forecasts</li> <li>– Cashflows and reserves policy</li> <li>– Marketing strategy</li> <li>– Monthly review of financial forecasts</li> <li>– Loan facility review</li> <li>– Capex programme review</li> <li>– Contingency planning</li> </ul>
<b>Staff</b>	Inability to recruit and retain high calibre staff resulting in staff shortages. Loss of key staff or senior management team, due to illness or accident.	<ul style="list-style-type: none"> <li>– Review of remuneration packages</li> <li>– Succession planning.</li> <li>– Health insurance and health checks for key staff.</li> </ul>
<b>Reputation</b>	Reputational damage as a result of an adverse incident at the School or in a subsidiary.	<ul style="list-style-type: none"> <li>– Appropriate policies, procedures and staff training</li> <li>– Communications plan in place.</li> </ul>
<b>Political</b>	Possible political, taxation and regulatory changes (such as loss of charitable status, imposition of VAT on school fees, loss of business rate relief, levy changes, increases in Teachers' Pensions contributions, changes in overseas pupil visas).	<ul style="list-style-type: none"> <li>– Regular review of forecasts with sensitivity analysis</li> <li>– Legal/financial advice</li> <li>– Advice from sector bodies eg ISC and ISBA</li> <li>– - Contingency plans.</li> </ul>

The School subsidiaries hold their own registers of strategic and operational risks which are in a consistent format to that of the School and are reviewed by their respective boards on a regular basis.

# SEDBERGH SCHOOL

## TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2020

### ENVIRONMENTAL AND SUSTAINABILITY

The School recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused.

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

	(kWh)	Kg CO <sub>2</sub> e
<b>Scope 1</b>		
Gas Consumption	8,594,562	1,580,282
Transport	1,205,842	290,089
<b>Scope 2</b>		
Electricity Consumption	1,791,362	417,638
<b>TOTAL</b>	<b>11,591,766</b>	<b>2,288,009</b>

<b>Intensity ratio Kg CO<sub>2</sub>e per pupil</b>	<b>3,165</b>
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### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric kilograms CO<sub>2</sub>e per pupil, the recommended ratio for the sector.

### Improvements in energy efficiency

We continue to work on improvements in energy efficiency, in line with the School's Strategic Plan, including:

- increased education and action on recycling and energy use in our physical and remote office environments
- reduced energy usage by better efficient products and materials – at the forefront of major repairs & renewals and capital projects including:
  - lighting upgrades to LED equivalents
  - upgrade to heating systems and reduction of all boilers by 2°C
  - insulation upgrade to properties as necessary
- continued reduction in reliance on printing
- making better use of technology to reduce travel requirements.

### STATEMENT OF COMPLIANCE

The Governors have complied with their duty in regards to the matters in section 172 (1) (a)-(f) of the Companies Act 2006 ('the Act').

The Governors confirm that they have acted in the way they consider, in good faith, would be most likely to promote the success of the School and for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the School's employees;
- the need to foster the School's business relationships;
- the impact of the School's operations on the community and the environment;
- the desirability of the School maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the School.

### Relationships

The School is influenced by our stakeholders, including our pupils and their families, suppliers, employees, the Government and our strategic partners. Our approach to all these parties is founded on the principle of open and honest dialogue based on a mutual understanding of needs and objectives.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2020

Relationships with parents are managed on an individual basis, through those in close contact with them through the education journey, as well as key communication forums and the interaction with staff on the school site and at events.

The School, the Governors and senior employees participate in various education sector associations and groups, which give access to supplier groups and decision-makers, Government and other regulatory bodies.

The School is a member of the Headmasters' & Headmistresses' Conference, the Independent Association of Prep Schools, the Independent Schools' Bursars' Association and the Association of Governing Bodies of Independent Schools.

#### **Employee engagement**

The School continues to place a high emphasis on mutually beneficial relationships with its employees, whom it regards as essential to the School's future success.

There is a well-established system for regular communication with staff at all levels in both Schools, including weekly departmental meetings, regular email updates, and formal and informal staff presentations, as well as a full in-service training programme and an extensive social diary. In addition, staff join weekly sessions in small groups to discuss School policies and regulations to check understanding, raise awareness and discuss any concerns or clarification required. Employees are encouraged to raise any issues or ideas for improvement they may have with their line manager or through the whistleblowing arrangements.

Staff at all levels are kept advised of the progress of the school in comparison with our strategic objectives and development plans, including matters that may be pertinent to their immediate interests. The Chairman of Governors and a staff liaison Governor both attend occasional staff meetings.

During the pandemic staff engagement and communication has been enhanced, although much of this has been done remotely.

The School puts great emphasis on providing equality of opportunity for all employees and ensure that fair selection and development procedures apply. The aim of the policy is to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, sex, disability, marital status, colour, religion, race or ethnic origin, or is disadvantaged by conditions or requirements which cannot be shown to be justifiable. In the event of an employee becoming disabled whilst in the Schools employment, measures will be taken to ensure that they can continue in their employment as far as is practical.

#### **POST BALANCE SHEET EVENTS**

The pandemic has continued to impact the School in the period following the financial year ended 31 August 2020. As was the case in the Summer Term of 2020, and again in the latter half of Michaelmas Term and early Lent Term 2021, the remote learning provision was implemented, and fees adjusted to reflect this. Costs were reduced, staff furloughed and budgets frozen to minimise the impact on our reserves.

As we approve the financial statements the continuing impact of the pandemic, in particular on the economy, remains uncertain. We are continuing to follow the latest guidance provided by the Government, Independent Schools Council, Independent Schools' Bursars' Association and National Institute of Health Protection. Whilst we cannot be certain, we are hopeful that the Schools' main campuses will reopen for the Summer Term, although it is unlikely our Easter courses will be able to take place.

Following the recent government announcement we plan to reopen the Schools and welcome back pupils to Sedbergh and Casterton on 8 March 2021, and we plan to host limited Easter courses.

# SEDBERGH SCHOOL

## TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2020

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing document and constitution

Sedbergh School was endowed as a Chantry School in 1525 by Roger Lupton, Provost of Eton, and incorporated by Royal Charter of King Edward VI as a Free Grammar School in 1551. It was reconstituted under the Endowed Schools Act of October 1874. The Scheme, Provisions and subsequent amendments were repealed and reconstituted by Trust Deed in July 1956. This Trust Deed was amended during subsequent years, the last amendment being in 1980.

In 2000, the School became an incorporated charity (charity number 1080672, company number 3946280), entailing the preparation of new governing instruments and the transfer of the Charity's assets, with the exception of the Scholarship & Prize Funds which are classified as permanent endowment. These Scholarship & Prize Funds became linked charities with Sedbergh School, and are incorporated within the School accounts.

#### The Governing Body

The Trustees and Directors of Sedbergh School ("the Company") are the Governors of the School.

Under the Memorandum and Articles of Association, all Members of the Company are Directors of the Company and Governors of the School. The membership of the Board of Governors consists of two Ex-Officio Governors, one Representative Governor and up to fifteen Co-optive Governors.

The Representative Governor is appointed by the Council of St John's College, Cambridge. The two ex-officio members of the Board are the Lord Archbishop of York, represented by the former Archdeacon of Auckland, and Her Majesty's Lord-Lieutenant of Cumbria. The Co-optive Governors are appointed by the Board of Governors for a specific period not exceeding three years initially. One third of the Co-optive Governors retire from office at each Annual General Meeting. A Governor is eligible for re-election for up to three further terms of three years, up to the age of 70.

The Charity has one governing body for both the Senior School and the Prep School, with separate registrations with the Department for Education for each site. Details of the Governing Body are provided on page 19.

#### Management arrangements

The day to day running of both Schools is delegated to: the Principal, the Chief Operating Officer, the Headmaster: Sedbergh, the Headmaster: Casterton, Sedbergh Prep School and the senior management teams at the Senior and Prep Schools. The Principal and the Chief Operating Officer are responsible to the Board for the delivery of the strategic objectives set out in the strategic plan and attend the Governors' Board and relevant Sub-Committee meetings as appropriate.

The Board delegates authority through formal terms of reference to a range of committees and sub-committees including the Executive Committee, and the Audit & Compliance, Investments, Education and Nominations Sub-Committees. The commercial subsidiaries are separate limited companies who report to their own independent boards.

