SHERBORNE SCHOOLS GROUP

England & Wales · Charity number 1081228

Details

Other names	SHERBORNE SCHOOL
Status	Registered
Legal form	Charitable company
Company number	04002575
Registered	2000-06-22
Register	View on the Charity Commission register

Contact

Address	Abbey Road Sherborne Dorset DT9 3AP
Phone	01935810501
Email	enquiries@sherborne.org
Website	www.sherborne.org

Activities

Objects: TO ADVANCE EDUCATION BY THE CARRYING ON IN OR NEAR SHERBORNE OF A BOARDING AND DAY SCHOOL FOR BOYS AND GIRLS AND BY INCIDENTAL AND ANCILLARY EDUCATIONAL ACTIVITIES AND OTHER ASSOCIATED ACTIVITIES FOR THE BENEFIT OF THE COMMUNITY.

Activities: The advancement of education, including the provision of boarding and/or schooling for children of either or both sexes in Sherborne.

Classification

- **How:** Other Charitable Activities
- **What:** Education/training
- **Who:** Children/young People

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Geography

- **Area of benefit:** IN OR NEAR SHERBORNE
- Dorset

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£83,987,000	£53,437,000	£75,717,000	868
2024-06-30	£29,380,000	£29,314,000	£44,616,000	477
2023-06-30	£26,762,000	£27,310,000	£43,530,000	475
2022-06-30	£25,130,000	£25,417,000	£44,595,000	461
2021-06-30	£28,891,000	£24,430,000	£45,561,000	509

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Trustees

Name	Role	Appointed
AMANDA LOUISE HARRIS		2024-07-01
ANGELA LANE		2015-11-28
Amanda Louise Hughes		2024-07-01
Anthony John Demainbray Pralle		2023-01-06
Canon Nicola Jane Edwards		2024-07-01
Christopher Hadley Samler		2024-08-19
Dr Allan Paul Williams		2024-07-01
GEORGE MARSH MA CERT ED		2009-06-13
Gillian Staley		2025-06-13
Joanna Susan Massey		2024-07-01
Juliet Sara Blanch		2024-07-01
Louise Drummond Hall		2024-07-01
Matthew Christopher Taylor		2024-07-01
Michael Trevenen Wilson		2017-03-25
NIGEL JONES		2021-04-01
Nicholas Isaac		2023-03-01
Professor Simon Mark Spearing		2023-05-26
ROBIN ANTHONY LEACH MA		2008-09-01
Rev Martin Paul Lee		2021-11-27
Sally Ann Craig-McFeely		2024-07-01

Linked charities

- SHERBORNE SCHOOL PRIZE AND SCHOLARSHIP FUND (1081228-1)
- SHERBORNE SCHOOL TRUST (1081228-2)

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SHERBORNE SCHOOLS GROUP

England & Wales - Charity number 1081228

Accounts

SHERBORNE SCHOOLS GROUP

SHERBORNE SCHOOLS GROUP

Registered Charity
Company limited by Guarantee

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
For the year ended
30 June 2025

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GOVERNORS AND CHARITY TRUSTEES

The Governors of Sherborne Schools Group are the Charity Trustees and Company Directors of Sherborne Schools Group ("the Charity", "the Schools", "the Company", "the Group" and "Sherborne"). They have all served in office throughout the year except where indicated. They are:

Executive Chair Mr Christopher Hadley Samler MA (Oxon) MBA (appointed 11 November 2024)
Co-Chair Lt Gen David Leakey CMG CVO CBE MA Cantab (until 10 November 2024, resigned 31 December 2024)
Co-Chair Mrs Louise Drummond Hall (until 10 November 2024, appointed 1 July 2024, resigned 13 January 2026)
Vice Chair Mrs Amanda Louise Hughes, BSC (Joint Hons), ACA (appointed 1 July 2024)

Ms Juliet Sara Blanch (appointed 1 July 2024)
Mrs Sally Ann Craig-McFeely, MB, BS, MRCGP, DRCOG (appointed 1 July 2024)
Canon Nicola Jane Edwards, BSc (Hons), RACS, NPQH (appointed 1 July 2024)
Mrs Amanda Louise Harris, FCA (appointed 1 July 2024)
Mr Nicholas Charles Robert Isaac, BA, MBA, FCMA
Mr Nigel Lawson Jones, BSc, FRICS, ACIArb
Angela Claire Lane, BA, FCA
Mr Robin Anthony Langley Leach, MA
Mr George Marsh MA, Cert Ed (until 31 December 2025)
Mrs Joanna Susan Massey, MA (Cantab), CEng, MIStruct (appointed 1 July 2024)
Mr Anthony John Demainbray Pralle, MA Oxon
Professor Simon Mark Spearing Esq, PhD
Mrs Gillian Staley, BSc, MSc, CMIOSH (appointed 13 June 2025)
Mr Matthew Christopher Taylor Esq, Ma Oxon (appointed 1 July 2024)
Dr Allan Paul Williams, PhD (appointed 1 July 2024)
Mr Michael Trevenen Wilson, BSc, QTS

Ex-Officio The Vicar of Sherborne, The Reverend Martin Paul Lee, Med, BA, Dip in Min

Members of Committees

Finance Committee
Amanda Hughes (Chair), Angela Lane, Louise Hall (until 13 January 2026), Amanda Harris, Nicholas Isaac, Anthony Pralle, Matthew Taylor, Christopher Samler (from 11 November 2024)

Investment Sub-Committee
Angela Lane (Chair), Guy Hudson (volunteer, Pro-Bono Adviser), Guy Hayward-Cole (volunteer, Pro-Bono Adviser), Matthew Taylor, Louise Hall (from 1 January 2025)

Estates Committee
Nigel Jones (Chair), Joanna Massey, Mark Spearing, Amanda Hughes.

Education Committee
Mark Spearing (Chair), Nicola Edwards, Joanna Massey, Paul Williams, Michael Wilson, George Marsh.

Pastoral Committee
Nicola Edwards (Chair), Sally Craig-McFeely, Robin Leach, Martin Lee, Gillian Staley (from 1 July 2025).

Hanford Committee (disbanded 31 December 2024)
Sally Craig-McFeely (Chair), Nicola Edwards, Amanda Hughes, Martin Lee, George Marsh.

SPS Committee (disbanded 31 December 2024)
Robin Leach (Chair), Sally Craig-McFeely, Amanda Hughes, George Marsh, Michael Wilson.

Commercial Committee
Nicholas Isaac (Chair), Nigel Jones, Robin Leach, Paul Williams, Michael Wilson, Christopher Samler

Governance and Nominations Committee
Anthony Pralle (Chair), Juliet Blanch, Louise Hall, Amanda Harris, Angela Lane, Robin Leach, Christopher Samler

Remuneration Committee
Robin Leach (Chair), Sally Craig-McFeely, Juliet Blanch, Amanda Hughes and Christopher Samler

Marketing and Admissions Committee (formed in April 2025)
Paul Williams (Chair), Joanna Massey, Anthony Pralle, Michael Wilson, Christopher Samler

The Governing Board is a self-appointing body. Service on the Governing Board is for a period of five years, subject to re-election for a further term.

Address	Abbey Road Sherborne Dorset DT9 3LF
Website	https://sherborneschools.group

KEY MANAGEMENT PERSONNEL

Mr C H Samler	Executive Chair
Dr R M Sullivan	Head Sherborne Girls
Dr D A Luckett	Headmaster Sherborne Boys (to October 2024)
Mr M I Jamieson	Headmaster (interim) Sherborne Boys (November 2024 – March 2025)
Mr S Heard	Headmaster Sherborne Boys (from April 2025)
Mrs A L Gent	Head Sherborne Prep
Ms H Phillips	Head Hanford Prep (until February 2026)
Mrs S A J Blewitt	Head (interim) Hanford Prep (from February 2026)
Dr D C Cole	Chief Operating Officer and Clerk to the Governors (to August 2025)
Mr S C Worthy	Chief Operating Officer and Clerk to the Governors (from August 2025)
Mrs K A E Massey	Director of External Affairs

ADVISERS

Bankers	Lloyds Bank Plc 2nd Floor, 8 Royal Parade, Plymouth PL1 1LX
Solicitors	Farrer and Co 66 Lincoln's Inn Fields London WC2A 3LH
Independent Auditor	Crowe U.K. LLP 4th Floor, St James House St James Square Cheltenham Gloucestershire GL50 3PR
Investment Advisers	Cazenove Capital Management Schroder & Co. Limited 1 London Wall Place London EC2Y 5AU
Insurance Brokers	Hettle Andrews Eleven Brinley Place 2 Brunswick Square Birmingham B1 2LP
COMPANY NUMBER	4002575
REGISTERED CHARITY NUMBER	1081228

ANNUAL REPORT OF GOVERNING BOARD

The Members of the Governing Board, who are also directors of the Charity, submit their annual report under the Charities Act 2011, incorporating the Report of the Governing Board and the Strategic Report under the Companies Act 2006, together with the audited financial statements for the year ended 30 June 2025.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Sherborne Schools Group ("SSG") is a leading charitable educational organisation based in the historic town of Sherborne, Dorset.

We offer a distinctive and dynamic blend of single-sex and co-educational learning for pupils aged 3 to 18, rooted in tradition but driven by a forward-thinking, values-based vision for education.

Formed in July 2024 through the merger of two long-established charitable trusts, SSG brings together a family of exceptional schools, each with its own identity but united by a shared educational philosophy:

- Sherborne Boys – A historic full-boarding and day school for boys aged 13–18.
- Sherborne Girls – A leading full-boarding and day school for girls aged 11–18.
- Sherborne Prep – A thriving co-educational day and boarding prep school for children aged 3–13.
- Hanford Prep – A nurturing and creative all-girls' boarding and day prep school for girls aged 7–13.
- Sherborne International – Specialist academic short courses for children aged 8–17 from around the world.
- Sherborne Schools Worldwide – An entity to establish Sherborne-branded schools internationally.

Group Highlights YE 30.06.2025	**Key Metrics**
Total Pupils (UK)	1,259 pupils across four UK schools
Annual Operating Income	£49m
Group Formation	2024 merger of Sherborne Girls and Sherborne Boys (including Sherborne Prep and Hanford Prep)
International Presence	6 schools in Qatar and Saudi Arabia
Heritage	Founded 1550 (Sherborne Boys) and 1899 (Sherborne Girls)

On 3 May 2024 it was announced publicly that the Sherborne School for Girls would merge with Sherborne Boys to establish the SSG - comprising Sherborne Boys, Sherborne Girls, Sherborne Prep and Hanford Prep.

The creation of SSG was a strategic move to harness greater possibilities for pupils and staff through shared resources, enhanced facilities, richer collaboration, and a broader educational offering. Since formation, the Board and the Group Executive Committee have refined the long-term ambition, establishing clear strategic goals to guide sustainable growth.

As a result of the merger, in addition to the name of the Group changing, minor amendments were made (following Charity Commission approval) to the Articles of Association and charitable objects. The merger was successfully completed on the 1 July 2024, when Sherborne School for Girls donated all its trade and assets to SSG, to coincide with the start of this financial reporting period.

A new Executive Committee for the Group has been established comprising a newly created position of Executive Chair, the Heads of the schools, a Chief Operating Officer and a Director of External Affairs.

SSG Charitable Objects

SSG's Object, as set out in its Articles of Association, is to advance education, by carrying on in or near Sherborne a boarding and day school for boys and girls. In furtherance of its Object, Sherborne maintains its heritage endowment, being the estates of the schools, with their many listed buildings. There are also endowed funds which contribute towards the provision of scholarships, bursaries and prizes.

SSG Vision

SSG's vision is to be recognised as one of the UK's leading groups of independent schools, renowned for a transformative, values-driven approach that blends academic excellence, character and wellbeing, and 21st-century skills, preparing every pupil to thrive, lead, and shape society as ethical innovators, courageous thinkers, and global citizens.

Mission

SSG is committed to providing a broad and enriching full boarding education that nurtures the unique talents of every pupil within a supportive community. The mission is to send out into the world individuals of character, commitment and compassion who are able to think clearly and creatively, choose wisely, and have the courage to make a difference.

SSG Strategic Aims

A set of three Strategic Goals guides the Group's progress and supports the achievement of our vision:

1. Deliver a Transformational Education
We will enable all SSG schools to deliver distinctive, future-ready education through a unified framework spanning academic excellence, character, wellbeing, and leadership. By leveraging our unique Separate Yet Together model, driving flagship initiatives, and tracking outcomes rigorously, we will ensure every pupil benefits from an exceptional, innovative Sherborne education.
2. Ensure Financial Resilience and Growth
We will ensure a sustainable, high-performing Group by strengthening governance, operational efficiency, and financial resilience to enable long-term investment in excellence. Through

diversified revenue, growing philanthropy, and international expansion, we will secure the resources to fund transformational initiatives, while developing flexible estates, driving Net Zero leadership, and leveraging our global networks to extend Sherborne's reach and reputation worldwide.
3. Develop and Enhance Our Community Culture
We will nurture a high-performing, people-first culture by developing transformative educators through Group-wide leadership programmes, CPD, and pedagogical innovation. By fostering staff wellbeing, strengthening Group identity, and leveraging our alumni, parent, and external networks, we will empower our people to lead, innovate, and inspire — driving excellence across every Sherborne school.

Five Core Pillars

These goals are reinforced at the school level by a framework of Core Pillars and Strategic Priorities, which define the schools' educational focus and specific initiatives, ensuring alignment with the Group's overarching objectives.

1. Character & Wellbeing

We will cultivate resilient, ethical, and socially aware leaders, embedding character and wellbeing across all aspects of school life.

2. Academics & Futures

We will deliver personalised, high-quality learning experiences that equip pupils with the knowledge, skills, and mindset to thrive in a complex, rapidly changing world.

3. Innovation & Entrepreneurship

We will embed creativity, entrepreneurial thinking, and future-ready skills across all years as a core element of our Transformative Education.

4. Partnership & Community

We will cultivate dynamic local, national, and international networks that empower pupils to co-create transformative projects with tangible impact.

5. Sustainability & Humanity

We will equip pupils to become ethical, environmentally conscious, and globally responsible leaders.

The Governors measure the success of the strategy through a comprehensive review of the Group's strategic, operational and development plans and through scrutiny and discussion of the Heads' termly reports and performance indicators.

In setting the aims and objectives, and planning the activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

REVIEW OF THE YEAR

SSG are proud to be the pioneers of a unique and evolving model: Separate Yet Together. What began as a groundbreaking partnership between Sherborne Girls and Sherborne Boys has grown into a wider vision, now embedded across our Group of schools.

The SSG approach brings the best of both worlds. We preserve the proven advantages of single-sex education where it matters most – in creating focused, tailored environments that support academic confidence and personal growth. At the same time, we intentionally create opportunities for meaningful co-educational experiences – in learning, in leadership, in the arts, in service, and in everyday social life – where shared perspectives and collaboration enrich the development of every pupil.

Senior Schools: Educational and Academic Performance

Sherborne Boys
Sherborne Boys delivered another strong set of GCSE outcomes, building on a tradition of academic excellence. In 2025, 54% of all entries were graded at 9-7 (A*/A equivalent), with 34% at grades 9-8 and around one in seven grades at the very highest level (grade 9).

Sherborne Boys' Upper Sixth leavers achieved excellent A-Level results, with nearly a third of grades awarded A*/A, one in six pupils achieving straight A*/A, and one in six securing at least one A* grade. All six pupils holding offers from Oxford or Cambridge met or exceeded their offers, including those requiring multiple A*s.

BTEC results were equally strong, with every pupil attaining at least a merit and nine in ten achieving distinction (equivalent to A*/A). The majority of leavers secured places at first-choice universities, including Newcastle, Durham, Imperial, Bristol, Exeter, and other Russell Group institutions, with a small number pursuing studies abroad at Ivy League schools. Pupils' chosen courses spanned Business, Economics, Engineering, Geography, Modern Foreign Languages, Computer Science, Politics, International Relations, Biomedical Sciences, as well as competitive music and art programs or degree apprenticeships.

Sherborne Girls
Sherborne Girls maintained excellent academic standards at GCSE. In 2025, approximately 50% of entries achieved grades 9–7 (A*/A equivalent) and 69% achieved grades 9–6 (A/B). These outcomes reflect strong performance both at the very highest levels and across the wider cohort, demonstrating the school's commitment to supporting every pupil to reach her potential.

Sherborne Girls achieved another outstanding set of A-Level results in 2025, with 29% of pupils earning at least one A* grade, nearly 40% of all examinations awarded A* or A, and 16% of pupils securing straight A*/A results. University progression was exceptional, with 94% of applicants gaining places at preferred institutions including Oxford, Cambridge, KCL, Bristol, Edinburgh, Durham, and Newcastle, pursuing a wide range of ambitious courses from French, Law, English Literature & Language, Liberal Arts, and Classical Studies to Economics, Land Economy, Engineering, and Biological Sciences.

Social Sciences and Languages saw a resurgence alongside continued strength in STEM, with strong performances in Spanish, History, History of Art, English Literature, Psychology, Geography, Fine Art, and Chinese.

A third of the cohort completed EPQs, 63% of which were graded A*/A, and several pupils opted for alternative pathways, including music and drama courses, competitive degree apprenticeships, or taking time to gain further experience before deciding next steps.

Senior schools: Co-Curricular Achievements

Sport

Sport continues to be a defining strength across Sherborne Girls and Sherborne Boys, with pupils achieving outstanding success within a broad, inclusive and ambitious sporting programme. At Sherborne Girls, significant numbers of pupils were selected for county, regional and national performance pathways in hockey, cross country, lacrosse, netball and cricket, including representation at international and elite academy level. School teams reached regional and national finals, and individual pupils competed at the English Schools' Championships, reflecting both excellence and depth of provision.

At Sherborne Boys, the completion of the Sports Centre has further enhanced an already strong programme, supporting high levels of participation and performance across rugby, football, hockey, cricket, tennis, swimming and water polo, alongside a wide range of additional activities including sailing, cycling, climbing and squash. Across both schools, sport plays a vital role in promoting physical wellbeing while developing leadership, teamwork, discipline and resilience.

Music

Music is a clear and shared area of distinction across Sherborne. Pupils from both schools achieved national recognition through selection for the National Youth Orchestra and National Youth Choir, alongside exceptional success in prestigious external competitions such as the Mid Somerset Festival and Rotary Young Musician of the Year.

Throughout the year, a notably high volume of pupils achieved Grade 7 and 8 outcomes, including many distinctions and performance diplomas across ABRSM, Trinity and LAMDA examinations. An extensive programme of concerts, recitals, ensembles, services, masterclasses and festival performances reflects a flourishing musical culture, characterised by both individual excellence and collective ambition.

Drama, Speech and Performance

Pupils across both schools demonstrated high levels of engagement and achievement in drama, speech and performance. At Sherborne Girls, outcomes in Speech and Drama were consistently strong, with a significant number of pupils attaining Grade 8 qualifications, many with distinctions and merits, highlighting exceptional standards of communication and confidence.

At Sherborne Boys, pupils made a sustained and highly valued contribution to drama through productions and individual performance, with awards recognising excellence, creativity and commitment.

Across Sherborne, the performing arts continue to play a central role in developing confidence, collaboration and expressive skill.

Combined Cadet Force (CCF)

The Combined Cadet Force remains a flagship programme for leadership and character development across both schools. Pupils participated in demanding programmes of training, competition and field exercises, achieving notable success in nationally prestigious competitions including the Pringle Trophy and the Rifles Cadet Cup.

Individual achievements were particularly impressive, with the award of Army Scholarships to senior cadets and an Army Officer Sixth Form Scholarship confirming progression to officer training at Sandhurst. These outcomes reflect the exceptionally high standards of leadership, teamwork and commitment fostered through the CCF.

Duke of Edinburgh's Award and Ten Tors

Participation in the Duke of Edinburgh's Award remains a significant strength across Sherborne, with large cohorts successfully completing Bronze, Silver and Gold awards. Several pupils were invited to receive their Gold Awards at Buckingham Palace, a notable recognition of sustained commitment, service and perseverance.

Pupils from both schools also successfully completed the demanding Ten Tors Challenge, including the 35-mile and 45-mile routes. These achievements exemplify endurance, teamwork, self-discipline and leadership in challenging outdoor environments.

Preparatory Schools

Sherborne Prep

The 2024/25 academic year was marked by considerable success for Sherborne Prep across academic, co-curricular and pastoral provision. Almost half (46%) of Year 8 pupils secured scholarships to their chosen senior schools, spanning academic, creative and sporting awards.

Sporting participation reached a record level, with fixtures and tournaments across a wide range of sports, and individual excellence was highlighted by a pupil achieving third place in the National IAPS Swimming Competition. A number of pupils gained County places in cricket, hockey and swimming.

The school continued to offer a rich and inclusive programme of enrichment. The performing arts flourished, with ten productions staged and every child involved in at least one, complemented by a strong programme of concerts, chapel services and a Summer Art Exhibition.

Parental engagement and pupil leadership remained strong, with themed learning days and numerous pupil led charitable initiatives. Year 8 pupils demonstrated confidence, creativity and maturity through their production of Hamlet, Business and Skills Week activities, and the SPQ Exhibition.

Hanford

Hanford Prep enjoyed a year of academic and co-curricular success, coupled with all that makes life at the school unique. It was a strong year for academic success and 80% of year 8 pupils who applied were successful in securing scholarships to their chosen schools, across academic subjects, sports and the arts.

Participation and performance grew across a variety of sports in the local area. Hanford Prep has individual pupil success with a pupil qualifying for the Dorset Cross Country team and gaining a sports scholarship their chosen senior school as a result.

Riding (and the ponies) continued to be at the heart of the school with nearly all girls in school riding during term time across various disciplines, using both the refurbished indoor school and cross-country paddock, as well as the miles of off-road hacking available. An individual pupil represented Hanford Prep at the National Schools Equestrian Association (NSEA) National Showjumping championships and the School subsequently qualified teams for the NSEA National Championships for the following year.

Service and Community Contribution

Service to others remains central to life at Sherborne. Pupils demonstrated a strong and sustained commitment to volunteering, charitable activity and leadership within their schools and the wider community.

Collectively, these contributions reflect the schools' shared commitment to developing responsible, outward looking young people of strong character, fully aligned with Sherborne's core values of service, responsibility and leadership.

The schools also nurture global citizenship through international exchanges, mentoring, leadership trips, and partnerships that broaden cultural awareness and adaptability. These experiences complement programmes like the Duke of Edinburgh's Award and the Combined Cadet Force, reinforcing teamwork, initiative, and resilience.

Awards

In the 2025 Sherborne Girls was named Sixth Form of the Year by The Week and was a finalist for Best Pupil Wellbeing in the Independent School of the Year awards. Sherborne Boys was a finalist for Boys' School of the Year in the same awards and won the Alumni Relations Champion category in the School House Awards. These accolades reflect the schools' ongoing commitment to outstanding education, student wellbeing, and community engagement.

Our Pupils

The Group welcomes pupils from all backgrounds but needs to be satisfied that it will be able to educate and develop all prospective pupils to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken at the senior schools to satisfy them that potential pupils can cope with the pace of learning and benefit from the education provided.

International Pupils Numbers

SSG is proud to welcome families from across the globe.

Currently at Sherborne Boys and Sherborne Girls just under 16% of pupils are foreign nationals and approximately 10% British expatriates. This creates a warm, multicultural community where, as it is for our UK students, every pupil feels known and supported.

At Sherborne Prep, 10% of pupils are foreign nationals. Meanwhile, Hanford welcomes a greater proportion of international pupils with significant interest from Spanish nationals for short-term placements.

In addition, we continue to welcome children aged 8-17 from overseas to study short-course education programmes during the Easter and Summer holidays.

Financial Performance

During the year, the Group's total reserves increased significantly to £75,717k (2024: £44,616k). This increase was largely attributable to a one-off donation of £30,901k received in connection with the Group's merger.

The governing bodies of the Sherborne School and Sherborne Girls School Groups agreed to merge their charities, effective from 1 July 2024. The merger transaction is treated as a donation from Sherborne School for Girls of all its trades, assets, liabilities, and reserves to SSG.

The donation has enabled not just operational efficiencies and synergies to be realised across the Group as a function of scale but also established a more agile governance structure to ensure the Group continues to thrive in increasingly uncertain times. It has also materially strengthened the balance sheet of this entity and provides a more robust financial platform for the future. The Governors consider this enhanced reserves position to be an important foundation for long-term sustainability and strategic investment.

The operational performance of the schools reflected the continued challenges facing the independent education sector. Taken together, the Group returned a small surplus for the year (excluding the merger donation) of £200k (2024: £1,086k), the reduction is driven by rising cost pressures and a modest decline in pupil numbers. This position was supported by positive contributions from the Group's subsidiaries and overseas operations (£800k), together with a profit arising from the disposal of surplus property (£746k). These favourable items were, however, more than offset by a non-cash impairment charge relating to the Westcott refurbishment project that has been paused following a review of future requirements and affordability (£1,188k).

Pupil numbers decreased slightly during the year, consistent with wider demographic and economic trends. The introduction of VAT has had a mixed financial impact: while the Group is now able to recover a greater proportion of input VAT, the need to charge output VAT has increased costs for families. In this context, the Governors have taken a cautious and measured approach to fee setting and have not increased net fees by the full amount required to offset cost inflation, prioritising affordability for families while carefully managing financial pressures.

The Governors remain focused on maintaining financial resilience while ensuring that resources are directed towards delivering high-quality education. The strengthened balance sheet, together with ongoing contributions from diversified income streams, provides confidence that the Group is able to manage medium-term pressures and continue to invest in its schools for the benefit of current and future pupils but that adjustments to its cost base will be needed in the near term to ensure the Group is best placed for overcome challenges.

Future Plans

We are conscious of the broader challenges facing the sector, including changing UK demographics, affordability pressures for families, and increased operating costs arising from inflation and recent VAT changes. These factors form an important part of the context in which SSG operates. The Governors continue to monitor the external environment closely to ensure that the Group remains financially secure and well placed to support pupils both now and in the future.

The Governors recognise that pupil numbers may reduce over the coming years due to factors affecting the independent schools. This reinforces the importance of careful planning and long-term thinking to ensure the Group remains strong and sustainable.

Financial stability is central to the Group's strategic aim, enabling continued investment in pupils' education. Attracting and retaining pupils remains a key focus, alongside maximising the benefits of the merger, making effective use of the Group's assets, and maintaining efficient, well-managed operations that are designed to support the Group's future for the benefit of current and future families and the wider community.

In response to this evolving landscape, we are committed to remaining flexible, forward-looking, and responsive to the needs of families. A new strategic plan has recently been launched, setting out a clear vision for the Group's future and priorities for transformative educational excellence and enhancing our community culture. This plan provides a strong framework for decision-making and ensures that SSG can adapt confidently to change while staying true to its Christian values and educational ethos.

We believe the creation of the merged group has significantly strengthened the position of our schools. SSG benefits from a stronger presence in the local market, shared expertise and resources, and more streamlined management structures, all of which support investment in teaching, learning and pastoral care. A broader asset base also provides greater stability and flexibility, enabling the schools to focus on delivering an outstanding educational experience for pupils.

SSG's strong academic reputation remains central to its appeal, complemented by its distinctive model of single-sex education alongside co-educational co-curricular opportunities. This blended approach continues to attract families seeking academic focus combined with rich personal development.

International engagement also continues to play a positive role in the Group's future plans. A new overseas franchise partnership commenced in 2025, extending our global reach and strengthening our international profile.

We continue to seek to diversify our income and establish commercial operations which are in line with our charitable objectives.

Our Ethos and Our Policies

We are committed to safeguarding and promoting the welfare of our pupils and expect all staff and volunteers to share this commitment. This commitment is embedded throughout Sherborne's culture, policies, procedures, training and working practices.

Access Policy

The Governors are committed to ensuring that access to the education offered is not restricted solely to those who can afford fees. The bursary policy together with the links with other schools in the area and the local community contribute to a widening of access to the education provided by the Group.

The Governors consider that bursaries are important in ensuring that pupils from families who would otherwise not be able to afford the fees can access the education offered. Bursary awards are available to those who meet the general entry requirements and are made on the basis of parental means or to relieve hardship where an existing pupil's education and future prospects would be at risk, for example, in the case or bereavement or redundancy. In assessing means, the Group takes a number of factors into consideration including family income, investments, savings and family circumstances.

However, the Group does not have a large endowment and in funding bursaries the Group has to be mindful of ensuring a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their children's education, and those benefitting from the awards.

Bursaries are available for up to 100% of termly fees. Further details of the bursary policy and how to apply are provided on the Group's website. Bursaries are subject to annual review so that we ensure that support is only provided to those that require it.

Scholarship Policy

The purpose of scholarships and awards is to recognise high academic potential or the ability to excel in Music, Sport, Drama, Art or Design and Technology (primarily Music and Sport at SPS). Scholarships and awards are awarded with a fixed remission of fees between 2% and 10%. Where assistance is required, awards may be supplemented by a means tested bursary. Further details about scholarships and awards are available on the Group's website.

Assistance to Staff

As part of the Group's emphasis on attracting and retaining high calibre staff, staff who choose to educate their children at Sherborne Boys, Sherborne Girls or Sherborne Prep are eligible to receive a fee discount at the discretion of the Governors.

Compliance

None of our schools were subject to a regulatory inspection by the Independent Schools Inspectorate (ISI) during the year under review but all devoted resources to ensuring that staff remained up to date with the regulatory requirements and that processes and procedures were updated to reflect any changes.

Following the year end, three schools were inspected. Hanford was inspected in December 2025 and they met the required standard in all areas, receiving very positive feedback. Sherborne Boys and

Sherborne Prep were inspected in January 2026, and at the time of writing, the outcomes of these inspections have not been made public.

Investment Policy and Performance

The Board of Governors aims to maximise income whilst at a minimum continuing to preserve the real value of endowed investments. In pursuance of this approach, the Board of Governors also aims to maximise the total investment return whilst adopting a prudent investment position.

The Group's investment powers are governed by the Memorandum and Articles of Association, which permits the Charity's funds to be invested in any security listed on the London Stock Exchange.

The investment objective of the Scholarship and Prize Fund is to preserve the real value of the capital of the Fund and to generate income to fund scholarships awarded by the Group. This means that even in difficult markets the Fund will remain substantially invested and will ride out short term fluctuations in market investment values.

Fundraising Performance

The Group does not fundraise directly; this is carried out by The Sherborne School Foundation (Registered Charity No 1073522) and The Sherborne Girls Foundation (Registered Charity No 1164053) of which SSG is the sole member. No external fundraising bodies are used. The Board of Governors has reviewed the Foundations' practices and is satisfied that their fundraising is compliant with the recognised standards of fundraising (set out in the Code of Fundraising Practice) as well as those required under charity law and wider law; no complaints have been received during the year.

The Sherborne School Foundation recognised a surplus of £17k and The Sherborne Girls Foundation a deficit of £6k in the year.

Reserves Policy

The Group's policy is to not hold any free reserves; all operating surpluses are invested in fixed assets in order to ensure the continued development of the Group. Investment in the Group's infrastructure and facilities remains essential to ensure momentum is maintained in the recruitment of healthy pupil numbers. A general reserve has been retained to provide a buffer against fluctuations in income resultant from any significant adverse variations in pupil numbers.

Risk Management

The Board of Governors is responsible for the management of risks faced by the Charity. The Governing Body operates a Risk Management Framework for the Group. Within that framework, strategic risks to the Group are reviewed termly by the Governing Body with separate risk registers being considered by sub-committees as appropriate. In addition to Finance, HR, ICT, Estates and Health & Safety registers (overseen by the Finance, Estates and Infrastructure and Health & Safety Committees respectively), the Group also manages registers for academic and pastoral risks, as well registers specific to each individual Boarding House (through the Pastoral Committee).

Risks and uncertainties are identified and assessed, with mitigations implemented and monitored throughout the year.

Our Staff

As we review our first period following the merger, the Governors express their thanks to all members of staff for their exceptional dedication and support throughout the year. Their enthusiasm, care and professionalism underpin every aspect of the Group's work and make a lasting difference to the lives of pupils. The Governors are deeply appreciative of the commitment shown by staff in supporting our mission and values.

Employee Information

SSG follows all legislative requirements relating to recruitment and employment

A regular appraisal programme is in place for all academic and most support staff and the personal and professional development of all staff is supported.

Employees are kept up to date with the plans for the Group, its performance and matters of concern through verbal and written briefings, staff meetings and newsletters.

Employee Involvement

The Group encourages the involvement of its employees in its management through regular meetings of the academic and support staff representative groups which have responsibility for the dissemination of information of particular concern to employees and for receiving their views on important matters of policy.

Equality and Inclusion

SSG is an equal opportunity organisation and is committed to a working environment that is free from any form of discrimination on grounds of colour, race, religion, gender identity, sex, sexual orientation or physical disability. The Group makes reasonable adjustments to meet the needs of staff or pupils who are or become disabled or undergo gender reassignment.

During employment the Group seeks to work with employees, considering their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

The number of disabled persons employed by the Group during the year was 11 (2024:12).

Pensions

SSG offers all employees the opportunity to join a defined contribution pension scheme after the successful completion of an initial period of service. Different schemes operate for teaching staff and professional support staff.

SSG operates a defined benefit pension scheme for some of its staff. For some teaching staff, the Group contributes to the multi-employer Teachers' Pension Scheme (TPS). For support staff, the scheme was closed to new entrants in 2002 and the Governors closed the scheme to further accrual in September 2011. The pension liability is included in the unrestricted funds as required by FRS 102. The scheme deficit has increased marginally during 2024/25 to £262k at 30 June 2025 (2024: £203k). The corresponding liability does not result in an immediate cash flow impact. Contributions into the pension plan are met through planned income. Further information can be found in note 30 to these financial statements.

Group Structure and Relationships

The Charity has nine wholly owned subsidiaries; three charitable and six non-charitable. Sherborne School (Trading) Limited, Sherborne School (Leisure) Limited, Sherborne School (Overseas Trading) Limited, The Sherborne School Foundation and a dormant entity Sherborne (Overseas Education) Limited were part of the Group before the merger. Mulliner Trading (Sherborne) Limited, Sherborne Sports and Leisure Limited and The Sherborne Girls Foundation were donated on 01 July 2024.

Prior to 01 July 2024, the Group was a joint member of Sherborne Schools Worldwide Limited (SSW), the other member being Sherborne School for Girls. At the point the two charities merged, the SSG became the sole member of that company.

The Sherborne School Foundation, The Sherborne Girls Foundation, and Sherborne Sports and Leisure Limited are charitable entities.

The activities and trading performances of the subsidiaries are discussed in note 7. Our subsidiaries gifted a surplus to SSG of £430k in the period.

Related and connected party transactions are detailed in notes 31 and 32.

The Sherborne School Foundation and Sherborne Girls Foundation

The Foundations continued to engage former pupils and Parents to raise funds to support key aspects of the schools.

It is expected that a merger between the two Foundations will occur during 2026 to create a single Group focussed Foundation and which will merge the alumni databases

Trading Subsidiaries

Sherborne School (Trading) Limited and Mulliner Trading (Sherborne) Limited continue to operate shops on the schools' sites, and they made a retained profit for the year of £56k (2024: £39k) and of £134k (2024: £2k) respectively.

Sherborne School (Leisure) Limited and Sherborne Sports and Leisure Limited (SSLL) provide sports and leisure facilities for the schools and local community, and they retained profit for the year of £167k (2024: £39k) and £66k (2024: deficit £26k) respectively.

Overseas Activities

Our well-established partnership with Sherborne Qatar completed its sixteenth year of operation and continues to provide a high-quality education based upon the traditional principles and ethos established in Sherborne.

Sherborne Schools Worldwide Limited (SSW) welcomed representatives from Sharaka Education (Sherborne School's partner in Qatar) and Shurfah for a visit to Sherborne and to formally sign the partnership agreement between SSW, Sharaka and Shurfah which will lead to the establishment of Sherborne-branded schools across the Middle East and North Africa. In September 2025, this partnership opened to its first pupils in Jeddah, Saudi Arabia.

Sherborne School (Overseas Trading) Limited (SSOT) provided educational and management services to Sherborne Qatar. It made an operating profit of £160k (2024: 161k) which it was able to gift to SSG, this being additional to the annual royalty from the Qatar relationship of £166k (2024: £166k).

Energy and Carbon Reporting

We recognise the importance of responsible environmental stewardship and transparent reporting. Where applicable, the Group has reported its energy consumption and associated greenhouse gas emissions in accordance with the UK Streamlined Energy and Carbon Reporting (SECR) requirements.

