

**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**

### **CONTENTS**

	<b>Page</b>
Chairman's Statement	1
Trustees' Annual Report (Governors' Report)	
Background to Sedbergh School	2
Charitable objects	2
Objectives and activities	2
Strategic report	3
Public benefit activities and community support	5
Financial review	6
Strategic Plan 2020-25	8
Risk management	11
Policies	12
Environment and sustainability	13
Statement of compliance	15
Structure, governance and management	16
Group structure and relationships	17
Reference and administrative details	19
Statement of Disclosure of Information to Auditor	21
Statement of Governors' Responsibilities	21
Independent Auditor's Report	22-24
Consolidated Statement of Financial Activities	25
Balance Sheets (Consolidated and School)	26
Consolidated Cash Flow Statement	27
Notes to the Accounts	28-54

**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 quincentenary 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.

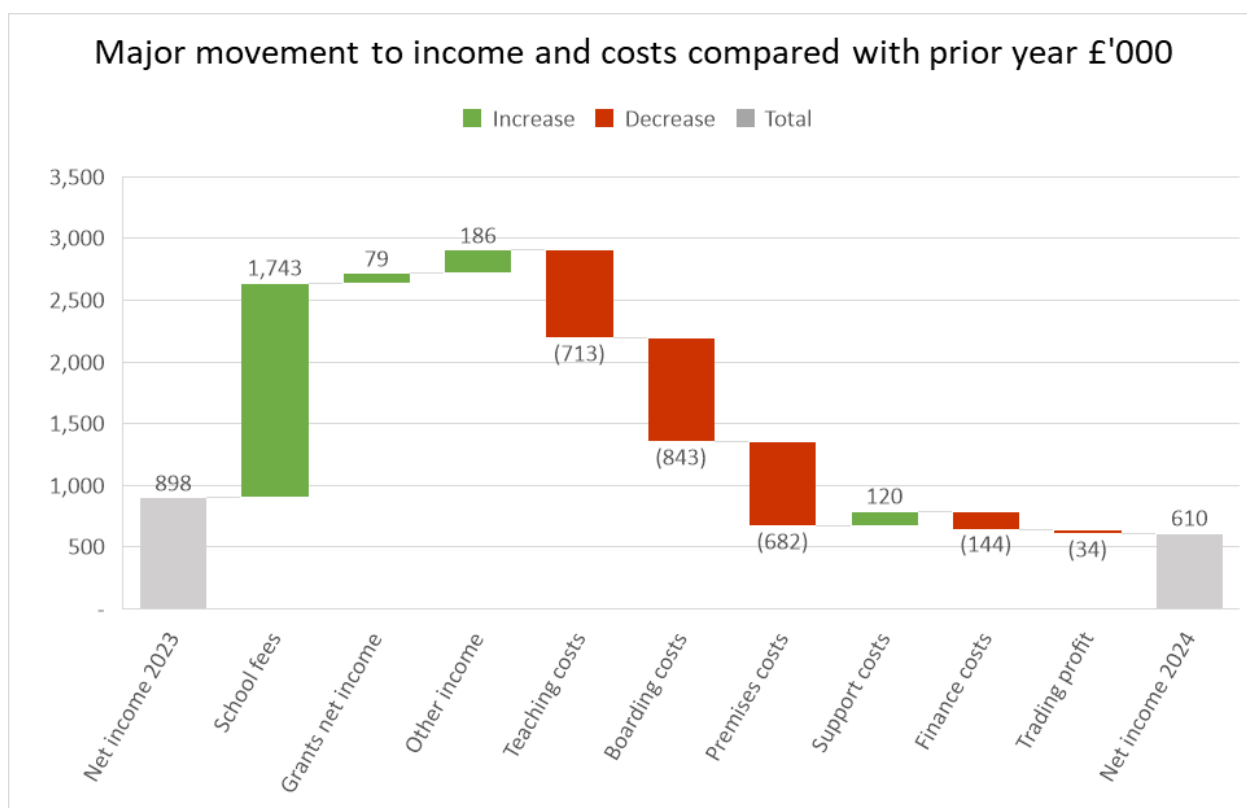
In addition the School has extended its scholarship scheme to provide free places to a number of pupils from a years 7-11 state school in Sedbergh, Settlebeck School, to attend Sedbergh for sixth form; there are now five such scholars in the School. Sedbergh School Foundation funded three such places 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.