#### Arrangements for setting pay and remuneration of key management personnel

Remuneration for senior management positions is determined by the Remuneration Sub-Committee of the Executive Committee. The Sub-Committee reviews the terms and conditions of the senior office holders on an annual basis. Due consideration is given to national benchmarking reports, including periodic surveys by independent authorities such as AGBIS and Baines Cutler (an independent schools consultancy business), to ensure that their remuneration is commensurate with similar roles within the sector.

#### Indemnity insurance

Third party indemnity insurance was in place for the benefit of Governors during the period.

#### Appointment of new Governors

Members of the Governing Body are recruited by invitation to ensure that the right mix of skills, talent, expertise and experience is achieved to deliver effective governance and achievement of the strategic goals of the School. The

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2020

diversity of age, gender and ethnicity is also considered. A Nominations Sub-Committee meets regularly to consider new Governor appointments.

On appointment, new Governors receive induction training which takes into account their existing professional qualifications or area of expertise. An ongoing programme of Governor training is in place.

The appointment of a Chairman was overseen by a senior Governor who sought nominations from amongst Board members and consulted with each Governor and the members of the SLT. The conclusion of this process saw Richard Gledhill elected as Chairman from July 2020.

#### **GROUP STRUCTURE AND RELATIONSHIPS**

The Charity has two wholly owned subsidiaries and an associated company; in addition it has close relationships with the Old Sedberghian Club and with two other unconnected separate charities, as follows:

##### **Subsidiaries**

Sedbergh School Developments Limited

Sedbergh School Developments Limited was incorporated on 11 April 1996. Its principal activities continue to be the provision of courses and other commercial trading ventures.

Sedbergh School International Limited

Sedbergh School International Limited was incorporated on 7 October 2015 in order to facilitate the provision of educational activities outside of the United Kingdom.

##### **Associate**

Sedbergh Hotel Enterprises Limited

Sedbergh Hotel Enterprises Limited is an associated company, set up to procure, refurbish and run The Black Bull in Sedbergh. Sedbergh School Developments Limited holds 36% of the shares of Sedbergh Hotel Enterprises Limited.

##### **Other**

The Sedbergh School Foundation (the Foundation)

The Foundation is a separate charity, whose purpose is to raise funds and support current and future investment in facilities, amenities and activities undertaken by the School. There is a close relationship between the Foundation and the School, with a number of Governors sitting on the Board of the Foundation.

The Old Sedberghian Club ('OS' Club)

The OS Club is a separate society which provides the School alumni with an extensive programme of events, activities and support. The School benefits from the generosity of a thriving network of Old Sedberghians whose close support is greatly appreciated and gladly acknowledged.

The Michael Robertson Scholarship Fund

The Michael Robertson Scholarship Fund is an independent restricted fund, not part of the group, which kindly provides income on an annual basis to support bursary awards at the School.

##### **Fundraising and the Foundation**

The Foundation is an independent charity that provides financial support to the School. The Foundation made restricted grants to the School during the year totalling £0.20m providing additional scholarships and bursary support alongside several house based fundraising initiatives. The School did not carry out any direct fundraising activity on its own behalf and did not engage third party fundraisers.

As discussed in the Chairman's Statement, a Hardship Fund appeal was launched at the start of the pandemic, via the Foundation. The purposes of the Fund were to support the local community, provide fee support for pupils whose families suffered financially as a result of the pandemic, and to support staff in need. The remarkable sum of £105k was raised, all of which has been used to fulfil the purposes of the Fund.

## **SEDBERGH SCHOOL**

### **TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2020**

As the School looks forward to the next five years, the Foundation Trustees and the Governors have developed an ambitious plan to celebrate the bicentenary of the foundation of Casterton School in 2023 which marks 200 years of the education of girls at Casterton; and the quincentenary of the foundation of Sedbergh School. Both anniversaries will be celebrated by drawing on the histories of the Schools and celebrating with alumni, pupils and parents.

# SEDBERGH SCHOOL

## TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2020

### REFERENCE AND ADMINISTRATIVE DETAILS

#### Governing body

- Chairman:
- H M Blair CPFA [retired 4 July 2020]
  - R J Gledhill, MA (Cantab), ACA \*# [appointed 4 July 2020]
- Ex-Officio:
- The Lord Archbishop of York, represented by the Venerable N J W Barker MA (Oxon) #
  - Her Majesty's Lord-Lieutenant of Cumbria, Mrs C T Hensman BA (LSE)
- Representative:
- Dr E J L Waring PhD, MA (Cantab), LLM (Harvard), St John's College, Cambridge
- Co-optive:
- Mrs L Bates BA (Liverpool John Moores)\*
  - A J N Bedford BA (North Carolina)
  - H M Blair CPFA [retired 4 July 2020]
  - J D Campbell OBE FRSA\*
  - I W Durrans BA (Oxon), ACA\*#
  - Sir Roger Gifford MA (Oxon)
  - R J Gledhill, MA (Cantab), ACA \*#
  - Lt Gen Sir Andrew Gregory KBE, CB, MA (Cantab)
  - R N Papworth BA (Oxon) \*#
  - M R Piercy MA (Leicester)
  - J H B Warburton-Lee

\* Members of the Executive Committee at 31 August 2020

# Members of the Audit and Compliance Committee as at 31 August 2020

#### Principal

A A P Fleck BSc (Nottingham), MA (Sussex)

#### Headmasters

Senior School: D J Harrison MA (Cantab)  
Prep School: W R Newman BEd (Exeter), MA (Victoria)

#### Chief Operating Officer, Company Secretary and Clerk to the Governors

P S Marshall TD

#### Registered address

Sedbergh School  
Malim Lodge  
Sedbergh  
LA10 5RY  
[www.sedberghschool.org](http://www.sedberghschool.org)

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2020

#### **Bankers**

Barclays Bank Plc  
1<sup>st</sup> Floor, 3 Hardman Street  
Spinningfields  
Manchester M3 3HF

#### **Investment managers**

Ruffer LLP  
31 Charlotte Square  
Edinburgh  
EH2 4ET

#### **Auditor**

Haysmacintyre LLP  
10 Queen Street Place  
London  
EC4R 1AG

#### **Insurance brokers**

Marsh Brokers Ltd  
Capital House  
1 - 5 Perrymount Road  
Haywards Heath RH16 3SY

#### **Solicitors**

Veale Wasbrough Vizards  
Narrow Quay House  
Narrow Quay  
Bristol BS1 4QA

Muckle LLP  
Time Central  
32 Gallowgate  
Newcastle upon Tyne NE1 4BF

Farrer & Co  
66 Lincoln's Inn Fields  
London  
WC2A 3LH

#### **STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITOR**

The Governors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Governors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

#### **AUDITOR**

The auditor, Haysmacintyre LLP has indicated a willingness to continue in office. A resolution to reappoint Haysmacintyre LLP as auditor will be put to the members at the AGM.

## SEDBERGH SCHOOL

### TRUSTEES' ANNUAL REPORT (GOVERNORS' REPORT) for the year ended 31 August 2020

#### STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of Sedbergh School for the purposes of company law and the Trustees for the purposes of Charity Law) are responsible for preparing the Trustees' and Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Sedbergh School Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of incoming resources and application of resources, including the income and expenditure, of the group 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 (FRS102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report, which incorporates the Strategic Report, was approved by the Governors on 13th March 2021 and signed on their behalf by:



R J Gledhill  
Chairman

# SEDBERGH SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEDBERGH SCHOOL

### Opinion

We have audited the financial statements of Sedbergh School for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities; the Group and School Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2020 and of the group's and parent charitable company's net movement in funds, including the 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.