Energy Consumption and Carbon Emissions

The Group's energy consumption during the year comprised electricity, gas, oil and transport fuels used in the UK. Total energy usage and the resulting greenhouse gas emissions are summarised below:

UK GREENHOUSE GAS EMISSIONS AND ENERGY USE DATA	2024/25	2023/24
Energy consumption (kWh) used to calculate emissions (kWh)		
• Gas	13,138,978	9,006,659
• Electricity	5,705,036	4,284,409
• Oil	44,127	0
• Transport fuel	360,211	168,680
Total energy consumption (kWh)	**19,248,353**	**13,459,748**

Emissions in metric tonnes CO2e		
• Gas consumption	2,403.91	1,647.30
• Transport	141.95	61.92
• Oil	10.89	0
• Purchased electricity	1,009.79	887.00
Total gross emissions in metric tonnes CO2e	**3,566.54**	**2,596.22**
Intensity Ratio (tonnes CO2e per pupil) – total number of pupils 1,299 (2024: 797)	**2.75**	**3.26**

In absolute terms, the gross emissions for 2024/25 are up (43.3%) from the previous year. This is due to the increase in activity due to the merger. However, the Intensity Ratio decreasing to 2.75% (2024: 3.26%) highlights that the emissions per pupil have reduced during the period. The most significant contributor to this is a reduction in gas usage at the Sherborne Boys' and Sherborne Prep sites.

Methodology and Assumptions

Energy consumption data has been collated from utility invoices and internal records for the reporting period. Greenhouse gas emissions have been calculated using the UK Government's published greenhouse gas conversion factors for the relevant year.

Investment strategy shift: The reduction in the portfolio's carbon footprint between 2024 and 2025 also reflects a change in the underlying investment strategy for the Scholarship & Prize Fund, to align with the Girls' school portfolios. All portfolios are now invested in Cazenove's charity Sustainable Multi-Asset Fund.

Actions Taken to Improve Energy Efficiency

We remain committed to improving energy efficiency and reducing the Group's environmental impact over time. During the year, actions taken included:

- Continuing to invest in its estate, including new boilers to stem the increase in energy usage.
- Improvements to building fabric or insulation, with a refurbishment of East House for £0.4m, further fabric improvements planned to be conducted in future periods.
- The objective to bring all consumption into same utilities procurement agreements as facilities become available to re-tender. This is anticipated to provide economies of scale for the newly merged Group, in addition to providing access to stronger governance and monitoring.

These measures are intended to reduce energy consumption while maintaining a high-quality learning environment. Further opportunities for improvement continue to be assessed as part of ongoing operational planning.

The Governors believe that a measured and proportionate approach to sustainability supports the Group's long-term resilience and aligns with its wider strategic objectives.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

SSG is a charitable company limited by guarantee and not having a share capital, incorporated and registered in England and Wales under the Companies Act (company number 4002575) and registered with the Charity Commission for England and Wales (registration number 1081228). Its current Articles

of Association are dated 26 May 2000 as revised by Special Resolutions passed on 26 November 2005, 26 November 2011, 12 September 2013, 3 May 2014, 28 November 2020 and 2 May 2024.

SSG administers associated charitable trusts as described in the 'Investment Policy and Performance' section above.

Board of Governors

The structure of the Charity consists of a Board of Governors, the details of which are explained on pages 2 to 4, together with information on how the members of the Board of Governors are appointed to office. The Board of Governors aims to comply with the Code of Good Governance and reviews their performance on an annual basis.

Recruitment and Training of Governors

New Governors are appointed to the Board on recommendation of the Nominations Committee. As and when vacancies become available, the main criterion on the search for suitable candidates is the need to maintain the best possible balance of relevant skills, expertise and experience. Induction for new Governors is organised by the Clerk to the Governors and briefing and discussions on topical subjects take place at Governors' meetings each term. External training courses, for example through the Association of Governing Bodies of Independent Schools (AGBIS) and the Boarding Schools Association, are made available to Governors. All new Governors are required to attend the AGBIS seminar for New Governors.

Organisational Management

The Governors, as charity trustees, are legally responsible for the overall management and control of SSG and they meet at least three times a year.

The other principal committees are; the Finance Committee, the Investment Sub-Committee, the Estates Committee, the Education Committee, the Marketing and Admissions Committee, the Commercial Committee, and the Pastoral Committee, and the Governance and Nominations Committee. Other committee members are listed on pages 2 and 3. Each of these committees meets at least termly other than the Governance and Nominations Committee which meet as required.

The day to day running of Sherborne is delegated to the Executive Chair and the Heads of the Schools. They are supported by the other Executive Committee members; being the Chief Operating Officer ('COO') and the Director of External Affairs, in addition to the Senior Leadership Teams of each school. The members of the Executive Committee attend meetings of the Board of Governors.

Pay Policy for Key Management Staff

The Governors consider the Board of Governors who are also directors of the company and the Charity's trustees, and the Group's Executive Committee to comprise the key management personnel of the charity in charge of directing and controlling, running and operating of SSG on a day-to-day basis.

With the exception of the Executive Chair, all other Governors give of their time freely and none received remuneration in the year. The disclosures relating to the remuneration of the Executive Chair are shown in note 11 to these financial statements. Details of Governors' expenses and related party transactions are disclosed in notes 11 and 31.

The pay of the Executive Chair, the Heads, the COO and the Director of External Affairs is reviewed and determined annually by the Governors through the Remuneration Committee which meets as required.

Consideration is given to performance and benchmarked against comparable schools, details of which are available in reports produced for the independent school sector by AGBIS and Baines Cutler.

The pay of the other members of the Senior Leadership Teams is reviewed annually by the Heads and Executive Chair with reference to performance, average increases in earnings, inflation and sector benchmarks. Recommendations are made to the Governors who make the final decision.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of SSG for the purposes of company law) are responsible for preparing the Annual Report of the Governors (and the incorporated 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 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 the incoming resources and application of resources, including the income and expenditure, of the charitable 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;
- make judgments and estimates that are reasonable and prudent;
- state whether 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 Governors are responsible for keeping proper accounting records that disclose with reasonable 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.

So far as the Governors are aware, there is no relevant audit information of which the Charity's auditor is unaware. The Governors have each taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

AUDITOR

Crowe U.K. LLP has indicated its willingness to continue in office. A resolution to reappoint Crowe U.K. LLP as the School's auditor will be made at the Annual General Meeting.

The Annual Report of the Governors (and the incorporated Strategic Report) were approved by Board of Governors of Sherborne Schools Group on 23 MARCH 2026 and signed on its behalf by:

C H Samler
Chair of Governors

Opinion

We have audited the financial statements of The Sherborne Schools Group ('the charitable company') and its subsidiaries ('the group') for the year ended 30 June 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cashflows and notes to the financial statements, including 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 the charitable company's affairs as at 30 June 2025 and of the group's 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 charitable company 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 trustee's 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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and directors' report included within the trustees' 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 and proper accounting records have not been kept; or
- the 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

As explained more fully in the trustees' responsibilities statement set out on pages 18 and 19, 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 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 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, including financial reporting legislation and the Charity SORP (FRS 102), and [local] tax regulations. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be necessary to the group's ability to operate or to avoid a material penalty. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

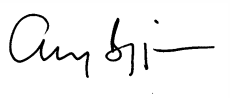
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within bursaries, scholarships and other discounts and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing audit procedures over fee concessions, discounts, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Guy Biggin
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
4th Floor St James House
St James Square
Cheltenham
GL50 3PR

Date: 25 March 2026

Sherborne Schools Group

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating a Consolidated Income and Expenditure Account)
for the year ended 30 June 2025

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2025 Total Funds £'000	2024 Total Funds £'000
Income from:						
Charitable Activities:						
School fees	4	47,434	-	-	47,434	26,944
Ancillary trading income	5	1,682	-	-	1,682	308
Donations:						
Transfer of assets in respect of Sherborne Girls merger	33	28,853	1,311	737	30,901	-
Other donations, legacies and grants	6	5	444	-	449	358
Other trading activities:						
Commercial trading operations	7	2,636	-	-	2,636	1,253
Investments	8	678	174	-	852	456
Other:						
Other income	9	33	-	-	33	61
Total income		**81,321**	**1,929**	**737**	**83,987**	**29,380**
Expenditure on:						
Raising funds:						
Commercial trading operations	7	2,614	-	-	2,614	1,183
Net share of loss in joint venture	32	-	-	-	-	9
Fundraising costs		26	129	-	155	88
Investment management fees		-	47	-	47	29
Total expenditure on raising funds	13	2,640	**176**	**-**	**2,816**	**1,309**
Charitable activities:						
Educational activities		50,190	431	-	50,621	28,005
Expenditure on charitable activities	13	**50,190**	**431**	**-**	**50,621**	**28,005**
Total expenditure		**52,830**	**607**	**-**	**53,437**	**29,314**
Net income and net movement in funds before gains and losses on investments		**28,491**	**1,322**	**737**	**30,550**	**66**
Net gains/(losses) on investments		170	(21)	276	425	651
Net income before taxation		**28,661**	**1,301**	**1,013**	**30,975**	**717**
Tax on profit/(loss) on ordinary activities	14	-	-	-	-	-
Net income before other recognised gains and losses		**28,661**	**1,301**	**1,013**	**30,975**	**717**
Remeasurement of defined benefit pension scheme	30	126	-	-	126	369
NET INCOME		**28,787**	**1,301**	**1,013**	**31,101**	**1,086**
Net movements in funds carried forward		**28,787**	**1,301**	**1,013**	**31,101**	**1,086**

Registered Company Number: 4002575
Registered Charity Number: 1081228

Sherborne Schools Group

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating a Consolidated Income and Expenditure Account)
for the year ended 30 June 2025

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2025 Total Funds £'000	2024 Total Funds £'000
Net movements in funds brought forward		**28,787**	**1,301**	**1,013**	**31,101**	**1,086**
Reconciliation of funds						
Total Funds brought forward	25	36,046	386	8,184	44,616	43,530
Total funds carried forward		**64,833**	**1,687**	**9,197**	**75,717**	**44,616**

All amounts relate to continuing operations.

The notes on pages 28 to 64 form part of these financial statements.

Sherborne Schools Group

BALANCE SHEETS
as at 30 June 2025

	Notes	Group 2025 £'000	Group 2024 £'000	School 2025 £'000	School 2024 £'000
Fixed assets					
Intangible assets	15	5	-	5	-
Tangible assets	16/17	87,944	53,947	86,024	53,946
Investment assets	18	15,535	7,958	15,381	7,804
Total fixed assets		**103,484**	**61,905**	**101,410**	**61,750**
Current assets					
Stocks		457	297	250	158
Debtors	19	2,890	8,138	6,072	8,677
Cash	20	15,235	8,047	14,133	7,560
Total current assets		**18,582**	**16,482**	**20,455**	**16,395**
Liabilities					
Creditors: amounts falling due within one year	21	(19,758)	(11,889)	(19,400)	(11,609)
Net current (liabilities)/assets		**(1,176)**	**4,593**	**1,055**	**4,786**
Total assets less current (liabilities)/assets		**102,308**	**66,498**	**102,465**	**66,536**
Creditors: amounts falling due after more than one year	22	(26,329)	(21,679)	(26,329)	(21,679)
Net assets excluding pension liability		**75,979**	**44,819**	**76,136**	**44,857**
Defined benefit pension scheme liability	30	(262)	(203)	(262)	(203)
Total net assets		**75,717**	**44,616**	**75,874**	**44,654**
The funds of the group:					
Endowed funds	25(a)	9,197	8,184	9,197	8,184
Restricted funds	25(b)	1,687	386	1,262	52
Unrestricted funds:	25(c)				
Accumulation fund		65,095	36,249	65,677	36,621
Pension reserve		(262)	(203)	(262)	(203)
		64,833	36,046	65,415	36,418
Total funds	25	**75,717**	**44,616**	**75,874**	**44,654**

The net income of the Charity for the year to 30 June 2025 was £31,094k (2024: £592k).

The notes on pages 28 to 64 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Governors of Sherborne Schools Group on 23 MARCH 2026 and signed on its behalf by:

C H Samler (Executive Chair)

Sherborne Schools Group

CONSOLIDATED STATEMENT OF CASHFLOWS

For the year ended 30 June 2025

	Notes	2025 £'000	2025 £'000	2024 £'000	2024 £'000
Net cash generated from/(used by) operating activities	28		**16,609**		**4,981**
Cash flows from investing activities:					
Investment income received		812		456	
Proceeds from sale of property, plant and equipment		933		248	
Proceeds from sale of investments		8,382		2,363	
Purchase of property, plant and equipment		(1,583)		(2,790)	
Purchase of investments		(10,884)		(1,933)	
Net cash used in investing activities			**(2,340)**		**(1,656)**
Cash flows from financing activities:					
Cash inflows from borrowing		-		1,000	
Cash repayments of borrowings		(5,535)		-	
New hire purchase agreements		198		-	
Cash repayments of hire purchase		(130)		-	
Finance costs paid		(1,614)		(407)	
Net cash provided by financing activities			**(7,081)**		**593**
Change in cash and cash equivalents in the reporting period			**7,188**		**3,918**
Cash and cash equivalents at the beginning of the year			8,047		4,129
Total cash and cash equivalents at the end of the year			**15,235**		**8,047**
Cash and bank balances			15,235		8,047
			15,235		8,047

The notes on pages 28 to 64 form part of these financial statements.

1. General Information

Sherborne Schools Group ('the Company') is a charitable company limited by guarantee and not having a share capital, incorporated and registered in England and Wales under the Companies Act (company number 4002575) and registered with the Charity Commission for England and Wales (registration number 1081228). This entity acquired Sherborne School for Girls and its associated companies (company number: 0306828, charity number: 307427) on 1 July 2024.

The address of the Company's registered office and principal place of business is Abbey Road, Sherborne, Dorset, DT9 3LF.

The members of the Company are the trustees named on page 2. In the event of the Company being wound up, liability in respect of the guarantee is limited to £1 per member of the Company.

The Company's principal activity is to advance education, by carrying on in or near Sherborne a boarding and day school for boys and girls.

To 30 June 2025, the Group consisted of SSG and all of its subsidiaries – Sherborne School (Trading) Limited, Sherborne School (Leisure) Limited, Sherborne School (Overseas Trading) Limited, Mulliner Trading (Sherborne) Limited, Sherborne Schools Worldwide Limited, Sherborne Sports and Leisure Limited, The Sherborne School Foundation and The Sherborne Girls Foundation. Sherborne School (Overseas Education) Limited is a dormant member of the Group.

The subsidiary companies operate to support SSG's principal activity. The principal activity for each subsidiary is detailed in note 7.

The Company had entered into a joint venture arrangement with Sherborne Girls, with each School owning a 50% interest in Sherborne Schools Worldwide Limited, incorporated to support the principal activities of both Schools. Following the merger on 1 July 2024, the SSG owns 100% of the share capital. Further information on this entity is detailed in note 32.

2. Accounting policies

(a) Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition, effective 1 January 2019).

The financial statements have been prepared under the historical cost convention as modified by the inclusion of listed investments and investment property at fair value.

The financial statements have also been prepared on a going concern basis. In common with other organisations, SSG faces uncertainties arising from current economic conditions including inflationary risks and interest rate rises. After making due enquiries, including review of the latest financial data and future projections, the Governors have a reasonable expectation that the Schools and Group have adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing these financial statements.

2. Accounting policies *(continued)*

(b) Income recognition

Income is recognised, excluding discounts and VAT, in the Statement of Financial Activities ("SOFA") when the Group is entitled to the income, it is probable that the income will be received and the amount can be measured reliably.

School fees

Fees receivable, charges for services and use of premises are accounted, for in the period in which the service is provided. Fees receivable are in respect of the provision of education to pupils in Sherborne Boys, Sherborne Girls, Sherborne Prep and Hanford are stated after deducting allowances, scholarships, bursaries and other remissions granted.

Ancillary trading income

Income from ancillary trading activities is recognised in the SOFA where the Group acts as principal in providing goods or services (i.e. it controls the supply, is exposed to the significant risks and rewards of the trading activity and is responsible for fulfilment). The associated costs are recognised within expenditure.

Where the Group acts as agent for a third party (or otherwise receives funds as agent/custodian and does not control the supply of goods or services), amounts collected on behalf of the principal are not recognised as the Group's income. In these circumstances, only any commission or fee receivable by the Group is recognised as income, and the related inflows and outflows on behalf of the principal are netted and presented within expenditure.

Income from commercial trading activities

Income from commercial trading activities comprises revenue recognised by the company in respect of non-educational services supplied.

(c) Advance Fees Scheme

SSG offers parents the opportunity to pay for up to five years tuition fees in advance. The amount received is invested and interest is accrued to contracts. This is treated as deferred income until the pupil joins the Group whereupon the fees for each term are transferred to income.

(d) Fee extras

SSG collects monies in respect of trips and pupils' personal living expenses and pays these monies out in full to third parties. Where these funds do not represent income for the Group, they are not accounted for in the Statement of Financial Activities.

(e) Donations and legacies

Donations are recognised once the Charity has entitlement to the income, it is probable that the donation will be received and the amount can be measured reliably.

Donations received for the general purposes of the Charity are credited to the accumulation fund. Donations for purposes restricted by the wishes of the donor are taken to "restricted funds" where these wishes are legally binding on the Governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as "endowments" – permanent or expendable according to the nature of the restriction.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is made from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material.

2. Accounting policies *(continued)*

(f) Expenditure

Expenditure is recognised, excluding trade discounts received and recoverable VAT, once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is allocated or apportioned to the applicable expenditure heading on a direct cost basis, with staff costs being allocated according to the estimated time spent by staff working in relevant departments and is classified under the following activity headings:

- Commercial trading activities comprise the costs of commercial trading including the lettings activities and leisure centre activities;
- Fundraising activities includes all fundraising costs of The Sherborne School Foundation and The Sherborne Girls Foundation to promote the charitable purposes of SSG; and
- Expenditure on educational activities includes the costs incurred in respect of the provision of education to pupils and other educational activities undertaken to further the purposes of the charity and their associated support costs.

(g) Intangible fixed assets and amortisation

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Trademarks	10%

(h) Tangible fixed assets and depreciation

The carry forward values of tangible fixed assets are shown in notes 15 and 16 to these financial statements. The basis for determining these carry forward values is historic cost except for the Group's properties, which were revalued in the period to 30 June 2000, and this is now their deemed cost.

Furnishings and equipment costing less than £5k are written off to the Statement of Financial Activities as an expense as acquired.

Building projects costing less than £50k are written off to the Statement of Financial Activities as an expense as acquired.

Depreciation is calculated to write off the cost less estimated residual value of fixed assets on a straight line basis over their currently estimated useful lives.

Land and buildings

The Charity owns a number of buildings within the town of Sherborne. Properties that have no ascertainable historical cost and cannot be valued without undue expense are excluded from the financial statements as allowed by FRS 102.

Buildings are depreciated over their estimated remaining useful lives that are initially calculated to be within 10-50 years.

Land and assets under construction are not depreciated.

Plant, equipment and motor vehicles

Plant, equipment and motor vehicles includes equipment, boarding house fixtures and fittings, computer equipment, vehicles and kitchen and sports equipment. They are depreciated at the following initial rates:

2. Accounting policies *(continued)*

• Computer equipment	25-33%
• Vehicles and playing fields equipment	20-25%
• Kitchen and sports equipment	15%
• All other items	10%

(i) Cash & Cash Equivalents

Cash is represented by cash and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investment that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

(j) Stocks

SSG holds stocks for maintenance purposes, catering and other consumables. The school shops hold stocks for resale. All stocks are valued at the lower of cost and net realisable value.

(k) Taxation

SSG is a registered charity, and as such is entitled to tax exemptions on all its income and gains, properly applied for its charitable purposes. Tax charges may arise in subsidiary companies where the level of Gift Aid payments are insufficient to eliminate all taxable profits.

SSG is a member of a VAT group registered in the UK and acts as the representative member, being responsible for completing and submitting a single VAT return and making VAT payments on behalf of all members of the group. All members of the VAT group remain jointly and severally liable for any VAT debts of the group. Supplies of goods and services within the VAT group are disregarded for VAT purposes and where group companies are VAT registered, expenditure is reported net of recoverable VAT.

(l) Creditors: Deposits Received from Parents

Deposits received from parents or guardians in respect of pupils are recognised as liabilities at the point of receipt, as they represent amounts received in advance for educational services to be provided in the future.

Such deposits are held on account and are not recognised as income until the related educational services have been delivered. In accordance with the school's terms and conditions, deposits held are offset against the pupil's final invoice when the pupil leaves the school. Until such time, deposits are included within creditors as amounts payable or deferred income, as appropriate.

Derecognition

Payables are derecognised when the obligation is settled, cancelled, or expires. Where deposits are offset against a pupil's final invoice, the liability is reduced at the point of offset and the corresponding income or receivable is recognised in accordance with the charity's income recognition policy.

(m) Fixed asset investments

Listed investments are classified as financial instruments and valued at fair value, equivalent to bid price at the year end.

Changes in the valuation of listed investments during the year are shown as unrealised gains or losses. Gains and losses arising from the disposal of assets are disclosed as realised, being the difference between the sale proceeds and the market value at the beginning of the year.

In the separate accounts of the company, on transition to FRS 102, SSG elected to hold its interests in subsidiaries at cost, and subsequently measured at cost less any accumulated impairment losses.

2. Accounting policies *(continued)*

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairments, losses or reversals of impairment losses are recognised immediately in the Statement of Financial Activities.

(n) Investment properties

Investment properties are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in the Statement of Financial Activities.

(o) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments and the pension scheme liability which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, trade and fee debtors, other debtors and accrued income. A specific provision is made for debts for which recoverability is in doubt. Cash and cash equivalents are defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise deposits, fees in advance, trade creditors and other creditors.

(p) Permanent Endowment Fund

As detailed in note 25 the Charity holds assets donated under permanent endowment. Where such an asset is sold, the proceeds of the sale are treated as capital receipts and are taken directly to the Permanent Endowment Fund. Income arising on general purpose Permanent Endowment Fund investments is treated as general income, within unrestricted funds, of SSG.

(q) Scholarship and Prize Funds

Legacies and donations are recognised as receivable under this heading once receipt is considered probable and are invested to provide scholarships and prizes for the benefit of our pupils.

(r) Operating & Finance leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on the straight line basis over the lease term. Assets purchased under finance lease are capitalised as fixed assets. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charges. Finance charges are written-off to the SOFA over the period of the lease so as to produce a constant periodic rate of charge.

(s) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or are capitalised as an intangible fixed asset or a tangible fixed asset.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

(t) Retirement benefits - Defined contribution plans

SSG operates a defined contribution scheme for support staff. The amount charged to the Statement of Financial Activities is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

(u) Retirement benefits - Defined benefit plans

SSG operates a defined benefit retirement plan, which closed to future accrual from 31 August 2011. The cost of providing benefits is determined using the projected unit credit method.

2. Accounting policies *(continued)*

Asset/Liability
The net defined benefit asset/liability represents the present value of the defined benefit obligation minus the fair value of plan assets out of which obligations are to be settled. Any asset resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan.

The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains/Losses
Gains or losses recognised in net income:

- The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost.
- The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.
- Net interest on the net defined benefit asset/liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligations.

Gains or losses recognised after net income:

- Actuarial gains and losses.
- The difference between the interest income on the plan assets and the actual return on the plan assets.

Multi-employer plans
SSG contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator.

Contributions are recognised in the Statement of Financial Activities in the period to which they relate as there is insufficient information available to use defined benefit accounting.

(v) Basis of consolidation
The group financial statements consolidate the financial statements of the Charity and its wholly owned subsidiary undertakings; Sherborne School (Trading) Limited, Sherborne School (Leisure) Limited, Sherborne School (Overseas Trading) Limited, Mulliner Trading (Sherborne) Limited, Sherborne Schools Worldwide Limited, Sherborne Sports and Leisure Limited, The Sherborne School Foundation, The Sherborne Girls Foundation and Sherborne School (Overseas Education) Limited. All inter group sales and profits are eliminated fully on consolidation.

As permitted by section 408 of the Companies Act 2006, the parent company's income and expenditure account has not been included in these financial statements.

The Charity merged with Sherborne School for Girls (company number: 0306828; charity number: 307427) at 1 July 2024 to become the SSG, continuing under the former Sherborne School company and charity numbers. The subsidiaries of Sherborne School for Girls have become subsidiaries of the SSG with effect from 1 July 2024, and are consolidated into the Group financial statements for the year under review.

(w) Business combinations
Business combinations are accounted for using the purchase method (acquisition accounting) in accordance with FRS 102. The acquisition date is the date on which control is obtained. From that date, the results, cash flows and financial position of the acquired entity are included in the consolidated financial statements.

2. Accounting policies *(continued)*

Upon acquisition, the identifiable assets acquired and liabilities assumed are recognised at their fair values at that date.

Where the Group obtains control of another charity or undertaking for nil or nominal consideration and the transaction is, in substance, a gift, the excess of the fair value of the net assets acquired over any consideration paid is recognised as a 'donation' in the consolidated Statement of Financial Activities in the period of acquisition. In these circumstances, the Group does not recognise negative goodwill on consolidation.

Merger accounting is applied only where the combination meets the Charities SORP criteria for a charity merger; where those criteria are not met, the combination is accounted for as an acquisition under the purchase method.

(x) Joint venture

In the prior year, the Charity owned a 50% share in a jointly controlled entity, Sherborne Schools Worldwide Limited. Following the merger with Sherborne School for Girls on 1 July 2024, SSG now owns 100% of the entity's share capital, which is reflected in the 2024/25 financial statements. Further information in respect of this acquisition is provided in note 33. The Charity provided loan funding to the entity, which has been incorporated into debtors as an amount due from a joint venture undertaking. The Charity's share of the entity's income and expenditure, assets and liabilities at 30 June 2024 has been incorporated into these financial statements using the equity method.

(y) Fund accounting

Unrestricted funds are funds that are available for use at the discretion of the Governors in furtherance of the objects of the Charity. Designated funds are unrestricted funds which have been set aside by the Governors for specific purposes. The aim and the use of the designated funds are set out in the notes to the financial statements.

Restricted funds are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the Charity for particular purposes. The aim and use of the restricted funds are set out in the notes to the financial statements.

Transfers between funds are made either where there is a deficit on a restricted fund or where funds have been raised for a restricted project but expenses incurred have been made from unrestricted funds.

3. Critical accounting estimates and areas of judgement

In the application of the Group's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Donated business combination at fair value

During the year the Group obtained control of Sherborne School for Girls by way of a business combination that did not meet the Charities SORP criteria for merger accounting and was therefore accounted for as an acquisition under FRS 102. The assets acquired and liabilities assumed were brought into the Group at their fair values at the acquisition date of 1 July 2024 and the resulting gain was recognised as donated income.

Registered Company Number: 4002575
Registered Charity Number: 1081228

3. Critical accounting estimates and areas of judgement *(continued)*

Management exercised judgement in concluding that the transaction was, in substance, a gift of net assets to the Group and that the resulting gain should be recognised as donated income in the consolidated SOFA. This judgement was based on the terms of the transaction and the absence of consideration paid.

Management applied judgement in determining the assets acquired and liabilities assumed at the acquisition date, including assessing completeness of obligations requiring recognition and determining whether any items met the recognition criteria in FRS 102.

The amounts recognised in respect of the acquisition were based on management's estimates of the fair values of the identifiable assets acquired and liabilities assumed at 1 July 2024. Fair value measurement involves estimation uncertainty, particularly where valuations are derived using assumptions or where there is no active market. In determining fair values, the Group considered available market information and, where appropriate, obtained external advice for material balances.

Tangible fixed assets – estimation of useful life
Tangible fixed assets represent a significant proportion of the Group's total assets. Therefore the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Consolidated Statement of Financial Activities.

The useful lives and residual values of the Group's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology. Historically changes in useful lives and residual values have not resulted in material changes to the Group's depreciation charge.

Receivables
The Group has exposure to the collection of trade and fee income receivables. The provision for bad and doubtful debts is based on our estimates of the expected recoverability of debts. The assumptions underlying our estimate for bad debt provision are driven by the nature of the debtor, as well as the age profile of the component debts, and are based on historical experience and other reasonable factors.

Accruals
The recognition and measurement of accrued liabilities requires management to make estimates and judgements regarding the amount and timing of expenditure incurred but not yet invoiced. These estimates are reviewed regularly and revised as necessary based on updated information.

Defined Benefit Pension Scheme - valuation
The present value of Group's net defined benefit obligation and pension cost is assessed in accordance with the advice of independent actuaries based on latest actuarial valuations and assumptions determined by the actuaries. Valuations of these assumptions can significantly influence the value of the liability (or asset) recorded. Any changes in these assumptions, which are disclosed in note 30, will impact the carrying amount of the pension liability.

4. School fees

(a) *School Fees*

	2025 £'000	2024 £'000
Total School fees	53,523	31,234
Less: Total scholarships, bursaries, grants and discounts	(6,678)	(4,716)
	46,845	26,518
Add back: Scholarships and discounts paid for by restricted funds	78	140
	46,923	26,658
Music fees received	511	286
School fees	**47,434**	**26,944**

(b) *Awards, prizes, and discounts paid for by Restricted Funds comprised:*

	2025 £'000	2024 £'000
Scholarships	78	116
Advance fees discount	-	24
	78	**140**

5. Ancillary trading income

	2025 £'000	2024 £'000
House income	68	77
Junior common room income	15	11
Extras, events income etc	1,255	55
Catering income	1	13
Sundry income	343	152
	1,682	308

6. Donations and legacies

	2025 £'000	2024 £'000
Committed giving	46	61
Donations	402	216
Legacies	1	81
	449	**358**

7. Income from subsidiaries' trading activities

SSG owns the whole of the share capital of five of its active, non-charitable subsidiaries which are Sherborne School (Trading) Limited (company no. 2747901), Sherborne School (Leisure) Limited (company no. 4332724), Sherborne School (Overseas Trading) Limited (company no. 06817042), Sherborne Schools Worldwide Limited (company no. 10730155) and Mulliner Trading (Sherborne) Limited (company no. 03230791). Sherborne Sports and Leisure Limited (company no. 05869779 and charity no. 1117024), The Sherborne School Foundation (company no. 3686309 and charity no. 1073522) and The Sherborne Girls Foundation (company no. 09637231 and charity no. 1164053) are subsidiary charities of SSG as the Group is the sole corporate member.

The income and expenditure, net of inter-group transactions, from commercial trading operations was as follows:

	2025		2024	
	Income £'000	Expenditure £'000	Income £'000	Expenditure £'000
Sherborne School (Trading) Limited	640	677	671	606
Sherborne School (Leisure) Limited	597	562	407	563
Sherborne School (Overseas Trading) Limited	175	15	175	14
Mulliner Trading (Sherborne) Limited	300	188	-	-
Sherborne Schools Worldwide Limited	-	9	-	-
Sherborne Sports and Leisure Limited	924	1,163	-	-
	2,636	**2,614**	**1,253**	**1,183**

(a) Sherborne School (Trading) Limited's principal activity continues to be that of the operation of the Sherborne Boys sports and uniform shop, the Hub cafe and the provision of letting and educational services. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2025 £'000	2024 £'000
Turnover	754	829
Cost of sales	(651)	(743)
Gross profit	**103**	**86**
Administration	(47)	(40)
Operating profit	**56**	**46**
Other operating income	-	-
Profit on ordinary activities before taxation	**56**	**46**
Tax on profit on ordinary activities	-	-
Profit on ordinary activities after taxation	**56**	**46**
Gift Aid distribution	**56**	**7**
Gross Assets	**186**	**203**
Gross Liabilities	**(186)**	**(203)**
Shareholder's (Deficit)/funds	-	-

7. Income from subsidiaries' trading activities *(continued)*

(b) Sherborne School (Leisure) Limited's principal activity is that of the provision of leisure facilities. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2025 £'000	2024 £'000
Turnover	798	616
Administration	(631)	(610)
Operating profit	**167**	**6**
Other operating income	-	-
Profit on ordinary activities	**167**	**6**
Gift Aid distribution	**103**	**-**
Gross Assets	**279**	**168**
Gross Liabilities	**(278)**	**(231)**
Shareholder's Funds/(deficit)	**1**	**(63)**

(c) Sherborne School (Overseas Trading) Limited's principal objects are to promote the charitable purposes of SSG in Qatar and to promote any other charitable purpose connected with or otherwise associated with the Schools. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2025 £'000	2024 £'000
Turnover	175	175
Administration	(15)	(14)
Profit on ordinary activities	**160**	**161**
Gift Aid distribution	**160**	**161**
Gross Assets	**181**	**181**
Gross Liabilities	**(166)**	**(166)**
Shareholder's Funds	**15**	**15**

The subsidiary donates any profits to SSG each year under the Gift Aid Scheme.

7. Income from subsidiaries' trading activities *(continued)*

(d) Mulliner Trading (Sherborne) Limited's principal activity is that of the operation of the Sherborne Girls sports and uniform shop, Queenie's cafe and the provision of letting and educational services. Its results for the year, as extracted from the audited financial statements, are summarised below:

	2025 £'000	2024 £'000
Turnover	696	-
Cost of sales	(591)	-
Gross profit	**105**	**-**
Administration	7	-
Operating profit	**112**	**-**
Other operating income	-	-
Profit on ordinary activities before taxation	**112**	**-**
Tax on profit on ordinary activities	-	-
Profit on ordinary activities after taxation	**112**	**-**
Gift Aid distribution	**112**	**-**
Gross Assets	**208**	**-**
Gross Liabilities	**(187)**	**-**
Shareholder's Funds/(deficit)	**21**	**-**

7. Income from subsidiaries' trading activities *(continued)*

(e) Sherborne Schools Worldwide Limited's principal objects are to promote the charitable purposes of SSG overseas and to promote any other charitable purpose connected with or otherwise associated with the Schools. Its results for the year, as extracted from the audited financial statements, are summarised below:

	2025 £'000	2024 £'000
Turnover	-	-
Cost of sales	-	-
Gross profit	-	-
Administration	(9)	(11)
Operating loss	**(9)**	**(11)**
Interest payable	(31)	(31)
Loss on ordinary activities before taxation	**(40)**	**(42)**
Tax on loss on ordinary activities	-	-
Loss on ordinary activities after taxation	**(40)**	**(42)**
Gift Aid distribution	**-**	**-**
Gross Assets	**1**	**1**
Gross Liabilities	**(685)**	**(645)**
Shareholder's (Deficit)	**(684)**	**(644)**

(f) Sherborne Sports and Leisure Limited's principal activity is that of the provision of leisure facilities. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2025 £'000	2024 £'000
Income from:		
Charitable activities	1,340	-
Total income	**1,340**	**-**
Expenditure on:		
Charitable activities	(1,299)	-
Total expenditure	**(1,299)**	**-**
Net (Expenditure)/income	**41**	**-**
Gross Assets	**2,313**	**-**
Gross Liabilities	**(2,247)**	**-**
Total Charity Funds	**66**	**-**

7. Income from subsidiaries' trading activities *(continued)*

(g) The Sherborne School Foundation's principal objects are to promote the charitable purposes of Sherborne Boys in Dorset and to promote any other charitable purpose connected with or otherwise associated with the School. Its results for the year, as extracted from the audited financial statements, are summarised below:

	2025 £'000	2024 £'000
Income from:		
Donations, legacies and grants	496	524
Other trading income	-	-
Investments	10	12
Total income	**506**	**536**
Expenditure on:		
Raising funds	(129)	(88)
Charitable activities	(360)	(342)
Total expenditure	**(489)**	**(430)**
Net (Expenditure)/income	**17**	**106**
Gross Assets	**360**	**342**
Gross Liabilities	**(9)**	**(9)**
Total Charity Funds	**351**	**334**

(h) The Sherborne Girls Foundation's principal objects are to promote the charitable purposes of Sherborne Girls in Dorset and to promote any other charitable purpose connected with or otherwise associated with the School. Its results for the year, as extracted from the audited financial statements, are summarised below:

	2025 £'000	2024 £'000
Income from:		
Donations, legacies and grants	163	-
Other trading income	-	-
Total income	**163**	**-**
Expenditure on:		
Raising funds	-	-
Charitable activities	(169)	-
Total expenditure	**(169)**	**-**
Net (Expenditure)/income	**(6)**	**-**
Gross Assets	**81**	**-**
Gross Liabilities	**(6)**	**-**
Total Charity Funds	**75**	**-**

8. Investment income

	2025 £'000	2024 £'000
Dividends receivable	340	248
Qatar royalty	166	166
Bank interest receivable	346	42
	852	456

9. Other income

	2025 £'000	2024 £'000
Non ancillary trading income		
Rental income	33	61
	33	61

10. Net income for the year

This is stated after charging/(crediting):

	2025 £'000	2024 £'000
Auditor's remuneration:-		
Fees payable for the audit of the parent charity and the consolidation	65	38
Fee payable for the audit of subsidiaries pursuant to legislation	33	21
Fees payable to the group's auditors and its associates in respect of Corporation tax services	8	4
Depreciation	3,193	2,149
(Profit) on disposal of fixed assets	(746)	(100)
Operating lease costs - equipment	144	16
Interest on advance fee scheme	393	25
Bank loan interest	983	407

All interest payable as included within financing costs, relates to interest on bank loans and overdrafts

11. Analysis of staff costs, trustee remuneration, and the cost of key management personnel

	2025 £'000	2024 £'000
Wages and salaries	25,512	13,850
Social security costs	2,416	1,321
Pension contribution – defined contribution scheme	4,212	2,068
	32,140	**17,239**

The number of higher paid employees was:

	2025 No.	2024 No.
£60,000 - £70,000	22	19
£70,000 - £80,000	17	10
£80,000 - £90,000	3	5
£90,000 - £100,000	1	-
£130,000 - £140,000	-	1
£140,000 - £150,000	1	-
£180,000 - £190,000	1	-
£260,000 - £270,000	-	1
£290,000 - £300,000	1	-

The calculation of staff costs for higher paid employees includes gross salary and benefits in kind.