## SEDBERGH SCHOOL

### 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.

<b>• Employability and education for the future</b>	
<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>
<b>• Manage actively the wellbeing and mental health of pupils and staff</b>	
<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

- **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.**

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.

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.

- **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.

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 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.

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 quinqucentenary celebrations in 2025. Quinqucentenary restricted reserves and unrestricted reserves held as at 31<sup>st</sup> August 2024 amount to £6.872m.

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.

## 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>	Reputational damage as a result of an adverse incident at the School or in a subsidiary.	<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>	Political, taxation and regulatory changes (such as loss of charitable status, levy changes, 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>
<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> <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>	11,180,770	2,130,825	11,148,546	2,082,587
<b>Intensity ratio CO<sub>2</sub>e per pupil</b>		2,708		2,653

## **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>		26,016	934	-	26,950	25,449
<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	25,530	810	-	26,340	24,551
<b>Net Income</b>		486	124	-	610	898
<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>		608	6	14	628	756
<b>Total Funds Brought Forward</b>		16,571	713	1,779	19,063	18,307
<b>Total Funds Carried Forward</b>	17	17,179	719	1,793	19,691	19,063

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

		Consolidated		School	
	Note	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>		<u>10,527</u>		<u>2,181</u>
<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>		<u>(7,708)</u>		<u>(2,416)</u>
<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>		<u>(945)</u>		<u>107</u>
<b>Change in cash and cash equivalents in the year</b>		<u>1,874</u>		<u>(128)</u>
<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>		<u>4,278</u>		<u>2,404</u>
<b>Represented by:</b>				
Cash at bank and in hand		<u>4,278</u>		<u>2,404</u>

**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**

**2 School fee income**

	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Gross fees		28,102		25,943
		=====		=====
Bursaries		(1,860)		(1,545)
Scholarships		(1,468)		(1,508)
Other concessions		(2,621)		(2,395)
		=====		=====
		(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
		=====		=====
		(5,303)		(4,887)
		=====		=====
Net fees		22,799		21,056
		=====		=====

**3 Other income from charitable activities**

	2024 £'000	2023 £'000
<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
	=====	=====
	687	704
	=====	=====

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**

**3 Other income from charitable activities (continued)**

	<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
	<hr/> 160	<hr/> 141
	<hr/> <hr/>	<hr/> <hr/>

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

**4 Trading income**

	<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
	<hr/> 1,839	<hr/> 2,100
	<hr/> <hr/>	<hr/> <hr/>

**5 Investment income**

	<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
	<hr/> 387	<hr/> 233
	<hr/> <hr/>	<hr/> <hr/>

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**

**6 Income from donations, legacies and grants**

	<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>

**7 Expenditure**

	<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>

**Other expenditure (excl VAT) includes:**

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>

**Financing costs**

	<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 £'000</b>	<b>2023 £'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 No.</b>		<b>2023 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 No.</b>	<b>2023 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).

## 8 Analysis of expenditure

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
	<u>13,107</u>	<u>8,181</u>	<u>1,166</u>	<u>22,454</u>
<b>Raising funds</b>				
Trading	741	935	-	1,676
Financing costs (note 7)	-	421	-	421
	<u>741</u>	<u>1,356</u>	<u>-</u>	<u>2,097</u>
	<u>13,848</u>	<u>9,537</u>	<u>1,166</u>	<u>24,551</u>
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>
<b>Governance costs (included within management and administration costs)</b>				
Governors' meeting costs	-	19	-	19
Audit and accountancy	-	50	-	50