### Basis for opinion

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

### Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

### 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 the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# SEDBERGH SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEDBERGH SCHOOL

### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

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

### Use of our report

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



Tracey Young (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place  
London  
EC4R 1AG

Date: 23 March 2021

## SEDBERGH SCHOOL

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure Account) for the year ended 31 August 2020

	Note	Unrestricted £'000	Restricted £'000	Endowed £'000	Total 2020 £'000	Total 2019 £'000
<b>Income from:</b>						
Charitable Activities:						
- School fee income	2	15,389	-	-	15,389	17,110
- Other educational income	3	169	-	-	169	104
- Other ancillary income	3	124	-	-	124	155
Other trading activities:						
- Trading income	4	630	-	-	630	1,815
Investment income	5	34	19	-	53	46
Donations, legacies & grants	6	1,033	469	-	1,502	498
Other income:						
- Loss on sale of fixed assets		(3)	-	-	(3)	(14)
- Sundry income		34	-	-	34	18
<b>Total Income</b>		<u>17,410</u>	<u>488</u>	<u>-</u>	<u>17,898</u>	<u>19,732</u>
<b>Expenditure on:</b>						
Charitable Activities						
		16,739	473	6	17,218	17,338
Raising Funds:						
- Trading costs		896	-	-	896	1,467
- Financing costs		182	-	-	182	201
<b>Total Expenditure</b>	8	<u>17,817</u>	<u>473</u>	<u>6</u>	<u>18,296</u>	<u>19,006</u>
<b>Net (Expenditure)/Income</b>		<u>(407)</u>	<u>15</u>	<u>(6)</u>	<u>(398)</u>	<u>726</u>
<b>Other Recognised (Losses)/Gains</b>						
Gains on investments	9	61	34	63	158	11
Actuarial losses on defined benefit pension scheme	20	(14)	-	-	(14)	(105)
<b>Net Movement in Funds</b>		<u>(360)</u>	<u>49</u>	<u>57</u>	<u>(254)</u>	<u>632</u>
<b>Total Funds Brought Forward</b>		<u>15,242</u>	<u>1,036</u>	<u>1,704</u>	<u>17,982</u>	<u>17,350</u>
<b>Total Funds Carried Forward</b>	17	<u>14,882</u>	<u>1,085</u>	<u>1,761</u>	<u>17,728</u>	<u>17,982</u>

All activities are classed as continuing. The notes on pages 27 to 52 form part of these accounts.

**SEDBERGH SCHOOL**

**BALANCE SHEETS  
At 31 August 2020**

Company number: 03946280

	Note	Consolidated		School	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
<b>Fixed Assets</b>					
Tangible fixed assets	10	22,304	22,463	22,304	22,463
Investments	11	3,421	3,280	2,794	2,679
		<u>25,725</u>	<u>25,743</u>	<u>25,098</u>	<u>25,142</u>
<b>Current Assets</b>					
Stocks	12	233	304	226	297
Debtors	13	1,237	1,729	1,458	1,577
Cash at bank and in hand		3,891	3,601	3,648	3,339
		<u>5,361</u>	<u>5,634</u>	<u>5,332</u>	<u>5,213</u>
<b>Creditors: amounts falling due within one year</b>	14	(6,252)	(7,280)	(6,137)	(7,145)
<b>Net Current Liabilities</b>		<u>(891)</u>	<u>(1,646)</u>	<u>(805)</u>	<u>(1,932)</u>
<b>Total Assets Less Current Liabilities</b>		<u>24,834</u>	<u>24,097</u>	<u>24,293</u>	<u>23,210</u>
<b>Creditors: amounts falling due after more than one year</b>	15	(7,106)	(6,115)	(7,106)	(6,115)
<b>Total Net Assets Excluding Defined Benefit Pension Scheme Asset</b>		<u>17,728</u>	<u>17,982</u>	<u>17,187</u>	<u>17,095</u>
Defined Benefit Pension Scheme Asset	20	-	-	-	-
<b>Total Net Assets</b>		<u>17,728</u>	<u>17,982</u>	<u>17,187</u>	<u>17,095</u>
<b>Funds</b>					
Unrestricted funds					
- General reserve	18c	11,016	11,376	11,102	11,090
- Revaluation reserve	18c	3,866	3,866	3,866	3,866
- Pension reserve	18c	-	-	-	-
	18c	<u>14,882</u>	<u>15,242</u>	<u>14,968</u>	<u>14,956</u>
Endowment funds	18a	1,761	1,704	1,761	1,704
Restricted funds	18b	1,085	1,036	458	435
<b>Total Funds</b>		<u>17,728</u>	<u>17,982</u>	<u>17,187</u>	<u>17,095</u>

The School's net expenditure for the year was £23,000 (2019: net income £521,000) and the net movement in funds was £92,000 (2019: £433,000).

The financial statements were approved, authorised for issue and signed on behalf of the Board of Governors on 13<sup>th</sup> March 2021.



R J Gledhill  
Chairman

**SEDBERGH SCHOOL**

**CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 August 2020**

	2020		2019	
	£'000	£'000	£'000	£'000
<b>Operating Activities</b>				
Net (costs)/income		(398)		726
Depreciation charge		873		831
Investment income		(53)		(46)
Interest paid		182		201
Investment management fee		18		28
Loss on sale of fixed assets		3		14
Defined benefit pension scheme		(14)		(50)
Decrease in stocks		71		34
Decrease/(increase) in debtors		492		(599)
(Decrease)/increase in creditors		(676)		1,265
<b>Net cash provided by Operating Activities</b>		498		2,404
<b>Investing Activities</b>				
Investment income	53		46	
Costs from sale of fixed assets	-		(14)	
Purchase of tangible fixed assets	(717)		(725)	
Proceeds from the sale of assets held for resale	-		660	
Proceeds from sale of investments	886		3,513	
Purchase of investments	(887)		(3,514)	
<b>Net cash used in Investing Activities</b>		(665)		(34)
<b>Financing Activities</b>				
Interest paid	(182)		(201)	
Receipts from loans	1,000		564	
Payments on loans	(344)		(86)	
Finance lease rentals	(17)		(26)	
<b>Net cash provided by Financing Activities</b>		457		251
<b>Change in cash and cash equivalents in the period</b>		290		2,621
<b>Cash and cash equivalents at the beginning of the period</b>		3,601		980
<b>Cash and cash equivalents at the end of the period</b>		3,891		3,601
<b>Represented by:</b>				
Cash at bank and in hand		3,891		3,601

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS**  
**31 August 2020**

**1 Accounting policies**

**Legal status**

Sedbergh School is an incorporated (private company limited by guarantee) charity (charity no. 1080672, company no. 03946280), registered in England. The School's address is Sedbergh School, Malim Lodge, Sedbergh, LA10 5RY.

Sedbergh School was founded in 1525 and received a Royal Charter from King Edward VI in 1551. The object of Sedbergh School is to advance education by carrying on in Great Britain a school or schools at which infants, children and pupils may obtain education and instruction in academic, sporting, musical, cultural, scientific, technical, vocational, social and commercial subjects, activities and crafts of every description. Sedbergh School meets the definition of a public benefit entity under FRS 102.

**Basis of accounting**

The accounts are prepared under the Companies Act 2006, Charities Act 2011 and under the historical cost convention as modified by the adoption of fair value accounting for investments and the revaluation of private dwellings and property held for sale. These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities Statement of Recommended Practice ("Charities SORP (FRS 102)(second edition, effective January 2019)").

Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise indicated. The financial statements are presented in sterling which is also the functional currency of the School.

**Basis of consolidation**

The School's individual accounts include the linked charities Sedbergh School Prize Fund (charity no. 1080672-1), Sedbergh School Scholarship Fund (charity no. 1080672-2), Rosalie Mary Forster Bursary Fund (charity no. 1080672-3) and Casterton School Scholarship Fund (charity no. 1080672-4).

The consolidated accounts include the School, the Appeal Fund, the Education Fund, the School's trading subsidiary, Sedbergh School Developments Limited (company no. 03184583) and Sedbergh School International Limited (company no 9814021) together with the share of the results of its associate Sedbergh Hotel Enterprises Limited (company no 10598631), in which Sedbergh School Developments Limited has a 36% shareholding.

All financial statements are made up to 31 August 2020 except for Sedbergh Hotel Enterprises Limited which has a financial year end of 30 June 2020. The following accounting policies have been applied consistently in dealing with items that are considered material to the School's financial statements.

The charity has taken the exemption from presenting its unconsolidated income and expenditure account under section 408 of the Companies Act 2006.