The key management personnel of the Company and the group comprise the Governors, the Executive Chair and the members of the Group's Executive Committee (full time equivalent headcount 2025: 6.2; 2024: 3). The total employee benefits of the key management personnel of the charity were £1,111k (2024: £612k) including benefits in kind, national insurance and pension contributions.

Included within staff costs above are non-statutory/non-contractual severance payments totalling £70k (2024: £17k) and statutory severance payments of £nil (2024: £2k).

In accordance with the Charity's governing document and section 185 of the Charities Act 2011, one trustee received remuneration from the charity during the year. This represents the first occasion on which the Charity has remunerated a trustee. The Charity Commission provided their consent for the change on 25 July 2024.

The trustee was remunerated for services provided in a non-trustee capacity as Executive Chair. The trustee concerned withdrew from all discussions and decisions relating to their appointment, remuneration and terms of engagement, and the remaining trustees considered the arrangement to be in the best interests of the charity.

During the year, one trustee (2024: nil) received remuneration totalling £20k (2024: £nil).

No other trustees received remuneration or other benefits from the charity during the year.

Trustees' expenses of £2k (2024: £1k) were reimbursed during the year in respect of travel and subsistence costs incurred while undertaking trustee duties for 8 trustees (2024: 7 trustees).

12. Staff numbers

The average number of staff employed by the Charity during the year was as follows:

	2025 No.	2024 No.
Educational staff	310	201
Support staff	558	276
	868	**477**

13. Analysis of expenditure

Year ended 30 June 2025	Staff costs £'000	Other costs £'000	Depreciation £'000	2025 Total £'000	2024 Total £'000
Cost of raising funds:					
Commercial trading operations:					
Sherborne School (Trading) Limited	194	483	-	677	606
Sherborne School (Leisure) Limited	393	169	-	562	563
Sherborne School (Overseas Trading) Limited	-	15	-	15	14
Mulliner Trading (Sherborne) Limited	174	13	1	188	-
Sherborne Schools Worldwide Limited	-	9	-	9	-
Sherborne Sports and Leisure Limited	654	424	85	1,163	-
Net share of loss in joint venture	-	-	-	-	9
Fundraising costs	86	69	-	155	88
Investment management fees	-	47	-	47	29
	1,501	1,229	86	2,816	1,309
Charitable activities:					
Educational activities					
Teaching	20,659	1,202	-	21,861	12,843
Welfare	3,025	6,018	-	9,043	5,074
Premises	1,834	4,531	3,107	9,472	4,945
Support costs of schooling	5,051	2,211	-	7,262	3,490
Education and grant making	-	96	-	96	136
Operational costs – Boys Foundation	70	40	-	110	91
Operational costs – Girls Foundation	-	168	-	168	-
Financing costs	-	1,614	-	1,614	598
Advance fee discounts	-	299	-	299	-
Governance	-	405	-	405	618
Other expenditure	-	291	-	291	210
	30,639	16,875	3,107	50,621	28,005
Total expenditure for Group	32,140	18,104	3,193	53,437	29,314

13. Analysis of expenditure *(continued)*

Year ended 30 June 2024	Staff costs £'000	Other costs £'000	Depreciation £'000	2024 Total £'000
Cost of raising funds:				
Commercial trading operations:				
Sherborne School (Trading) Limited	200	406	-	606
Sherborne School (Leisure) Limited	383	180	-	563
Sherborne School (Overseas Trading) Limited	-	14	-	14
Net share of loss in joint venture	-	9	-	9
Fundraising costs	69	19	-	88
Investment management fees	-	29	-	29
	652	657	-	1,309
Charitable activities:				
Educational activities				
Teaching	11,651	1,192	-	12,843
Welfare	1,948	3,126	-	5,074
Premises	799	1,997	2,149	4,945
Support costs of schooling	2,140	1,350	-	3,490
Education and grant making	-	136	-	136
Operational costs – Foundation	49	42	-	91
Financing costs	-	598	-	598
Governance	-	618	-	618
Other expenditure	-	210	-	210
	16,587	9,269	2,149	28,005
Total expenditure for Group	17,239	9,926	2,149	29,314

14. Taxation

	2025 £'000	2024 £'000
Tax on ordinary activities	-	-

No corporation tax is payable in either the current or preceding year as all profit chargeable to corporation tax has been covered by payments under deed of covenants to Sherborne Schools Group.

15. Intangible fixed assets - Group and Schools

	2025 £'000	2024 £'000
Cost		
At 1 July 2024	-	-
Sherborne Girls merger	9	-
Additions	-	-
Disposals	-	-
At 30 June 2025	9	-
Depreciation		
At 1 July 2024	-	-
Introduced	-	-
Charge for year	4	-
Disposals	-	-
At 30 June 2025	4	-
Net book value		
At 30 June 2025	**5**	**-**
At 30 June 2024	-	-

16. Tangible fixed assets – Schools

	Land and Buildings £'000	Plant, Equipment and Motor Vehicles £'000	Assets Under Construction £'000	Total £'000
Cost				
At 1 July 2024	69,368	9,451	-	78,819
Sherborne Girls merger	32,342	1,206	166	33,758
Additions	455	1,207	104	1,766
Disposals	(300)	(538)	(152)	(990)
At 30 June 2025	101,865	11,326	118	113,353
Depreciation				
At 1 July 2024	18,008	6,865	-	24,873
Charge for year	2,012	1,094	-	3,107
Disposals	(113)	(538)	-	(651)
At 30 June 2025	19,907	7,421	-	27,329
Net book value				
At 30 June 2025	**81,958**	**3,905**	**118**	**86,024**
At 30 June 2024	51,360	2,586	-	53,946

Included within Plant, equipment and motor vehicles above are assets held under lease and hire purchase contracts with a net book value at 30 June 2025 of £115,480 (2024: £99,780). The depreciation charge for the year on these assets amounted to £75,420 (2024: £104,028).

17. Tangible fixed assets - Group

	Land and Buildings £'000	Plant, Equipment and Motor Vehicles £'000	Assets Under Construction £'000	Total £'000
Cost				
At 1 July 2024	69,807	9,505	-	79,312
Sherborne Girls merger	34,975	1,677	166	36,818
Additions	455	1,222	104	1,781
Disposals	(300)	(540)	(152)	(992)
At 30 June 2025	104,937	11,864	118	116,919
Depreciation				
At 1 July 2024	18,447	6,918	-	25,365
Acquired	783	287	-	1,070
Charge for year	2,064	1,129	-	3,193
Disposals	(113)	(540)	-	(653)
At 30 June 2025	21,181	7,794	-	28,975
Net book value				
At 30 June 2025	**83,756**	**4,070**	**118**	**87,944**
At 30 June 2024	51,360	2,587	-	53,947

Included within plant, equipment and motor vehicles above are assets held under lease and hire purchase contracts with a net book value at 30 June 2025 of £115,480 (2024: £99,780). The depreciation charge for the year on these assets amounted to £75,420 (2024: £104,028).

The comparable amount of land and buildings included above at deemed cost determined according to the historical cost accounting rules are as follows:

	Land and Buildings £'000
Cost	92,136
Accumulated depreciation	(19,234)
Net book value	
At 30 June 2025	72,902
At 30 June 2024	44,406

In the period to 30 June 2000, the School's properties (with the exception of certain inalienable or historic buildings for which reliable valuations were not available without incurring costs considered to outweigh the usefulness of the information to financial statements users) were revalued by Chesters, Chartered Surveyors, on the basis of their then current open market value or depreciated replacement cost (as appropriate). In accordance with the transitional provisions of FRS 102 these valuations have not been updated.

A number of principal School buildings owned by SSG have no ascertainable historical cost and cannot be valued without undue expense and are excluded from the financial statements.

18. Investments

	Unlisted £'000	Investment Property £'000	Foundation Fund £'000	Hanford Investments £'000	Advance Fee Fund £'000	SG Restricted Funds £'000	Scholarship & Prize Fund £'000	Endowed Funds £'000	Total £'000
At 1 July 2024	1	150	-	-	460	-	7,193	-	7,804
Introduced	-	-	-	65	-	1,231	-	737	2,033
Additions	-	-	-	-	5,916	-	7,795	-	13,711
Disposals at book value	-	-	-	-	(336)	-	(8,046)	-	(8,382)
Unrealised gain/(loss)	-	150	-	(10)	(7)	(21)	43	20	175
Change in accrued income	-	-	-	-	40	-	-	-	40
Total for Charity	1	300	-	55	6,073	1,210	6,985	757	15,381
Group transactions added/(eliminated) on consolidation	(1)	-	155	-	-	-	-	-	154
At 30 June 2025	-	300	155	55	6,073	1,210	6,985	757	15,535
Investments listed on the Stock Exchange	-	-	155	55	6,073	1,210	6,985	757	15,235
Historical cost	1	5	155	56	6,068	71	6,945	664	13,965

Unlisted Investments

The consolidated balance sheet shows the same investments as the Charity, with the exception of the unlisted investments of £1,105 (2024: £1,004) in Sherborne School (Trading) Limited, Sherborne School (Leisure) Limited, Sherborne School (Overseas Trading) Limited, Mulliner Trading (Sherborne) Limited and Sherborne Schools Worldwide Limited and the investments held within the Sherborne School Foundation of £155k (2024: £155k) which are excluded.

Investment Property

In July 2016, the investment property in Gillingham was revalued by Chesters, Chartered Surveyors, on the basis of its open market at a value of £150,000. During the year, the value of the property was reviewed and the Governors are satisfied that the value has increased by £150k to £300k at 30 June 2025.

This investment property has an historical cost of £5k.

Listed Investments

The market value of investments held outside the UK was £455k (2024: £5,406k)

19. Debtors

	Group		School	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Due within one year:				
Trade debtors	164	147	132	120
Tax recoverable	2	6	-	-
Fees due	1,511	1,257	1,511	1,257
Other debtors	206	186	170	106
Prepayments	1,007	2,661	986	2,661
Advance – Sherborne Girls	-	3,881	-	3,881
Amount due from subsidiary undertakings & joint ventures	-	-	807	452
Due after more than one year:				
Amount due from subsidiary undertakings	-	-	2,466	-
Amount due from joint venture undertaking	-	-	-	200
	2,890	**8,138**	**6,072**	**8,677**

20. Cash and cash equivalents

	Group		School	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Cash at bank	9,601	6,676	8,541	6,222
Cash at investment manager	5,634	1,371	5,592	1,338
	15,235	**8,047**	**14,133**	**7,560**

21. Creditors: amounts falling due within one year

	Group		School	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Bank overdraft and loans	1,000	1,000	1,000	1,000
Fees received in advance	2,645	2,588	2,645	2,588
Trade creditors	1,846	1,047	1,752	1,013
Taxation and social security	2,208	376	2,175	351
Finance leases	115	81	115	81
Other creditors	363	266	258	170
Accruals	4,314	2,332	4,188	2,207
Pensions	428	273	428	273
Deposits held	815	496	815	496
Advance fees (see note 23)	6,024	3,430	6,024	3,430
	19,758	**11,889**	**19,400**	**11,609**

Details and security on the bank loan and overdraft facilities are disclosed in Note 22.

22. Creditors: amounts falling due after more than one year

	Group		School	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Advance fees (note 23)	8,227	4,708	8,227	4,708
Bank loan	13,333	14,000	13,333	14,000
Deposits	4,542	2,778	4,542	2,778
Finance leases	227	193	227	193
	26,329	**21,679**	**26,329**	**21,679**

The bank loan is repayable by instalments:

	Group		School	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Due after more than five years	9,333	10,000	9,333	10,000
Due within two to five years	3,000	3,000	3,000	3,000
Due within one to two years	1,000	1,000	1,000	1,000
	13,333	14,000	13,333	14,000
Due within one year	1,000	1,000	1,000	1,000
	14,333	**15,000**	**14,333**	**15,000**

The bank loan and loan facilities are secured by way of legal mortgage charges dated 17 January 2001 and 1 November 2019 over certain properties owned by SSG.

A £16m facility had been arranged with Lloyds Bank plc to provide funds for working capital and the planned capital projects, which were drawn down through revolving credit agreements. £15m had been drawn down by 30 June 2024. The total balance outstanding on all revolving credit agreements was converted to a term loan at 1 November 2024, and termly repayments commenced during the year to 30 June 2025. The interest rate applicable to the loan facilities is 2.15% over the London Interbank Offered Rate.

23. Advance fee payments

Parents may enter into a contract to pay to the Schools up to the equivalent of five years' tuition fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils will remain in the Schools, advance fees will be applied as follows:

	2025 £'000	2024 £'000
After five years	719	409
Within two to five years	4,136	2,291
Within one to two years	3,372	2,008
	8,227	4,708
Within one year	6,024	3,430
	14,251	**8,138**

The movement during the year on advance fees were as follows:

	2025 £'000	2024 £'000
At 1 July 2024	8,138	1,969
Sherborne Girls merger	7,066	-
New advance fees received during the year	6,657	7,423
Fees repaid during the year	(437)	(29)
Amounts accrued for discount	384	24
Interest paid to parents	3	-
Amounts utilised in payments of fees	(7,560)	(1,249)
At 30 June 2025	**14,251**	**8,138**

24. Analysis of net assets between funds

(a) Analysis of Group net assets between funds

	Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long Term Liabilities £'000	Pension Liability £'000	Fund Balances £'000
Unrestricted					
Pension Reserve Designated Fund	-	-	-	(262)	(262)
Accumulation Fund	94,721	(3,297)	(26,329)	-	65,095
Restricted funds	-	1,687	-	-	1,687
Endowed					
Edbrooke Scholarship and Bursary	255	-	-	-	255
Scholarship and Prize Fund	4,986	434	-	-	5,420
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
Endowed Property	765	-	-	-	765
Verdon-Smith Fund	340	-	-	-	340
Boughey Trust	417	-	-	-	417
Group total at 30 June 2025	**103,484**	**(1,176)**	**(26,329)**	**(262)**	**75,717**

	Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long Term Liabilities £'000	Pension Liability £'000	Fund Balances £'000
Unrestricted					
Pension Reserve Designated Fund	-	-	-	(203)	(203)
Accumulation Fund	53,691	4,237	(21,679)	-	36,249
Restricted funds	-	386	-	-	386
Endowed					
Edbrooke Scholarship and Bursary	255	-	-	-	255
Scholarship and Prize Fund	5,194	(30)	-	-	5,164
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
Endowed Property	765	-	-	-	765
Group total at 30 June 2024	**61,905**	**4,593**	**(21,679)**	**(203)**	**44,616**

24. Analysis of net assets between funds *(continued)*

(b) Analysis of Company net assets between funds

	Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long Term Liabilities £'000	Pension Liability £'000	Fund Balances £'000
Unrestricted					
Pension Reserve Designated Fund	-	-	-	(262)	(262)
Accumulation Fund	92,647	(641)	(26,329)	-	65,677
Restricted funds	-	1,262	-	-	1,262
Endowed					
Edbrooke Scholarship and Bursary	255	-	-	-	255
Scholarship and Prize Fund	4,986	434	-	-	5,420
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
Endowed Property	765	-	-	-	765
Verdon-Smith Fund	340	-	-	-	340
Boughey Trust	417	-	-	-	417
School total at 30 June 2025	**101,410**	**1,055**	**(26,329)**	**(262)**	**75,874**

	Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long Term Liabilities £'000	Pension Liability £'000	Fund Balances £'000
Unrestricted					
Pension Reserve Designated Fund	-	-	-	(203)	(203)
Accumulation Fund	53,536	4,764	(21,679)	-	36,621
Restricted funds	-	52	-	-	52
Endowed					
Edbrooke Scholarship and Bursary	255	-	-	-	255
Scholarship and Prize Fund	5,194	(30)	-	-	5,164
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
Endowed Property	765	-	-	-	765
School total at 30 June 2024	**61,750**	**4,786**	**(21,679)**	**(203)**	**44,654**

25. Analysis of charitable funds

(a) Analysis of movements in permanently endowed funds (Group and Company)

	Balance at 1 July 2024 £'000	Income £'000	Expenditure £'000	Transfers and Investment Gains £'000	Balance at 30 June 2025 £'000
Endowed Property	765	-	-	-	765
Edbrooke fund	255	-	-	-	255
Scholarship and Prize Fund	5,164	-	-	256	5,420
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
Verdon-Smith Fund	-	331	-	9	340
Boughey Trust	-	406	-	11	417
	8,184	**737**	**-**	**276**	**9,197**

Endowed Property

Land and property gifted to the Sherborne Boys in furtherance of its Object, to advance education that is held on permanent endowment and is administered and managed by the Governors.

Edbrooke fund

A fund, the income from which will be made available to the Headmaster of Sherborne Boys and applied at his discretion from time to time, to benefit a pupil wishing to attend the School who may have just missed a scholarship. Alternatively, a pupil currently at the School whose parents find themselves in financial difficulty.

Scholarship and Prize Fund

The Scholarship and Prize fund endowment is invested to provide scholarships and prizes for the benefit of Sherborne Boys. The total realised and unrealised gains and (losses) during the year amounted to £256k (2024 – £657k).

Scholarship and Prize Fund – Eglington Bursaries

The Scholarship and Prize Fund – Eglington Bursaries endowment was set up with a legacy from the late Charles Eglington. The fund is invested to provide bursaries for the benefit of Sherborne Boys.

Boughey Trust, Verdon-Smith Fund

The Endowed funds comprise of The Verdon-Smith and Boughey funds whose income is applied towards the award of bursaries. The total realised and unrealised gains and (losses) during the year amounted to £20k.

25. Analysis of charitable funds *(continued)*

(b) Analysis of movements in restricted funds

	Balance at 1 July 2024 £'000	Income £'000	Expenditure £'000	Investment Gains /(Losses) £'000	Balance at 30 June 2025 £'000
SB Scholarship and Prize Fund	-	108	(108)	-	-
Bursary Fund	-	14	(14)	-	-
Cricket Square	4	-	-	-	4
Shell House Fund	2	-	-	-	2
Upper Pavilion Fund	2	-	(2)	-	-
Sports Centre	-	199	(199)	-	-
Verdon-Smith Fund	-	18	-	(11)	7
Boughey Trust	-	79	-	-	79
SG Scholarships	-	410	-	(1)	409
SG Prizes	-	118	-	3	121
SG Bursaries	-	491	-	(2)	489
Tory Masterclass	-	114	-	(10)	104
Other restricted funds	44	116	(114)	-	46
Charity	52	1,667	(437)	(21)	1,261
The Sherborne School Foundation	334	506	(489)	-	351
The Sherborne Girls Foundation	-	244	(169)	-	75
	386	2,417	(1,095)	(21)	1,687
Eliminated on consolidation	-	(488)	488	-	-
Group	386	1,929	(607)	(21)	1,687

The breakdown of restricted reserves of £351k for the Sherborne School Foundation, and restricted reserves of £75k for the Sherborne Girls Foundation are detailed in each Charity's accounts.

25. Analysis of charitable funds *(continued)*

(b) Analysis of movements in restricted funds *(continued)*

	Balance at 1 July 2023 £'000	Income £'000	Expenditure £'000	Investment Gains /(Losses) £'000	Balance at 30 June 2024 £'000
Scholarship and Prize Fund	-	144	(144)	-	-
Bursary Fund	-	17	(17)	-	-
Cricket Square	4	-	-	-	4
Shell House Fund	2	-	-	-	2
Upper Pavilion Fund	2	-	-	-	2
Sports Centre	-	232	(232)	-	-
SPS Restricted Fund	1	-	(1)	-	-
Other restricted funds	47	-	(3)	-	44
Charity	56	393	(397)	-	52
The Sherborne School Foundation	228	536	(430)	-	334
	284	929	(827)	-	386
Eliminated on consolidation	-	(425)	425	-	-
Group	284	504	(402)	-	386

Transfers from restricted funds to the accumulation fund correspond to incoming resources where the original restriction of the fund has been fulfilled during the year.

The breakdown of restricted reserves of £334k for the Sherborne School Foundation is detailed in that Charity's accounts.

25. Analysis of charitable funds *(continued)*

(b) Analysis of movements in restricted funds *(continued)*

Bursary Funds, including SB and SG
To widen access to Sherborne Schools Group through a programme of means tested bursaries.

Cricket Square
To support the relaying of the cricket squares within the School and primarily those on the Upper square.

Hardship Fund
To support pupils within the School who fall on hard financial times and who the School would like to remain in the School until they complete a key stage of their education.

Scholarships and prizes, including SB and SG
Funds transferred by the Foundations to support and fund scholarships and prizes provided by Sherborne Schools Group.

Shell House Fund
Funds raised for the restoration and upkeep of the Shell House, located in the garden of Harper House.

Sports Centre
Funds raised by and transferred from the Sherborne School Foundation towards the redevelopment of the Sports Centre.

Upper Pavilion
The fund is for the refurbishment and extension of the Upper Pavilion.

SPS Restricted Fund
Donation made to Sherborne preparatory School for the benefit of its staff and pupils.

Boughey Trust, Verdon-Smith Fund
To provide bursaries and scholarships for girls attending the School.

Tory Masterclass

To establish an annual Music Masterclass and Concert at Sherborne Girls in memory of Harriet Tory.

Other Restricted Funds

These relate to several smaller restricted funds. The majority of the donations are expended during the year in which the donations are made, in accordance with the original donor's wishes.

25. Analysis of charitable funds *(continued)*

(c) Analysis of movements in unrestricted funds

	Balance at 1 July 2024 £'000	Income £'000	Expenditure £'000	Tax £'000	Investment Gains/(Losses) £'000	Balance at 30 June 2025 £'000
Pension reserve – designated fund	(203)	-	(185)	-	126	(262)
Accumulation fund	36,249	81,321	(52,645)	-	170	65,095
Total	**36,046**	**81,321**	**(52,830)**	**-**	**296**	**64,833**

There is £431k (2024 - £168k – two trading subsidiaries) which will be distributed to Sherborne Schools Group from four of its trading subsidiaries which has been included as a Gift Aid donation in the accounting year ended 30 June 2025. Please refer to note 7 for more information.

	Balance at 1 July 2023 £'000	Income £'000	Expenditure £'000	Tax £'000	Investment Gains/(Losses) £'000	Balance at 30 June 2024 £'000
Pension reserve – designated fund	(521)	-	(51)	-	369	(203)
Accumulation fund	36,240	28,876	(28,861)	-	(6)	36,249
Total	**35,719**	**28,876**	**(28,912)**	**-**	**363**	**36,046**

26. Contracts and commitments

At 30 June 2025 the School had commitments as follows:

	2025 £'000	2024 £'000
Contracted for but not provided in these financial statements	**-**	**130**
Authorised but not contracted	**-**	**1,376**

There were no commitments at the year end due to the completion of all major capital projects. In the prior year £130k was contracted for but not provided, which comprised the balance of the contract in respect of the Sports Centre project.

27. Other commitments

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

	2025 £'000	2024 £'000
Within one year	134	1
After 1 year but within 5 years	207	22
	341	23

28. Reconciliation of net income/(expenditure) to net cash flow from group operating activities

	2025 £'000	2024 £'000
Net incoming resources	31,101	1,086
Adjustments for:		
Investment income	(852)	(456)
Finance costs	1,614	425
Investment (gains)/losses	(425)	(651)
Investment management charges	47	83
Amortisation	4	-
Depreciation	3,193	2,149
(Profit)/loss on disposal of property, plant and equipment	(746)	(100)
Impairment of tangible fixed assets	152	-
Add: non-cash FRS102 charge to defined benefit retirement scheme	185	196
Less: cash contributions to defined benefit retirement scheme	-	(145)
Merger Acquisition (net of cash)	(22,528)	-
	11,745	2,587
Movements in working capital (excluding merger impact):		
(Increase)/decrease in stocks	12	65
Decrease /(increase) in debtors	6,132	(5,025)
Increase/(decrease) in creditors	(1,155)	7,806
Increase/(decrease) in deposits	(125)	(452)
	4,864	2,394
Net cash (used by)/provided by group operating activities	16,609	4,981

29. Reconciliation of net debt

	At 1 July 2024 £'000	Cash Flows £'000	At 30 June 2025 £'000
Cash and cash equivalents	8,047	7,188	15,235
Loans	(15,000)	667	(14,333)
Finance lease obligations	(274)	(68)	(342)
Total	(7,227)	7,787	560

30. Pension schemes

Teaching & Support Staff Defined Contribution Scheme
The Group operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the Group in an independently administered fund. The contributions payable by the Group charged to profit or loss amounted to £1,080k (2024: £413k). Contributions totalling £120k (2024: £58k) were payable to the fund at the year end and are included in creditors.

Teaching Staff Defined Benefit Scheme
The Group participates in the Teachers' Pension Scheme (TPS) for some of its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,646k (2024: £1,638k), and at the year-end £203k (2024 – £214k) was accrued in respect of contributions to this scheme.

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

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

The employer contribution rate for the TPS is 28.6%, and employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28 68%.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. Accordingly, the Group has taken the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Group has set out above the information available on the scheme.

Support Staff Defined Benefit Scheme
The Group sponsors the Governors of Sherborne School Support Staff Pension Scheme which is a defined benefit arrangement. The scheme closed to future accrual from 1 September 2011. A full actuarial valuation of this scheme was carried out by a qualified independent actuary as at 30 June 2025.

SSG made no contributions to the scheme in the financial year (2024: £145k).

30. Pension schemes *(continued)*

a) Changes in the present value of the defined benefit obligation are as follows:

	2025 £'000	2024 £'000
Present value of funded obligations	(6,682)	(7,210)
Fair value of plan assets	6,420	7,007
Deficit	(262)	(203)
Amounts in the balance sheet:		
Liabilities	(262)	(203)
Assets	-	-
Net liability	(262)	(203)

b) Changes in the present value of the defined benefit obligation are as follows:

	2025 £'000	2024 £'000
Opening defined benefit obligation	7,210	7,563
Current service cost	-	11
Interest cost	358	400
Actuarial losses	(473)	(403)
Benefits paid	(413)	(361)
Closing defined benefit obligation	6,682	7,210

c) Changes in the fair value of scheme assets are as follows:

	2025 £'000	2024 £'000
Opening fair value of scheme assets	7,007	7,042
Interest income	343	372
Return on scheme assets less interest on net defined benefit pension scheme liability	(347)	(34)
Expenses	(170)	(157)
Contributions by employer	-	145
Benefits paid	(413)	(361)
Fair value of scheme assets at end of year	6,420	7,007

30. Pension schemes *(continued)*

d) The amounts included within the Statement of Financial Activities are as follows:

	2025 £'000	2024 £'000
Current service cost	-	(11)
Expenses	(170)	(157)
Total charge to net income	(170)	(168)
Net interest on the net defined benefit pension scheme liability	(15)	(28)
Net finance cost	(15)	(28)
Total amount charged within net income	(185)	(196)
Remeasurement of the net defined benefit pension scheme liability	126	369
Total amount charged to the Statement of Financial Activities	(59)	173

e) The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2025	2024
Equities	-	-
Corporate Bonds	14%	15%
Liability Driven Investments (formerly Fixed Interest Matching Assets and Inflation Linked Matching Assets)	39%	42%
Diversified Growth Funds	42%	41%
Credit default swaps	2%	-
Other (cash)	3%	2%

The scheme assets were switched to managed growth following the closure of the scheme to future accrual.

The actual return on the scheme assets in the year was:

	2025 £'000	2024 £'000
Actual return on the scheme assets	(4)	338

30. Pension schemes *(continued)*

f) Principal assumptions at the balance sheet date (expressed as weighted averages)

The assets of the scheme have been included in this year's financial statements at market value and the liabilities have been calculated using the following principal actuarial assumptions:

	30 June 2025	30 June 2024
Inflation (RPI)	3.21% pa	3.47% pa
Inflation (CPI)	2.86% pa	3.12% pa
Salary increases	n/a	n/a
Rate of discount	5.63% pa	5.11% pa
Rate of increase in pensions in payment where CPI to a maximum of 5% applies	2.86%	3.12%
Rate of increase in pensions in payment where CPI to a max of 2.5% applies	1.91%	2.02%
Assumes life expectancies on retirement age 65:		
Retiring today – males	19.8	19.8
Retiring today - females	22.3	22.3
Retiring in 20 years - males	21.1	21.0
Retiring in 20 years - females	23.8	23.7

31. Related party transactions

The Group has taken advantage of the exemption within FRS102 Section 33 (Related Party disclosures) and has not disclosed transactions with wholly owned subsidiaries.

The majority of Governors of Sherborne School for Girls (company no. 00306828, charity no. 307427) are also Governors of SSG. Except for the donation of assets, there has been no transaction between Sherborne School for Girls and SSG during the year.

Staff members may receive fee remission and discounted membership to one of the Leisure Centres at an agreed rate.

In any year, certain Trustees may have children at one of the Schools and/or be members of one of the Leisure Centres. In both instances Trustees pay normal fees.

The Old Shirburnian Society (the 'Society') is an independent organisation whose members are former pupils of Sherborne Boys. A member of the Old Shirburnian Committee sits on the Board of Trustees. Included in School fees is £24k (2024: £27k) from the Society in respect of bursaries payable.

There were no other related or connected party transactions during the year.

32. Joint venture interest

This entity owned 50% of the share capital of Sherborne Schools Worldwide Limited (company no. 10730155), which was incorporated on 19 April 2017, and commenced trading on 1 May 2017. The company was jointly owned with Sherborne Girls, and was incorporated to identify international opportunities, select, market to and enter into arrangements with third parties on behalf of the two Schools jointly, to generate income, increase the value of the Schools' brands and enhance the Schools' reputations.

Following the merger on 1 July 2024 SSG now owns 100% of the share capital of Sherborne Schools Worldwide Limited, at which point the joint venture accounting policy ceased to apply. At the acquisition date, the net current liabilities of Sherborne Schools Worldwide Limited were £244k, with total net liabilities/shareholders deficit of £644k. No goodwill has been recognised.

33. Merger Acquisition

The assets and liabilities of Sherborne School for Girls as at 1 July 2024 were transferred to SSG by way of a charitable merger deed dated 2 May 2024 at fair value. Given the nature of the transaction, the transfer has been reflected in SSG's accounts as a donation. The results of SSG reflect the assets and liabilities as transferred and the operations carried out by Sherborne School for Girls School since 1 July 2024.

Assets and liabilities transferred at 1 July 2024 at fair value:

	£'000
Fixed assets:	35,757
Investments:	4,907
Stocks:	172
Debtors:	884
Cash at bank:	8,373
Creditors:	(18,870)
Share of joint venture deficit:	(322)
Net donation:	30,901

34. Events after the reporting period

No material events occurred after the reporting period.

SHERBORNE SCHOOLS GROUP

England & Wales - Charity number 1081228

Accounts

SHERBORNE SCHOOLS GROUP ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 2024

SHERBORNE

Registered Company Number: 4002575
Registered Charity Number: 1081228

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The Governors of Sherborne Schools Group ("the Group") present their annual report and audited accounts for the year ended 30 June 2024 and confirm that they comply with the requirements of the Charities Act 2011, Sherborne's constitution, the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019), and the Companies Act 2006.

REVIEW OF THE YEAR

In May 2024 the Governors of Sherborne School announced that it was planning to merge with the Sherborne Girls School Group to establish the Sherborne Schools Group, comprising Sherborne School, Sherborne Girls School, Sherborne Preparatory School and Hanford. Based on 2024 numbers the four schools would have capacity for approximately 1,400 pupils, with provision from Nursery to A-Level/BTEC (3-18). Additionally, the Group would employ approximately 850 staff and could be expected to have an annual financial turnover of between £55 and £60m.

The project was overseen by a joint Steering Group with representatives (governors and staff) of both charities. A new Executive Committee for the Group was established comprising the Heads of the respective senior schools (who also have responsibility for their respective preparatory schools), a group-wide Chief Operating Officer and a newly created position of Executive Chair.

As a result of the merger, in addition to the name of the Group changing, minor amendments were made (following Charity Commission approval) to its Articles of Association and charitable objects. The merger was successfully completed on the 1 July 2024 to coincide with the end of the Financial Year for Sherborne School (and therefore the production of these Accounts).

Principal Achievements and Performance

Educational Performance

The boys once again did very well in their public examinations. 20% of their A levels were graded A* (compared to 9% nationally) with 43% being awarded A* and A grades (27% nationally). Over 70% were graded A*-B and over 90% A* to C. A quarter of the boys achieved straight A* and A grades. The BTEC results were again exceptional with 86% Distinction*/Distinction (with Distinction* being equivalent to an A* at A level and Distinction to an A grade).

Most of our boys were successful in securing their preferred university places. Of the 115 who made UCAS applications, 82 were accepted by their first and 15 by their second-choice institutions. Destinations include high-tariff UK institutions such as Bath, Bristol, Durham, Edinburgh, Exeter, Imperial, Manchester, Newcastle, Oxford, Southampton and UCL. Others secured places at top overseas institutions including McGill, Montréal, Canada; the University of North Carolina, Chapel Hill, USA; and IE Business School, Madrid. The degrees for which they will be studying include Medicine, Veterinary Science, Architecture, Law, Natural Sciences, Engineering, Languages, History, Business, Geography, Music, Economics, Psychology, Computer Science, Horology and Yacht Design.

This year's GCSE results were equally good. Roughly a third were awarded the top grades of 9 and 8 and around half were graded 9 to 7 (equivalent to the old A* and A grades).

Of the 46 Year 8 leavers from Sherborne Preparatory School (SPS) 12 received academic scholarships at Sherborne School or Sherborne Girls, as well as at Canford, King's Bruton, Downe House and Millfield. Additionally, a further fifteen children achieved further scholarships and awards in Drama, Performing Arts, Music and Sport.

Sporting Achievements

On the sporting front, our football squads enjoyed success in their ISFA cup competitions, our Athletes enjoyed success at the South-West Championships, a large number of boys were involved in pathway programmes with Bath Rugby Academy, the Bath and England Hockey Talent Academies and various county cricket clubs. One Upper Sixth Form pupil became the Ukrainian national mountain biking champion.

In addition to school records being broken on the athletics field and in the pool, the U18 won the Rugby 7s Plate at the West of England 7s. Two of our boys won the senior doubles plate at the West of England Schools Fives

Championships and two won medals in the junior bouldering category at the Independent Schools Climbing Championships. In skiing, two boys came first and second respectively in the under-14 unregistered category at the DHO British Ski Racing Championships, our sailors were runners up in the Schools' National Keelboat Championships and reached the final of the BSDRA Western Area Team Racing Championships and our Golfers reached the Southwest final of the South-West ISGA Singles Competition.

The Arts

The Arts continue to flourish at Sherborne. Our Music scholars, spanning Third to Upper Sixth Forms, achieved two ATCL Diplomas (one with Distinction), four ARSM Diplomas, six Grade 8 Distinctions and seven Grade 8 Merits between them. Our musicians staged an outstanding *Joint Schools' Musical Showcase* and individuals performed throughout the year in public recitals and concerts as well as the Halliday Cup and the Patrick Shelley Music Competition for Advanced Instrumentalists, this year adjudicated by the Director of Music at Exeter Cathedral, Timothy Noon.

The Chamber Choir regularly sang in Sherborne Abbey as well as leading Choral Evensongs in Salisbury and Exeter Cathedrals. The Sherborne Schools Choral Society gave its annual concert in Sherborne Abbey. The Brass Band gave concerts at the town's Christmas Festive Shopping Day and played at the CCF Biennial Inspection, the Brass Quintet participated in the annual Pro Corda Music Competition.

The Joint Schools' Musical Production was a magnificent staging of *Legally Blonde*. Closely followed by an outstanding junior production of *The Three Musketeers.* The Green staged *Cancelled,* Abbeylands staged *Between Mouthfuls and Gosforth Park,* Wallace staged *Blue Remembered Hills* and The Digby staged *DNA.*

Our Drama Scholars devised an original piece called *It's up to the Jury.*

Our LAMDA pupils secured 17 Distinctions and 9 Merits for the year in all levels up to and including Grade 8.