## 9 Fair value gains and losses

	2024	2023
	£'000	£'000
Fair value gains and losses on financial assets:		
Gain/(Loss) on fixed asset investments	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)
	<hr/>	<hr/>
Balance at 31 August 2024	9,855	3,767
	<hr/>	<hr/>
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<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)
	<hr/>	<hr/>
Balance at 31 August 2024	9,288	3,204
	<hr/>	<hr/>

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)
	<hr/>	<hr/>
Gross profit	509	594
Administration costs	(443)	(314)
Interest	(5)	(17)
	<hr/>	<hr/>
Net profit	61	263
	<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	468	632
Total liabilities	(365)	(590)
	<hr/>	<hr/>
Total reserves	103	42
	<hr/>	<hr/>

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

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

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

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

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

**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

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

**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	-

**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
	<u>6,407</u>	<u>6,816</u>

**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
	<u>6,730</u>	<u>7,081</u>

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	<u>2,404</u>	<u>-</u>	<u>1,874</u>	<u>4,278</u>
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)	<u>(4,807)</u>	<u>(18)</u>	<u>2,288</u>	<u>(2,537)</u>

**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
		<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>
<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
		<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)	(6,816)	16,253
		<u>28,441</u>	<u>(3,442)</u>	<u>(6,816)</u>	<u>18,183</u>

**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>
	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>

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>	<b>16,253</b>	<b>24,538</b>	<b>(24,259)</b>	<b>124</b>	<b>(2)</b>	<b>16,654</b>
Trading Company	318	1,839	(1,632)	-	-	525
<b>Consolidated Funds</b>	<b>16,571</b>	<b>26,377</b>	<b>(25,891)</b>	<b>124</b>	<b>(2)</b>	<b>17,179</b>

	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>	<b>15,673</b>	<b>22,207</b>	<b>(21,858)</b>	<b>236</b>	<b>(5)</b>	<b>16,253</b>
Trading Company	(98)	2,100	(1,684)	-	-	318
<b>Consolidated Funds</b>	<b>15,575</b>	<b>24,307</b>	<b>(23,542)</b>	<b>236</b>	<b>(5)</b>	<b>16,571</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.

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:

	<b>2024</b>	<b>2023</b>
	<b>%</b>	<b>%</b>
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 £'000</b>	<b>2023 £'000</b>
Net interest credit	(4)	(4)
	<hr/> (4) <hr/>	<hr/> (4) <hr/>
<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)
	<hr/> 4 <hr/>	<hr/> 4 <hr/>
Total defined benefit cost/(credit)	<hr/> - <hr/>	<hr/> - <hr/>

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 Assets £'000</b>	<b>2024 Liabilities £'000</b>	<b>2024 Total £'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)
	<hr/> 239 <hr/>	<hr/> (157) <hr/>	<hr/> 82 <hr/>
Fair value of scheme assets/present value of (liabilities) at end of period	(82)	-	(82)
Surplus on scheme not recognised	<hr/> 157 <hr/>	<hr/> (157) <hr/>	<hr/> - <hr/>

**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
Fair value of scheme assets/present value of (liabilities) at end of period	222	(144)	78
Surplus on scheme not recognised	(78)	-	(78)
	144	(144)	-

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)
Total return on plan assets	17	(48)

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
Total market value of assets	239	222

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
	<u>161</u>	<u>257</u>
	<u><u>161</u></u>	<u><u>257</u></u>

**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>		<b>24,236</b>	<b>1,213</b>	<b>-</b>	<b>25,449</b>
<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	<b>23,471</b>	<b>1,064</b>	<b>16</b>	<b>24,551</b>
<b>Net Income/(Expenditure)</b>		<b>765</b>	<b>149</b>	<b>(16)</b>	<b>898</b>
<b>Transfer between funds</b>		<b>236</b>	<b>(236)</b>	<b>-</b>	<b>-</b>
<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>		<b>996</b>	<b>(130)</b>	<b>(110)</b>	<b>756</b>
<b>Total Funds Brought Forward</b>		<b>15,575</b>	<b>843</b>	<b>1,889</b>	<b>18,307</b>
<b>Total Funds Carried Forward</b>	17	<b>16,571</b>	<b>713</b>	<b>1,779</b>	<b>19,063</b>