**Reduced disclosures**

In accordance with FRS 102, the School has taken advantage of the exemptions from the following disclosure requirement in the individual financial statements of Sedbergh School:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures.
- Section 11 'Basic Financial Instruments' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued)

31 August 2020

#### Going concern

The School has net current liabilities at 31 August of 2020 of £0.81m (2019: £1.65m) which is primarily due to fees received in advance of future financial years from parents who have taken advantage of early payment/incentive schemes £3.05m (2019: £3.91m) and included in creditors.

The COVID-19 pandemic has impacted income during 2020, in particular a reduction in boarding fees and course income due to the closure of these facilities in the Summer term and holidays. This has been mitigated by a programme of cost savings. Whilst the future results may be affected from this pandemic, the Governors have considered the current cash position and future forecasts including sensitivity analysis. Therefore, the Governors remain confident in its cash flow forecast and its ability to meet its ongoing obligations as they arise for the next twelve months from the date of approval of the financial statements. As a result, the financial statements are prepared on a going concern basis.

The Governors consider that there are no material uncertainties that could cast significant doubt on the School's ability to continue as a going concern.

#### Income

Income from School fees represents fees earned in respect of tuition given during the year. Fees received in respect of tuition to be given after the year end are included in creditors as fees received in advance. Fees receivable are stated after deducting allowances for scholarships and bursaries granted by the School, but include contributions received from restricted funds for scholarships, bursaries and other grants.

Income from trading activities represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers during the period. Turnover is recognised when substantially all the risks and rewards of ownership have been transferred.

Donations received for the general purposes of the School are recognised where there is entitlement, the receipt is probable, and the amount can be measured with sufficient reliability. Donations subject to specific wishes of the donors are carried to relevant restricted funds, or to endowment funds where the amount is required to be held as permanent capital.

Other income, including investment income, is accounted for on an accruals basis.

Grant income, including income from the Coronavirus Job Retention Scheme, is recognised and accrued, in the period to which the relevant costs relate.

#### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefit will be required in settlement and the amount of the obligation can be measured reliably. Amounts are discounted to present value for longer-term liabilities. Expenditure is summarised under functional headings on a direct costs basis.

Expenditure on raising funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Charitable activities include expenditure associated with the objects of the School and both the direct costs and support costs relating to this activity. Grants awarded are expensed as soon as they become legal or operational commitments. Management and administration costs include governance costs incurred in the governance of the School and its assets and are primarily associated with constitutional and statutory requirements.

#### Taxation

The School is a registered charity and therefore it is exempt from income and corporation tax on income and gains falling within chapter 3 Part 11 Corporation Tax Act 2010 or S256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued) 31 August 2020

#### **Taxation** *(continued)*

The subsidiary undertakings, Sedbergh School Developments Limited and Sedbergh School International Limited are liable to income and corporation tax on their income and gains. Gift aid payments paid to the Charity will reduce the taxable income and gains. The subsidiaries are eligible to make gift aid payments to their holding company, the School. Details of Sedbergh School Developments Limited and Sedbergh School International Limited policies on gift aid can be found within their financial statements.

#### **Fixed assets**

The School buildings, boarding houses and land owned by the School at Sedbergh are included on the balance sheet at the historical cost.

Private dwellings (“residential properties”) and property held for sale are held at valuation. All movements in value arising from a change in value of private dwellings, in excess of their original cost, are shown in the Statement of Financial Activities as revaluation gains or losses, with movements being credited/charged to the revaluation reserve. Any diminution in value below original cost is charged to the Statement of Financial Activities as an impairment. No subsequent depreciation has been charged as the estimated residual values of the properties are not materially different from their carrying values at 31 August 2020.

All other fixed assets are measured at their cost or values at the time of acquisition, net of depreciation and any impairment losses. Capital items costing less than £1,000 are written off as an expense as acquired.

#### **Depreciation**

Depreciation is provided on tangible fixed assets at rates and bases calculated to write off the cost less estimated residual value, based on current market prices, of each asset over its expected useful life as follows:

School buildings	- 50 years
Fixtures and fittings	- 5 – 20 years
Computer equipment	- 3 years
All weather pitch	- 20 years
Motor vehicles	- 4 years
Leasehold improvements	- over the life of the lease

Land is not depreciated and assets under construction are only depreciated once they come into use.

#### **Impairment of fixed assets**

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the School estimates the recoverable amount of the asset.

#### **Investments**

Investments are stated in the balance sheet at their market value as at the balance sheet date. All movements in value arising from investment changes or revaluation are shown in the Statement of Financial Activities and are allocated to the appropriate fund according to the allocation of the underlying asset.

Investments in associates are recognised initially in the consolidated balance sheet at the transaction price and subsequently adjusted to reflect the group's share of total income and equity of the associate, less any impairment. Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the School has a legal obligation to make good the losses.

Investments in associates are accounted for at cost less impairment in the individual financial statements.

#### **Stock**

Stock is valued at the lower of cost (based on purchase price) and fair value.

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued)

31 August 2020

#### Pension schemes

Retirement benefits for the School's teaching staff are provided by the Teachers' Pension Scheme (TPS). This is a defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme. This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS 102, the School accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

The School contributes to a separate defined benefit scheme for non-teaching staff. This is an occupational defined benefit scheme. The defined benefit pension scheme current service costs are charged to the Statement of Financial Activities within staff costs. Net interest on the net defined benefit asset is recognised in the Statement of Financial Activities. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses. The defined benefit scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The School only recognises an asset in respect of a surplus on the scheme valuation to the extent that the asset is recoverable through reduced future contributions or through a reimbursement from the Scheme.

The School also contributes to a group money purchase scheme for non-teaching staff. Contributions are charged to the Statement of Financial Activities in the period in which the salaries to which they relate are payable. Defined contribution pension costs are allocated to unrestricted funds.

#### Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the School is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### Fund accounting

The School has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

Unrestricted funds	Funds which are expendable at the discretion of the Governors in furtherance of the objects of the School. In addition to expenditure on the School's operations, such funds may be held in order to finance capital investment and working capital.
Restricted funds	Donations or legacies received which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the School.
Endowment funds	Funds given to the School where the income may be used in furtherance of the objects, but the capital must be retained.
Designated funds	The School may at its discretion set aside funds for specific purposes which would otherwise form part of the general reserves of the School.

#### Financial instruments

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

Trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value. Bank loans and other loans are initially recognised at their transaction value and subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Investments are initially measured at transaction price and subsequently measured at fair value through net income or expenditure.

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued)

31 August 2020

#### **Leases**

An asset and corresponding liability are recognised for leasing agreements that transfer to the School substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the Statement of Financial Activities so as to produce a constant periodic rate of interest on the remaining balance of the liability.

All other leases are operating leases and the annual rentals are charged to the Statement of Financial Activities on a straight line basis over the lease term.

#### **Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### *Pension scheme valuation assumptions*

The present value of the defined benefit pension asset depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension asset. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 August 2018 has been used by the actuary in valuing the pensions asset at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset.

The surplus on the pension scheme valuation as at 31 August 2020 has not been recognised as an asset because the Governors do not consider that it is recoverable.

#### *Fee debtor provision*

A provision for impairment of fee debtors is established when there is objective evidence that the amounts due will not be collected in line with the usual fee collections due to financial difficulty of the debtors.

#### *Useful life of fixed assets*

In making decisions regarding the depreciation of tangible fixed assets, management must estimate the useful life of said assets to the business. A change in estimate would result in a change in the depreciation charged to the Statement of Financial Activities in each year.

#### *Residential property valuations*

Residential properties are held at valuation. The Governors make informed decisions on an annual basis about property values in conjunction with the School's property advisers.