Co-curricular

Through participation in over 50 clubs and various other activities, our pupils hone their abilities to plan, think, lead, critique sources and news, analyse situations and behaviour and debate. Examples include the Model United Nations, Amnesty, Debating, Community Service, CCF, Environmental Action, Chess, Coding and various Pupil Voice Committees.

The Duke of Edinburgh's Award continues to go from strength to strength with 180 participants across the three award levels.

The Combined Cadet Force continued to nurture high standards of leadership and teamwork. Cadets went on visits/field trips to Scraesdon Fort, Salisbury Plain, Portsmouth and Lympstone. The Royal Navy section undertook a Field Gun Day and went to Portsmouth for adventure training activities and mountain biking in Queen Elizabeth Park; our Royal Marines visiting CTC Lympstone; and our Army Section being hosted by 6 Rifles in Exeter. In addition, Army cadets competed in the Rifles Cadet Cup, securing a highly commendable fourth place. The Royal Marines competed in the Royal Marines Pringle Trophy. The cadets secured second place overall.

One of our Upper Sixth Form was appointed as His Majesty's Lord-Lieutenant's Cadet for Dorset.

The Combined Cadet Force Biennial Inspection passed off successfully in the presence of the Inspecting Officer Major General Nick Perry, DSO, MBE. The afternoon began with a ceremonial parade and the inspection was accompanied by military music played by the pupils.

Twenty boys completed the Ten Tors Challenge in May.

Many of our boys have not only been mindful of the needs of others but have taken practical steps to help and support those most in need. A Current Upper Sixth Form pupil has been working with *Cars4Ukraine*, a volunteer organisation in Kyiv that supports civilians in donating second hand pickup trucks for use in delivering humanitarian aid, casualty evacuation and medical and ration resupply. Having raised £18,000, he and his father drove in a convoy taking three trucks and large quantities of medical supplies to Ukraine. They also took donations of warm weather clothes, sleeping bags and bedding which were given to an orphanage in Kherson to support some of those who have lost their homes a result of the fighting in the east of Ukraine.

Another Sixth Form pupil set himself the extraordinary challenge of running a series of ultra-marathons for charity. In January 2024, he ran 100km in one day. He then covered 200km in 30 hours in March. He is also planning to run 400km in four days and then 700km in seven days.

The CCF ran a pupil-led initiative to raise money for veterans' charities (the Royal Naval Association, the Royal Marines Charity and the Army Benevolent Fund) through a silent auction running from late January until 7 February 2024.

In addition, boys were busy collecting for the Sherborne Food Bank and other local charities, whilst staff, boys and parents from The Green took part in a 10km run in aid of Movember.

A comprehensive review of co-curricular activities throughout the year is included in the Shirburnian which is available from the Sherborne School Marking Department.

A summary which shows the breadth and depth of academic and co-curricular achievement may be found in The Record of Achievement 2023-24.

Recent Developments

Since approval of the *Development Plan 2023-28*, a number of initiatives have been taken forward, including a rationalisation of our GCSE and A level curricula; the development of a skills based Third Form curriculum; and the creation of a ringfenced time for tutors to see their tutees. We have also developed our neurodiversity provision including through an in-house training course for staff led by our ADHD lead.

The two-year Sports Centre redevelopment project was completed and the new facilities opened to the public on 28 October 2023.

During this accounting period the following project and refurbishment works were seen across the Estate:

In the Summer of 2023:

- Four new single sixth-form study rooms were created in Lyon House;
- Three fourth-form dorms in Lyon House were refurbished to allow each boy to have a desk space alongside their bed;
- A new kitchen was fitted in Lyon which gave the communal area a significant lift;
- The BSR boiler underwent a full refurbishment making it more efficient and effective in heating this space;
- Refurbishment of a large shower and toilet block in Abbeylands was completed.

In the Christmas holidays along with roof repairs across several Houses, the rooms on the second floor of School House saw significant refurbishment with fire doors being replaced and redecoration throughout.

In the Easter holidays, roof repairs continued across some areas of the school including School House, The Green and the Health Centre. The boys' toilets in the dining room underwent a full refurbishment and two new boilers were put into The Green to replace the old system.

The School's heating engineer refurbished the boilers in the Pilkington block which should extend the life of this heating system for some years.

In April 2024, the specialist repairs to the Drama Cupola were completed with further roof repairs and guttering carried out by the School's Estates team.

Throughout the year ongoing fire risk assessment works were completed throughout many of the school buildings.

The Sherborne School Foundation

The Foundation continued to engage OS and Parents to raise funds to support key aspects of the School. In the last year these have included completing the fundraising for the School's new Sports Centre in the heart of the campus which was formally opened by the Lord Lieutenant of Dorset in June 2024.

Looking ahead the Foundation will enable OS and Parents to support the ambitions for the School as the Group develops the vision for education in Sherborne and beyond.

Compliance

Neither school was subject to a regulatory inspection by the Independent Schools Inspectorate during the year but both devoted resources to ensuring that staff remained up to date with the regulatory requirements and that processes and procedures were updated to reflect any changes.

Overseas Activities

Sherborne Qatar completed its fourteenth year of operation and continues to provide a high-quality education based upon the traditional principles and ethos established in Sherborne. In January 2024, Sherborne Qatar announced a reorganisation of the Doha schools. The group of schools has expanded to include an all-through co-educational school; boys' school; girls' school; prep school; and special needs provision.

Sherborne Schools Worldwide Limited (SSW) welcomed representatives from Sharaka Education (Sherborne School's partner in Qatar) and Shurfah for a visit to Sherborne and to formally sign the partnership agreement between SSW, Sharaka and Shurfah which will lead to the establishment of Sherborne-branded schools across the Middle East and North Africa.

Marketing and Recruitment

The key to stability and security to sustaining pupil numbers in both Sherborne School and Sherborne Preparatory School. The Third Form entry to Sherborne School was 108 and numbers on roll increased to 586 (546 Boarders: 40 Day) at the start of the year compared to 579 the previous year.

In the summer of 2022, Sherborne School successfully relaunched its highly regarded summer holiday courses at Sherborne International. Following a year of targeted recruitment activities, enrolments in 2023 reached approximately 85% of pre-pandemic levels, representing 950 student weeks. This resulted in a surplus exceeding £300,000. The courses, held between 5 July and 16 August 2023, catered to students aged 8 to 17 and maintained an academic focus, offering international students an immersive British boarding experience. With participation from over 20 nationalities in 2023, the programme also provided pastoral employment opportunities for many former Sherborne School students. The positive feedback received from attendees reinforces the expectation that some students may consider Sherborne schools for their future education.

During the Easter holidays, the Newell Grange campus hosted a GCSE spring revision course. Running over three weeks, this programme generated a surplus of approximately £11,000 and received excellent feedback from both students and parents, particularly for its focus on academic content and examination techniques.

The increase in marketing and recruitment activity was sustained throughout the year. The School continued to expand its programme of overseas visits with the aim to slightly increase the number of boys we admit from a range of international markets. The School developed its overseas recruitment strategy, including through an expanded programme of visits to established international markets (including Hong Kong, China, Bermuda and Cayman) whilst developing our presence in the Middle East, Kenya, Malaysia, Japan, Thailand and Singapore. Overseas travel (in support of recruitment) included attendance at recruitment fairs and/or hosting receptions in China (September 2023), Bermuda (September 2023) Hong Kong and Japan (October 2023), Grand Cayman and Bahamas (November 2023), Seoul, Korea (February 2024), Dubai (February 2024), Kenya (April 2024), India (New Delhi, Mumbai and Kolkata) (April 2024), Istanbul on behalf of Sherborne International (April 2024), Jersey (May 24).

The School continued to reach target markets with workshops, sports tournaments, Prep School Fairs, Open days, Prep Head visits and visits to Prep Schools as well as continuing with the well-established newsletter and the Shirburnian.

The School achieved success in being awarded the *Best of the Best for Co-Curricular* at The Week Magazine 2023 Awards and were finalists in the Tatler 2024 Awards for a *Lifetime achievement Award*.

Carbon Energy Report

The Charity is reporting under the requirements of the Companies (Directors' Report) and Limited Liability partnerships (Energy and Carbon Reporting) Regulations 2018. The Charity has followed the Environmental Reporting guidelines: including streamlined energy and carbon reporting guidance March 2019 and used the GHG Reporting Protocol – Corporate Standard for quantifying and reporting energy use. The UK Government Conversion Factors for Company Reporting have been used in the calculation.

UK GREENHOUSE GAS EMISSIONS AND ENERGY USE DATA	2023/24	2022/23
Energy consumption (kWh) used to calculate emissions (kWh)		
• Gas	9,006,659	6,988,123
• Electricity	4,284,409	4,161,865
• Transport fuel	168,680	108,920
Total energy consumption (kWh)	**13,459,748**	**11,258,908**
Emissions in metric tonnes CO2e		
• Gas consumption	1,647.30	1,397.62
• Owned transport – minibuses, car and vans	42.17	27.23
Emissions in metric tonnes CO2e		
• Purchased electricity	887.00	861.81
Emissions in metric tonnes CO2e		
• Business travel in employee owned vehicles	19.75	19.84
Total gross emissions in metric tonnes CO2e	**2,596.22**	**2,306.50**
Intensity ratio Tonnes CO2e per pupil – total number of pupils 797 (2023: 818)	**3.26**	**2.82**

Overall gross emissions for 2023-24 is **up** significantly (12.5%) from the previous year. Coupled with a reduction in pupil numbers this has resulted in the Intensity Ratio rising by 15.6%. The most significant contributor to this increase has been the volume of gas used by the schools, predominantly to fuel their Central Heating systems (in main school buildings and Boarding Houses). In addition, the School completed the refurbishment of the Sports Centre, which has been highly energy intensive.

To stem the increase in gas usage, the School has embarked on a programme of repair and, if needs be, replacement of its aging boilers. Across the course of the year, the main school boiler in the BSR was replaced (at a cost of £286k), and that in The Green Boarding House completely overhauled. Work was also begun on replacing the Carrington boiler towards the end of the year in time for the boys' return in September 2024. Further replacements (Dining Hall, The Digby Boarding House and the Drama School) have been built into the Group's capital expenditure planning for the next two years.

Sustainability has been identified as one of the pillars of the 2023-28 Development Plan. Sherborne School has a well-established Environmental Action Group (EAG) who meet with the Senior Deputy Head regularly to discuss potential energy saving initiatives.

In addition, the School owns two principal equity holdings, managed by Cazenove Capital. By far the largest of these relates to Scholarships and Prizes. As at 30 June 2024, Cazenove provided an overall assessment as to the carbon impact of the School's holdings of 405 tonnes CO2 (relative to a benchmark of 506 tonnes/CO2) **up** from 353 tonnes CO2 in 2023. *n.b.* the figures representing an aggregate of the annual scope 1 and 2 carbon emissions (in tonnes) that can be attributed to the School's holdings of the companies in which we are invested (Source: Schroders SustainEx).

PUBLIC BENEFIT

Bursaries and Scholarships

This year Sherborne School provided assistance with fees to 250 pupils (2023: 279) to the value of £4.068k (2023: £3,892k) which represented 15.4% of the School's gross fee income, which is 0.5% lower than the previous year. 111 pupils (2023: 126) received means treated bursaries to the value of £2,510k representing a decrease of 5.9% (£158k) on 2023. 13 pupils (2023:15) received means tested assistance (including scholarships as appropriate)

of 100%, of these three are members of the HMC Scholarship scheme and a further three through Springboard. A further thirteen pupils (2023: ten) received remissions of between 90% to 99% of termly fees. Five pupils received bursaries funded by the Old Shirburnian Society.

124 pupils (2023: 131) received remitted scholarships based on their merit, with a total value of £554k (down from £585k). Scholarships represented 2.1% of the gross fees (2023: 2.4%). Of this number, 36 (the same as last year) also qualified for means-tested bursary support and are included in the figures relating to bursary awards.

In addition, the Sherborne Preparatory School provided fee assistance to 122 pupils (48 of whose parents work at either Sherborne School, Sherborne Girls School or Sherborne Preparatory School). Remittances totalled £648k for the year (19.5% of gross fee income) down from £687k (21.5%) in 2023. 42 pupils received means-tested bursaries (2023 – 27), 7 of whom were also in receipt of a scholarship. The total value of means-tested bursaries for the year was £257k (2023 - £225k). A further 16 children were in receipt of scholarships. The School also supported 4 displaced Ukranian children on 100% bursaries for the year.

FUTURE PLANS

As referenced previously (see Review of Year) the governing bodies of the Sherborne School and Sherborne Girls School Groups agreed to merge their charities, effective from 1 July 2024, enabling not just operational efficiencies and synergies to be realised across the Group as a function of scale but also establish a more agile governance structure to ensure the Group continues to thrive in increasingly uncertain times.

Work has already been undertaken to bring together the Support functions of the various schools to create a single Professional Services division under the leadership of the Chief Operating Officer for the Group, through which savings are already being found which are contributing to the Group's ability to partially mitigate the future effects of the introduction of VAT to fees (from January 2025).

Governors and the Executive have commenced work on defining a new Group-wide strategic plan (supported by internal business plans) with the intention of defining the next phase of the Group's journey. Alongside this a review of the Brand Strategy for the Group has been undertaken to ensure that the benefits of "Separate yet Together" are both promoted and optimised.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

Sherborne's School's Object, as set out in its Articles of Association, is to advance education, by carrying on in or near Sherborne a boarding and day school for boys and girls. In furtherance of its Object, Sherborne maintains its heritage endowment, the School, with its many listed buildings. There is also an endowed Prize and Scholarship fund which contributes towards the provision of scholarships, bursaries and prizes.

Within this Object, the School's core vision is to foster a community of decent, thoughtful, hardworking pupils who value and take full advantage of the opportunities they are given. Individualised care and support will allow them to feel safe and secure within our community; known and valued as individuals; and possessed of open minds that allow them to celebrate difference and diversity. When faced with challenges, they will be proactively and sensitively supported. No pupil will ever be overlooked.

The schools aim to enthuse and prepare children for onward schooling, life and the dynamic world of work in the twenty-first century. They will engage positively with their studies, make strong progress in all that they do, and embrace co-curricular and charitable opportunities. They will be ambitious for themselves and plan sensibly and thoughtfully for their futures. Our curriculum will be dynamic, flexible and responsive to individual needs. Our pupils will develop aesthetic sensibilities and physical wellbeing.

We will provide pupils with a world-class, forward-looking education, imparting the knowledge, skills and attitudes needed for fulfilment and success. Such is the pace of technological and social change that we cannot be sure how the future workplace will look. Whilst traditional professions such as law, accountancy and medicine will remain important, success in those fields is likely to require a different blend of skills from those demanded in the past. At the same time, new, more diverse career paths will continue to emerge, including occupations that we cannot currently envisage, many requiring high levels of mathematical, scientific and technological competence. There will be fewer jobs for life and young people will need flexibility and resilience to adapt successfully to change.

To help our pupils succeed, the schools' academic provision must be first-rate. It must be flexible enough to serve the individual needs of the child, whatever their aptitudes and interests, and sufficiently adaptable to meet the changing demands of education, universities and employers. Much of what we have done in the past remains relevant, but we must be prepared to innovate, impart new skills, offer new subjects and adopt new ways of teaching and learning.

Excellent academic qualifications will remain important, but they will not be sufficient for a fulfilling life and career. A growing body of research indicates that employers of all types, from technology giants to professional services, are looking for much more than just a strong academic record. The most sought-after employees are likely to be those who demonstrate the ability to think critically, creatively and flexibly. They will be able to solve complex problems. They will possess adaptability, resilience, good judgement, emotional intelligence and the ability to work cooperatively with others. They will be trustworthy, likeable and engaging. These, then, are the attributes that we most need to foster through our curricular, co-curricular and pastoral provision.

We must also ensure that, as they mature, our pupils can forge positive, mutually respectful and productive relationships with all. We will, therefore, continue to work closely with our partner school, Sherborne Girls, to provide an ever-richer range of opportunities to learn from them, collaborate with them and form respectful, meaningful friendships appropriate to the twenty-first century.

We will focus upon the delivery of ethical education so that our pupils not only understand issues of global significance but make good choices in support of the environment, equality, diversity and the creation of a fairer and better world. The schools will itself establish ambitious and binding environmental targets.

Our staff will be proud of working at Sherborne, committed to the welfare and wellbeing of those around them and eager to contribute to the continued success of the School. Each will feel valued for the contribution they make to our community and appreciative of those made by others, whatever their role or position. The School will support them in their professional and personal development goals.

Above all, we will be a group of schools based upon values. Kindness will be our watchword, embraced by all as our core value and manifested in our relationships with each other and our daily interactions. Empathy,

generosity of spirit and integrity will permeate our community and our boys and staff will be concerned not simply with their own success but with the wellbeing of others at School, in the local community and further afield. They will engage proactively in charitable works to support the poorest, most vulnerable and those in greatest need.

Because of all these things, our pupils will emerge from the schools as empathetic, mature, thoughtful and likeable and their parents will consistently and unreservedly recommend the schools to others, providing a compelling answer to the question *Why Sherborne?*

Sherborne Preparatory School's strategic aim is to be widely acknowledged as the outstanding school in the South West of England where every child is nurtured by individualised care, enjoys a happy childhood experience and is supported in making the transition to achieve a successful, productive and self-aware life.

The school's motto of *Non Nobis Solum* means 'not for ourselves alone' and there has never been a more pressing need for future generations to be active global citizens who are willing and equipped to make a contribution to the world around them.

At Sherborne Prep we believe in learning to think imaginatively, to work both collaboratively and independently and to care sincerely for others and for our world. We seek, through working hard, to discover all we are capable of doing and being, and the joys of life and of learning.

The school aims to:

- foster the best possible work ethic in each child by encouraging passion, curiosity, initiative and a joy of learning;
- help children to discover and develop their own personalities and talents;
- ensure that children are well grounded and develop a social and cultural awareness which enables them to understand their place and their responsibilities in the wider world;
- welcome parents into a partnership which embraces trust, understanding, a shared vision and mutual support;
- encourage children to see their education as a staging post to lifelong learning, discovery and achievement.

Objectives and Public Benefit

Sherborne's objectives are set to reflect its educational aims and ethos. In setting objectives, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging. In furtherance of these objectives the Governors, as charity trustees, have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub sector guidance concerning the operation of the Public Benefit requirement under the Act.

Our Ethos, Strategy and Policies

The Governors are responsible for setting strategies for both schools to achieve the objectives they have set. The focus of the strategy is on the development of pupils, their continued high levels of academic and co-curricular achievements and to further widen access to the education the School provides. In taking the strategy forward the School implements the following policies.

Sherborne is a charity which seeks to benefit the public through the pursuit of its stated object. Fees are set at a level to ensure Sherborne's financial viability and at a level that is consistent with its educational aims.

The School welcomes pupils from all backgrounds but needs to be satisfied that it will be able to educate and develop all prospective pupils to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy the School that potential pupils can cope with the pace of learning and benefit from the education provided.

Sherborne is an equal opportunity organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion or belief, sex, trans-gender status, marital or civil partnership status, sexual orientation or disability. Sherborne will make reasonable adjustment to meet the needs of staff or pupils who are or become disabled.

Sherborne is committed to safeguarding and promoting the welfare of its pupils and expects all staff and volunteers to share this commitment. This commitment is embedded throughout Sherborne's policies, procedures and working practices.

Access Policy

The Governors are committed to ensuring that access to the education offered is not restricted to those who can afford fees. The bursary policy together with the links with other schools in the area and the local community contribute to a widening of access to the education provided by Sherborne.

The Governors consider that bursaries are important in ensuring that boys from families who would otherwise not be able to afford the fees can access the education offered. Bursary awards are available to those who meet the general entry requirements and are made on the basis of parental means or to relieve hardship where an existing pupil's education and future prospects would be at risk, for example, in the case or bereavement or redundancy. In assessing means, the School takes a number of factors into consideration including family income, investments and savings and family circumstances.

However, Sherborne does not have a large endowment and in funding bursaries the School has to be mindful of ensuring a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their children's education, and those benefitting from the awards.

Bursaries are available for up to 100% of termly fees. They are advertised in the local press and through HMC Projects in Central and Eastern Europe. Further details of the bursary policy and how to apply are provided on the School website. Bursaries are subject to annual review so that the School can ensure that support is only provided to those that require it.

The Governors, through the initiatives explained above, intend that the proportion of means tested bursary support compared to merit awards should increase over the coming years.

Scholarship Policy

The purpose of scholarships and awards at the Schools is to recognise high academic potential or the ability to excel in Music, Sport, Drama, Art or Design and Technology (primarily Music and Sport at SPS). Scholarships and awards are awarded with a fixed remission of fees between 5% and 10%. Where assistance is required, awards may be supplemented by a means tested bursary. Further details about scholarships and awards are available on the Schools' websites.

Assistance to Teaching Staff

As part of Sherborne's emphasis on attracting and retaining high calibre staff, members of the teaching staff of both schools who choose to educate their children at Sherborne School, Sherborne Preparatory School or Sherborne Girls receive a fee discount.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

As a full boarding operation, Sherborne School has continued to be exposed to significant inflationary pressures, in particular in fuel and food costs, incorporated into the planning assumption for the year that informed the fee increase (8.6%) announced in April 2023.

Additionally, the headwinds faced by all preparatory schools in the current financial climate, resulted in Sherborne Preparatory School making a further, though much reduced, operating loss for the year. Plans have been approved to continue deficit reduction for 2024-25, but further reform of the business model for the school will be needed for it to thrive in the way it had previously.

Good progress continues towards the establishment of a significant commercial income stream to offset the schools' reliance on fee income, with Sherborne School (Trading) Limited making a retained profit for the year of £39k on a turnover of £829k; it was able to gift £7k to Sherborne School, having now covered past trading losses. The completion of the Sports Centre redevelopment means that Sherborne School (Leisure) Limited is now generating commercial income, although the delayed completion referenced elsewhere prevented the company achieving its expected result for the year; however, with renewed focus the expectation for the year ahead is greatly improved.

Sherborne School (Overseas Trading) Limited (SSOT) provided educational and management services to Sherborne Qatar. It made an operating profit of £161k (2023: £161k) which it was able to gift to Sherborne School, this being additional to the annual royalty from the Qatar relationship of £166k.

The combined result of all the above created a net surplus (before taxation) of £66k (2023: 548k loss)

Investment Policy and Performance

The Board of Governors aims to maximise income whilst at a minimum continuing to preserve the real value of endowed investments. In pursuance of this approach, the Board of Governors also aims to maximise the total investment return whilst adopting a prudent investment posture. It also plans to match the return on invested Advance Fees Scheme monies in line with the maturation profile of the related liability to provide schooling in future years.

The investment objective of the Scholarship and Prize Fund is to preserve the real value of the capital of the Fund and to generate income to fund scholarships awarded by the School. This means that even in difficult markets the Fund will remain substantially invested and will ride out short term fluctuations in market investment values. The Fund achieved a cumulative return of 12.4% (2023: 2.3%) over the year against an investment objective of between 3% and 3.5% p.a.

Fundraising Performance

The School does not fundraise directly; this is carried out by the Sherborne School Foundation (Registered Charity No 1073522) of which Sherborne is the sole member. No external fundraising bodies are used. The Board of Governors has reviewed the Foundation's practices and is satisfied that its fundraising is compliant with the recognised standards of fundraising (set out in the Code of Fundraising Practice) as well as those required under charity law and wider law; no complaints have been received during the year. The main focus of fundraising for the 2023-24 financial year has continued to be the Sports Centre redevelopment, for which almost £4m has been raised.

Reserves Policy

Sherborne's policy is that unrestricted reserves should not be accumulated from year to year other than in anticipation of an identified capital project and that any surpluses generated from the running of Sherborne will be invested in developing its buildings, equipment and resources. Sherborne therefore holds no free reserves, with a negative £(16,982k) (2023: £(16,499k)) on unrestricted funds. The situation is largely attributable to the liability for holiday pay which is accrued because the main nine-week holiday period falls just as the financial year ends, and the defined benefit pension liability. Governors do not consider that either of these liabilities are likely to result in an immediate impact on cash flow.

Total funds held at 30 June 2024 amounted to £44,616k (up £1,086k), which included £386k of restricted funds (up £102k).

Sherborne operates a defined benefit pension scheme for some of its support staff. This scheme was closed to new entrants in 2002 and the Governors closed the scheme to further accrual in September 2011. The pension liability is included in the unrestricted funds as required by FRS 102. The scheme deficit has decreased during 2023-24 to £203k at 30 June 2024 (2023: £521k). The corresponding liability does not result in an immediate cash flow impact. Contributions into the pension plan are met through planned income. Further information can be found in note 28 to these financial statements.

RISK MANAGEMENT

The Board of Governors is responsible for the management of risks faced by the Charity. The Governing Body approved the introduction of a new Risk Management Framework for the Group in June 2021. Within that framework, strategic risks to the Group are reviewed termly by the Full Governing Body with separate risk registers being considered by sub-committees as appropriate. In addition to Finance, HR, ICT, Estates and Health & Safety registers (overseen by the Finance & General Purposes, Estates and Infrastructure and Health & Safety Committees respectively), the School also now manages registers for academic and pastoral risks, as well registers specific to each individual Boarding House (through the Pastoral Committee). Risks and uncertainties are identified, assessed and controls established and monitored throughout the year.

The overall risk appetite of the School has reduced during the course of this financial year with several strategic risks having to be considered and managed. Whilst the current economic climate has significantly increased the cost base of the Group, it has also increased pressure on parents for whom the decision to send their children to an independent school was marginal – identified as a key risk. Additionally, significant time and effort has been spent considering another key risk - the potential impact on the Group (and how it might ameliorate) should a Labour government be formed and the VAT-status of independent schools changed.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Governors of Sherborne are the Group's charity trustees under charity law and the directors of the charitable company. The Group's Governors, advisers and key staff are set out on pages 55 to 57.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Sherborne is a charitable company limited by guarantee and not having a share capital, incorporated and registered in England and Wales under the Companies Act (company number 4002575) and registered with the Charity Commission for England and Wales (registration number 1081228). Its current Articles of Association are dated 26 May 2000 as revised by Special Resolutions passed on 26 November 2005, 26 November 2011, 12 September 2013, 3 May 2014, 28 November 2020 and 2 May 2024. Sherborne administers two associated charitable trusts, the Sherborne School Prize and Scholarship Fund and the Sherborne School Trust that are regulated by a Charity Commission Scheme sealed on 26 June 2000.

Board of Governors

The structure of the Charity consists of a Board of Governors, the details of which are explained on pages 55 to 57, together with information on how the members of the Board of Governors are appointed to office. The Board of Governors aims to comply with the Code of Good Governance and reviews their performance on an annual basis.

Recruitment and Training of Governors

New Governors are appointed to the Board on recommendation of the Nominations Committee. As and when vacancies become available, the main criterion on the search for suitable candidates is the need to maintain the best possible balance of relevant skills, expertise and experience. Induction for new Governors is organised by the Clerk to the Governors and briefing and discussions on topical subjects take place at Governors' meetings each term. External training courses, for example through the Association of Governing Bodies of Independent Schools (AGBIS) and the Boarding Schools Association, are made available to Governors. All new Governors are required to attend the AGBIS seminar for New Governors.

Organisational Management

The Governors, as charity trustees, are legally responsible for the overall management and control of Sherborne, which consists of the School, Sherborne Preparatory School, Sherborne International and (through its sole shareholdings) trading subsidiaries and meet at least three times a year. The work of reviewing many of their policies is carried out by the members of the Finance and General Purposes Committee (F&GPC), who meet three weeks before each meeting of the full Board. In particular this committee reviews the budget and finalises the audited financial statements and annual report for approval by the Board. The Chairman of Governors is a member of the F&GPC which was chaired for the year by Mrs Angela Lane. The other principal committees are the Investment Sub-Committee, chaired by Mr Guy Hayward-Cole, the Estates and Infrastructure Committee, chaired for the first part of the year by Ms Vicki Cotter and thereafter by Mr Aubrey Capel, the Academic Committee chaired by Mr George Marsh, the Pastoral Committee chaired by Dr Max Jonas. The Remuneration and Nominations Committees are chaired by the Chair of Governors. Other committee members are listed on pages 55 to 57. Each of these committees meets at least termly other than the Remuneration and Nominations Committees which meet as required.

The day to day running of Sherborne is delegated to the Chief Executive who is also the Headmaster of Sherborne School. He is supported by the Bursar (Chief Operating Officer from 1 July 2024) and the Head (SPS) and the Senior Leadership Teams of each school. The Headmaster, the Bursar and the SPS Head attend meetings of the Board of Governors.

As noted elsewhere within this report multiple changes were effected to the governance arrangements of the charity as a result of the merger with Sherborne Girls at the beginning of July 2024. These have also meant changes to the organisational management of the Group. Rather than duplicate commentary here please refer to pages 55 to 57 for the changes made.

Pay Policy for Key Management Staff

The Governors consider the Board of Governors who are also directors of the company and the charity's trustees, and the Group Executive team to comprise the key management personnel of the charity in charge of directing and controlling, running and operating Sherborne on a day-to-day basis. All Governors give of their time freely and no Governor received remuneration in the year. Details of Governors' expenses and related party transactions are disclosed in notes 9 and 29.

The pay of the Headmaster and Chief Executive, the Bursar and the SPS Head is reviewed and determined annually by the Governors through the Remuneration Committee. Consideration is given to performance and benchmarked against comparable schools, details of which are available in reports produced for the independent school sector by AGBIS and Baines Cutler.

The pay of the other members of the Senior Leadership Teams is reviewed annually by the Headmaster and Chief Executive with reference to performance, average increases in earnings, inflation and sector benchmarks. Recommendations are made to the Governors who make the final decision.

Group Structure and Relationships

The Charity had three wholly owned non-charitable subsidiaries: Sherborne School (Trading) Limited, Sherborne School (Leisure) Limited and Sherborne School (Overseas Trading) Limited, whose activities and trading performance are discussed in note 6.

On 1 July 2008 Sherborne School became the sole member of the Sherborne School Foundation, registered company number 3686309 and registered charity number 1073522. The principal objects of the Sherborne School Foundation are to promote the charitable purposes of Sherborne School in Dorset and to promote any other charitable purpose connected with or otherwise associated with the School. The financial statements for the Sherborne School Foundation, for the year ended 30 June 2024 have been consolidated with the group financial statements of Sherborne School.

The Charity (to 30 June 2024) was also a joint member of Sherborne Schools Worldwide (SSW), the other member being Sherborne Girls School. At the point the two charities merged, the Sherborne Schools Group became the sole member of that company.

Related and connected party transactions are detailed in notes 29 and 30.

EMPLOYEE INFORMATION

Sherborne follows all legislative requirements relating to recruitment and employment and operates specific policies for the following areas:

- Disciplinary and Grievance
- Capability
- Accessibility
- Health and Safety
- Whistle blowing
- Discrimination and Equality

A regular appraisal programme is in place for all academic and most support staff and the personal and professional development of all staff is supported.

Employees are kept up to date with the plans for the School, its performance and matters of concern through verbal and written briefings, staff meetings and newsletters.

EMPLOYEE INVOLVEMENT

The School encourages the involvement of its employees in its management through regular meetings of the academic and support staff representative groups which have responsibility for the dissemination of information of particular concern to employees and for receiving their views on important matters of policy.

DISABLED PERSONS

The School will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure they are given full and fair consideration when such vacancies arise.

There is a training scheme in operation so that employees who have been injured or disabled during the course of their employment can, where possible, continue in employment with the School.

During employment the School seeks to work with employees, considering their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

The number of disabled persons employed by the School during the year was 12 (2023:11).

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of Sherborne Schools Group for the purposes of company law) are responsible for preparing the Annual Report of the Governors (and the incorporated 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 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 the incoming resources and application of resources, including the income and expenditure, of the charitable 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;
- make judgments and estimates that are reasonable and prudent;
- state whether 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 Governors are responsible for keeping proper accounting records that disclose with reasonable 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.

So far as the Governors are aware, there is no relevant audit information of which the Charity's auditor is unaware. The Governors have each taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

AUDITOR

On 18 November 2024 the company's auditor changed its name from Haysmacintyre LLP to HaysMac LLP. HaysMac LLP have indicated their willingness to continue in office. A resolution to reappoint HaysMac LLP as the School's auditor will be made at the Annual General Meeting.

The Annual Report of the Governors (and the incorporated Strategic Report) were approved by Board of Governors of Sherborne Schools Group on 29 November 2024 and signed on its behalf by:

C H Samler
Executive Chair of Governors

Opinion

We have audited the financial statements of Sherborne Schools Group for the year ended 30 June 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cashflows 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 30 June 2024 and of the group'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 Governors' 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 and parent charitable company'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 Governors with respect to going concern are described in the relevant sections of this report.

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Annual Report of the Governors. 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 Annual Report of the Governors (which incorporates the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Annual Report of the Governors 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 Annual Report of the Governors (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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors for the financial statements

As explained more fully in the Statement of Governors' Responsibilities on page 14, the Governors (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 Governors 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 Governors 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 Governors 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, the parent charitable company 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 and Charity Commission's general guidance 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 the Companies Act 2006, the Charities Act 2011, Sherborne School Group's Constitution, the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019), and consider other factors such as payroll taxes and VAT.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to

posting inappropriate journal entries and management bias in certain accounting estimates and judgements such as the valuation of investment property. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Inspecting the outcomes of any regulatory inspections;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, using a number of risk metrics to focus our sample on higher risk entries; and
- Challenging assumptions and judgements made by management in their critical accounting estimates and challenge of the underlying assumptions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to 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. 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.

Lee Stokes (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditor
Date: 22 / 1 / 2025

10 Queen Street Place
London
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Sherborne Schools Group

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating a Consolidated Income and Expenditure Account)
for the year ended 30 June 2024

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2024 Total Funds £'000	2023 Total Funds £'000
Income from:						
Charitable Activities:						
School fees	4	26,944	-	-	26,944	24,421
Donations:						
Transfer of assets in respect of Sherborne Preparatory School	15	-	-	-	-	5
Other donations, legacies and grants	5	10	348	-	358	579
Other trading activities:						
Commercial trading operations	6	1,253	-	-	1,253	935
Investments	7	195	261	-	456	393
Other:						
Other income	8	369	-	-	369	429
Total income		**28,771**	**609**	**-**	**29,380**	**26,762**
Expenditure on:						
Raising funds:						
Commercial trading operations	6	1,183	-	-	1,183	918
Net share of loss in joint venture	30	9	-	-	9	18
Fundraising costs		-	88	-	88	81
Investment management fees		-	29	-	29	29
Total expenditure on raising funds	12	1,192	**117**	**-**	**1,309**	**1,046**
Charitable activities:						
Educational activities		27,770	235	-	28,005	26,264
Expenditure on charitable activities	12	**27,770**	**235**	**-**	**28,005**	**26,264**
Total expenditure		**28,962**	**352**	**-**	**29,314**	**27,310**
Net income/(expenditure) and net movement in funds before gains and losses on investments		**(191)**	**257**	**-**	**66**	(548)
Net gains/(losses) on investments		-	(6)	657	651	(30)
Net income/(expenditure) before taxation		**(191)**	**251**	**657**	**717**	**(578)**
Tax on profit/(loss) on ordinary activities	13	-	-	-	-	-
Net income/(expenditure) after taxation		**(191)**	**251**	**657**	**717**	**(578)**
Transfers between funds	23b	149	(149)	-	-	-
Net income/(expenditure) before other recognised gains and losses carried forward		**(42)**	**102**	**657**	**717**	**(578)**

Sherborne Schools Group

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating a Consolidated Income and Expenditure Account)
for the year ended 30 June 2024

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2024 Total Funds £'000	2023 Total Funds £'000
Net income/(expenditure) before other recognised gains and losses brought forward		**(42)**	**102**	**657**	**717**	**(578)**
Remeasurement of defined benefit pension scheme	28	369	-	-	369	(487)
Net movements in funds		**327**	**102**	**657**	**1,086**	**(1,065)**
Reconciliation of funds						
Total Funds brought forward		35,719	284	7,527	43,530	44,595
Total funds carried forward	23	**36,046**	**386**	**8,184**	**44,616**	**43,530**

All amounts relate to continuing operations.

The full Consolidated Statement of Financial Activities for the year ended 30 June 2023 is set out at note 21.

The notes on pages 22 to 54 form part of these financial statements.