In the opinion of the Trustees there are no critical judgements involved in the preparation of the financial information.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2020**

<b>2</b>	<b>School fee income</b>	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	Gross fees		19,695		21,998
			<hr/>		<hr/>
	Bursaries		956		1,022
	Scholarships and Exhibitions		1,610		1,906
	Gross supplementary grants		2,154		2,354
			<hr/>		<hr/>
	Less : funded by:		4,720		5,282
	Education Fund (restricted)	(4)		(7)	
	Appeal Fund (restricted)	(2)		(3)	
	Robertson Trust (restricted)	(218)		(220)	
	Scholarship and Prize Funds (restricted)	(11)		(12)	
	Sedbergh School Foundation (restricted)	(177)		(150)	
	Casterton School Scholarship Fund (restricted)	(2)		(2)	
			<hr/>		<hr/>
			(414)		(394)
			<hr/>		<hr/>
			4,306		4,888
			<hr/>		<hr/>
	Net fees		15,389		17,110
			<hr/>		<hr/>

<b>3</b>	<b>Other income from charitable activities</b>	<b>2020</b>	<b>2019</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Other educational income</b>		
	Bookroom	33	38
	Sundry	1	-
	Fees in lieu of notice	118	54
	Surcharge interest on late fees	17	12
		<hr/>	<hr/>
		169	104
		<hr/>	<hr/>

Other educational income is generated by the School only and is credited to unrestricted funds.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2020**

<b>3</b>	<b>Other income from charitable activities</b> <i>(continued)</i>	<b>2020</b>	<b>2019</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Other ancillary income</b>		
	Rent	118	139
	Commissions	6	9
	Queens Hall	-	2
	Insurance	-	5
		<hr/>	<hr/>
		124	155
		<hr/> <hr/>	<hr/> <hr/>

Other ancillary income is generated by the School only and is credited to unrestricted funds.

<b>4</b>	<b>Trading income</b>	<b>2020</b>	<b>2019</b>
		<b>£'000</b>	<b>£'000</b>
	Short courses	32	989
	School uniform	232	267
	Facilities and lettings	19	103
	Royalty and service fee income	347	456
		<hr/>	<hr/>
		630	1,815
		<hr/> <hr/>	<hr/> <hr/>

<b>5</b>	<b>Investment income</b>	<b>2020</b>	<b>2019</b>
		<b>£'000</b>	<b>£'000</b>
	Bank interest received	20	9
	Dividends received from fixed asset investments	33	37
		<hr/>	<hr/>
		53	46
		<hr/> <hr/>	<hr/> <hr/>

2020 £19,000 (2019: £22,000) of investment income was credited directly to restricted funds.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2020**

<b>6</b>	<b>Income from donations, legacies and grants</b>	<b>2020</b> <b>£'000</b>	<b>2019</b> <b>£'000</b>
	Donations (unrestricted)	2	12
	Donations (restricted)	74	116
	Income from Sedbergh School Foundation (restricted)	177	150
	Income from Robertson Trust (restricted)	218	220
	Coronavirus Job Retention Scheme grant (unrestricted)	1,031	-
		1,502	498
		1,502	498
<b>7</b>	<b>Expenditure</b>	<b>2020</b> <b>£'000</b>	<b>2019</b> <b>£'000</b>
	<b>Charitable expenditure includes:</b>		
	Depreciation – owned assets	867	821
	Depreciation – assets under finance leases	6	10
	Operating lease cost	89	104
		962	935
	<b>Other expenditure (exc VAT) includes:</b>		
	Auditor's remuneration:		
	Statutory audit of parent company and group accounts	26	26
	Audit of subsidiaries where such services are provided by the group auditor	7	7
		33	33
	Total audit	33	33
	Other services	15	1
		48	34
		48	34
	<b>Financing costs</b>	<b>2020</b> <b>£'000</b>	<b>2019</b> <b>£'000</b>
	Interest on bank loans and overdrafts	182	200
	Finance lease interest cost	-	1
		182	201
		182	201

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2020**

**7 Expenditure (continued)**

<b>Staff costs</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	9,297	9,344
Social security costs	794	801
Pension costs	1,219	921
Redundancy costs	152	-
	<u>11,462</u>	<u>11,066</u>
	<u><u>11,462</u></u>	<u><u>11,066</u></u>

**The average number of staff employed by the School during the year:**

	<b>2020</b>		<b>2019</b>	
	<b>No.</b>		<b>No.</b>	
	<b>Full time</b>	<b>Part time</b>	<b>Full time</b>	<b>Part time</b>
Teaching staff	107	61	109	55
Premises and grounds staff	24	4	23	4
Administration and clerical staff	30	26	32	19
Catering, boarding house and medical staff	68	134	66	130
	<u>229</u>	<u>225</u>	<u>230</u>	<u>208</u>
	<u><u>229</u></u>	<u><u>225</u></u>	<u><u>230</u></u>	<u><u>208</u></u>

Neither the Governors nor persons connected with them received any remuneration or other benefits from the School or any connected organisation. Details of expenses paid to Governors are provided in note 19.

The number of employees whose emoluments, including benefits in kind, exceeded £60,000 was:

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	-	1
£70,001 - £80,000	3	3
£90,000 - £100,000	1	-
£100,001 - £110,000	-	1
£120,000 - £130,000	1	1
£190,000 - £200,000	1	-
£200,001 - £210,000	-	1

Included in the above higher paid employees were 4 (2019: 5) accruing benefits under defined benefit schemes. Contributions in respect of these individuals totalled £67,543 (2019: £58,057).

**Key management personnel**

The School considered its key management personnel during the year to comprise the Principal, Chief Operating Officer and two headmasters, at the Senior School and the Prep School. The total employment benefits including employer pension contributions of the key management personnel were £0.65m (2019: £0.66m).

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)**

**31 August 2020**

**8 Analysis of expenditure**

	<b>Staff costs</b>	<b>Other</b>	<b>Depreciation</b>	<b>Total 2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Charitable activities</b>				
Teaching costs	6,323	372	-	6,695
Boarding houses, staff and medical provision	2,079	1,137	-	3,216
Premises costs	1,027	1,850	873	3,750
Management and administration	1,207	1,164	-	2,371
Grants, awards and prizes	-	474	-	474
Publicity	375	337	-	712
	<u>11,011</u>	<u>5,334</u>	<u>873</u>	<u>17,218</u>
<b>Raising funds</b>				
Trading	451	445	-	896
Interest on bank loans and overdrafts	-	182	-	182
	<u>451</u>	<u>627</u>	<u>-</u>	<u>1,078</u>
	<u>11,462</u>	<u>5,961</u>	<u>873</u>	<u>18,296</u>
		<i>Governance costs (included within management and administration costs)</i>		
Governors' meeting costs	-	18	-	18
Audit and accountancy (exc VAT)	-	48	-	48
	<u>-</u>	<u>66</u>	<u>-</u>	<u>66</u>

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)  
31 August 2020**

**8 Analysis of expenditure (continued)**

	<b>Staff costs £'000</b>	<b>Other £'000</b>	<b>Depreciation £'000</b>	<b>Total 2019 £'000</b>
<b>Charitable activities</b>				
Teaching costs	5,907	590	-	6,497
Boarding houses, staff and medical provision	1,974	1,426	-	3,400
Premises costs	1,067	2,302	831	4,200
Management and administration	1,060	951	-	2,011
Grants, awards and prizes	-	458	-	458
Publicity	353	419	-	772
	<u>10,361</u>	<u>6,146</u>	<u>831</u>	<u>17,338</u>
<b>Raising funds</b>				
Trading	705	762	-	1,467
Share in net losses of associates	-	201	-	201
Interest on bank loans and overdrafts	<u>705</u>	<u>963</u>	<u>-</u>	<u>1,668</u>
	<u>11,066</u>	<u>7,109</u>	<u>831</u>	<u>19,006</u>
	<u><u>11,066</u></u>	<u><u>7,109</u></u>	<u><u>831</u></u>	<u><u>19,006</u></u>
		<i>Governance costs (included within management and administration costs)</i>		
Governors' meeting costs	-	23	-	23
Audit and accountancy	-	34	-	34
	<u><u>-</u></u>	<u><u>57</u></u>	<u><u>-</u></u>	<u><u>57</u></u>

All expenditure is charged to the unrestricted fund, with the exception of £0.44m (2019: £0.45m) of grants, awards and prizes and £37,000 (2019: £45,000) of management costs that are charged to the restricted fund and £6,000 (2019: £12,000) of management costs that are charged to endowed funds.