Sherborne Schools Group

BALANCE SHEETS

as at 30 June 2024

	Notes	Group 2024 £'000	Group 2023 £'000	School 2024 £'000	School 2023 £'000
Fixed assets					
Tangible assets	14/15	53,947	53,454	53,946	53,453
Investment assets	16	7,958	7,731	7,804	7,577
Total fixed assets		**61,905**	**61,185**	**61,750**	**61,030**
Current assets					
Stocks		297	362	158	177
Debtors	17	8,138	3,114	8,677	3,787
Cash		8,047	4,129	7,560	3,825
Total current assets		**16,482**	**7,605**	**16,395**	**7,789**
Liabilities					
Creditors: amounts falling due within one year	18	(11,889)	(7,119)	(11,609)	(6,985)
Net current assets		**4,593**	**486**	**4,786**	**804**
Total assets less current liabilities		**66,498**	**61,671**	**66,536**	**61,834**
Creditors: amounts falling due after more than one year	20	(21,679)	(17,620)	(21,679)	(17,620)
Net assets excluding pension liability		**44,819**	**44,051**	**44,857**	**44,214**
Defined benefit pension scheme liability	28	(203)	(521)	(203)	(521)
Total net assets		**44,616**	**43,530**	**44,654**	**43,693**
The funds of the group:					
Endowed funds	23(a)	8,184	7,527	8,184	7,527
Restricted funds	23(b)	386	284	52	56
Unrestricted funds:	23(c)				
Accumulation fund		36,249	36,240	36,621	36,631
Pension reserve		(203)	(521)	(203)	(521)
		36,046	35,719	36,418	36,110
Total funds	23	**44,616**	**43,530**	**44,654**	**43,693**

The net income of the School for the year to 30 June 2024 was £592k (2023: £86k).

The notes on pages 22 to 54 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Governors of Sherborne Schools Group on 29 November 2024 and signed on its behalf by:

C H Samler (Executive Chairman)

Sherborne Schools Group

CONSOLIDATED STATEMENT OF CASHFLOWS

as at 30 June 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Net cash generated from/(used by) operating activities	26		**(2,820)**		**(967)**
Cash flows from investing activities:					
Investment income		456		393	
Proceeds from sale of property, plant and equipment		248		621	
Proceeds from sale of investments		2,363		3,842	
Purchase of property, plant and equipment		(2,790)		(6,423)	
Purchase of investments		-		-	
Purchase of endowed fund investments		(1,933)		(2,658)	
Net cash used in investing activities			**(1,656)**		**(4,225)**
Cash flows from financing activities:					
Cash inflows from borrowing		1,000		6,500	
Cash inflows from new advance fee contracts		7,423		990	
Cash repayments of advance fee contracts		(29)		-	
Net cash provided by financing activities			**8,394**		**7,490**
Change in cash and cash equivalents in the reporting period			**3,918**		**2,298**
Cash and cash equivalents at the beginning of the year			4,129		1,831
Total cash and cash equivalents at the end of the year			**8,047**		**4,129**
Cash and bank balances			8,047		4,129
			8,047		4,129

The notes on pages 22 to 54 form part of these financial statements.

1. General Information

Sherborne School ('the Company') is a charitable company limited by guarantee and not having a share capital, incorporated and registered in England and Wales under the Companies Act (company number 4002575) and registered with the Charity Commission for England and Wales (registration number 1081228). It merged with Sherborne School for Girls (company number: 0306828, charity number: 307427) at 1 July 2024, to become the Sherborne Schools Group, retaining the Sherborne School registered numbers.

The address of the Company's registered office and principal place of business is Sherborne School, Abbey Road, Sherborne, Dorset, DT9 3LF.

To 30 June 2024 the Group consisted of Sherborne School and all of its subsidiaries – Sherborne School (Trading) Limited, Sherborne School (Leisure) Limited, Sherborne School Foundation and Sherborne School (Overseas Trading) Limited.

The Company's principal activity is to advance education, by carrying on in or near Sherborne a boarding and day school for boys and girls.

The subsidiary companies operate to support Sherborne School's principal activity. The principal activity for each subsidiary is detailed in note 6.

The Company had entered into a joint venture arrangement with Sherborne Girl, with each School owning a 50% interest in Sherborne Schools Worldwide Limited, incorporated to support the principal activities of both Schools. Following the merger at 1 July 2024, the Sherborne Schools Group owns 100% of the share capital. Further information on this joint venture is detailed in note 30.

2. Accounting policies

(a) Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition, effective 1 January 2019).

The financial statements have been prepared under the historical cost convention as modified by the inclusion of listed investments and investment property at fair value.

The financial statements have also been prepared on a going concern basis. In common with other Schools, Sherborne School faces uncertainties arising from current economic conditions including inflationary risks and interest rate rises. After making due enquiries, including review of the latest financial data and future projections, the Governors have a reasonable expectation that the School and Group have adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing these financial statements.

(b) Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are in respect of the provision of education to pupils in Sherborne School and Sherborne Preparatory School are stated after deducting allowances, scholarships, bursaries and other remissions granted.

2. Accounting policies *(continued)*

(c) Advance Fees Scheme

Sherborne School offers parents the opportunity to pay for up to five years tuition fees in advance. The amount received is invested and interest is accrued to contracts. This is treated as deferred income until the pupil joins the School whereupon the fees for each School term are transferred to income.

(d) Fee extras

Sherborne School collects monies in respect of trips and pupils' personal living expenses and pays these monies out in full to third parties. As these funds do not represent income for the School, they are not accounted for in the Statement of Financial Activities.

(e) Donations and legacies

Donations are recognised once the Charity has entitlement to the income, it is probable that the donation will be received and the amount can be measured reliably.

Donations received for the general purposes of the Charity are credited to the accumulation fund. Donations for purposes restricted by the wishes of the donor are taken to "restricted funds" where these wishes are legally binding on the Governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as "endowments" – permanent or expendable according to the nature of the restriction.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is made from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material.

(f) Income from Commercial trading activities

Turnover from Commercial trading activities comprises revenue recognised by the company in respect of services supplied, exclusive of Value Added Tax and trade discounts.

(g) Tangible fixed assets and depreciation

The carry forward values of tangible fixed assets are shown in notes 14 and 15 to these financial statements. The basis for determining these carry forward values is historic cost except for the School's properties, which were revalued in the period to 30 June 2000, and this is now their deemed cost.

Furnishings and equipment costing less than £5k are written off to the Statement of Financial Activities as an expense as acquired.

Building projects costing less than £50k are written off to the Statement of Financial Activities as an expense as acquired.

Depreciation is calculated to write off the cost less estimated residual value of fixed assets on a straight line basis over their currently estimated useful lives.

2. Accounting policies *(continued)*

(g) Tangible fixed assets and depreciation *(continued)*

Land and buildings
The Charity owns a number of buildings within the town of Sherborne. Properties that have no ascertainable historical cost and cannot be valued without undue expense are excluded from the financial statements as allowed by FRS 102.

Buildings are depreciated over their estimated remaining useful lives that are initially calculated to be within 30-50 years.

Land and assets under construction are not depreciated.

Plant, equipment and motor vehicles
Plant, equipment and motor vehicles includes School equipment, boarding house fixtures and fittings, computer equipment, vehicles and kitchen and sports equipment. They are depreciated at the following initial rates:

• Computer equipment	25%
• Vehicles and playing fields equipment	20%
• Kitchen and sports equipment	15%
• All other items	10%

(h) Stocks

Sherborne School holds stocks for maintenance purposes, catering and other consumables. The School Shop holds stocks for resale. All stocks are valued at the lower of cost and net realisable value.

(i) Taxation

Sherborne Schools Group is a registered charity, and as such is entitled to tax exemptions on all its income and gains, properly applied for its charitable purposes. Tax charges may arise in subsidiary companies where the level of Gift Aid payments are insufficient to eliminate all taxable profits.

Sherborne School is not registered for VAT, and its expenditure is inclusive of VAT incurred. Where group companies are VAT registered, expenditure is reported net of recoverable VAT.

(j) Fixed asset investments

Listed investments are classified as financial instruments and valued at fair value, equivalent to bid price at the year end.

Changes in the valuation of listed investments during the year are shown as unrealised gains or losses. Gains and losses arising from the disposal of assets are disclosed as realised, being the difference between the sale proceeds and the market value at the beginning of the year.

In the separate accounts of the company, on transition to FRS 102, Sherborne School elected to hold its interests in subsidiaries at cost, and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairments, losses or reversals of impairment losses are recognised immediately in the Statement of Financial Activities.

2. Accounting policies *(continued)*

(k) Investment properties

Investment properties are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in the Statement of Financial Activities.

(l) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments and the pension scheme liability which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, trade and fee debtors, other debtors and accrued income. A specific provision is made for debts for which recoverability is in doubt. Cash and cash equivalents are defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise deposits, fees in advance, trade creditors and other creditors.

(m) Permanent Endowment Fund

As detailed in note 23 the Charity holds assets donated under permanent endowment. Where such an asset is sold, the proceeds of the sale are treated as capital receipts and are taken directly to the Permanent Endowment Fund. Income arising on general purpose Permanent Endowment Fund investments is treated as general income, within unrestricted funds, of Sherborne School.

(n) Scholarship and Prize Funds

Legacies and donations are recognised as receivable under this heading once receipt is considered probable and are invested to provide scholarships and prizes for the benefit of pupils at Sherborne School.

(o) Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on the straight line basis over the lease term.

(p) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or are capitalised as an intangible fixed asset or a tangible fixed asset.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2. Accounting policies *(continued)*

(q) Retirement benefits

Defined contribution plans

Sherborne School operates a defined contribution scheme for support staff. The amount charged to the Statement of Financial Activities is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Defined benefit plans

Sherborne School operates a defined benefit retirement plan, which closed to future accrual from 31 August 2011. The cost of providing benefits is determined using the projected unit credit method.

Asset/Liability

The net defined benefit asset/liability represents the present value of the defined benefit obligation minus the fair value of plan assets out of which obligations are to be settled. Any asset resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan.

The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains/Losses

Gains or losses recognised in net income:

- The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost.
- The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.
- Net interest on the net defined benefit asset/liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligations.

Gains or losses recognised after net income:

- Actuarial gains and losses.
- The difference between the interest income on the plan assets and the actual return on the plan assets.

Multi-employer plans

Sherborne School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator.

Contributions are recognised in the Statement of Financial Activities in the period to which they relate as there is insufficient information available to use defined benefit accounting.

2. Accounting policies *(continued)*

(r) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is allocated or apportioned to the applicable expenditure heading on a direct cost basis, with staff costs being allocated according to the estimated time spent by staff working in relevant departments and is classified under the following activity headings:

- Commercial trading activities comprise the costs of commercial trading including the lettings activities and leisure centre activities;
- Fundraising activities includes all fundraising costs of Sherborne School Foundation to promote the charitable purposes of Sherborne school; and
- Expenditure on educational activities includes the costs incurred in respect of the provision of education to pupils and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(s) Basis of consolidation

The group financial statements consolidate the financial statements of the charity and its wholly owned subsidiary undertakings, Sherborne School (Trading) Limited, Sherborne School (Leisure) Limited, Sherborne School (Overseas Trading) Limited and Sherborne School Foundation made up to 30 June 2024 and all inter group sales and profits are eliminated fully on consolidation. As permitted by section 408 of the Companies Act 2006, the parent company's income and expenditure account has not been included in these financial statements. The charity merged with Sherborne School for Girls (company number: 0306828; charity number: 307427) at 1 July 2024 to become the Sherborne Schools Group, continuing under the former Sherborne School company and charity numbers. The subsidiaries of Sherborne School for Girls have become subsidiaries of the Sherborne Schools Group with effect from 1 July 2024, and will be consolidated into the Group financial statements for the 2024-25 year.

(t) Joint venture

The Charity had a 50% share in a jointly controlled entity, Sherborne Schools Worldwide Limited. This entity's audited accounts have been drawn up to 30 June 2024. The Charity provided loan funding to the entity, which has been incorporated into debtors as an amount due from a joint venture undertaking. The Charity's share of the entity's income and expenditure, assets and liabilities at 30 June 2024 has been incorporated into these financial statements using the equity method. Following the merger with Sherborne School for Girls on 1 July 2024, the Sherborne Schools Group now owns 100% of the entity's share capital, which will be reflected in the 2024-25 financial statements. Further information in respect of the year ended 30 June 2024 is provided in note 30.

(u) Fund accounting

Unrestricted funds are funds that are available for use at the discretion of the Governors in furtherance of the objects of the Charity. Designated funds are unrestricted funds which have been set aside by the Governors for specific purposes. The aim and the use of the designated funds are set out in the notes to the financial statements.

Restricted funds are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the Charity for particular purposes. The aim and use of the restricted funds are set out in the notes to the financial statements.

Transfers between funds are made either where there is a deficit on a restricted fund or where funds have been raised for a restricted project but expenses incurred have been made from unrestricted funds.

3. Critical accounting estimates and areas of judgement

In the application of the Group's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Tangible fixed assets – estimation of useful life

Tangible fixed assets represent a significant proportion of the Group's total assets. Therefore the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Consolidated Statement of Financial Activities.

The useful lives and residual values of the Group's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology. Historically changes in useful lives and residual values have not resulted in material changes to the Group's depreciation charge.

Bad debt provisions

The Group has recognised bad debt provisions where there is uncertainty whether specific accounts receivable are collectible. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other reasonable factors.

Valuation of defined benefit retirement plan

The present value of Sherborne School's defined benefit retirement plan 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 for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability.

4. School fees

(a) *School Fees*

		2024 £'000	2023 £'000
School	- Boarders	24,921	22,997
	- Day boys	1,422	1,400
Preparatory School	- Prep	2,860	2,759
	-Pre-Prep	466	451
Total School fees		29,669	27,607
Sherborne International	- Short Course Fees	1,452	834
Other	- Registration fees	113	155
Total fees		31,234	28,596
Less: Total scholarships, bursaries, grants and discounts		(4,716)	(4,596)
		26,518	24,000
Add back: Scholarships and discounts paid for by restricted funds		140	126
		26,658	24,126
Music fees received		286	295
School fees per Consolidated Statement of Financial Activities		**26,944**	**24,421**

(b) *Awards, prizes, and discounts paid for by Restricted Funds comprised:*

	2024 £'000	2023 £'000
Scholarships	116	106
Advance fees discount	24	20
	140	**126**

5. Donations and legacies

	2024 £'000	2023 £'000
Committed giving	61	69
Donations	216	349
Legacies	81	161
	358	**579**

6. Income from subsidiaries' trading activities

Sherborne School (now Sherborne Schools Group) owns the whole of the share capital of three of its subsidiaries which are Sherborne School (Trading) Limited (company no. 2747901), Sherborne School (Leisure) Limited (company no. 4332724) and Sherborne School (Overseas Trading) Limited (company no. 06817042). The Sherborne School Foundation (company no. 3686309 and charity no. 1073522) is a subsidiary charity of Sherborne School as the School is the sole corporate member of the Foundation.

6. Income from subsidiaries' trading activities *(continued)*

The income and expenditure, net of inter-group transactions, from commercial trading operations was as follows:

	2024		2023	
	Income £'000	Expenditure £'000	Income £'000	Expenditure £'000
Sherborne School (Trading) Limited	671	606	585	511
Sherborne School (Leisure) Limited	407	563	175	393
Sherborne School (Overseas Trading) Limited	175	14	175	14
	1,253	**1,183**	**935**	**918**

(a) Sherborne School (Trading) Limited's principal activity continues to be that of the operation of the School's sports and uniform shop, the Hub cafe and the provision of letting and educational services. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2024 £'000	2023 £'000
Turnover	829	723
Cost of sales	(743)	(632)
Gross profit	**86**	**91**
Administration	(40)	(35)
Operating profit	**46**	**56**
Other operating income	-	-
Profit on ordinary activities before taxation	**46**	**56**
Tax on profit on ordinary activities	-	-
Profit on ordinary activities after taxation	**46**	**56**
Gift Aid distribution	**7**	**-**
Gross Assets	**203**	**239**
Gross Liabilities	**(203)**	**(278)**
Shareholder's (Deficit)/funds	**-**	**(39)**

Included in turnover are commission payments to Overseas Agents that have been invoiced to Sherborne School amounting to £100k (2023: £78k) and departmental sales amounting to £58k (2023: £60k). These balances have been eliminated on consolidation.

Included in administration expenses are £19k (2023: £18k) of management charges, comprising accounting fees £16k (2023: £15k), insurance £1k (2023: £1k) and management charges £2k (2023: £2k) paid to Sherborne School. These balances were all eliminated on consolidation.

6. Income from subsidiaries' trading activities *(continued)*

(b) Sherborne School (Leisure) Limited's principal activity is that of the provision of leisure facilities. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2024 £'000	2023 £'000
Turnover	616	337
Administration	(610)	(408)
Operating profit/(loss)	**6**	**(71)**
Other operating income	-	-
Profit/(loss) on ordinary activities	**6**	**(71)**
Gift Aid distribution	**-**	**-**
Gross Assets	**168**	**28**
Gross Liabilities	**(231)**	**(98)**
Shareholder's (Deficit)/funds	**(63)**	**(70)**

Included in turnover is £207k (2023: £162k) of income in relation to the use of the sports centre by pupils of the schools, received from Sherborne School. This balance was eliminated on consolidation.

Included in administration expenses are £47k (2023: £15k) of management charges, comprising accounting fees £9k (2023: £6k), insurance £1k (2023: £1k), management charges £1k (2023: £1k) and rent £36k (2023: £7k) paid to Sherborne School. These balances were all eliminated on consolidation.

(c) Sherborne School (Overseas Trading) Limited's principal objects are to promote the charitable purposes of Sherborne School in Qatar and to promote any other charitable purpose connected with or otherwise associated with the School. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2024 £'000	2023 £'000
Turnover	175	175
Administration	(14)	(14)
Profit on ordinary activities	**161**	**161**
Gift Aid distribution	**161**	**161**
Gross Assets	**181**	**181**
Gross Liabilities	**(166)**	**(166)**
Shareholder's Funds	**15**	**15**

6. Income from subsidiaries' trading activities *(continued)*

(d) The Sherborne School Foundation's principal objects are to promote the charitable purposes of Sherborne School in Dorset and to promote any other charitable purpose connected with or otherwise associated with the School. Its results for the year, as extracted from the audited financial statements, are summarised below:

	2024 £'000	2023 £'000
Income from:		
Donations, legacies and grants	524	610
Other trading income	-	38
Investments	12	19
Total income	**536**	**667**
Expenditure on:		
Raising funds	(88)	(82)
Charitable activities	(342)	(1,203)
Total expenditure	**(430)**	**(1,285)**
Net (Expenditure)/income	**106**	**(618)**
Gross Assets	**343**	**235**
Gross Liabilities	**(9)**	**(7)**
Total Charity Funds	**334**	**228**

Included in donations and legacies income is £175k (2023: £116k) received from Sherborne School as donated services that has been eliminated on consolidation. Included in expenditure is £250k (2023: £1,137k) paid to Sherborne School; £250k (2023: £1,137k) of this was eliminated on consolidation.

7. Investment income

	2024 £'000	2023 £'000
Dividends receivable	248	199
Qatar royalty	166	166
Bank interest receivable	42	28
	456	393

8. Other income

	2024 £'000	2023 £'000
Other ancillary trading income		
Houses income	77	61
Junior common room income	11	9
School events income	55	69
Sundry income	226	290
	369	429

9. Net income for the year

This is stated after charging/(crediting):

	2024 £'000	2023 £'000
Auditor's remuneration:-		
Fees payable for the audit of the parent charity and the consolidation	38	35
Fee payable for the audit of subsidiaries pursuant to legislation	21	19
Fees payable to the group's auditors and its associates in respect of Corporation tax services	4	6
Depreciation	2,149	2,008
(Profit)/loss on disposal of fixed assets	(100)	(524)
Operating lease costs - equipment	16	17
Stock recognised as an expense	308	279
Interest on advance fee scheme	25	20
Loan interest	407	409

Seven Governors received reimbursement of out of pocket expenses for travel expenses, amounting to £1,434 in the current year (2023: £891, in respect of travel expenses for five Governors).

10. Analysis of staff costs, trustee remuneration, and the cost of key management personnel

	2024 £'000	2023 £'000
Wages and salaries	13,850	13,324
Social security costs	1,321	1,288
Pension contribution – defined contribution scheme	2,068	1,907
	17,239	**16,519**

The number of higher paid employees was:

	2024 No.	2023 No.
£60,000 - £70,000	19	10
£70,000 - £80,000	10	13
£80,000 - £90,000	5	1
£110,000 - £120,000	-	1
£130,000 - £140,000	1	-
£250,000 - £260,000	-	1
£260,000 - £270,000	1	-

The calculation of staff costs for higher paid employees includes gross salary and benefits in kind.

The key management personnel of the parent charity and the group comprise the Governors, the Chief Executive Officer and the members of the Group Executive. The total employee benefits of the key management personnel of the charity were £612k (2023: £637k), including benefits in kind, national insurance and pension contributions. The Governors are unpaid.

Included within staff costs above are non-statutory/non-contractual severance payments totalling £17k (2023: £Nil) and statutory severance payments of £2k (2023: £3k).

11. Staff numbers

The average number of staff employed by the charity during the year was as follows:

	2024 No.	2023 No.
Educational staff	201	201
Support staff	276	274
	477	**475**

12. Analysis of expenditure

Year ended 30 June 2024	Staff costs £'000	Other costs £'000	Depreciation £'000	2024 Total £'000	2023 Total £'000
Cost of raising funds:					
Commercial trading operations:					
Sherborne School (Trading) Limited	200	406	-	606	511
Sherborne School (Leisure) Limited	383	180	-	563	393
Sherborne School (Overseas Trading) Limited	-	14	-	14	14
Net share of loss in joint venture	-	9	-	9	18
Fundraising costs	69	19	-	88	81
Investment management fees	-	29	-	29	29
	652	657	-	1,309	1,046
Charitable activities:					
Educational activities					
Teaching	11,651	1,192	-	12,843	12,604
Welfare	1,948	3,126	-	5,074	4,994
Premises	799	1,997	2,149	4,945	4,371
Support costs of schooling	2,140	1,350	-	3,490	3,242
Education and grant making	-	136	-	136	136
Operational costs – Foundation	49	42	-	91	67
Financing costs	-	598	-	598	554
Governance	-	618	-	618	147
Other expenditure	-	210	-	210	149
	16,587	9,269	2,149	28,005	26,264
Total expenditure for Group	17,239	9,926	2,149	29,314	27,310

12. Analysis of expenditure *(continued)*

Year ended 30 June 2023	Staff costs £'000	Other costs £'000	Depreciation £'000	2023 Total £'000	2022 Total £'000
Cost of raising funds:					
Commercial trading operations:					
Sherborne School (Trading) Limited	220	290	1	511	565
Sherborne School (Leisure) Limited	271	122	-	393	288
Sherborne School (Overseas Trading) Limited	-	14	-	14	13
Net share of loss in joint venture	-	18	-	18	15
Fundraising costs	25	56	-	81	123
Investment management fees	-	29	-	29	29
	516	529	1	1,046	1,033
Charitable activities:					
Educational activities					
Teaching	11,619	985	-	12,604	11,598
Welfare	1,642	3,352	-	4,994	4,406
Premises	761	1,603	2,007	4,371	4,265
Support costs of schooling	1,957	1,285	-	3,242	3,305
Education and grant making	-	136	-	136	93
Operational costs – Foundation	24	43	-	67	87
Financing costs	-	554	-	554	457
Governance	-	147	-	147	88
Other expenditure	-	149	-	149	85
	16,003	8,254	2,007	26,264	24,384
Total expenditure for Group	16,519	8,783	2,008	27,310	25,417

13. Taxation

	2024 £'000	2023 £'000
Tax on ordinary activities	-	-

14. Tangible fixed assets - School

	Land and Buildings £'000	Plant, Equipment and Motor vehicles £'000	Assets Under Construction £'000	Total £'000
Cost				
At 1 July 2023	64,461	8,717	3,233	76,411
Additions	523	942	1,325	2,790
Transfers	4,558	-	(4,558)	-
Disposals	(174)	(208)	-	(382)
At 30 June 2024	69,368	9,451	-	78,819
Depreciation				
At 1 July 2023	16,764	6,194	-	22,958
Charge for year	1,273	876	-	2,149
Disposals	(29)	(205)	-	(234)
At 30 June 2024	18,008	6,865	-	24,873
Net book value				
At 30 June 2024	**51,360**	**2,586**	**-**	**53,946**
At 30 June 2023	47,697	2,523	3,233	53,453

Included within Plant, equipment and motor vehicles above are assets held under lease and hire purchase contracts with a net book value at 30 June 2024 of £99,780 (2023: £139,357). The depreciation charge for the year on these assets amounted to £104,028 (2023: £85,731).

15. Tangible fixed assets - Group

	Land and Buildings £'000	Plant, Equipment and Motor Vehicles £'000	All Weather Pitch £'000	Assets Under Construction £'000	Total £'000
Cost					
At 1 July 2023	64,461	8,817	439	3,233	76,950
Additions	523	942	-	1,325	2,790
Transfers	4,558	-	-	(4,558)	-
Disposals	(174)	(254)	-	-	(428)
At 30 June 2024	69,368	9,505	439	-	79,312
Depreciation					
At 1 July 2023	16,764	6,293	439	-	23,496
Charge for year	1,273	876	-	-	2,149
Disposals	(29)	(251)	-	-	(280)
At 30 June 2024	18,008	6,918	439	-	25,365
Net book value					
At 30 June 2024	**51,360**	**2,587**	**-**	**-**	**53,947**
At 30 June 2023	47,697	2,524	-	3,233	53,454

Included within Plant, equipment and motor vehicles above are assets held under lease and hire purchase contracts with a net book value at 30 June 2024 of £99,780 (2023: £139,357). The depreciation charge for the year on these assets amounted to £104,028 (2023: £85,731).

15. Tangible fixed assets - Group *(continued)*

The comparable amount of land and buildings included above at deemed cost determined according to the historical cost accounting rules are as follows:

	Land and Buildings £'000
Cost	57,005
Accumulated depreciation	(12,599)
Net book value	
At 30 June 2024	44,406
At 30 June 2023	41,114

In the period to 30 June 2000, the School's properties (with the exception of certain inalienable or historic buildings for which reliable valuations were not available without incurring costs considered to outweigh the usefulness of the information to financial statements users) were revalued by Chesters, Chartered Surveyors, on the basis of their then current open market value or depreciated replacement cost (as appropriate). In accordance with the transitional provisions of FRS 102 these valuations have not been updated.

The principal School buildings at Abbey Road, Sherborne, have no ascertainable historical cost and cannot be valued without undue expense and are excluded from the financial statements.

16. Investments

	Unlisted £'000	Investment Property £'000	Foundation Fund £'000	Advance Fee Fund £'000	Scholarship & Prize Fund £'000	Total £'000
At 1 July 2023	1	150	-	1,176	6,250	7,577
Additions	-	-	-	-	1,933	1,933
Disposals at book value	-	-	-	(721)	(1,560)	(2,281)
Unrealised gain/(loss)	-	-	-	(1)	570	569
Equalisation of investments	-	-	-	-	-	-
Change in accrued income	-	-	-	6	-	6
Total for Charity	1	150	-	460	7,193	7,804
Group transactions added/ (eliminated) on consolidation	(1)	-	155	-	-	154
At 30 June 2024	**-**	**150**	**155**	**460**	**7,193**	**7,958**
Investments listed on the Stock Exchange	-	-	155	460	7,193	7,808
Historical cost	1	5	155	543	6,410	7,114

Unlisted Investments
The consolidated balance sheet shows the same investments as the School, with the exception of the unlisted investments of £1,004 (2023: £1,004) in Sherborne School (Trading) Limited, Sherborne School (Leisure) Limited, Sherborne School (Overseas Trading) Limited and Sherborne Schools Worldwide Limited and the investments held within the Sherborne School Foundation of £155k (2023: £155k) which are excluded.

Investment Property
In July 2016, the investment property in Gillingham was revalued by Chesters, Chartered Surveyors, on the basis of its open market at a value of £150,000. The Governors have reviewed the valuation of the property and are satisfied that the value at 30 June 2024 is not materially different.

This investment property has an historical cost of £5k.

Listed Investments
The market value of investments held outside the UK was £5,406k (2023: £4,273k).

17. Debtors

	Group		School	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Due within one year:				
Trade debtors	147	57	120	44
Tax recoverable	6	1	-	-
Fees due	1,257	1,218	1,257	1,218
Other debtors	186	119	106	94
Prepayments	2,661	1,719	2,661	1,719
Advance – Sherborne Girls	3,881	-	3,881	-
Amount due from subsidiary undertakings	-	-	346	432
Amount due from joint venture undertaking	-	-	106	80
Due after more than one year:				
Amount due from joint venture undertaking	-	-	200	200
	8,138	**3,114**	**8,677**	**3,787**

18. Creditors: amounts falling due within one year

	Group		School	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Bank overdraft and loans	1,000	-	1,000	-
Fees received in advance	2,588	1,633	2,588	1,633
Trade creditors	1,047	1,078	1,013	1,060
Taxation and social security	376	358	351	334
Finance leases	81	108	81	108
Other creditors	266	237	170	161
Accruals	2,332	2,207	2,207	2,191
Pensions	273	278	273	278
Deposits held	496	420	496	420
	8,459	6,319	8,179	6,185
Advance fees (see note 19)	3,430	800	3,430	800
	11,889	**7,119**	**11,609**	**6,985**

Details and security on the bank loan and overdraft facilities are disclosed in Note 20.

19. Advance fee payments

Parents may enter into a contract to pay to the School up to the equivalent of five years' tuition fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils will remain in the School, advance fees will be applied as follows:

	2024 £'000	2023 £'000
After five years	409	455
Within two to five years	2,291	252
Within one to two years	2,008	462
	4,708	1,169
Within one year	3,430	800
	8,138	**1,969**

The movement during the year on advance fees were as follows:

	2024 £'000	2023 £'000
At 1 July 2023	1,969	2,187
New advance fees received during the year	7,423	990
Fees repaid during the year	(29)	-
Amounts accrued for interest	24	19
Amounts utilised in payments of fees	(1,249)	(1,227)
At 30 June 2024	**8,138**	**1,969**

20. Creditors: amounts falling due after more than one year

	Group		School	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Advance fees (note 19)	4,708	1,169	4,708	1,169
Bank loan	14,000	14,000	14,000	14,000
Deposits	2,778	2,402	2,778	2,402
Finance leases	193	49	193	49
	21,679	**17,620**	**21,679**	**17,620**

The bank loan and loan facilities are secured by way of legal mortgage charges dated 17 January 2001 and 1 November 2019 over certain properties owned by Sherborne School. A £16M facility had been arranged with Lloyds Bank plc to provide funds for working capital and the planned capital projects, to be drawn down through revolving credit agreements. £15M had been drawn down by 30 June 2024 (£14M at 30 June 2023). The total balance outstanding on all revolving credit agreements has been converted to a term loan at 1 November 2024, so termly repayments will be commencing in the 2024-25 year. £1M of the 2024 balance has therefore been included within Creditors: amounts falling due within one year (2023 - £Nil), and the remaining amount - £14M (2023 - £14M) has been included within Creditors: amounts falling due after more than one year. The interest rate applicable to the loan facilities is 2.15% over Bank of England Base Rate.

21. Consolidated Statement of Financial Activities for prior year

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2023 Total Funds £'000
Income from:				
Charitable Activities:				
School fees	24,421	-	-	24,421
Donations:				
Transfer of assets in respect of Sherborne Preparatory School	5	-	-	5
Other donations, legacies and grants	47	532	-	579
Other trading activities:				
Commercial trading operations	935	-	-	935
Investments	175	218	-	393
Other:				
Other income	429	-	-	429
Total income	**26,012**	**750**	**-**	**26,762**
Expenditure on:				
Raising funds:				
Commercial trading operations	918	-	-	918
Net share of loss in joint venture	18	-	-	18
Fundraising costs	-	81	-	81
Investment management fees	-	29	-	29
Total expenditure on raising funds	**936**	**110**	**-**	**1,046**
Charitable activities:				
Educational activities	26,068	196	-	26,264
Expenditure on charitable activities	**26,068**	**196**	**-**	**26,264**
Total expenditure	**27,004**	**306**	**-**	**27,310**
Net income/(expenditure) and net movement in funds before gains and losses on investments	**(992)**	**444**	**-**	**(548)**
Net gains/(losses) on investments	-	(64)	34	(30)
Net income/(expenditure) before taxation	**(992)**	**380**	**34**	**(578)**
Tax on profit/(loss) on ordinary activities	-	-	-	-
Net income/(expenditure) after taxation	**(992)**	**380**	**34**	**(578)**
Transfers between funds	1,000	(1,000)	-	-
Net income/(expenditure) before other recognised gains and losses carried forward	**8**	**(620)**	**34**	**(578)**

21. Consolidated Statement of Financial Activities for prior year *(continued)*

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2023 Total Funds £'000
Net income/(expenditure) before other recognised gains and losses brought forward	**8**	**(620)**	**34**	**(578)**
Remeasurement of defined benefit pension scheme	(487)	-	-	(487)
Net movements in funds	**(479)**	**(620)**	**34**	**(1,065)**
Reconciliation of funds				
Total funds brought forward	36,198	904	7,493	44,595
Total funds carried forward	**35,719**	**284**	**7,527**	**43,530**

22. Analysis of net assets between funds

(a) Analysis of group net assets between funds

	Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long Term Liabilities £'000	Pension Liability £'000	Fund Balances £'000
Unrestricted					
Pension Reserve Designated Fund	-	-	-	(203)	(203)
Accumulation Fund	53,231	(12)	(16,970)	-	36,249
Restricted funds	-	386	-	-	386
Endowed					
Advance Fee Fund	460	4,249	(4,709)	-	-
Edbrooke Scholarship and Bursary	255	-	-	-	255
Scholarship and Prize Fund	5,194	(30)	-	-	5,164
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
Endowed Property	765	-	-	-	765
Group total at 30 June 2024	**61,905**	**4,593**	**(21,679)**	**(203)**	**44,616**

22. Analysis of net assets between funds *(continued)*

(a) Analysis of group net assets between funds *(continued)*

	Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long Term Liabilities £'000	Pension Liability £'000	Fund Balances £'000
Unrestricted					
Pension Reserve Designated Fund	-	-	-	(521)	(521)
Accumulation Fund	52,739	(48)	(16,451)	-	36,240
Restricted funds	-	284	-	-	284
Endowed					
Advance Fee Fund	1,176	(7)	(1,169)	-	-
Edbrooke Scholarship and Bursary	255	-	-	-	255
Scholarship and Prize Fund	4,250	257	-	-	4,507
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
Endowed Property	765	-	-	-	765
Group total at 30 June 2023	**61,185**	**486**	**(17,620)**	**(521)**	**43,530**

(b) Analysis of School net assets between funds

	Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long Term Liabilities £'000	Pension Liability £'000	Fund Balances £'000
Unrestricted					
Pension Reserve Designated Fund	-	-	-	(203)	(203)
Accumulation Fund	53,076	515	(16,970)	-	36,621
Restricted funds	-	52	-	-	52
Endowed					
Advance Fee Fund	460	4,249	(4,709)	-	-
Edbrooke Scholarship and Bursary	255	-	-	-	255
Scholarship and Prize Fund	5,194	(30)	-	-	5,164
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
Endowed Property	765	-	-	-	765
School total at 30 June 2024	**61,750**	**4,786**	**(21,679)**	**(203)**	**44,654**

22. Analysis of net assets between funds *(continued)*

(b) Analysis of School net assets between funds *(continued)*

	Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long Term Liabilities £'000	Pension Liability £'000	Fund Balances £'000
Unrestricted					
Pension Reserve Designated Fund	-	-	-	(521)	(521)
Accumulation Fund	52,584	498	(16,451)	-	36,631
Restricted funds	-	56	-	-	56
Endowed					
Advance Fee Fund	1,176	(7)	(1,169)	-	
Edbrooke Scholarship and Bursary	255	-	-	-	255
Scholarship and Prize Fund	4,250	257	-	-	4,507
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
Endowed Property	765	-	-	-	765
School total at 30 June 2023	**61,030**	**804**	**(17,620)**	**(521)**	**43,693**

Of the above, the Scholarship and Prize Fund is a linked charity to the School. The other linked charity, The Sherborne School Trust, remains dormant.

23. Analysis of charitable funds

(a) Analysis of movements in permanent endowed funds (Group and School)

	Balance at 1 July 2023 £'000	Income £'000	Expenditure £'000	Transfers and Investment Gains £'000	Balance at 30 June 2024 £'000
Endowed Property	765	-	-	-	765
Edbrooke fund	255	-	-	-	255
Scholarship and Prize Fund	4,507	-	-	657	5,164
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
	7,527	**-**	**-**	**657**	**8,184**

	Balance at 1 July 2022 £'000	Income £'000	Expenditure £'000	Transfers and Investment Gains £'000	Balance at 30 June 2023 £'000
Endowed Property	765	-	-	-	765
Edbrooke fund	255	-	-	-	255
Scholarship and Prize Fund	4,473	-	-	34	4,507
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
	7,493	**-**	**-**	**34**	**7,527**

23. Analysis of charitable funds *(continued)*

(a) Analysis of movements in permanent endowed funds (Group and School) *(continued)*

Endowed Property

Land and property gifted to the School in furtherance of its Object, to advance education that is held on permanent endowment and is administered and managed by the Governors.

Edbrooke fund

A fund, the income from which will be made available to the Headmaster and applied at his discretion from time to time, to benefit a pupil wishing to attend the School who may have just missed a scholarship. Alternatively, a pupil currently at the School whose parents find themselves in financial difficulty.

Scholarship and Prize Fund

The Scholarship and Prize fund endowment is invested to provide scholarships and prizes for the benefit of the School. The total realised and unrealised gains and (losses) during the year amounted to £657k (2023 – £35k).

Scholarship and Prize Fund – Eglington Bursaries

The Scholarship and Prize Fund – Eglington Bursaries endowment was set up with a legacy from the late Charles Eglington. The fund is invested to provide bursaries for the benefit of the School.

(b) Analysis of movements in restricted funds

	Balance at 1 July 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Investment Gains /(Losses) £'000	Balance at 30 June 2024 £'000
Advance Fee Fund	-	105	(25)	(74)	(6)	-
Scholarship and Prize Fund	-	144	(144)	-	-	-
Andrew Yorke Sail Training Fund	46	-	(3)	-	-	43
Bursary Fund	-	17	-	(17)	-	-
Cricket Square	4	-	-	-	-	4
Shell House Fund	2	-	-	-	-	2
Upper Pavilion Fund	2	-	-	-	-	2
Sports Centre	-	232	-	(232)	-	-
SPS Restricted Fund	1	-	-	(1)	-	-
Other restricted funds	1	-	-	-	-	1
Charity	56	498	(172)	(324)	(6)	52
The Sherborne School Foundation	228	536	(430)	-	-	334
	284	1,034	(602)	(324)	(6)	386
Eliminated on consolidation	-	(425)	250	175	-	-
Group	284	609	(352)	(149)	(6)	386

Transfers from restricted funds to the accumulation fund correspond to income where the original restriction of the fund has been fulfilled during the year.

23. Analysis of charitable funds *(continued)*

(b) Analysis of movements in restricted funds *(continued)*

The transfer of £149k in the consolidated accounts represents a reclassification between restricted and unrestricted funds. This adjustment is required to correct the balance held on restricted funds by ensuring the elimination of inter-company transactions between Sherborne School and the Sherborne School Foundation.

The breakdown of restricted reserves of £334k for the Sherborne School Foundation is detailed in that Charity's accounts.

	Balance at 1 July 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Investment Gains /(Losses) £'000	Balance at 30 June 2023 £'000
Advance Fee Fund	-	66	(21)	19	(64)	-
Scholarship and Prize Fund	-	133	(133)	-	-	-
Andrew Yorke Sail Training Fund	48	-	(2)	-	-	46
Bursary Fund	-	-	-	-	-	-
Cricket Square	4	-	-	-	-	4
Duke of Edinburgh Award	-	10	-	(10)	-	-
Shell House Fund	2	-	-	-	-	2
Upper Pavilion Fund	2	-	-	-	-	2
Sports Centre	-	1,125	-	(1,125)	-	-
SPS Restricted Fund	1	-	-	-	-	1
Other restricted funds	1	1	(1)	-	-	1
Charity	58	1,335	(157)	(1,116)	(64)	56
The Sherborne School Foundation	846	667	(1,285)	-	-	228
	904	2,002	(1,442)	(1,116)	(64)	284
Eliminated on consolidation	-	(1,252)	1,137	115	-	-
Group	904	750	(305)	(1,001)	(64)	284

Transfers from restricted funds to the accumulation fund correspond to incoming resources where the original restriction of the fund has been fulfilled during the year.

The transfer of £1,000k in the consolidated accounts represents a reclassification between restricted and unrestricted funds. This adjustment is required to correct the balance held on restricted funds by ensuring the elimination of inter-company transactions between Sherborne School and the Sherborne School Foundation.

The breakdown of restricted reserves of £228k for the Sherborne School Foundation is detailed in that Charity's accounts.

23. Analysis of charitable funds *(continued)*

(b) Analysis of movements in restricted funds *(continued)*

Annual Fund Bursaries
From the annual fund donations that are for bursaries in general and will help supplement the support for the Travel and Tour Bursaries, the Personal Development and High Flyer Fund and other bursaries offered by the Foundation in co-operation with the School.

Bursary Fund
To widen access to Sherborne School through a programme of means tested bursaries.

Cricket Square
To support the relaying of the cricket squares within the School and primarily those on the Upper square.

Foundation Fellows
Funds transferred by the Sherborne School Foundation to support and fund the enrichment and teaching of Fellows of the School.

Music Projects
Funds transferred by the Sherborne School Foundation to contribute towards the various Music projects.

Hardship Fund
To support pupils within the School who fall on hard financial times and who the School would like to remain in the School until they complete a key stage of their education.

Scholarships
Funds transferred by the Sherborne School Foundation to support and fund scholarships provided by the School.

Shell House Fund
Funds raised for the restoration and upkeep of the Shell House, located in the garden of Harper House.

Sports Centre
Funds raised by and transferred from the Sherborne School Foundation towards the redevelopment of the Sports Centre.

Upper Pavilion
The fund is for the refurbishment and extension of the Upper Pavilion.

SPS Restricted Fund
Donation made to Sherborne preparatory School for the benefit of its staff and pupils.

Other Restricted Funds
These relate to several smaller restricted funds which have been donated during the year. The majority of the donations have been expended during the year in accordance with the original donor's wishes; the remaining £1k will be expended next year.

23. Analysis of charitable funds *(continued)*

(c) Analysis of movements in unrestricted funds

	Balance at 1 July 2023 £'000	Income £'000	Expenditure £'000	Tax £'000	Transfers and Investment Gains/(Losses) £'000	Balance at 30 June 2024 £'000
Pension reserve – designated fund	(521)	-	(51)	-	369	(203)
Accumulation fund	36,240	28,771	(28,911)	-	149	36,249
Total	**35,719**	**28,771**	**(28,962)**	**-**	**518**	**36,046**

The total transfers, amounting to £149k (2023 - £1,001k), represent transfers of £149k (20231 - £1,001k) from the accumulation fund to restricted funds, as detailed in Note 23(b). There is also £167k (2023 - £161k – one trading subsidiary) which will be distributed to Sherborne School from two of its trading subsidiaries which has been included as a Gift Aid donation in the accounting year ended 30 June 2024. Please refer to note 6 for more information.

	Balance at 1 July 2022 £'000	Income £'000	Expenditure £'000	Tax £'000	Transfers and Investment Gains/(Losses) £'000	Balance at 30 June 2023 £'000
Pension reserve – designated fund	(460)	-	426	-	(487)	(521)
Accumulation fund	36,658	26,012	(27,431)	-	1,001	36,240
Total	**36,198**	**26,012**	**(27,005)**	**-**	**514**	**35,719**

24. Contracts and commitments

At 30 June 2024 the School had commitments as follows:

	2024 £'000	2023 £'000
Contracted for but not provided in these financial statements	**130**	**6,745**
Authorised but not contracted	**1,376**	**5,917**

The £130k included above as Contracted for but not provided includes the balance of the contract in respect of the Sports Centre project.

25. Other commitments

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

	2024 £'000	2023 £'000
Within one year	1	-
After 1 year but within 5 years	22	23
	23	23

26. Reconciliation of net income/(expenditure) to net cash flow from group operating activities

	2024 £'000	2023 £'000
Net income/(expenditure) before investment gains/(losses)	66	(548)
Adjustments for:		
Investment income	(456)	(393)
Finance costs	431	428
Equalisation of investments	(6)	(9)
Depreciation	2,149	2,008
(Profit)/loss on disposal of property, plant and equipment	(100)	(524)
Add back of non-cash FRS102 charge to defined benefit retirement scheme	196	111
Less cash contributions to defined benefit retirement scheme	(145)	(537)
Advance fees utilised	(1,249)	(1,227)
	886	(691)
Movements in working capital:		
Decrease/(increase) in stocks	65	(46)
(Increase) in debtors	(5,025)	(285)
(Increase in creditors	1,661	463
Cash (used by)/generated from operations	(2,413)	(559)
Investment income		
Interest paid	(407)	(408)
Net cash (used by)/provided by group operating activities	(2,820)	(967)

27. Reconciliation of net debt

	At 1 July 2023 £'000	Cash Flows £'000	New Finance Leases £'000	At 30 June 2024 £'000
Cash	4,129	3,918	-	8,047
Loans falling due after more than one year	(14,000)	(1,000)	-	(15,000)
Finance lease obligations	(157)	81	(198)	(274)
Total	**(10,028)**	**2,999**	**(198)**	**(7,227)**

28. Pension schemes

Teaching Staff
The School participates in the Teachers' Pension Scheme (TPS) for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,638k (2023: £1,517k), and at the year-end £214k (2023 – £179k) was accrued in respect of contributions to this scheme.

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

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

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can elect to receive them from either the reformed or legacy schemes for the period from 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 has valued the 'greater value' benefits for groups of relevant members.

The employer contribution rate for the TPS is 28.6%, and employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28 68%.

Teaching Staff
Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. Accordingly, the School has taken the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The School has set out above the information available on the scheme.

Support Staff Defined Contribution Scheme
The Group operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the Group in an independently administered fund. The contributions payable by the Group charged to profit or loss amounted to £413k (2023: £375k). Contributions totalling £58k (2023: £54k) were payable to the fund at the year end and are included in creditors.

Support Staff Defined Benefit Scheme
The company sponsors the Governors of Sherborne School Support Staff Pension Scheme which is a defined benefit arrangement. The scheme closed to future accrual from 1 September 2011. A full actuarial valuation of this scheme was carried out by a qualified independent actuary at 31 August 2019 and updated by a qualified independent actuary to 30 June 2024.

The contributions made by the employer over the financial year have been £145k (2023: £537k).

28. Pension schemes *(continued)*

a) Changes in the present value of the defined benefit obligation are as follows:

	2024 £'000	2023 £'000
Present value of funded obligations	(7,210)	(7,563)
Fair value of plan assets	7,007	7,042
Deficit	(203)	(521)
Amounts in the balance sheet:		
Liabilities	(203)	(521)
Assets	-	-
Net liability	(203)	(521)

b) Changes in the present value of the defined benefit obligation are as follows:

	2024 £'000	2023 £'000
Opening defined benefit obligation	7,563	8,751
Current service cost	11	-
Expenses	157	101
Interest cost	400	329
Actuarial losses	(403)	(1,123)
Benefits paid	(518)	(495)
Closing defined benefit obligation	7,210	7,563

c) Changes in the fair value of scheme assets are as follows:

	2024 £'000	2023 £'000
Opening fair value of scheme assets	7,042	8,291
Interest income	372	319
Return on scheme assets less interest on net defined benefit pension scheme liability	(34)	(1,610)
Contributions by employer	145	537
Benefits paid	(518)	(495)
Fair value of scheme assets at end of year	7,007	7,042

28. Pension schemes *(continued)*

d) The amounts included within the Statement of Financial Activities are as follows:

	2024 £'000	2023 £'000
Current service cost	(11)	-
Expenses	(157)	(101)
Total charge to net income	(168)	(101)
Net interest on the net defined benefit pension scheme liability	(28)	(10)
Net finance cost	(28)	(10)
Total amount charged within net income	(196)	(111)
Remeasurement of the net defined benefit pension scheme liability	369	(487)
Total amount charged to the Statement of Financial Activities	173	(598)

e) The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2024	2023
Equities	-	-
Corporate Bonds	15%	10%
Liability Driven Investments (formerly Fixed Interest Matching Assets and Inflation Linked Matching Assets)	42%	30%
Diversified Growth Funds	41%	56%
Other (cash)	2%	4%

The scheme assets were switched to managed growth following the closure of the scheme to future accrual.

The actual return on the scheme assets in the year was:

	2024 £'000	2023 £'000
Actual return on the scheme assets	338	(1,291)

28. Pension schemes *(continued)*

f) Principal assumptions at the balance sheet date (expressed as weighted averages)

The assets of the scheme have been included in this year's financial statements at market value and the liabilities have been calculated using the following principal actuarial assumptions:

	30 June 2024	30 June 2023
Inflation (RPI)	3.47% pa	3.51% pa
Inflation (CPI)	3.12% pa	3.11% pa
Salary increases	n/a	n/a
Rate of discount	5.11% pa	5.42% pa
Rate of increase in pensions in payment where CPI to a maximum of 5% applies	3.12%	3.11%
Rate of increase in pensions in payment where CPI to a max of 2.5% applies	2.02%	1.96%
Assumes life expectancies on retirement age 65:		
Retiring today – males	19.8	20.6
Retiring today - females	22.3	23.0
Retiring in 20 years - males	21.0	22.0
Retiring in 20 years - females	23.7	24.5

29. Related party transactions

Transactions between the School and other group companies that have been eliminated on consolidation are disclosed below:

	2024 £'000	2023 £'000
Sherborne School (Trading) Limited		
Agents commission invoiced to School	100	78
Departmental sales invoiced to School	58	60
Profits gifted to School	6	-
Support costs invoiced by School	(19)	(18)
Sherborne School (Leisure) Limited		
Pupil usage of sports facilities invoiced to School	207	162
Profits gifted to School	-	-
Support and rental costs invoiced by School	(47)	(15)
Sherborne School (Overseas Trading) Limited		
Profits gifted to School	161	161
The Sherborne School Foundation		
Donations to School	250	1,137
Donated services from School	175	116
Sherborne Schools Worldwide Limited		
Interest paid to the School	16	12

Details of balances due between these entities and the School at the year end are disclosed in debtors and creditors.

Details of the joint venture undertaking, Sherborne Schools Worldwide Limited, are disclosed at note 30.

29. Related party transactions *(continued)*

There were no transactions with Governors and directors/trustees of Group companies during the year to 30 June 2024.

There were no other related or connected party transactions during the year.

30. Joint venture interest

Sherborne School owned 50% of the share capital of Sherborne Schools Worldwide Limited (company no. 10730155), which was incorporated on 19 April 2017, and commenced trading on 1 May 2017. The company was jointly owned with Sherborne Girls, and was incorporated to identify international opportunities, select, market to and enter into arrangements with third parties on behalf of the two Schools jointly, to generate income, increase the value of the Schools' brands and enhance the Schools' reputations. Following the merger on 1 July 2024 Sherborne Schools Group now owns 100% of the share capital of Sherborne Schools Worldwide Limited.

Sherborne Schools Worldwide Limited's trading results for the year ended 30 June 2024 are summarised below:

	Year to 30 June 2024 £'000	Year to 30 June 2023 £'000
Turnover	-	-
Administration	(19)	(36)
Operating loss	**(19)**	**(36)**
Interest payable	(33)	(25)
Loss for the year	**(52)**	**(61)**
50% share of loss	**(26)**	**(31)**
Shareholder's deficit	**(644)**	**(592)**
50% share of shareholder's deficit	**(322)**	**(296)**

Sherborne School provided loan funding to Sherborne Schools Worldwide Limited of £200k. Repayments were due to be made in three equal instalments during the years to 30 June 2021 – 2023. However, potential projects were paused for an extended period as a result of the pandemic, so it has not been possible for the company to generate any income as yet, and this situation is likely to continue for some time. It is considered unlikely that the company will have sufficient funds to make any loan repayments until the 2026-27 year, so the whole of the loan balance at 30 June 2024 is included at note 17 – Debtors, shown as a balance due after more than one year from a joint venture undertaking. At 30 June 2023 the £200k balance was also included as a balance due after more than one year from a joint venture undertaking. The interest charged on the loan of £16k (2023 - £12k) has been eliminated in the consolidated accounts when calculating the School's net share of loss in the joint venture.

31. Events after the reporting period

As reported elsewhere within these financial statements the charity (formerly Sherborne School) merged with Sherborne School for Girls (company registration: 00306828; charity registration: 307427) on 1 July 2024 to form the Sherborne Schools Group, continuing with the company and charity numbers of Sherborne School. The former subsidiary companies of Sherborne School for Girls are from 1 July 2024 100% subsidiaries of the Sherborne Schools Group.

GOVERNORS AND CHARITY TRUSTEES

Sherborne School Governors are the Charity Trustees and Company Directors of Sherborne Schools Group Charity ("the Charity"). They have all served in office throughout the year except where indicated. Together with past Governors who served in the year as indicated, they are:

Executive Chair	Christopher Hadley Samler MA (Oxon) MBA (appointed 19 August 2024)
Co-Chair	Lt Gen David Leakey CMG CVO CBE MA Cantab
Co-Chair	Mrs Louise Drummond Hall (appointed 1 July 2024)
Vice Chairman	Mrs Angela Claire Lane BA, FCA (resigned as Vice Chairman 30 June 2024)
Ex-Officio	The Vicar of Sherborne, The Reverend Martin Lee
Co-Opted	Ms Juliet Sara Blanch (appointed 1 July 2024)
	Aubrey John Capel Esq (resigned 30 June 2024)
	Mrs Vicki Cotter, LLB (Hons), LLM (resigned 4 March 2024)
	Mrs Sally Ann Craig-McFeely (appointed 1 July 2024)
	Canon Nicola Jane Edwards (appointed 1 July 2024)
	Mrs Amanda Louise Harris (appointed 1 July 2024)
	Guy David John Hayward-Cole Esq, MA, MBA (resigned 30 June 2024)
	Mrs Amanda Louise Hughes (appointed 1 July 2024)
	Nicholas Isaac
	Dr Max Jonas (resigned 30 June 2024)
	Nigel Lawson Jones Esq, BSc, FRICS, ACIArb
	Robin Anthony Langley Leach Esq, MA
	George Marsh Esq, MA, Cert Ed
	Mrs Joanna Susan Massey (appointed 1 July 2024)
	Dr Ruth Elizabeth Newman (resigned 30 June 2024)
	John David William Pocock Esq, BEng (Hons) (resigned 30 June 2024)
	Anthony John Demainbray Pralle
	Professor Simon Mark Spearing
	Mrs Gillian Staley, BSc, MSc, CMIOSH (resigned 30 June 2024)
	Mrs Elaine Stallard JP (resigned 30 June 2024)
	Mr Matthew Christopher Taylor (appointed 1 July 2024)
	Dr Allan Paul Williams (appointed 1 July 2024)
	Michael Trevenen Wilson Esq, BSc, QTS
Staff Nominated Governor	Matthew James Whittell Esq, MA, MSc (resigned 30 June 2024)

Members of Committees

Finance Committee

Louise Hall (from 1 July 2024), Amanda Harris (from 1 July 2024), Guy Hayward-Cole (to 30 June 2024), Amanda Hughes (Chair from 1 July 2024), Nicholas Isaac, Nigel Jones (to 30 June 2024), Angela Lane (Chair to 30 June 2024), David Leakey (to 30 June 2024), Anthony Pralle, Matthew Taylor (from 1 July 2024).

Investment Sub-Committee
Guy Hayward-Cole (Chairman, to 30 June 2024), Michael French (volunteer, Pro-Bono Adviser to 30 June 2024), Guy Hudson (volunteer, Pro-Bono Adviser), Charles Griffiths (volunteer, Pro-Bono Adviser to 30 June 2024), Angela Lane (Chair, from 1 July 2024), Matthew Taylor (from 1 July 2024).

Estates Committee
Aubrey Capel (to 30 June 2024), Vicki Cotter (Chair, to 4 March 2024), Max Jonas (to 30 June 2024), Nigel Jones (Chair from 25 March 2024), Jo Massey (from 1 July 2024), John Pocock (to 30 June 2024), Mark Spearing (from 1 July 2024).

Academic Committee
Nicki Edwards, George Marsh (Chairman to 30 June 2024), Jo Massey (from 1 July 2024), Max Jonas (to 30 June 2024), Robin Leach (to 30 June 2024), Mark Spearing (Chair from 1 July 2024), Paul Williams (from 1 July 2024), Michael Wilson.

Pastoral Committee
Sally Craig-McFeely (from 1 July 2024), Nicki Edwards (Chair, from 1 July 2024), Max Jonas (Chair, to 30 June 2024), Robin Leach, Martin Lee, George Marsh (to 30 June 2024), Ruth Newman (to 30 June 2024), Gilly Staley (to 30 June 2024).

Hanford Committee
Sally Craig-McFeely (Chair, from 1 July 2024), Nicki Edwards (from 1 July 2024), Amanda Hughes (from 1 July 2024), Martin Lee (from 1 July 2024), George Marsh (from 1 July 2024).

SPS Committee
Sally Craig-McFeely (from 1 July 2024), Amanda Hughes (from 1 July 2024), Robin Leach (Chair, from 1 July 2024), George Marsh (from 1 July 2024), Michael Wilson (from 1 July 2024).

Commercial Committee
Nick Isaac (Chair, from 1 July 2024), Nigel Jones (from 1 July 2024), Robin Leach (from 1 July 2024), Paul Williams (from 1 July 2024), Michael Wilson (from 1 July 2024).

Nominations Committee
Juliet Blanch (from 1 July 2024), Vicki Cotter (to 4 March 2024), Louise Hall (from 1 July 2024), Amanda Harris (from 1 July 2024), Angela Lane, Robin Leach (to 30 June 2024), David Leakey (Chair to 30 June 2024), Anthony Pralle (Chair, from 1 July 2024).

The Board is a self-appointing body, apart from the Ex Officio Governors and the Staff Nominated Governor. Service on the Board is for a term of five years. Retiring Governors can be re-elected for a further five year term.

OFFICERS

Headmaster and Chief Executive Headmaster	D A Luckett BA DPhil FRSA FHA (to 31 October 2024) MI Jamieson BA (from 1 November 2024)
Chief Operating Officer and Clerk to the Governors	Dr D C Cole BSc MSc PhD
Address	Sherborne School Abbey Road Sherborne DT9 3LF
Website	www.sherborne.org

ADVISERS

Bankers	Lloyds Bank Plc 1st Floor Sedgemoor House Deansgate Avenue Taunton Somerset TA1 2UF

Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ
Auditor	HaysMac LLP 10 Queen Street Place London EC4R 1AG
Investment Advisers	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA
Actuaries	Mercer Limited 1 Tower Place West London EC3R 5BU

SHERBORNE SCHOOLS GROUP

England & Wales - Charity number 1081228

Accounts

SHERBORNE SCHOOL ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 2023

SHERBORNE

Registered Company Number: 4002575
Registered Charity Number: 1081228

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The Governors of Sherborne School ("the Sherborne Group") present their annual report and audited accounts for the year ended 30 June 2023 and confirm that they comply with the requirements of the Charities Act 2011, Sherborne's constitution, the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019), and the Companies Act 2006.

REVIEW OF THE YEAR

Principal Achievements and Performance

Educational Performance

Ofqual announced earlier this year that grading for the 2023 GCSE, AS and A levels would return in England to pre-pandemic standards (although, extraordinarily, this will not happen in Wales and Northern Ireland until 2024). Ofqual had been saying for some time that schools and colleges in England should expect headline results to be lower than in 2022. The headlines for our boys are that the grades are down on recent years but that university outcomes are nonetheless positive.

Nationally, the return to pre-pandemic grading standards resulted in significant grade deflation. Despite this, our boys achieved over 40% A* to A grades at A level with more than three quarters of papers graded A* to B. The BTEC results were exceptional with 93% graded Distinction* or Distinction.

88% of Shirburnians applied to University (with those not opting to do so looking instead to apprenticeships, gap years or direct entry to careers, particularly in the Army/Navy). In 2023 boys attained places at highly regarded institutions including Oxford, UCL, Bristol, Bath, Newcastle, Durham, Edinburgh, Nottingham and Leeds. Reflecting a growing trend, several boys had confirmed places at prestigious European, US and Canadian universities including Berlin, Stanford, Boston, Berklee, McGill and Toronto. The courses they are following range from Astrophysics and Anthropology to Computer Science, Film Production, History, Mathematics, Music, Neuroscience, Sustainability and Environmental Management, Motorsport Engineering, Psychology and Physics.

Additionally, the School had excellent EPQ results, all 28 entrants achieving A*-B and 46% receiving A*/A.

Despite a sharp fall in top grades across the country, the School's GCSE results remain strong, with over 14% graded at 9 and a third of grades 9 and 8. Eighteen boys achieved an average grade of 8 or above and 1 in 7 were awarded ten or more grades 9 – 7. Among them was one boy, being one of only 150 people in the country (out of over 640,000 candidates) who secured grade 9s in at least eleven GCSE subjects.

Of the departing Year Eight from Sherborne Preparatory School (n=38), eight received academic scholarships at both Sherborne School and Sherborne Girls, as well as Sevenoaks, Hampton, King's Bruton and King's Taunton. Additionally, a further ten children achieved scholarships and awards elsewhere in Drama, Music and Sport.

Sporting Achievements

On the sporting front, the Schools continued to excel. The U14 rugby squad qualified for the fourth round of the National Cup. Many boys, including colts and senior squad players, are also involved in the Bath Academy pathway.

The Mini Colts reached the final of the Sherborne Sevens tournament, won the Vase at Dean Close and were Shield winners at the South West regional tournament.

Our golfers were undefeated in the Western Schools' Golf League and also reached the regional final of the ISGA Singles competition. Our senior team qualified for the final of the ISGA National Finals. One departing U6 won the U18 singles plate at the South West's Charlie Colquhoun tournament.

Cross country continues to flourish with our senior boys winning the Sherborne Trophy alongside many other team and individual victories. One departing U6 and a current Fourth Former qualified for the English Schools Cross Country Championships in Nottingham.

The athletics team achieved the School's best result for nearly a decade in the Lutra Shield and sixteen boys qualified for the Dorset Championships, four going on to represent the county at the South West Championships. Finally, our senior Polo squad won their division at the Schools and Universities Polo Association Championships.

The Arts

Likewise, the Arts have also grown from strength to strength. Our Music scholars, spanning 3rd form to Upper Sixth achieved four ATCL Diplomas (two with Distinction), 5 Grade 8 Distinctions and 6 Grade 8 Merits between them. Our musicians staged an outstanding concert *Separate Yet Together – A Musical Showcase* at Sherborne Girls and individuals performed throughout the year in public recitals and concerts as well as the Halliday Cup and the Patrick Shelley Music Competition for Advanced Instrumentalists, this year adjudicated by the Head of Opera Studies at the Guildhall School of Music, Dominic Wheeler.

The Chamber Choir performed routinely at Sherborne Abbey as well as taking part in the Choral Evensong at Bath Abbey and Winchester Cathedral. The Sherborne Schools Choral Society gave its annual concert in Sherborne Abbey and the Swing Band, Beethoven and Poulenc Piano Trios participated in the Mid Somerset Festival, with the Swing Band and Poulenc Trio taking first prize in their classes (followed very closely by the Beethoven Trio).

The joint schools' production was a magnificently mature and engaging staging of *Animal Farm.* Closely followed by an outstanding junior production of *Treasure Island.* Abbey House put on *One Flew over the Cuckoo's Nest,* School House put on *Accidental Death of an Anarchist* and Harper House staged *Our Man.* The Paper Bird Theatre Company came to the School to do some excellent workshops and provide support to boys from the Third Form through to the Fifth Form. They also worked with our Drama Scholars on devising a new performance. The Paper Bird Theatre Company work closely with the Youth Creative Council and we are one of six groups in the world to have been selected to take part in the creation of a new show called 'Feel Me,' which explores themes of empathy and the displacement of people.

Our GCSE candidates were able to perform their meticulously rehearsed pieces from plays such as *Buckets, Around the World in Eighty Days,* and *Adult Child Dead Child* for an external examiner for the first time since the pandemic.

Our LAMDA pupils secured 42 Distinctions and 19 Merit for the year in all levels up to and including Grade 8.

Co-curricular

Through participation in over 50 clubs and various other activities, our pupils hone their abilities to plan, think, lead, critique sources and news, analyse situations and behaviour and debate. Examples include the Model United Nations, Amnesty, Debating, Community Service, CCF, Environmental Action, Chess, Coding and various Pupil Voice Committees. The Robotics Club won the Rookie Award in the National Student Robotics Competition.

The Duke of Edinburgh's Award continues to go from strength to strength with 170 new participants across the three award levels.

One departing U6 claimed the Guinness World Records for both the youngest person to fly solo around the world and the youngest to do so in a microlight aircraft following a 30,000-mile, five-month odyssey around the globe. He has also been awarded the 2023 Segrave Trophy.

The CCF had cadets going on visits/field trips to the Tower of London, Scraesdon Fort and HMS Raleigh. The Army and Royal Marine cadets were hosted by the Rifles in Chepstow and the Royal Navy section were flown over Sherborne and Glastonbury Tor in a Merlin helicopter by 845 Naval Air Squadron. In addition to cadets from Sherborne Girls, five Army cadets competed in the Rifles Cadet Cup and eight cadets entered the National Royal Marine Pringle Trophy, each taking third place and coming first among the mixed male and female teams.

Our Sixth Form cadets instigated a parade to mark the Coronation of King Charles III and created a time capsule to be buried as part of our commemorations of His Majesty's coronation.

Development of Facilities and Resources

Despite the challenging economic circumstances, the Group has continued to invest heavily in its staff and facilities. Phases 1&2 (that included the new Sports Hall and Indoor Climbing facility) of the Sports Centre extension and redevelopment were completed to time, scope and cost in the Summer of 2022 with the overall project due to complete in October 2023. When completed the project will represent £13.1MM of investment into the facilities that will benefit both schools and public for years to come.

Other major projects included the redevelopment of the Harper Boarding House at a cost of £1.2MM and the roll out of the digital strategy at Sherborne Preparatory School, providing personal digital devices for all Year 7 and 8 pupils as well as banks of loan devices for further down the school.

Following the outsourcing of catering provision in 2021, the School utilised the capital rebate negotiated within the tender process, to undertake the complete refurbishment of its Dining Hall during the Summer of 2022. These works created a lighter, fresher ambience with additional servery space including pasta and salad bars to encourage healthy eating, all of which has been well received by the boys (and noted by Inspectors).

Compliance

Sherborne School's Independent Schools Inspectorate combined compliance and Educational Quality Inspection took place in March 2023. In addition to achieving full regulatory compliance, both areas subject to qualitative judgements (*The quality of pupils' academic and other achievements* and *The quality of pupils' personal development*) received the highest possible grade of **Excellent**.

Sherborne Preparatory School was inspected by the Independent Schools Inspectorate in January 2023 as part of their regular cycle of inspections. In addition to achieving full regulatory compliance, both areas subject to qualitative judgements (*The quality of pupils' academic and other achievements* and *The quality of pupils' pastoral and other achievement*) received the highest possible grade of **Excellent**.

Overseas Activities

Sherborne Schools Worldwide Limited (SSW), the company owned jointly with Sherborne Girls through which all new overseas operations are pursued, completed its fifth year of trading. Whilst in Qatar in November 2022, a signing ceremony was held at which SSW and Sharaka expressed their commitment to open schools under the Sherborne brand across the Middle East and North Africa (MENA). The full form contract between the two parties was agreed and entered into in December 2022. Subsequently, two projects in Saudi Arabia are under development with the potential for Sherborne-branded schools to open in 2025.

Marketing and Recruitment

The key to stability and security is sustaining pupil numbers in both Sherborne School and Sherborne Preparatory School. The Third Form entry to Sherborne School was 98 and numbers on roll reduced to 588 (551 Boarders: 37 Day) at the start of the year compared to 598 the previous year.

The School expanded its programme of overseas visits with the aim of attracting more overseas pupils from a wider range of countries. Overseas travel (in support of recruitment) included attendance at recruitment fairs in Cayman (September 2022), Riyadh and Dubai (November 2022), Bermuda (December 2022) and Kenya (February 2023), Barbados (March 2023) and Korea (March 2023).

The School continued to reach target markets with workshops, sports tournaments, Prep School Fairs, open days as well as continuing with the well-established newsletter and the Shirburnian.

Carbon Energy Report

The Charity is reporting under the requirements of the Companies (Directors' Report) and Limited Liability partnerships (Energy and Carbon Reporting) Regulations 2018. The Charity has followed the Environmental Reporting guidelines: including streamlined energy and carbon reporting guidance March 2019 and used the GHG Reporting Protocol – Corporate Standard for quantifying and reporting energy use. The UK Government Conversion Factors for Company Reporting have been used in the calculation.

UK GREENHOUSE GAS EMISSIONS AND ENERGY USE DATA	**2022/23**	**2021/22**
Energy consumption (kWh) used to calculate emissions (kWh)		
• Gas	6,988,123	7,328,307
• Electricity	4,161,865	2,315,220
• Transport fuel	108,920	76,170
Total energy consumption (kWh)	**11,258,908**	**9,719,697**
Emissions in metric tonnes CO2e		
• Gas consumption	1,397.62	1,327.71
• Owned transport – minibuses, car and vans	27.23	19.024

Emissions in metric tonnes CO2e • Purchased electricity	861.81	447.71
Emissions in metric tonnes CO2e • Business travel in employee owned vehicles	19.84	1.29
Total gross emissions in metric tonnes CO2e	**2,306.50**	**1,795.73**
Intensity ratio Tonnes CO2e per pupil – total number of pupils 818 (2022: 775)	**2.82**	**2.32**

Overall energy usage for 2022-23 is **up** significantly from the previous year (2022: Intensity ratio = 2.32). Accurate comparison is hindered by certain aspects of school operations e.g. Sherborne International Short Courses only operating for the first time in three years due to the implications of COVID-19 and the operating environment of the Schools for much of that time. In addition, the School has undertaken two very large capital projects in year which have been highly energy intensive (Sports Centre redevelopment and Harper House refurbishment).

Sustainability has been identified as one of the pillars of the 2023-28 Development Plan. We aim to embed sustainability in every facet of School life, cross referencing our curriculum and co-curriculum with the United Nations Sustainable Development Goals to ensure all are addressed. That way, we will deepen our boys' understanding of sustainability and inspire them to positive action in the world. By the end of 2023, we will establish a realistic, but ambitious carbon reduction target for 2028. Sherborne School has a well-established Environmental Action Group (EAG) who meet with the Senior Deputy Head and Bursar regularly to discuss potential energy saving initiatives.

In addition, the School owns two principal equity holdings, managed by Cazenove Capital. By far the largest of these relates to Scholarships and Prizes. As at 30 June 2023, Cazenove provided an overall assessment as to the carbon impact of the School's holdings of 353 tonnes CO2 (relative to a benchmark of 512 tonnes/CO2) **down** from 453 tonnes CO2 in 2022. *n.b.* the figures representing an aggregate of the annual scope 1 and 2 carbon emissions (in tonnes) that can be attributed to the School's holdings of the companies in which we are invested (Source: Schroders SustainEx).

PUBLIC BENEFIT

Bursaries and Scholarships

This year Sherborne School provided assistance with fees to 279 pupils (2022: 252) to the value of £3,892k (2022: £3,502k) which represented 15.9% of the School's gross fee income, which is 1.2% more than the previous year. 126 pupils (2022: 101) received means treated bursaries to the value of £2,668k representing an increase of 21% (£463k) on 2022. 15 pupils (2022:10) received means tested assistance (including scholarships as appropriate) of 100%, of these four are members of the HMC Scholarship scheme. A further ten pupils (2022: seven) received remissions of between 90% to 99% of termly fees. Four pupils received bursaries funded by the Old Shirburnian Society.

131 pupils (2022: 132) received remitted scholarships based on their merit, with a total value of £585k (down from £627k). Scholarships represented 2.4% of the gross fees (2022: 2.6%). Of this number, 36 (up from 24 last year) also qualified for means-tested bursary support and are included in the figures relating to bursary awards.

In addition, the Sherborne Preparatory School provided fee assistance to 111 pupils (47 of whose parents work at either Sherborne School, Sherborne Girls School or Sherborne Preparatory School). Remittances totalled £687k for the year (21.5% of Gross Fee income) up from £604k (20.7%) in 2022. 27 pupils received means-tested bursaries (2021: 28), eight of whom were also in receipt of a scholarship. The total value of means-tested bursaries for the year was £225k (2022: £153k). A further 21 children were in receipt of scholarships. The School also supported four displaced Ukrainian children on 100% bursaries for the year.

Links with Local Schools and the Community

The School has a well-established and vibrant outreach programme. Each Boarding House has developed links to a nominated charity. Across the year a number of events, ranging from Sleep Outs for Ukraine to the procurement of House Belts where proceeds went to a school in Kenya, have raised thousands of pounds for good causes. In addition, the Co-Curricular (Outreach) Committee rallied the whole school community to organise supplies for those displaced by the conflict in Ukraine.

We have had boys elected as Youth Advisors to the Sherborne Town Council, with two further individuals advising the Town Council's Environmental Action Group, thus improving engagement with the local community and providing further opportunities for greater awareness of those on the Council.

In addition to the very substantial benefits Sherborne brings to its pupils, the local community and society through the education offered, the bursary programme and links with local schools continue to create a social asset without cost to the Exchequer.