**9 Fair value gains and losses**

	<b>2020 £'000</b>	<b>2019 £'000</b>
Fair value gains and losses on financial assets:		
Gain on fixed asset investments	158	11
	<u>158</u>	<u>11</u>

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)**

**31 August 2020**

**10 Tangible fixed assets**

Consolidated and School	Residential property £'000	Assets under construction £000	Leasehold improvements £'000	Fixtures & fittings £'000	Other assets £'000	School land & buildings £'000	All weather surfaces £'000	Total £'000
<b>Cost or valuation</b>								
As at 1 Sept 2019	5,596	31	1,052	9,731	746	14,042	604	31,802
Additions	-	112	-	317	97	191	-	717
Disposals	-	-	-	(18)	(11)	-	-	(29)
<b>As at 31 August 2020</b>	<b>5,596</b>	<b>143</b>	<b>1,052</b>	<b>10,030</b>	<b>832</b>	<b>14,233</b>	<b>604</b>	<b>32,490</b>
<b>Depreciation</b>								
At as 1 Sept 2019	-	-	87	6,090	701	1,970	491	9,339
Charge for the period	-	-	11	481	43	308	30	873
Disposals	-	-	-	(16)	(10)	-	-	(26)
<b>As at 31 August 2020</b>	<b>-</b>	<b>-</b>	<b>98</b>	<b>6,555</b>	<b>734</b>	<b>2,278</b>	<b>521</b>	<b>10,186</b>
<b>Net book value</b>								
<b>As at 31 August 2020</b>	<b>5,596</b>	<b>143</b>	<b>954</b>	<b>3,475</b>	<b>98</b>	<b>11,955</b>	<b>83</b>	<b>22,304</b>
As at 31 August 2019	5,596	31	965	3,641	45	12,072	113	22,463

The net book value of other assets includes £82,000 (2019: £33,000) in respect of assets held under finance leases. The depreciation charge in respect of these assets was £6,000 (2019: £10,000). School land and buildings have been valued for insurance purposes in October 2020 at £150m (2019: £147m). In addition, the School's contents are insured at a value of £8.2m (2019: £8.2m).

Private dwellings are revalued on a regular basis, and a full Red Book RICS valuation was performed by Davis Bowring in July 2018, at open market value. The valuation of these properties was £5.6m. The Governors have considered the current market and, having consulted with external advisors, are of the opinion that there is no indication of a material change in the market value as at 31 August 2020.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2020**

**11 Investments**

	<b>Total £'000</b>
<b>Consolidated</b>	
<b>At market value:</b>	
Balance at 1 Sept 2019	3,280
Additions	887
Disposal proceeds	(886)
Increase in market value	158
Management fee	(18)
	3,421
Balance at 31 August 2020	3,421

	<b>Total £'000</b>
<b>School</b>	
<b>At market value:</b>	
Balance at 1 Sept 2019	2,679
Additions	718
Disposals proceeds	(717)
Increase in market value	129
Management fee	(15)
	2,794
Balance at 31 August 2020	2,794

**Subsidiary undertakings**

The School controls 100% of Sedbergh School Developments Limited (company no. 03184583; with the same registered address as the School, detailed on page 19), which runs sporting and educational courses making use of the School's facilities. Its trading results and summary balance sheet, extracted from its audited accounts for the year ended 31 August 2020 were:

	<b>2020 £'000</b>	<b>2019 £'000</b>
Turnover	51	1,091
Cost of sales	(140)	(637)
	(89)	454
Gross profit/(loss)		
Administration costs	(234)	(391)
	(323)	63
Net profit	(323)	63
Trading income is credited to unrestricted funds.		
	<b>2020 £'000</b>	<b>2019 £'000</b>
Total assets	78	356
Total liabilities	(324)	(278)
	(246)	78
Total reserves	(246)	78

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2020**

**11 Investments (continued)**

The School also controls 100% of Sedbergh School International Limited (company no. 9814021; with the same registered address as the School, detailed on page 19) which was formed to facilitate opening of an overseas school. Its trading results and summary balance sheet, extracted from its audited accounts for the year ended 31 August 2020 were:

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Turnover	347	456
Cost of sales	(42)	(63)
	<hr/>	<hr/>
Gross profit	305	393
Administration costs	(207)	(209)
	<hr/>	<hr/>
Net profit	98	184
	<hr/> <hr/>	<hr/> <hr/>

Trading income is credited to unrestricted funds.

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Total assets	201	233
Total liabilities	(41)	(50)
	<hr/>	<hr/>
Total reserves	160	183
	<hr/> <hr/>	<hr/> <hr/>

**Associated Undertakings**

Sedbergh School Developments Limited holds 36% of the shares of Sedbergh Hotel Enterprises Limited (company no. 10598631), set up to procure, refurbish and run The Black Bull in Sedbergh.

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
At 1 Sept 2019	-	-
Investment during the period	-	-
Share of losses	-	-
	<hr/>	<hr/>
At 31 August 2020	-	-
	<hr/> <hr/>	<hr/> <hr/>

	Type of shares held	Proportion held (%)	Country of incorporation	Registered Office
Sedbergh Hotel Enterprises Limited	A ordinary shares	36%	UK	44 Main Street, Sedbergh, LA10 5BL

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2020**

**11 Investments (continued)**

The audited results of Sedbergh Hotel Enterprises Limited for their year ended 30 June 2020 are as follows;

	<b>2020</b>	<b>2019*</b>
	<b>£'000</b>	<b>£'000</b>
Aggregate amount of capital and reserves	(1,132)	(918)
Loss for the period	(214)	(900)

\* Updated for audited figures, previously unaudited figures were disclosed.

**12 Stocks**

	<b>Consolidated</b>		<b>School</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Consumables	218	287	211	280
Bookroom stationery	15	17	15	17
	<u>233</u>	<u>304</u>	<u>226</u>	<u>297</u>

**13 Debtors**

	<b>Consolidated</b>		<b>School</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Debtors for School fees and extras	560	1,378	560	1,087
Prepayments and accrued income	489	152	475	123
Other debtors	117	195	117	195
Amounts due from related undertakings	71	4	306	172
	<u>1,237</u>	<u>1,729</u>	<u>1,458</u>	<u>1,577</u>

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2020**

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

	Consolidated		School	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade creditors	631	506	617	478
Accruals and deferred income	1,084	1,024	1,027	917
Parental deposits	700	1,076	700	1,076
Fees received in advance	3,053	3,907	3,053	3,907
Taxation and social security	243	221	199	221
Finance lease creditor	8	17	8	17
Other creditors	533	186	533	186
Bank loans	-	343	-	343
	6,252	7,280	6,137	7,145
	6,252	7,280	6,137	7,145

**Parental deposits**

All new pupils joining the School must pay a deposit. This is refunded when the pupil leaves the School.

**Fees received in advance**

Parents may pay to the School up to the equivalent of seven years' fees in advance. Fees are apportioned over the pupil's time at the School. The money may be returned subject to specific conditions on the receipt of one term's notice.

Assuming pupils remain in the School, advance fees will be applied as follows:

	Consolidated and School	
	2020 £'000	2019 £'000
Within 1 year	2,189	2,963
Within 1 to 2 years	449	447
Within 2 to 3 years	281	314
Greater than 3 years	134	183
	3,053	3,907
	3,053	3,907

The movements during the year were as follows:

	Consolidated and School	
	2020 £'000	2019 £'000
As at 1 Sept 2019	3,907	3,250
New Contracts	2,161	2,974
Amounts utilised in payment of fees to the School	(3,015)	(2,317)
	3,053	3,907
	3,053	3,907

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2020**

**15 Creditors: amounts falling due after one year**

	<b>Consolidated and School</b>	
	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans	7,098	6,099
Finance lease creditor	8	16
	7,106	6,115
	7,106	6,115

**Bank loans**

During 2020 a new £1m loan facility was arranged under the Coronavirus Business Interruption Loan Scheme (CBILS) at an interest rate of 2.44% above base. The loan is repayable by way of 20 quarterly instalments of £0.05m starting in Sept 2021.

During 2018 a £6.5m loan facility was arranged at an interest rate of 2.25% plus Libor, which will be repaid by way of 15 quarterly instalments of £86,000 with a final repayment after 5 years. A capital repayment holiday has been agreed for twelve months.

The bank loans fall due as follows:

	<b>Consolidated and School</b>	
	<b>Bank Loans</b>	
	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Amounts falling due within 1 year (note 14)	-	343
Amounts falling due within 1 to 2 years	344	344
Amounts falling due within 2 to 5 years	6,754	5,755
	7,098	6,442
	7,098	6,442

The bank loans, with an outstanding balance at 31 August 2020 of £7.10m (2019: £6.44m), are secured by way of legal charges over certain properties and a fixed and floating debenture over the School's assets.