FUTURE PLANS

The Governing Body approved ambitious new Development Plans for both Sherborne School and Sherborne Preparatory School in June 2022, designed to take the Schools through to 2028. In so doing, they were conscious of just what turbulent times the Schools, sector and nation were experiencing and that, more than ever before, the Schools would need to be responsive to change and that the plans would require regular review and adjustment over the comings months and years.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

Sherborne's School's Object, as set out in its Articles of Association, is to advance education, by carrying on in or near Sherborne a boarding and day school for boys and girls. In furtherance of its Object, Sherborne maintains its heritage endowment, the School, with its many listed buildings. There is also an endowed Prize and Scholarship fund which contributes towards the provision of scholarships, bursaries and prizes.

Within this Object, the School's core vision is to foster a community of decent, thoughtful, hardworking boys who value and take full advantage of the opportunities they are given. Individualised care and support will allow them to feel safe and secure within our community; known and valued as individuals; and possessed of open minds that allow them to celebrate difference and diversity. When faced with challenges, they will be proactively and sensitively supported. No boy will ever be overlooked.

We aim to enthuse and prepare boys for life and the dynamic world of work in the twenty-first century. They will engage positively with their studies, make strong progress in all that they do, and embrace co-curricular and charitable opportunities. They will be ambitious for themselves and plan sensibly and thoughtfully for their futures. Our curriculum will be dynamic, flexible and responsive to individual needs. Boys will develop aesthetic sensibilities and physical wellbeing.

We will provide boys with a world-class, forward-looking education, imparting the knowledge, skills and attitudes needed for fulfilment and success. Such is the pace of technological and social change that we cannot be sure how the future workplace will look. Whilst traditional professions such as law, accountancy and medicine will remain important, success in those fields is likely to require a different blend of skills from those demanded in the past. At the same time, new, more diverse career paths will continue to emerge, including occupations that we cannot currently envisage, many requiring high levels of mathematical, scientific and technological competence. There will be fewer jobs for life and young people will need flexibility and resilience to adapt successfully to change.

To help our boys succeed, the School's academic provision must be first-rate. It must be flexible enough to serve the individual needs of all our boys, whatever their aptitudes and interests, and sufficiently adaptable to meet the changing demands of universities and employers. Much of what we have done in the past remains relevant, but we must be prepared to innovate, impart new skills, offer new subjects and adopt new ways of teaching and learning.

Excellent academic qualifications will remain important, but they will not be sufficient for a fulfilling life and career. A growing body of research indicates that employers of all types, from technology giants to professional services, are looking for much more than just a strong academic record. The most sought-after employees are likely to be those who demonstrate the ability to think critically, creatively and flexibly. They will be able to solve complex problems. They will possess adaptability, resilience, good judgement, emotional intelligence and the ability to work cooperatively with others. They will be trustworthy, likeable and engaging. These, then, are the attributes that we most need to foster through our curricular, co-curricular and pastoral provision.

We must also ensure that, as they mature into young men, our boys can forge positive, mutually respectful and productive relationships with women and girls. We will, therefore, continue to work closely with our partner school, Sherborne Girls, to provide an ever-richer range of opportunities for boys to work alongside girls, to learn from them, collaborate with them and form respectful, meaningful friendships appropriate to the twenty-first century.

We will focus upon the delivery of ethical education so that our boys not only understand issues of global significance but make good choices in support of the environment, equality, diversity and the creation of a fairer and better world. The School will itself establish ambitious and binding environmental targets.

Our staff will be proud of working at Sherborne, committed to the welfare and wellbeing of those around them and eager to contribute to the continued success of the School. Each will feel valued for the contribution they make to our community and appreciative of those made by others, whatever their role or position. The School will support them in their professional and personal development goals.

Above all, we will be a School based upon values. Kindness will be our watchword, embraced by all as our core value and manifested in our relationships with each other and our daily interactions. Empathy, generosity of spirit and integrity will permeate our community and our boys and staff will be concerned not simply with their own success but with the wellbeing of others at School, in the local community and further afield. They will engage proactively in charitable works to support the poorest, most vulnerable and those in greatest need.

Because of all these things, our boys will emerge from the School as empathetic, mature, thoughtful and likeable young men and their parents will consistently and unreservedly recommend the School to others, providing a compelling answer to the question *Why Sherborne?*

Sherborne Preparatory School's strategic aim is to be widely acknowledged as the outstanding school in the South West of England where every child is nurtured by individualised care, enjoys a happy childhood experience and is supported in making the transition to achieve a successful, productive and self-aware life.

The school's motto of *Non Nobis Solum* means 'not for ourselves alone' and there has never been a more pressing need for future generations to be active global citizens who are willing and equipped to make a contribution to the world around them.

At Sherborne Prep we believe in learning to think imaginatively, to work both collaboratively and independently and to care sincerely for others and for our world. We seek, through working hard, to discover all we are capable of doing and being, and the joys of life and of learning.

The school aims to:

- foster the best possible work ethic in each child by encouraging passion, curiosity, initiative and a joy of learning
- help children to discover and develop their own personalities and talents
- ensure that children are well grounded and develop a social and cultural awareness which enables them to understand their place and their responsibilities in the wider world
- welcome parents into a partnership which embraces trust, understanding, a shared vision and mutual support
- encourage children to see their education as a staging post to lifelong learning, discovery and achievement

Objectives and Public Benefit

Sherborne's objectives are set to reflect its educational aims and ethos. In setting objectives, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging. In furtherance of these objectives the Governors, as charity trustees, have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub sector guidance concerning the operation of the Public Benefit requirement under the Act.

Our Ethos, Strategy and Policies

The Governors are responsible for setting strategies for both schools to achieve the objectives they have set. The focus of the strategy is on the development of pupils, their continued high levels of academic and co-curricular achievements and to further widen access to the education the School provides. In taking the strategy forward the School implements the following policies.

Sherborne is a charity which seeks to benefit the public through the pursuit of its stated object. Fees are set at a level to ensure Sherborne's financial viability and at a level that is consistent with its educational aims.

The School welcomes pupils from all backgrounds but needs to be satisfied that it will be able to educate and develop all prospective pupils to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy the School that potential pupils can cope with the pace of learning and benefit from the education provided.

Sherborne is an equal opportunity organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion or belief, sex, trans-gender status,

marital or civil partnership status, sexual orientation or disability. Sherborne will make reasonable adjustment to meet the needs of staff or pupils who are or become disabled.

Sherborne is committed to safeguarding and promoting the welfare of its pupils and expects all staff and volunteers to share this commitment. This commitment is embedded throughout Sherborne's policies, procedures and working practices.

Access Policy

The Governors are committed to ensuring that access to the education offered is not restricted to those who can afford fees. The bursary policy together with the links with other schools in the area and the local community contribute to a widening of access to the education provided by Sherborne.

The Governors consider that bursaries are important in ensuring that boys from families who would otherwise not be able to afford the fees can access the education offered. Bursary awards are available to those who meet the general entry requirements and are made on the basis of parental means or to relieve hardship where an existing pupil's education and future prospects would be at risk, for example, in the case or bereavement or redundancy. In assessing means, the School takes a number of factors into consideration including family income, investments and savings and family circumstances.

However, Sherborne does not have a large endowment and in funding bursaries the School has to be mindful of ensuring a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their children's education, and those benefitting from the awards.

Bursaries are available for up to 100% of termly fees. They are advertised in the local press and through HMC Projects in Central and Eastern Europe. Further details of the bursary policy and how to apply are provided on the School website. Bursaries are subject to annual review so that the School can ensure that support is only provided to those that require it.

The Governors, through the initiatives explained above, intend that the proportion of means tested bursary support compared to merit awards should increase over the coming years.

Scholarship Policy

The purpose of scholarships and awards at the Schools is to recognise high academic potential or the ability to excel in Music, Sport, Drama, Art or Design and Technology (primarily Music and Sport at SPS). Scholarships and awards are awarded with a fixed remission of fees between 5% and 10%. Where assistance is required, awards may be supplemented by a means tested bursary. Further details about scholarships and awards are available on the Schools' websites.

Assistance to Teaching Staff

As part of Sherborne's emphasis on attracting and retaining high calibre staff, members of the teaching staff of both schools who choose to educate their children at Sherborne School, Sherborne Preparatory School or Sherborne Girls receive a fee discount.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Whilst the financial impact to the School's operations of COVID-19 has started to abate, with only pupil numbers (and thence income) from the Summer 2022 Short-Course programme at Sherborne International being materially impacted in this financial year, inflationary cost pressures have been significant. As a full boarding operation, Sherborne School has been significantly exposed to significant inflationary pressures, in particular in fuel and food costs, way outstripping the planning assumption for the year that informed the fee increase (4.6%) announced in April 2022.

Additionally, the headwinds faced by all preparatory schools in the current financial climate, resulted in Sherborne Preparatory School making a second consecutive significant operating loss for the year. Whilst plans have been approved to significantly reduce this deficit for 2023-24, further reform of the business model for the school is required for it to thrive in the way it has previously.

Good progress has been made towards the establishment of a significant commercial income stream to offset the schools' reliance on fee income, with Sherborne School (Trading) Limited making a retained profit for the year of £55.7k on a turnover of £722k. With the Sports Centre redevelopment nearing completion (and thence

able to generate meaningful membership and usage income) the prognosis for commercial income for the year ahead is greatly improved.

Sherborne School (Overseas Trading) Limited (SSOT) provided educational and management services to Sherborne Qatar. It made an operating profit of £161k (2022: £162k) which it was able to gift to Sherborne School, this being additional to the annual royalty from the Qatar relationship of £166k.

The combined result of all the above created a net loss (before taxation) of £548k (2022: 287k loss)

Investment Policy and Performance

The Board of Governors aims to maximise income whilst at a minimum continuing to preserve the real value of endowed investments. In pursuance of this approach, the Board of Governors also aims to maximise the total investment return whilst adopting a prudent investment posture. It also plans to match the return on invested Advance Fees Scheme monies in line with the maturation profile of the related liability to provide schooling in future years.

The investment objective of the Scholarship and Prize Fund is to preserve the real value of the capital of the Fund and to generate income to fund scholarships awarded by the School. This means that even in difficult markets the Fund will remain substantially invested and will ride out short term fluctuations in market investment values. The Fund achieved a cumulative return of 2.3% (2022: -3.5%) over the year against an investment objective of between 3% and 3.5% p.a.

Fundraising Performance

The School does not fundraise directly; this is carried out by the Sherborne School Foundation (Registered Charity No 1073522) of which Sherborne is the sole member. No external fundraising bodies are used. The Board of Governors has reviewed the Foundation's practices and is satisfied that its fundraising is compliant with the recognised standards of fundraising (set out in the Code of Fundraising Practice) as well as those required under charity law and wider law; no complaints have been received during the year. The main focus of fundraising for the 2022-23 financial year has been towards the Sports Centre redevelopment.

Reserves Policy

Sherborne's policy is that unrestricted reserves should not be accumulated from year to year other than in anticipation of an identified capital project and that any surpluses generated from the running of Sherborne will be invested in developing its buildings, equipment and resources. Sherborne therefore holds no free reserves, with a negative £(16,499k) (2022: £(12,262k)) on unrestricted funds. The situation is largely attributable to the liability for holiday pay which is accrued because the main nine week holiday period falls just as the financial year ends, and the defined benefit pension liability. Governors do not consider that either of these liabilities are likely to result in an immediate impact on cash flow.

Total funds held at 30 June 2023 amounted to £43,530k (down £1,065k), which included £284k of restricted funds (down £620k).

Sherborne operates a defined benefit pension scheme for some of its support staff. This scheme was closed to new entrants in 2002 and the Governors closed the scheme to further accrual in September 2011. The pension liability is included in the unrestricted funds as required by FRS 102. The scheme deficit has increased slightly during 2022-23 to £521k at 30 June 2023 (2022: £460k). The corresponding liability does not result in an immediate cash flow impact. Contributions into the pension plan are met through planned income. Further information can be found in note 28 to these financial statements.

RISK MANAGEMENT

The Board of Governors is responsible for the management of risks faced by the Charity. The Governing Body approved the introduction of a new Risk Management Framework for the Group in June 2021. Within that framework, strategic risks to the Group are reviewed termly by the Full Governing Body with separate risk registers being considered by sub-committees as appropriate. In addition to Finance, HR, ICT, Estates and Health & Safety registers (overseen by the Finance & General Purposes, Estates and Infrastructure and Health & Safety Committees respectively), the School also now manages registers for academic and pastoral risks, as well registers specific to each individual Boarding House (through the Pastoral Committee). Risks and uncertainties are identified, assessed and controls established and monitored throughout the year.

The overall risk appetite of the School has reduced during the course of this financial year with several strategic risks having to be considered and managed. Whilst the current economic climate has significantly increased the cost base of the Group, it has also increased pressure on parents for whom the decision to send their children to an independent school was marginal. Additionally, significant time and effort has been spent considering the potential impact on the Group (and how it might ameliorate) should a Labour government be formed and the VAT-status of independent schools changed.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Governors of Sherborne are the School's charity trustees under charity law and the directors of the charitable company. The School's Governors, advisers and key staff are set out on pages 55 to 56.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Sherborne is a charitable company limited by guarantee and not having a share capital, incorporated and registered in England and Wales under the Companies Act (company number 4002575) and registered with the Charity Commission for England and Wales (registration number 1081228). Its current Articles of Association are dated 26 May 2000 as revised by Special Resolutions passed on 26 November 2005, 26 November 2011, 12 September 2013, 3 May 2014 and 28 November 2020. Sherborne administers two associated charitable trusts, the Sherborne School Prize and Scholarship Fund and the Sherborne School Trust that are regulated by a Charity Commission Scheme sealed on 26 June 2000.

Board of Governors

The structure of the Charity consists of a Board of Governors, the details of which are explained on pages 55 to 56, together with information on how the members of the Board of Governors are appointed to office. The Board of Governors aims to comply with the Code of Good Governance and reviews their performance on an annual basis.

Recruitment and Training of Governors

New Governors are appointed to the Board on recommendation of the Nominations Committee. As and when vacancies become available, the main criterion on the search for suitable candidates is the need to maintain the best possible balance of relevant skills, expertise and experience. Induction for new Governors is organised by the Clerk to the Governors and briefing and discussions on topical subjects take place at Governors' meetings each term. External training courses, for example through the Association of Governing Bodies of Independent Schools (AGBIS) and the Boarding Schools Association, are made available to Governors. All new Governors are required to attend the AGBIS seminar for New Governors.

Organisational Management

The Governors, as charity trustees, are legally responsible for the overall management and control of Sherborne, which consists of the School, Sherborne Preparatory School, Sherborne International and (through its sole shareholdings) trading subsidiaries and meet at least three times a year. The work of reviewing many of their policies is carried out by the members of the Finance and General Purposes Committee (F&GPC), who meet three weeks before each meeting of the full Board. In particular this committee reviews the budget and finalises the audited financial statements and annual report for approval by the Board. The Chairman of Governors is a member of the F&GPC which was chaired for the year by Mrs Angela Lane. The other principal committees are the Investment Sub-Committee, chaired by Mr Guy Hayward-Cole, the Estates and Infrastructure Committee, chaired by Ms Vicki Cotter, the Academic Committee chaired by Mr George Marsh, the Pastoral Committee chaired by Dr Max Jonas and the Remuneration and Nominations Committees are chaired by the Chair of Governors. Other committee members are listed on pages 55 to 56. Each of these committees meets at least termly other than the Remuneration and Nominations Committees which meet as required.

The day to day running of Sherborne is delegated to the Chief Executive who is also the Headmaster of Sherborne School. He is supported by the Bursar and the Head (SPS) and the Senior Leadership Teams of each school. The Headmaster, the Bursar and the SPS Head attend meetings of the Board of Governors.

Pay Policy for Key Management Staff

The Governors consider the Board of Governors who are also directors of the company and the charity's trustees, and the Group Executive team to comprise the key management personnel of the charity in charge of directing and controlling, running and operating Sherborne on a day to day basis. All Governors give of their time freely and no Governor received remuneration in the year. Details of Governors' expenses and related party transactions are disclosed in notes 9 and 29.

The pay of the Headmaster and Chief Executive, the Bursar and the SPS Head is reviewed and determined annually by the Governors through the Remuneration Committee. Consideration is given to performance and benchmarked against comparable schools, details of which are available in reports produced for the independent school sector by AGBIS and Baines Cutler.

The pay of the other members of the Senior Leadership Teams is reviewed annually by the Headmaster and Chief Executive with reference to performance, average increases in earnings, inflation and sector benchmarks. Recommendations are made to the Governors who make the final decision.

Group Structure and Relationships

The Charity had three wholly owned non-charitable subsidiaries: Sherborne School (Trading) Limited, Sherborne School (Leisure) Limited and Sherborne School (Overseas Trading) Limited, whose activities and trading performance are discussed in note 6.

On 1 July 2008 Sherborne School became the sole member of the Sherborne School Foundation, registered company number 3686309 and registered charity number 1073522. The principal objects of the Sherborne School Foundation are to promote the charitable purposes of Sherborne School in Dorset and to promote any other charitable purpose connected with or otherwise associated with the School. The financial statements for the Sherborne School Foundation, for the year ended 30 June 2023 have been consolidated with the group financial statements of Sherborne School.

Related and connected party transactions are detailed in notes 29 and 30.

EMPLOYEE INFORMATION

Sherborne follows all legislative requirements relating to recruitment and employment and operates specific policies for the following areas:

Disciplinary and Grievance
Capability
Accessibility
Health and Safety
Whistle blowing
Discrimination and Equality

A regular appraisal programme is in place for all academic and most support staff and the personal and professional development of all staff is supported.

Employees are kept up to date with the plans for the School, its performance and matters of concern through verbal and written briefings, staff meetings and newsletters.

EMPLOYEE INVOLVEMENT

The School encourages the involvement of its employees in its management through regular meetings of the academic and support staff representative groups which have responsibility for the dissemination of information of particular concern to employees and for receiving their views on important matters of policy. The School also conducts an annual Staff Survey across all its staff.

DISABLED PERSONS

The School will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure they are given full and fair consideration when such vacancies arise.

There is a training scheme in operation so that employees who have been injured or disabled during the course of their employment can, where possible, continue in employment with the School.

During employment the School seeks to work with employees, considering their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

The number of disabled persons employed by the School during the year was 11 (2022:16).

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of Sherborne School for the purposes of company law) are responsible for preparing the Annual Report of the Governors (and the incorporated 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 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 the incoming resources and application of resources, including the income and expenditure, of the charitable 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;
- make judgments and estimates that are reasonable and prudent;
- state whether 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 Governors are responsible for keeping proper accounting records that disclose with reasonable 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.

So far as the Governors are aware, there is no relevant audit information of which the Charity's auditor is unaware. The Governors have each taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

AUDITOR

Haysmacintyre LLP have indicated their willingness to continue in office. A resolution to reappoint Haysmacintyre LLP as the School's auditor will be made at the Annual General Meeting.

The Annual Report of the Governors (and the incorporated Strategic Report) were approved by Board of Governors of Sherborne School on 25 November 2023 and signed on its behalf by:

A. D. Leakey

Lt General A D Leakey
Chairman of Governors

Opinion

We have audited the financial statements of Sherborne School for the year ended 30 June 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cashflows 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 30 June 2023 and of the group'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 Governors' 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 and parent charitable company'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 Governors with respect to going concern are described in the relevant sections of this report.

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Annual Report of the Governors. 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 Annual Report of the Governors (which incorporates the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Annual Report of the Governors 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 Annual Report of the Governors (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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors for the financial statements

As explained more fully in the Statement of Governors' Responsibilities on page 13, the Governors (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 Governors 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 Governors 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 Governors 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, the parent charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the independent school regulations, safeguarding regulations, health and safety requirements, GDPR, employment law and Charity Commission's general guidance 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 the Companies Act 2006, the Charities Act 2011, Sherborne's Constitution, the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019), and consider other factors such as payroll taxes and VAT.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements such as the valuation of investment property. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Inspecting the outcomes of any regulatory inspections;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, using a number of risk metrics to focus our sample on higher risk entries; and
- Challenging assumptions and judgements made by management in their critical accounting estimates and challenge of the underlying assumptions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to 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. 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.

Lee Stokes (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor
Date: 13 December 2023

10 Queen Street Place
London
EC4R 1AG

Sherborne School

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating a Consolidated Income and Expenditure Account)
for the year ended 30 June 2023

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2023 Total Funds £'000	2022 Total Funds £'000
Income from:						
Charitable Activities:						
School fees	4	24,421	-	-	24,421	22,946
Donations:						
Transfer of assets in respect of Sherborne Preparatory School	15	5	-	-	5	-
Other donations, legacies and grants	5	47	532	-	579	791
Other trading activities:						
Commercial trading operations	6	935	-	-	935	849
Investments	7	175	218	-	393	343
Other:						
Other income	8	429	-	-	429	201
Total income		**26,012**	**750**	**-**	**26,762**	**25,130**
Expenditure on:						
Raising funds:						
Commercial trading operations	6	918	-	-	918	866
Net share of loss in joint venture	30	18	-	-	18	15
Fundraising costs		-	81	-	81	123
Investment management fees		-	29	-	29	29
Total expenditure on raising funds	12	**936**	**110**	**-**	**1,046**	**1,033**
Charitable activities:						
Educational activities		26,068	196	-	26,264	24,384
Expenditure on charitable activities	12	**26,068**	**196**	**-**	**26,264**	**24,384**
Total expenditure		**27,004**	**306**	**-**	**27,310**	**25,417**
Net income/(expenditure) and net movement in funds before gains and losses on investments		**(992)**	**444**	**-**	**(548)**	(287)
Net gains/(losses) on investments		-	(64)	34	(30)	(386)
Net income/(expenditure) before taxation		**(992)**	**380**	**34**	**(578)**	**(673)**
Tax on profit/(loss) on ordinary activities	13	-	-	-	-	-
Net income/(expenditure) after taxation		**(992)**	**380**	**34**	**(578)**	**(673)**
Transfers between funds	23b	1,000	(1,000)	-	-	-
Net income/(expenditure) before other recognised gains and losses carried forward		**8**	**(620)**	**34**	**(578)**	**(673)**

Sherborne School

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating a Consolidated Income and Expenditure Account)
for the year ended 30 June 2023

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2023 Total Funds £'000	2022 Total Funds £'000
Net income/(expenditure) before other recognised gains and losses brought forward		**8**	**(620)**	**34**	**(578)**	**(673)**
Remeasurement of defined benefit pension scheme	28	(487)	-	-	(487)	(293)
Net movements in funds		**(479)**	**(620)**	**34**	**(1,065)**	**(966)**
Reconciliation of funds						
Total Funds brought forward		36,198	904	7,493	44,595	45,561
Total funds carried forward	23	**35,719**	**284**	**7,527**	**43,530**	**44,595**

All amounts relate to continuing operations.

The full Consolidated Statement of Financial Activities for the year ended 30 June 2022 is set out at note 21.

The notes on pages 21 to 54 form part of these financial statements.

Sherborne School

BALANCE SHEETS
as at 30 June 2023

	Notes	Group 2023 £'000	Group 2022 £'000	School 2023 £'000	School 2022 £'000
Fixed assets					
Tangible assets	14/15	53,454	49,136	53,453	49,133
Investment assets	16	7,731	8,936	7,577	8,282
Total fixed assets		**61,185**	**58,072**	**61,030**	**57,415**
Current assets					
Stocks		362	316	177	107
Debtors	17	3,114	2,829	3,787	3,480
Cash		4,129	1,831	3,825	1,397
Total current assets		**7,605**	**4,976**	**7,789**	**4,984**
Liabilities					
Creditors: amounts falling due within one year	18	(7,119)	(6,713)	(6,985)	(6,565)
Net current assets/(liabilities)		**486**	**(1,737)**	**804**	**(1,581)**
Total assets less current liabilities		**61,671**	**56,335**	**61,834**	**55,834**
Creditors: amounts falling due after more than one year	20	(17,620)	(11,280)	(17,620)	(11,280)
Net assets excluding pension liability		**44,051**	**45,055**	**44,214**	**44,554**
Defined benefit pension scheme liability	28	(521)	(460)	(521)	(460)
Total net assets		**43,530**	**44,595**	**43,693**	**44,094**
The funds of the group:					
Endowed funds	23(a)	7,527	7,493	7,527	7,493
Restricted funds	23(b)	284	904	56	58
Unrestricted funds:	23(c)				
Accumulation fund		36,240	36,658	36,631	37,003
Pension reserve		(521)	(460)	(521)	(460)
		35,719	36,198	36,110	36,543
Total funds	23	**43,530**	**44,595**	**43,693**	**44,094**

The net income of the School for the year to 30 June 2023 was £86k (2022: net expenditure –(£703k)).

The notes on pages 21 to 54 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Governors of Sherborne School on 25 November 2023 and signed on its behalf by:

A. D. Leakey

Lt General A D Leakey (Chairman)

Sherborne School

CONSOLIDATED STATEMENT OF CASHFLOWS

as at 30 June 2023

	Notes	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Net cash generated from/(used by) operating activities	26		**(967)**		**1,269**
Cash flows from investing activities:					
Investment income		393		343	
Proceeds from sale of property, plant and equipment		621		363	
Proceeds from sale of investments		3,842		2,728	
Purchase of property, plant and equipment		(6,423)		(8,580)	
Purchase of investments		-		(1,357)	
Purchase of endowed fund investments		(2,658)		(1,849)	
Net cash used in investing activities			**(4,225)**		**(8,352)**
Cash flows from financing activities:					
Cash inflows from borrowing		6,500		4,500	
Cash inflows from new advance fee contracts		990		1,251	
Cash repayments of advance fee contracts		-		(55)	
Net cash provided by financing activities			**7,490**		**5,696**
Change in cash and cash equivalents in the reporting period			**2,298**		**(1,387)**
Cash and cash equivalents at the beginning of the year			1,831		3,218
Total cash and cash equivalents at the end of the year			**4,129**		**1,831**
Cash and bank balances			4,129		1,831
			4,129		1,831

The notes on pages 21 to 54 form part of these financial statements.

1. General Information

Sherborne School ('the Company') is a charitable company limited by guarantee and not having a share capital, incorporated and registered in England and Wales under the Companies Act (company number 4002575) and registered with the Charity Commission for England and Wales (registration number 1081228).

The address of the Company's registered office and principal place of business is Sherborne School, Abbey Road, Sherborne, Dorset, DT9 3LF.

The Group consists of Sherborne School and all of its subsidiaries – Sherborne School (Trading) Limited, Sherborne School (Leisure) Limited, Sherborne School Foundation and Sherborne School (Overseas Trading) Limited.

The Company's principal activity is to advance education, by carrying on in or near Sherborne a boarding and day school for boys and girls.

The subsidiary companies operate to support Sherborne School's principal activity. The principal activity for each subsidiary is detailed in note 6.

The Company has entered into a joint venture arrangement with Sherborne Girls. Each School owns a 50% interest in Sherborne Schools Worldwide Limited, incorporated to support the principal activities of both Schools. Further information on this joint venture is detailed in note 30.

2. Accounting policies

(a) Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition, effective 1 January 2019).

The financial statements have been prepared under the historical cost convention as modified by the inclusion of listed investments and investment property at fair value.

The financial statements have also been prepared on a going concern basis. In common with other Schools, Sherborne School faces uncertainties arising from current economic conditions including inflationary risks and interest rate rises. After making due enquiries, including review of the latest financial data and future projections, the Governors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing these financial statements.

(b) Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are in respect of the provision of education to pupils in the main School and Sherborne International are stated after deducting allowances, scholarships, bursaries and other remissions granted.

(c) Advance Fees Scheme

The School offers parents the opportunity to pay for up to five years tuition fees in advance. The amount received is invested and interest is accrued to contracts. This is treated as deferred income until the pupil joins the School whereupon the fees for each School term are transferred to income

2. Accounting policies *(continued)*

(d) Fee extras

The School collects monies in respect of trips and pupils' personal living expenses and pays these monies out in full to third parties. As these funds do not represent income for the School, they are not accounted for in the Statement of Financial Activities.

(e) Donations and legacies

Donations are recognised once the School has entitlement to the income, it is probable that the donation will be received and the amount can be measured reliably.

Donations received for the general purposes of the Charity are credited to the accumulation fund. Donations for purposes restricted by the wishes of the donor are taken to "restricted funds" where these wishes are legally binding on the Governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as "endowments" – permanent or expendable according to the nature of the restriction.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is made from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material.

(f) Government grants

The School was in receipt of grant income under the Government's Coronavirus Job Retention Scheme (CJRS), which was recognised as income on a systematic basis over the period in which the School recognised the related salary costs the grant was intended to compensate.

(g) Income from Commercial trading activities

Turnover from Commercial trading activities comprises revenue recognised by the company in respect of services supplied, exclusive of Value Added Tax and trade discounts.

(h) Tangible fixed assets and depreciation

The carry forward values of tangible fixed assets are shown in notes 14 and 15 to these financial statements. The basis for determining these carry forward values is historic cost except for the School's properties, which were revalued in the period to 30 June 2000, and this is now their deemed cost.

Furnishings and equipment costing less than £5k are written off to the Statement of Financial Activities as an expense as acquired.

Building projects costing less than £50k are written off to the Statement of Financial Activities as an expense as acquired.

Depreciation is calculated to write off the cost less estimated residual value of fixed assets on a straight line basis over their currently estimated useful lives.

2. Accounting policies *(continued)*

(h) Tangible fixed assets and depreciation *(continued)*

Land and buildings
The Charity owns a number of buildings within the town of Sherborne. Properties that have no ascertainable historical cost and cannot be valued without undue expense are excluded from the financial statements as allowed by FRS 102.

Buildings are depreciated over their estimated remaining useful lives that are initially calculated to be within 30-50 years.

Land and assets under construction are not depreciated.

Plant, equipment and motor vehicles
Plant, equipment and motor vehicles includes School equipment, boarding house fixtures and fittings, computer equipment, vehicles and kitchen and sports equipment. They are depreciated at the following initial rates:

• Computer equipment	25%
• Vehicles and playing fields equipment	20%
• Kitchen and sports equipment	15%
• All other items	10%

(i) Stocks

The School holds stocks for maintenance purposes, catering and other consumables. The School Shop holds stocks for resale. All stocks are valued at the lower of cost and net realisable value.

(j) Taxation

The School is a registered charity, and as such is entitled to tax exemptions on all its income and gains, properly applied for its charitable purposes. Tax charges may arise in subsidiary companies where the level of Gift Aid payments are insufficient to eliminate all taxable profits.

The School is not registered for VAT, and its expenditure is inclusive of VAT incurred. Where group companies are VAT registered, expenditure is reported net of recoverable VAT.

(k) Fixed asset investments

Listed investments are classified as financial instruments and valued at fair value, equivalent to bid price at the year end.

Changes in the valuation of listed investments during the year are shown as unrealised gains or losses. Gains and losses arising from the disposal of assets are disclosed as realised, being the difference between the sale proceeds and the market value at the beginning of the year.

In the separate accounts of the company, on transition to FRS 102, the School elected to hold its interests in subsidiaries at cost, and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairments, losses or reversals of impairment losses are recognised immediately in the Statement of Financial Activities.

2. Accounting policies *(continued)*

(l) Investment properties

Investment properties are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in the Statement of Financial Activities.

(m) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments and the pension scheme liability which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, trade and fee debtors, other debtors and accrued income. A specific provision is made for debts for which recoverability is in doubt. Cash and cash equivalents are defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise deposits, fees in advance, trade creditors and other creditors.

(n) Permanent Endowment Fund

As detailed in note 23 the Charity holds assets donated under permanent endowment. Where such an asset is sold, the proceeds of the sale are treated as capital receipts and are taken directly to the Permanent Endowment Fund. Income arising on general purpose Permanent Endowment Fund investments is treated as general income, within unrestricted funds, of the School.

(o) Scholarship and Prize Funds

Legacies and donations are recognised as receivable under this heading once receipt is considered probable and are invested to provide scholarships and prizes for the benefit of pupils at the School.

(p) Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on the straight line basis over the lease term.

(q) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or are capitalised as an intangible fixed asset or a tangible fixed asset.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2. **Accounting policies** *(continued)*

(r) **Retirement benefits**

Defined contribution plans

The School operates a defined contribution scheme for support staff. The amount charged to the Statement of Financial Activities is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Defined benefit plans

The School operates a defined benefit retirement plan, which closed to future accrual from 31 August 2011. The cost of providing benefits is determined using the projected unit credit method.

Asset/Liability

The net defined benefit asset/liability represents the present value of the defined benefit obligation minus the fair value of plan assets out of which obligations are to be settled. Any asset resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan.

The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains/Losses

Gains or losses recognised in net income:

- The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost.
- The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.
- Net interest on the net defined benefit asset/liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligations.

Gains or losses recognised after net income:

- Actuarial gains and losses.
- The difference between the interest income on the plan assets and the actual return on the plan assets.

Multi-employer plans

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator.

Contributions are recognised in the Statement of Financial Activities in the period to which they relate as there is insufficient information available to use defined benefit accounting.

2. Accounting policies *(continued)*

(s) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is allocated or apportioned to the applicable expenditure heading on a direct cost basis, with staff costs being allocated according to the estimated time spent by staff working in relevant departments and is classified under the following activity headings:

- Commercial trading activities comprise the costs of commercial trading including the lettings activities and leisure centre activities;
- Fundraising activities includes all fundraising costs of Sherborne School Foundation to promote the charitable purposes of Sherborne; and
- Expenditure on educational activities includes the costs incurred in respect of the provision of education to pupils and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(t) Basis of consolidation

The group financial statements consolidate the financial statements of the charity and its wholly owned subsidiary undertakings, Sherborne School (Trading) Limited, Sherborne School (Leisure) Limited, Sherborne School (Overseas Trading) Limited and Sherborne School Foundation made up to 30 June 2023 and all inter group sales and profits are eliminated fully on consolidation. As permitted by section 408 of the Companies Act 2006, the parent company's income and expenditure account has not been included in these financial statements.

(u) Joint venture

The Charity has a 50% share in a jointly controlled entity, Sherborne Schools Worldwide Limited. This entity's audited accounts have been drawn up to 30 June 2023. The Charity has provided loan funding to the entity, which has been incorporated into debtors as an amount due from a joint venture undertaking. The Charity's share of the entity's income and expenditure, assets and liabilities at 30 June 2023 has been incorporated into these financial statements using the equity method. Further information is provided in note 30.

(v) Fund accounting

Unrestricted funds are funds that are available for use at the discretion of the Governors in furtherance of the objects of the Charity. Designated funds are unrestricted funds which have been set aside by the Governors for specific purposes. The aim and the use of the designated funds are set out in the notes to the financial statements.

Restricted funds are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the Charity for particular purposes. The aim and use of the restricted funds are set out in the notes to the financial statements.

Transfers between funds are made either where there is a deficit on a restricted fund or where funds have been raised for a restricted project but expenses incurred have been made from unrestricted funds.

3. Critical accounting estimates and areas of judgement

In the application of the Group's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Tangible fixed assets – estimation of useful life

Tangible fixed assets represent a significant proportion of the Group's total assets. Therefore the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Consolidated Statement of Financial Activities.

The useful lives and residual values of the Group's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology. Historically changes in useful lives and residual values have not resulted in material changes to the Group's depreciation charge.

Bad debt provisions

The Group has recognised bad debt provisions where there is uncertainty whether specific accounts receivable are collectible. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other reasonable factors.

Valuation of defined benefit retirement plan

The present value of the School's defined benefit retirement plan 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 for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability.

4. School fees

(a) *School Fees*

		2023 £'000	2022 £'000
School	- Boarders	22,997	22,532
	- Day boys	1,400	1,155
Preparatory School	- Prep	2,759	2,615
	-Pre-Prep	451	305
Total School fees		27,607	26,607
Sherborne International	- Short Course Fees	834	-
Other	- Registration fees	155	79
Total fees		28,596	26,686
Less: Total scholarships, bursaries, grants and discounts		(4,596)	(4,128)
		24,000	22,558
Add back: Scholarships and discounts paid for by restricted funds		126	105
		24,126	22,663
Music fees received		295	283
School fees per Consolidated Statement of Financial Activities		**24,421**	**22,946**

(b) *Awards, prizes, and discounts paid for by Restricted Funds comprised:*

	2023 £'000	2022 £'000
Scholarships	106	83
Advance fees discount	20	22
	126	**105**

5. Donations, legacies and grants

	2023 £'000	2022 £'000
Committed giving	69	92
Donations	349	648
Legacies	161	36
Grants	-	15
	579	**791**

6. Income from subsidiaries' trading activities

The School owns the whole of the share capital of three of its subsidiaries which are Sherborne School (Trading) Limited (company no. 2747901), Sherborne School (Leisure) Limited (company no. 4332724) and Sherborne School (Overseas Trading) Limited (company no. 06817042). The Sherborne School Foundation (company no. 3686309 and charity no. 1073522) is a subsidiary charity of Sherborne School as the School is the sole corporate member of the Foundation.