The finance lease creditors of £16,000 (2019: £33,000) are secured against the assets to which they relate.

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)**

**31 August 2020**

**16 Analysis of changes in net debt**

	At 1 September 2019 £'000	Cash flows £'000	At 31 August 2020 £'000
Cash at bank and in hand	3,601	290	3,891
Sub-total	<u>3,601</u>	<u>290</u>	<u>3,891</u>
Loans falling due within one year	(343)	343	-
Loans falling due after more than one year	(6,099)	(999)	(7,098)
Finance lease obligations	(33)	17	(16)
Net funds/(debt)	<u>(2,874)</u>	<u>(349)</u>	<u>(3,223)</u>

**17 Allocation of the charity net assets**

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

As at 31 August 2020		Fixed assets	Net current assets/(liabilities)	Long term liabilities	Total
		£'000	£'000	£'000	£'000
<b>Consolidated</b>					
Endowment	(18a)	1,376	385	-	1,761
Restricted	(18b)	1,032	53	-	1,085
Unrestricted funds	(18c)	23,317	(1,329)	(7,106)	14,882
		<u>25,725</u>	<u>(891)</u>	<u>(7,106)</u>	<u>17,728</u>
<b>School</b>					
Endowment	(18a)	1,376	385	-	1,761
Restricted	(18b)	405	53	-	458
Unrestricted funds	(18c)	23,317	(1,243)	(7,106)	14,968
		<u>25,098</u>	<u>(805)</u>	<u>(7,106)</u>	<u>17,187</u>

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2020**

**17 Allocation of the charity net assets (continued)**

As at 31 August 2019		Fixed assets	Net current assets/(liabilities)	Long term liabilities	Total
Consolidated		£'000	£'000	£'000	£'000
Endowment	(18a)	1,320	384	-	1,704
Restricted	(18b)	983	53	-	1,036
Unrestricted funds	(18c)	23,440	(2,083)	(6,115)	15,242
		25,743	(1,646)	(6,115)	17,982
<b>School</b>					
Endowment	(18a)	1,320	384	-	1,704
Restricted	(18b)	382	53	-	435
Unrestricted funds	(18c)	23,440	(2,369)	(6,115)	14,956
		25,142	(1,932)	(6,115)	17,095

**18a Endowment funds**

	Balance at 1 Sept 2019	Income	Expenditure	Revaluation gains/(losses)	Balance at 31 Aug 2020
Consolidated and School	£'000	£'000	£'000	£'000	£'000
Collingwood and Baynes Foundation	452	-	-	3	455
Scholarship and Prize Fund	1,069	-	(5)	51	1,115
Casterton School Scholarship Fund	183	-	(1)	9	191
	1,704	-	(6)	63	1,761
	1,704	-	(6)	63	1,761
	Balance at 1 Aug 2018	Income	Expenditure	Revaluation gains/(losses)	Balance at 31 Aug 2019
Consolidated and School	£'000	£'000	£'000	£'000	£'000
Collingwood and Baynes Foundation	452	-	-	-	452
Scholarship and Prize Fund	1,075	-	(10)	4	1,069
Casterton School Scholarship Fund	184	-	(2)	1	183
	1,711	-	(12)	5	1,704
	1,711	-	(12)	5	1,704

The Collingwood & Baynes Foundation and the Scholarship and Prize Funds form part of the School's permanent endowment and were set up to provide scholarships and prizes to pupils attending the School.

Casterton School Scholarship Fund relates to funds transferred on the merger of Casterton and Sedbergh School. Charity Commission approval was obtained for these to be transferred from Casterton School to Sedbergh School.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2020**

**18b Restricted funds**

	Balance at 1 Sept 2019 £'000	Income £'000	Expenditure £'000	Revaluation gains/(losses) £'000	Balance at 31 Aug 2020 £'000
General Funds	291	468	(450)	-	309
Rosalie Mary Forster Bursary Fund	86	1	(1)	5	91
Casterton School Scholarship Fund	5	-	-	-	5
Casterton Old Girls Association Scholarship and Prize Fund	53	-	-	-	53
Casterton School Scholarship Fund	-	11	(11)	-	-
Casterton School Scholarship Fund	-	2	(2)	-	-
<b>School Funds</b>	<u>435</u>	<u>482</u>	<u>(464)</u>	<u>5</u>	<u>458</u>
Education Fund	366	4	(6)	18	382
Appeal Fund	235	2	(3)	11	245
<b>Consolidated Funds</b>	<u>1,036</u>	<u>488</u>	<u>(473)</u>	<u>34</u>	<u>1,085</u>
	<u>1,036</u>	<u>488</u>	<u>(473)</u>	<u>34</u>	<u>1,085</u>
	Balance at 1 Aug 2018 £'000	Income £'000	Expenditure £'000	Revaluation gains/(losses) £'000	Balance at 31 Aug 2019 £'000
General Funds	275	483	(467)	-	291
Rosalie Mary Forster Bursary Fund	86	1	(1)	-	86
Casterton School Scholarship Fund	5	-	-	-	5
Casterton Old Girls Association Scholarship and Prize Fund	53	-	-	-	53
Casterton School Scholarship Fund	-	12	(12)	-	-
Casterton School Scholarship Fund	-	2	(2)	-	-
<b>School Funds</b>	<u>419</u>	<u>498</u>	<u>(482)</u>	<u>-</u>	<u>435</u>
Education Fund	369	7	(10)	-	366
Appeal Fund	236	3	(5)	1	235
<b>Consolidated Funds</b>	<u>1,024</u>	<u>508</u>	<u>(497)</u>	<u>1</u>	<u>1,036</u>
	<u>1,024</u>	<u>508</u>	<u>(497)</u>	<u>1</u>	<u>1,036</u>

The Education Fund was set up to provide funds to assist the sons of Old Sedberghians (“OSs”) killed in the wars. It has since been widened to support primarily children of OSs without the means to attend Sedbergh, or indeed other pupils who are in need of financial support to attend the School.

The Appeal Fund was set up by the Governors in 1996 to fund various projects, including the raising of funds for Scholarships and Bursaries to pupils attending the School.

Casterton School restricted funds, including the Rosalie Mary Forster Bursary Fund, Casterton School Scholarship Fund and Casterton Old Girls Association, relate to funds transferred on the merger of Casterton and Sedbergh School. Charity Commission approval was obtained for these to be transferred from Casterton School to Sedbergh School. The Rosalie Mary Forster Bursary Fund remains a linked charity.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2020**

**18c Unrestricted funds**

	Balance at 1 Sept 2019	Income	Expenditure	Transfers	Revaluation gains/(losses)	Other gains/(losses)	Balance at 31 Aug 2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revaluation Reserve	3,866	-	-	-	-	-	3,866
Pension Reserve	-	-	2	12	-	(14)	-
General Funds	10,608	17,003	(17,041)	(6)	36	-	10,600
Bursary Fund – designated	477	5	(3)	(5)	24	-	498
Local Young People's Fund	25	3	(5)	-	1	-	24
Collingwood and Baynes Foundation	(20)	1	-	(1)	-	-	(20)
<b>School Funds</b>	<u>14,956</u>	<u>17,012</u>	<u>(17,047)</u>	<u>-</u>	<u>61</u>	<u>(14)</u>	<u>14,968</u>
Trading Company	286	398	(770)	-	-	-	(86)
<b>Consolidated Funds</b>	<u>15,242</u>	<u>17,410</u>	<u>(17,817)</u>	<u>-</u>	<u>61</u>	<u>(14)</u>	<u>14,882</u>

	Balance at 1 Aug 2018	Income	Expenditure	Transfers	Revaluation gains/(losses)	Other gains/(losses)	Balance at 31 Aug 2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revaluation Reserve	3,866	-	-	-	-	-	3,866
Pension Reserve	55	2	-	48	-	(105)	-
General Funds	10,125	17,820	(17,296)	(43)	2	-	10,608
Bursary Fund – designated	480	5	(4)	(5)	1	-	477
Local Young People's Fund	26	3	(6)	-	2	-	25
Collingwood and Baynes Foundation	(20)	-	-	-	-	-	(20)
<b>School Funds</b>	<u>14,532</u>	<u>17,830</u>	<u>(17,306)</u>	<u>-</u>	<u>5</u>	<u>(105)</u>	<u>14,956</u>
Trading Company	83	1,548	(1,345)	-	-	-	286
<b>Consolidated Funds</b>	<u>14,615</u>	<u>19,378</u>	<u>(18,651)</u>	<u>-</u>	<u>5</u>	<u>(105)</u>	<u>15,242</u>

The Bursary Fund – designated, represents funds for Bursaries to pupils attending the School, not falling into the other funds.

Local Young Peoples' Fund is a fund to provide grants to local children pursuing educational goals.

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2020**

**19 Related parties**

*a) Transactions with Governors*

The following Governors had children attending the School during the year:

	<b>Number of children at the School</b>
Mr J D Campbell	1
Mr J H B Warburton-Lee	2

Total expenses of £4,800 (2019: £11,000) were paid to 9 (2019: 9) Governors. These were in respect of travel and subsistence.

*b) Transactions with subsidiaries and associate*

Transactions with Sedbergh School Developments Limited (a 100% owned trading subsidiary of Sedbergh School) included expenditure of £0.1m (2019: £0.25m). As at 31 August 2020, Sedbergh School Developments Limited owed Sedbergh School £0.08m (2019: £0.15m). Amounts gift aided to Sedbergh School amounted to £nil (2019: £0.15m).

In addition during the year, Sedbergh School Developments Limited was in receipt of a loan from the School amounting to £0.3m of which £0.15m was drawn down as at 31 August 2020. Interest is charged on the loan at a rate of 3% and it is repayable within 5 years.

Transactions with Sedbergh School International Limited (a 100% owned trading subsidiary of Sedbergh School) included expenditure of £0.16m (2019: £0.17m). As at 31 August 2020, Sedbergh School International Limited owed Sedbergh School £0.002m (2019: £0.02m). Amounts gift aided to Sedbergh School amounted to £0.12m (2019: £0.01m).

Transactions with Sedbergh Hotel Enterprises Limited (an associate undertaking of Sedbergh School Developments Limited) included expenditure of £0.004m (2019: £nil). As at 31 August 2020 £nil (2019: £nil) was due between entities.

*c) Sedbergh School Foundation*

The purpose of the Foundation is to promote or improve the education given at Sedbergh School, or the facilities thereof, or the amenities thereof, or the well-being of the pupils educated there, in relation to their education either at the School or at some other place of education, after leaving the School.

The amount owed by Sedbergh School Foundation as at 31 August 2020 was £0.075m (2019: £0.002m). Grants from the Foundation amounted to £0.20m (2019: £0.29m).

The School has a lease agreement with the Foundation for the rental of Guldrey Lodge, at a current rate of £52,000 p.a. This has been charged to the Statement of Financial Activities during the year. The rent is reviewed annually in line with the specific terms of the lease agreement.

*d) The Michael Robertson Scholarship Fund*

Mr A A P Fleck, Principal of Sedbergh School, is a trustee of the Michael Robertson Scholarship Fund ("MRSF"), a registered charity (no. 1014388). The main objective of the Fund is to further the education of children attending Sedbergh School. MRSF had assets of £6.6m in its latest published accounts as at 31 December 2019. These are not included in the School's balance sheet.

During the year the MRSF funded bursaries totalling £0.22m (2019: £0.22m) which have been included within donations (note 6).

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued)

31 August 2020

#### 20 Pension schemes

The School's teaching staff belong to one principal pension scheme, the Teachers' Pension Scheme England and Wales ('TPS'). All full time and part time non-teaching staff are now eligible to join the Sedbergh School Money Purchase Plan.

##### Teachers' Pension Scheme

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

##### Valuation of the Teachers' Pensions Scheme

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020 and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

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

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Pension costs paid to TPS in the year amounted to £1.25m (2019: £1.11m), of which £0.85m (2019: £0.66m) related to employer's contributions and at the year-end £0.10m (2019 - £0.12m) was accrued in respect of contributions to this scheme.

##### The Group Self Invested Personal Pension (SIPP)

In May 2009, the School opened a new self-invested personal pension scheme for its non-teaching staff. Employers' contributions are currently paid at a minimum rate of 5.05% of employee's salary. Contributions by the School to the scheme totalled £0.26m (2019: £0.26m) and the balance outstanding with the scheme was £35,000 (2019: £38,000).

## SEDBERGH SCHOOL

### NOTES TO THE ACCOUNTS (continued) 31 August 2020

#### 20 Pension schemes (continued)

##### Sedbergh School Pension Fund

The School also operates a defined benefit scheme in the UK for certain non-teaching staff. The last full actuarial valuation was carried out as at 31 August 2018. The initial results of that valuation have been projected to 31 August 2020 by a qualified independent actuary. The major assumptions used by the actuary were:

	2020	2019
	%	%
Rate of increase of pensions in payment	0.00	0.00
Discount rate	1.65	1.80
Inflation assumption RPI	3.05	3.25
Inflation assumption CPI	2.05	2.25

The mortality assumptions adopted at 31 August 2020, imply the following life expectancies:

	2020	2019
Male retiring at age 65 at year end	88.1	88.0
Female retiring at age 65 at year end	89.6	89.5
Male retiring at age 65 in 20 years	89.8	89.7
Female retiring at age 65 in 20 years	90.8	90.8

Analysis of amount debited/(credited) to the Statement of Financial Activities:

	2020	2019
	£'000	£'000
<b>Service cost</b>		
Net interest (credit)/expense	(2)	(2)
	(2)	(2)
<b>Remeasurements of the net asset</b>		
Return of fund assets (excluding amount included in net interest)	(11)	(58)
Actuarial losses/(gains)	9	57
Surplus on scheme not recognised	16	106
	14	105
Total defined benefit cost/ (credit)	12	103

Cumulative actuarial losses amounted to £nil at 31 August 2020 (2019: £nil).

**SEDBERGH SCHOOL**

**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2020**

**20 Pension schemes (continued)**

Changes in the fair value of plan assets and changes in present value of defined benefit obligation:

	<b>2020</b>	<b>2020</b>	<b>2020</b>
	<b>Assets</b>	<b>Liabilities</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fair value of scheme assets/present value of (liabilities) at beginning of period	461	(355)	106
Contributions by employer	12	-	12
Benefits paid	(8)	8	-
Interest income/(cost)	8	(6)	2
Return on scheme assets (excluding amount included in net interest expense)	11	-	11
Actuarial (losses)/gains	-	(9)	(9)
	484	(362)	122
Fair value of scheme assets/present value of (liabilities) at end of period			
Surplus on scheme not recognised	(122)	-	(122)
	362	(362)	-

Changes in the fair value of plan assets and changes in present value of defined benefit obligation:

	<b>2019</b>	<b>2019</b>	<b>2019</b>
	<b>Assets</b>	<b>Liabilities</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fair value of scheme assets/present value of (liabilities) at beginning of period	345	(290)	55
Contributions by employer	48	-	48
Interest income/(cost)	10	(8)	2
Return on scheme assets (excluding amount included in net interest expense)	58	-	58
Actuarial (losses)/gains	-	(57)	(57)
	461	(355)	106
Fair value of scheme assets/present value of (liabilities) at end of period			
Surplus on scheme not recognised	(106)	-	(106)
	355	(355)	-

**The return on plan assets was:**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Interest income	8	10
Return on plan assets (excluding amount included in net interest expense)	11	58
	19	68
Total return on plan assets	19	68

**SEDBERGH SCHOOL**  
**NOTES TO THE ACCOUNTS (continued)**  
**31 August 2020**

**20 Pension schemes (continued)**

The fair values of assets of the scheme were:

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Corporates	63	68
Gilts	325	393
Current liability	(1)	-
Cash	97	-
	484	461
	484	461

The Fund has no investments in the School or in property occupied by the School.

Contributions of £nil are expected for the year to 31 August 2021.

**21 Capital commitments**

At 31 August 2020 the School had capital commitments of £24,000 (2019: £nil).

**22 Commitments under operating leases**

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

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Amounts due:		
Within one year	97	95
Between one and five years	183	192
	280	287
	280	287