6. Income from subsidiaries' trading activities *(continued)*

The income and expenditure, net of inter-group transactions, from commercial trading operations was as follows:

	2023		2022	
	Income £'000	Expenditure £'000	Income £'000	Expenditure £'000
Sherborne School (Trading) Limited	585	511	502	565
Sherborne School (Leisure) Limited	175	393	172	288
Sherborne School (Overseas Trading) Limited	175	14	175	13
	935	**918**	**849**	**866**

(a) Sherborne School (Trading) Limited's principal activity continues to be that of the operation of the School's sports and uniform shop, the Hub cafe and the provision of letting and educational services. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2023 £'000	2022 £'000
Turnover	723	614
Cost of sales	(632)	(654)
Gross profit/(loss)	**91**	**(40)**
Administration	(35)	(36)
Operating profit/(loss)	**56**	**(76)**
Other operating income	-	-
Profit/(loss) on ordinary activities before taxation	**56**	**(76)**
Tax on (loss)/profit on ordinary activities	-	-
Profit/(loss) on ordinary activities after taxation	**56**	**(76)**
Gift Aid distribution	**-**	**-**
Gross Assets	**239**	**266**
Gross Liabilities	**(278)**	**(360)**
Shareholder's (Deficit)/funds	**(39)**	**(94)**

Included in turnover are commission payments to Overseas Agents that have been invoiced to Sherborne School amounting to £78k (2022: £63k) and departmental sales amounting to £60k (2022: £50k). These balances have been eliminated on consolidation.

Included in administration expenses are £18k (2022: £13k) of management charges, comprising accounting fees £15k (2022: £11k), insurance £1k (2022: £1k) and management charges £2k (2022: £1k) paid to Sherborne School. These balances were all eliminated on consolidation.

6. Income from subsidiaries' trading activities *(continued)*

(b) Sherborne School (Leisure) Limited's principal activity is that of the provision of leisure facilities. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2023 £'000	2022 £'000
Turnover	337	363
Administration	(408)	(302)
Operating (loss)/profit	**(71)**	**61**
Other operating income	-	1
(Loss)/profit on ordinary activities	**(71)**	**62**
Gift Aid distribution	**-**	**62**
Gross Assets	**28**	**82**
Gross Liabilities	**(98)**	**(81)**
Shareholder's (Deficit)/funds	**(70)**	**1**

Included in turnover is £162k (2022: £192k) of income in relation to the use of the sports centre by pupils of the schools, received from Sherborne School. This balance was eliminated on consolidation.

Included in administration expenses are £15k (2022: £15k) of management charges, comprising accounting fees £6k (2022: £6k), insurance £1k (2022: £1k), management charges £1k (2022: £1k) and rent £7k (2022: £7k) paid to Sherborne School. These balances were all eliminated on consolidation.

(c) Sherborne School (Overseas Trading) Limited's principal objects are to promote the charitable purposes of Sherborne School in Qatar and to promote any other charitable purpose connected with or otherwise associated with the School. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2023 £'000	2022 £'000
Turnover	175	175
Administration	(14)	(13)
Profit on ordinary activities	**161**	**162**
Gift Aid distribution	**161**	**162**
Gross Assets	**181**	**181**
Gross Liabilities	**(166)**	**(166)**
Shareholder's Funds	**15**	**15**

6. Income from subsidiaries' trading activities *(continued)*

(d) The Sherborne School Foundation's principal objects are to promote the charitable purposes of Sherborne School in Dorset and to promote any other charitable purpose connected with or otherwise associated with the School. Its results for the year, as extracted from the audited financial statements, are summarised below:

	2023 £'000	2022 £'000
Income from:		
Donations, legacies and grants	610	1,016
Other trading income	38	-
Investments	19	1
Total income	**667**	**1,017**
Expenditure on:		
Raising funds	(82)	(124)
Charitable activities	(1,203)	(766)
Total expenditure	**(1,285)**	**(890)**
Net (Expenditure)/income	**(618)**	**127**
Gross Assets	**235**	**858**
Gross Liabilities	**(7)**	**(12)**
Total Charity Funds	**228**	**846**

Included in donations and legacies income is £116k (2022: £256k) received from Sherborne School as donated services that has been eliminated on consolidation. Included in expenditure is £1,137k (2022: £679k) paid to Sherborne School; £1,137k (2022: £679k) of this was eliminated on consolidation.

7. Investment income

	2023 £'000	2022 £'000
Dividends receivable	199	176
Qatar royalty	166	166
Bank interest receivable	28	1
	393	343

8. Other income

	2023 £'000	2022 £'000
Other ancillary trading income		
Houses income	61	50
Junior common room income	9	8
School events income	69	43
Sundry income	290	100
	429	201

9. Net income for the year

This is stated after charging/(crediting):

	2023 £'000	2022 £'000
Auditor's remuneration:-		
Fees payable for the audit of the parent charity and the consolidation	35	30
Fee payable for the audit of subsidiaries pursuant to legislation	19	17
Fees payable to the group's auditors and its associates in respect of Corporation tax services	6	4
Depreciation	2008	1,844
(Profit)/loss on disposal of fixed assets	(524)	(293)
Operating lease costs - equipment	17	31
Stock recognised as an expense	279	384
Interest on advance fee scheme	20	22
Loan interest	409	126

Five Governors received reimbursement of out of pocket expenses for travel expenses, amounting to £891 in the current year (2022: £1,015, in respect of travel expenses for four Governors).

10. Analysis of staff costs, trustee remuneration, and the cost of key management personnel

	2023 £'000	2022 £'000
Wages and salaries	13,324	12,356
Social security costs	1,288	1,208
Pension contribution – defined contribution scheme	1,907	1,895
	16,519	**15,459**

The number of higher paid employees was:

	2023 No.	2022 No.
£60,000 - £70,000	10	12
£70,000 - £80,000	13	11
£80,000 - £90,000	1	2
£100,000 - £110,000	-	1
£110,000 - £120,000	1	-
£220,000 - £230,000	-	1
£250,000 - £260,000	1	-

The calculation of staff costs for higher paid employees includes gross salary and benefits in kind.

The key management personnel of the parent charity and the group comprise the Governors, the Chief Executive Officer and the members of the Group Executive. The total employee benefits of the key management personnel of the charity were £637k (2022: £562k), including benefits in kind, national insurance and pension contributions. The Governors are unpaid.

Included within staff costs above are non-statutory/non-contractual severance payments totalling £26k (2022: £Nil) and statutory severance payments of £29k (2022: £26k).

11. Staff numbers

The average number of staff employed by the charity during the year was as follows:

	2023 No.	2022 No.
Educational staff	201	196
Support staff	274	265
	475	**461**

12. Analysis of expenditure

Year ended 30 June 2023	Staff costs £'000	Other costs £'000	Depreciation £'000	2023 Total £'000	2022 Total £'000
Cost of raising funds:					
Commercial trading operations:					
Sherborne School (Trading) Limited	220	290	1	511	565
Sherborne School (Leisure) Limited	271	122	-	393	288
Sherborne School (Overseas Trading) Limited	-	14	-	14	13
Net share of loss in joint venture	-	18	-	18	15
Fundraising costs	25	56	-	81	123
Investment management fees	-	29	-	29	29
	516	529	1	1,046	1,033
Charitable activities:					
Educational activities					
Teaching	11,619	985	-	12,604	11,598
Welfare	1,642	3,352	-	4,994	4,406
Premises	761	1,603	2,007	4,371	4,265
Support costs of schooling	1,957	1,285	-	3,242	3,305
Education and grant making	-	136	-	136	93
Operational costs – Foundation	24	43	-	67	87
Financing costs	-	554	-	554	457
Governance	-	147	-	147	88
Other expenditure	-	149	-	149	85
	16,003	8,254	2,007	26,264	24,384
Total expenditure for Group	16,519	8,783	2,008	27,310	25,417

12. Analysis of expenditure *(continued)*

Year ended 30 June 2022	Staff costs £'000	Other costs £'000	Depreciation £'000	2022 Total £'000	2021 Total £'000
Cost of raising funds:					
Commercial trading operations:					
Sherborne School (Trading) Limited	204	360	1	565	289
Sherborne School (Leisure) Limited	201	85	2	288	278
Sherborne School (Overseas Trading) Limited	-	13	-	13	18
Net share of loss in joint venture	-	15	-	15	3
Fundraising costs	75	48	-	123	75
Investment management fees	-	29	-	29	28
	480	550	3	1,033	691
Charitable activities:					
Educational activities					
Teaching	10,987	611	-	11,598	11,581
Welfare	1,525	2,881	-	4,406	4,214
Premises	749	1,675	1,841	4,265	4,139
Support costs of schooling	1,677	1,628	-	3,305	2,702
Education and grant making	-	93	-	93	109
Operational costs – Foundation	41	46	-	87	100
Financing costs	-	457	-	457	422
Governance	-	88	-	88	237
Other expenditure	-	85	-	85	235
	14,979	7,564	1,841	24,384	23,739
Total expenditure for Group	15,459	8,114	1,844	25,417	24,430

13. Taxation

	2023 £'000	2022 £'000
Tax on ordinary activities	-	-

14. Tangible fixed assets - School

	Land and Buildings £'000	Plant, Equipment and Motor vehicles £'000	Assets Under Construction £'000	Total £'000
Cost				
At 1 July 2022	55,021	8,374	7,096	70,491
Additions	1,369	726	4,328	6,423
Transfers	8,191	-	(8,191)	-
Disposals	(120)	(383)	-	(503)
At 30 June 2023	64,461	8,717	3,233	76,411
Depreciation				
At 1 July 2022	15,598	5,760	-	21,358
Charge for year	1,202	804	-	2,006
Disposals	(36)	(370)	-	(406)
At 30 June 2023	16,764	6,194	-	22,958
Net book value				
At 30 June 2023	**47,697**	**2,523**	**3,233**	**53,453**
At 30 June 2022	39,423	2,614	7,096	49,133

Included within Plant, equipment and motor vehicles above are assets held under lease and hire purchase contracts with a net book value at 30 June 2023 of £139,357 (2022: £205,562). The depreciation charge for the year on these assets amounted to £85,731 (2022: £112,475).

15. Tangible fixed assets - Group

	Land and Buildings £'000	Plant, Equipment and Motor Vehicles £'000	All Weather Pitch £'000	Assets Under Construction £'000	Total £'000
Cost					
At 1 July 2022	55,021	8,476	439	7,096	71,032
Additions	1,369	726	-	4,328	6,423
Transfers	8,191	-	-	(8,191)	-
Disposals	(120)	(385)	-	-	(505)
At 30 June 2023	64,461	8,817	439	3,233	76,950
Depreciation					
At 1 July 2022	15,598	5,859	439	-	21,896
Charge for year	1,202	806	-	-	2,008
Disposals	(36)	(372)	-	-	(408)
At 30 June 2023	16,764	6,293	439	-	23,496
Net book value					
At 30 June 2023	**47,697**	**2,524**	**-**	**3,233**	**53,454**
At 30 June 2022	39,423	2,617	-	7,096	49,136

Included within Plant, equipment and motor vehicles above are assets held under lease and hire purchase contracts with a net book value at 30 June 2023 of £139,357 (2022: £205,562). The depreciation charge for the year on these assets amounted to £85,731 (2022: £112,475).

15. Tangible fixed assets - Group *(continued)*

The comparable amount of land and buildings included above at deemed cost determined according to the historical cost accounting rules are as follows:

	Land and Buildings £'000
Cost	52,098
Accumulated depreciation	(10,984)
Net book value	
At 30 June 2023	41,114
At 30 June 2022	31,832

In the period to 30 June 2000, the School's properties (with the exception of certain inalienable or historic buildings for which reliable valuations were not available without incurring costs considered to outweigh the usefulness of the information to financial statements users) were revalued by Chesters, Chartered Surveyors, on the basis of their then current open market value or depreciated replacement cost (as appropriate). In accordance with the transitional provisions of FRS 102 these valuations have not been updated.

The principal School buildings at Abbey Road, Sherborne, have no ascertainable historical cost and cannot be valued without undue expense and are excluded from the financial statements.

16. Investments

	Unlisted £'000	Investment Property £'000	Foundation Fund £'000	Advance Fee Fund £'000	Scholarship & Prize Fund £'000	Total £'000
At 1 July 2022	1	150	-	1,965	6,166	8,282
Additions	-	-	-	-	2,658	2,658
Disposals at book value	-	-	-	(728)	(2,584)	(3,312)
Unrealised gain/(loss)	-	-	-	(70)	10	(60)
Equalisation of investments	-	-	-	-	-	-
Change in accrued income	-	-	-	9	-	9
Total for Charity	1	150	-	1,176	6,250	7,577
Group transactions added/ (eliminated) on consolidation	(1)	-	155	-	-	154
At 30 June 2022	**-**	**150**	**155**	**1,176**	**6,250**	**7,731**
Investments listed on the Stock Exchange	-	-	155	1,176	6,250	7,581
Historical cost	1	5	155	1,274	6,095	7,530

Unlisted Investments

The consolidated balance sheet shows the same investments as the School, with the exception of the unlisted investments of £1,004 (2022: £1,004) in Sherborne School (Trading) Limited, Sherborne School (Leisure) Limited, Sherborne School (Overseas Trading) Limited and Sherborne Schools Worldwide Limited and the investments held within the Sherborne School Foundation of £155k (2022: £655k) which are excluded.

Investment Property

In July 2016, the investment property in Gillingham was revalued by Chesters, Chartered Surveyors, on the basis of its open market at a value of £150,000. The Governors have reviewed the valuation of the property and are satisfied that it continues to be recognised at its fair value.

This investment property has an historical cost of £5k.

Listed Investments

The market value of investments held outside the UK was £4,273k (2022: £4,231k).

17. Debtors

	Group		School	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Due within one year:				
Trade debtors	57	27	44	21
Tax recoverable	1	26	-	-
Fees due	1,218	1,121	1,218	1,121
Other debtors	119	146	94	92
Prepayments	1,719	1,509	1,719	1,509
Amount due from subsidiary undertakings	-	-	432	494
Amount due from joint venture undertaking	-	-	80	43
Due after more than one year:				
Amount due from joint venture undertaking	-	-	200	200
	3,114	**2,829**	**3,787**	**3,480**

18. Creditors: amounts falling due within one year

	Group		School	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fees received in advance	1,633	1,155	1,633	1,155
Trade creditors	1,078	1,345	1,060	1,289
Taxation and social security	358	352	334	346
Finance leases	108	116	108	116
Other creditors	237	330	161	252
Accruals	2,207	1,942	2,191	1,934
Pensions	278	271	278	271
Deposits held	420	404	420	404
	6,319	5,915	6,185	5,767
Advance fees (see note 19)	800	798	800	798
	7,119	**6,713**	**6,985**	**6,565**

Details and security on the bank loan and overdraft facilities are disclosed in Note 20.

19. Advance fee payments

Parents may enter into a contract to pay to the School up to the equivalent of five years' tuition fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils will remain in the School, advance fees will be applied as follows:

	2023 £'000	2022 £'000
After five years	455	415
Within two to five years	252	504
Within one to two years	462	470
	1169	1,389
Within one year	800	798
	1,969	**2,187**

The movement during the year on advance fees were as follows:

	2023 £'000	2022 £'000
At 1 July 2022	2,187	2,115
New advance fees received during the year	990	1,250
Fees repaid during the year	-	(55)
Amounts accrued for interest	19	22
Amounts utilised in payments of fees	(1,227)	(1,145)
At 30 June 2023	**1,969**	**2,187**

20. Creditors: amounts falling due after more than one year

	Group		School	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Advance fees (note 19)	1,169	1,389	1,169	1,389
Bank loan	14,000	7,500	14,000	7,500
Deposits	2,402	2,259	2,402	2,259
Finance leases	49	132	49	132
	17,620	**11,280**	**17,620**	**11,280**

The bank loan and loan facilities are secured by way of legal mortgage charges dated 17 January 2001 and 1 November 2019 over certain properties owned by Sherborne School. A £16M facility has been arranged with Lloyds Bank plc to provide funds for working capital and the planned capital projects, which can be drawn down through revolving credit agreements. £14M had been drawn down at 30 June 2023 (£7.5M at 30 June 2022), and this amount has been included within Creditors: amounts falling due after more than one year as those funds will continue to be needed as part of the planned project expenditure as the projects move forward. The total balance outstanding on all revolving credit agreements will be converted to a term loan at 1 November 2024. The interest rate applicable to the loan facilities is 2.15% over Bank of England Base Rate.

21. Consolidated Statement of Financial Activities for prior year

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2022 Total Funds £'000
Income from:				
Charitable Activities:				
School fees	22,946	-	-	22,946
Donations:				
Other donations, legacies and grants	30	761	-	791
Other trading activities:				
Commercial trading operations	849	-	-	849
Investments	166	177	-	343
Other:				
Other income	201	-	-	201
Total income	**24,192**	**938**	**-**	**25,130**
Expenditure on:				
Raising funds:				
Commercial trading operations	866	-	-	866
Net share of loss in joint venture	15	-	-	15
Fundraising costs	-	123	-	123
Investment management fees	-	29	-	29
Total expenditure on raising funds	**881**	**152**	**-**	**1,033**
Charitable activities:				
Educational activities	24,186	198	-	24,384
Expenditure on charitable activities	**24,186**	**198**	**-**	**24,384**
Total expenditure	**25,067**	**350**	**-**	**25,417**
Net income/(expenditure) and net Movement in funds before gains and losses on investments	**(875)**	**588**	**-**	**(287)**
Net gains/(losses) on investments	-	(75)	(311)	(386)
Net income/(expenditure) before taxation	**(875)**	**513**	**(311)**	**(673)**
Tax on profit/(loss) on ordinary activities	-	-	-	-
Net income/(expenditure) after taxation	**(875)**	**513**	**(311)**	**(673)**
Transfers between funds	390	(390)	-	-
Net income/(expenditure) before other recognised gains and losses carried forward	**(485)**	**123**	**(311)**	**(673)**

21. Consolidated Statement of Financial Activities for prior year *(continued)*

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2021 Total Funds £'000
Net income/(expenditure) before other recognised gains and losses brought forward	**(485)**	**123**	**(311)**	**(673)**
Remeasurement of defined benefit pension scheme	(293)	-	-	(293)
Net movements in funds	**(778)**	**123**	**(311)**	**(966)**
Reconciliation of funds				
Total funds brought forward	36,976	781	7,804	45,561
Total funds carried forward	**36,198**	**904**	**7,493**	**44,595**

22. Analysis of net assets between funds

(a) Analysis of group net assets between funds

	Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long Term Liabilities £'000	Pension Liability £'000	Fund Balances £'000
Unrestricted					
Pension Reserve Designated Fund	-	-	-	(521)	(521)
Accumulation Fund	52,739	(48)	(16,451)	-	36,240
Restricted funds	-	284	-	-	284
Endowed					
Advance Fee Fund	1,176	(7)	(1,169)	-	-
Edbrooke Scholarship and Bursary	255	-	-	-	255
Scholarship and Prize Fund	4,250	257	-	-	4,507
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
Endowed Property	765	-	-	-	765
Group total at 30 June 2023	**61,185**	**486**	**(17,620)**	**(521)**	**43,530**

22. Analysis of net assets between funds *(continued)*

(a) Analysis of group net assets between funds *(continued)*

	Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long Term Liabilities £'000	Pension Liability £'000	Fund Balances £'000
Unrestricted					
Pension Reserve Designated Fund	-	-	-	(460)	(460)
Accumulation Fund	48,920	(2,371)	(9,891)	-	36,658
Restricted funds	-	904	-	-	904
Endowed					
Advance Fee Fund	1,966	(577)	(1,389)	-	-
Edbrooke Scholarship and Bursary	255	-	-	-	255
Scholarship and Prize Fund	4,166	307	-	-	4,473
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
Endowed Property	765	-	-	-	765
Group total at 30 June 2022	**58,072**	**(1,737)**	**(11,280)**	**(460)**	**44,595**

(b) Analysis of School net assets between funds

	Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long Term Liabilities £'000	Pension Liability £'000	Fund Balances £'000
Unrestricted					
Pension Reserve Designated Fund	-	-	-	(521)	(521)
Accumulation Fund	52,584	498	(16,451)	-	36,631
Restricted funds	-	56	-	-	56
Endowed					
Advance Fee Fund	1,176	(7)	(1,169)	-	-
Edbrooke Scholarship and Bursary	255	-	-	-	255
Scholarship and Prize Fund	4,250	257	-	-	4,507
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
Endowed Property	765	-	-	-	765
School total at 30 June 2023	**61,030**	**804**	**(17,620)**	**(521)**	**43,693**

22. Analysis of net assets between funds *(continued)*

(b) Analysis of School net assets between funds *(continued)*

	Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long Term Liabilities £'000	Pension Liability £'000	Fund Balances £'000
Unrestricted					
Pension Reserve Designated Fund	-	-	-	(460)	(460)
Accumulation Fund	48,263	(1,369)	(9,891)	-	37,003
Restricted funds	-	58	-	-	58
Endowed					
Advance Fee Fund	1,966	(577)	(1,389)	-	
Edbrooke Scholarship and Bursary	255	-	-	-	255
Scholarship and Prize Fund	4,166	307	-	-	4,473
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
Endowed Property	765	-	-	-	765
School total at 30 June 2022	**57,415**	**(1,581)**	**(11,280)**	**(460)**	**44,094**

Of the above, the Scholarship and Prize Fund is a linked charity to the School. The other linked charity, The Sherborne School Trust, remains dormant.

23. Analysis of charitable funds

(a) Analysis of movements in permanent endowed funds (Group and School)

	Balance at 1 July 2022 £'000	Income £'000	Expenditure £'000	Transfers and Investment Gains £'000	Balance at 30 June 2023 £'000
Endowed Property	765	-	-	-	765
Edbrooke fund	255	-	-	-	255
Scholarship and Prize Fund	4,473	-	-	34	4,507
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
	7,493	**-**	**-**	**34**	**7,527**

	Balance at 1 July 2021 £'000	Income £'000	Expenditure £'000	Transfers and Investment Gains £'000	Balance at 30 June 2022 £'000
Endowed Property	765	-	-	-	765
Edbrooke fund	255	-	-	-	255
Scholarship and Prize Fund	4,784	-	-	(311)	4,473
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
	7,804	**-**	**-**	**(311)**	**7,493**

23. Analysis of charitable funds *(continued)*

(a) Analysis of movements in permanent endowed funds (Group and School) *(continued)*

Endowed Property

Land and property gifted to the School in furtherance of its Object, to advance education that is held on permanent endowment and is administered and managed by the Governors.

Edbrooke fund

A fund, the income from which will be made available to the Headmaster and applied at his discretion from time to time, to benefit a pupil wishing to attend the School who may have just missed a scholarship. Alternatively, a pupil currently at the School whose parents find themselves in financial difficulty.

Scholarship and Prize Fund

The Scholarship and Prize fund endowment is invested to provide scholarships and prizes for the benefit of the School. The total realised and unrealised gains and (losses) during the year amounted to £35k (2022 – (£312k)).

Scholarship and Prize Fund – Eglington Bursaries

The Scholarship and Prize Fund – Eglington Bursaries endowment was set up with a legacy from the late Charles Eglington. The fund is invested to provide bursaries for the benefit of the School.

(b) Analysis of movements in restricted funds

	Balance at 1 July 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Investment Gains /(Losses) £'000	Balance at 30 June 2023 £'000
Advance Fee Fund	-	66	(21)	19	(64)	-
Scholarship and Prize Fund	-	133	(133)	-	-	-
Andrew Yorke Sail Training Fund	48	-	(2)	-	-	46
Bursary Fund	-	-	-	-	-	-
Cricket Square	4	-	-	-	-	4
Duke of Edinburgh Award	-	10	-	(10)	-	-
Shell House Fund	2	-	-	-	-	2
Upper Pavilion Fund	2	-	-	-	-	2
Sports Centre	-	1,125	-	(1,125)	-	-
SPS Restricted Fund	1	-	-	-	-	1
Other restricted funds	1	1	(1)	-	-	1
Charity	58	1,335	(157)	(1,116)	(64)	56
The Sherborne School Foundation	846	667	(1,285)	-	-	228
	904	2,002	(1,442)	(1,116)	(64)	284
Eliminated on consolidation	-	(1,252)	1,137	115	-	-
Group	904	750	(305)	(1,001)	(64)	284

Transfers from restricted funds to the accumulation fund correspond to income where the original restriction of the fund has been fulfilled during the year.

23. Analysis of charitable funds *(continued)*

(b) Analysis of movements in restricted funds *(continued)*

The transfer of £1,000k in the consolidated accounts represents a reclassification between restricted and unrestricted funds. This adjustment is required to correct the balance held on restricted funds by ensuring the elimination of inter-company transactions between Sherborne School and the Sherborne School Foundation.

The breakdown of restricted reserves of £228k for the Sherborne School Foundation is detailed in that Charity's accounts.

	Balance at 1 July 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Investment Gains /(Losses) £'000	Balance at 30 June 2022 £'000
Advance Fee Fund	-	66	(23)	32	(75)	-
Scholarship and Prize Fund	-	111	(111)	-	-	-
Andrew Yorke Sail Training Fund	48	1	(1)	-	-	48
Bursary Fund	-	44	-	(44)	-	-
Cricket Square	4	-	-	-	-	4
Art Project	-	3	-	(3)	-	-
Grand Piano	1	3	-	(4)	-	-
Music Projects	-	1	-	(1)	-	-
Shell House Fund	2	-	-	-	-	2
Upper Pavilion Fund	2	-	-	-	-	2
Sports Centre	-	625	-	(625)	-	-
SPS Restricted Fund	4	-	-	(3)	-	1
Other restricted funds	1	1	(1)	-	-	1
Charity	62	855	(136)	(648)	(75)	58
The Sherborne School Foundation	718	1,018	(890)	-	-	846
	780	1,873	(1,026)	(648)	(75)	904
Eliminated on consolidation	-	(935)	679	256	-	-
Group	780	938	(347)	(392)	(75)	904

Transfers from restricted funds to the accumulation fund correspond to incoming resources where the original restriction of the fund has been fulfilled during the year.

The transfer of £390k in the consolidated accounts represents a reclassification between restricted and unrestricted funds. This adjustment is required to correct the balance held on restricted funds by ensuring the elimination of inter-company transactions between Sherborne School and the Sherborne School Foundation.

The breakdown of restricted reserves of £846k for the Sherborne School Foundation is detailed in that Charity's accounts.

23. Analysis of charitable funds *(continued)*

(b) Analysis of movements in restricted funds *(continued)*

Annual Fund Bursaries
From the annual fund donations that are for bursaries in general and will help supplement the support for the Travel and Tour Bursaries, the Personal Development and High Flyer Fund and other bursaries offered by the Foundation in co-operation with the School.

Bursary Fund
To widen access to Sherborne School through a programme of means tested bursaries.

Cricket Square
To support the relaying of the cricket squares within the School and primarily those on the Upper square.

Foundation Fellows
Funds transferred by the Sherborne School Foundation to support and fund the enrichment and teaching of Fellows of the School.

Grand Piano
Funds transferred by the Sherborne School Foundation to contribute towards the cost of a grand piano.

Music Projects
Funds transferred by the Sherborne School Foundation to contribute towards the various Music projects.

Hardship Fund
To support pupils within the School who fall on hard financial times and who the School would like to remain in the School until they complete a key stage of their education.

Art Project
Funds transferred by the Sherborne School Foundation to support an Art capital project.

Scholarships
Funds transferred by the Sherborne School Foundation to support and fund scholarships provided by the School.

Shell House Fund
Funds raised for the restoration and upkeep of the Shell House, located in the garden of Harper House.

Sports Centre
Funds raised by and transferred from the Sherborne School Foundation towards the redevelopment of the Sports Centre.

Upper Pavilion
The fund is for the refurbishment and extension of the Upper Pavilion.

SPS Restricted Fund
Donation made to Sherborne preparatory School for the benefit of its staff and pupils.

Duke of Edinburgh Award
Funds raised by and transferred from the Sherborne School Foundation to help fund the expansion of pupil numbers joining the Duke of Edinburgh Award programme.

Other Restricted Funds
These relate to several smaller restricted funds which have been donated during the year. The majority of the donations have been expended during the year in accordance with the original donor's wishes; the remaining £1k will be expended next year.

23. Analysis of charitable funds *(continued)*

(c) Analysis of movements in unrestricted funds

	Balance at 1 July 2022 £'000	Income £'000	Expenditure £'000	Tax £'000	Transfers and Investment Gains/(Losses) £'000	Balance at 30 June 2023 £'000
Pension reserve – designated fund	(460)	-	426	-	(487)	(521)
Accumulation fund	36,658	26,012	(27,431)	-	1,001	36,240
Total	**36,198**	**26,012**	**(27,005)**	**-**	**514**	**35,719**

The total transfers, amounting to £390k (2021 - £1,903k), represent transfers of £390k (2021 - £1,903k) from the accumulation fund to restricted funds, as detailed in Note 23(b). There is also £224k (2021 - £221k) which will be distributed to Sherborne School from two of its trading subsidiaries which has been included as a Gift Aid donation in the accounting year ended 30 June 2022. Please refer to note 6 for more information.

	Balance at 1 July 2021 £'000	Income £'000	Expenditure £'000	Tax £'000	Transfers and Investment Gains/(Losses) £'000	Balance at 30 June 2022 £'000
Pension reserve – designated fund	(567)	-	400	-	(293)	(460)
Accumulation fund	37,543	24,192	(25,467)	-	390	36,658
Total	**36,976**	**24,192**	**(25,067)**	**-**	**97**	**36,198**

24. Contracts and commitments

At 30 June 2023 the School had commitments as follows:

	2023 £'000	2022 £'000
Contracted for but not provided in these financial statements	**1,719**	**6,745**
Authorised but not contracted	**5,762**	**5,917**

The £1,719k included above as Contracted for but not provided includes the balance of the contract in respect of the Sports Centre project.

25. Other commitments

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

	2023 £'000	2022 £'000
Within one year	-	2
After 1 year but within 5 years	23	18
	23	20

26. Reconciliation of net income/(expenditure) to net cash flow from group operating activities

	2023 £'000	2022 £'000
Net income/(expenditure) before investment gains/(losses)	(548)	(287)
Adjustments for:		
Investment income	(393)	(343)
Finance costs	428	147
Equalisation of investments	(9)	(9)
Depreciation	2,008	1,844
(Profit)/loss on disposal of property, plant and equipment	(524)	(296)
Add back of non-cash FRS102 charge to defined benefit retirement scheme	111	137
Less cash contributions to defined benefit retirement scheme	(537)	(537)
Advance fees utilised	(1,227)	(1,146)
	(691)	(490)
Movements in working capital:		
Decrease in stocks	(46)	36
(Increase) in debtors	(285)	622
(Decrease)/increase in creditors	463	1,227
Cash (used by)/generated from operations	(559)	1,395
Investment income		
Interest paid	(408)	(126)
Net cash (used by)/provided by group operating activities	(967)	1,269

27. Reconciliation of net debt

	At 1 July 2022 £'000	Cash Flows £'000	New Finance Leases £'000	At 30 June 2023 £'000
Cash	1,831	2,298	-	4,129
Loans falling due after more than one year	(7,500)	(6,500)	-	(14,000)
Finance lease obligations	(248)	119	(28)	(157)
Total	**(5,917)**	**(4,083)**	**(28)**	**(10,028)**

28. Pension schemes

Teaching Staff

The School participates in the Teachers' Pension Scheme (TPS) for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,517k (2022: £1,520k), and at the year-end £179k (2022 – £179k) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the valuation report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23 68%.

The 31 March 2016 valuation report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and following a public consultation in 2021 the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations were completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has indicated that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

Teaching Staff

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. Accordingly, the School has taken the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The School has set out above the information available on the scheme.

28. Pension schemes *(continued)*

Support Staff Defined Contribution Scheme

The Group operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the Group in an independently administered fund. The contributions payable by the Group charged to profit or loss amounted to £375k (2022: £353k). Contributions totalling £54k (2022: £47k) were payable to the fund at the year end and are included in creditors.

Support Staff Defined Benefit Scheme

The company sponsors the Governors of Sherborne School Support Staff Pension Scheme which is a defined benefit arrangement. The scheme closed to future accrual from 1 September 2011. A full actuarial valuation of this scheme was carried out by a qualified independent actuary at 31 August 2019 and updated by a qualified independent actuary to 30 June 2023.

The contributions made by the employer over the financial year have been £537k (2022: £537k).

28. Pension schemes *(continued)*

a) Changes in the present value of the defined benefit obligation are as follows:

	2023 £'000	2022 £'000
Present value of funded obligations	(7,563)	(8,751)
Fair value of plan assets	7,042	8,291
Deficit	(521)	(460)
Amounts in the balance sheet:		
Liabilities	(521)	(460)
Assets	-	-
Net liability	(521)	(460)

b) Changes in the present value of the defined benefit obligation are as follows:

	2023 £'000	2022 £'000
Opening defined benefit obligation	8,751	11,078
Expenses	101	130
Interest cost	329	207
Actuarial losses	(1,123)	(2,126)
Benefits paid	(495)	(538)
Closing defined benefit obligation	7,563	8,751

c) Changes in the fair value of scheme assets are as follows:

	2023 £'000	2022 £'000
Opening fair value of scheme assets	8,291	10,511
Interest income	319	200
Return on scheme assets less interest on net defined benefit pension scheme liability	(1,610)	(2,419)
Contributions by employer	537	537
Benefits paid	(495)	(538)
Fair value of scheme assets at end of year	7,042	8,291

28. Pension schemes *(continued)*

d) The amounts included within the Statement of Financial Activities are as follows:

	2023 £'000	2022 £'000
Current service cost	-	-
Expenses	(101)	(130)
Total charge to net income	(101)	(130)
Net interest on the net defined benefit pension scheme liability	(10)	(7)
Net finance cost	(10)	(7)
Total amount charged within net income	(111)	(137)
Remeasurement of the net defined benefit pension scheme liability	(487)	(293)
Total amount charged to the Statement of Financial Activities	(598)	(430)

e) The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2023	2022
Equities	-	-
Corporate Bonds	10%	-
Liability Driven Investments (formerly Fixed Interest Matching Assets and Inflation Linked Matching Assets)	30%	58%
Diversified Growth Funds	56%	40%
Other (cash)	4%	2%

The scheme assets were switched to managed growth following the closure of the scheme to future accrual.

The actual return on the scheme assets in the year was:

	2023 £'000	2022 £'000
Actual return on the scheme assets	(1,291)	(2,219)

28. Pension schemes *(continued)*

f) Principal assumptions at the balance sheet date (expressed as weighted averages)

The assets of the scheme have been included in this year's financial statements at market value and the liabilities have been calculated using the following principal actuarial assumptions:

	30 June 2023	30 June 2022
Inflation (RPI)	3.51% pa	3.54% pa
Inflation (CPI)	3.11% pa	3.09% pa
Salary increases	n/a	n/a
Rate of discount	5.42% pa	3.84% pa
Rate of increase in pensions in payment where CPI to a maximum of 5% applies	3.67%	3.63%
Rate of increase in pensions in payment where CPI to a max of 2.5% applies	1.96%	2.07%
Assumes life expectancies on retirement age 65:		
Retiring today – males	20.6	20.7
Retiring today - females	23.0	23.1
Retiring in 20 years - males	22.0	22.0
Retiring in 20 years - females	24.5	24.6

29. Related party transactions

Transactions between the School and other group companies that have been eliminated on consolidation are disclosed below:

	2023 £'000	2022 £'000
Sherborne School (Trading) Limited		
Agents commission invoiced to School	78	63
Departmental sales invoiced to School	60	50
Profits gifted to School	-	-
Support costs invoiced by School	(18)	(13)
Sherborne School (Leisure) Limited		
Pupil usage of sports facilities invoiced to School	162	192
Profits gifted to School	-	62
Support and rental costs invoiced by School	(15)	(15)
Sherborne School (Overseas Trading) Limited		
Profits gifted to School	161	162
The Sherborne School Foundation		
Donations to School	1,137	679
Donated services from School	116	256
Sherborne Schools Worldwide Limited		
Interest paid to the School	12	7

Details of balances due between these entities and the School at the year end are disclosed in debtors and creditors.

Details of the joint venture undertaking, Sherborne Schools Worldwide Limited, are disclosed at note 30.

29. Related party transactions *(continued)*

There were no transactions with Governors and directors/trustees of Group companies during the year to 30 June 2023.

There were no other related or connected party transactions during the year.

30. Joint venture interest

The School owns 50% of the share capital of Sherborne Schools Worldwide Limited (company no. 10730155), which was incorporated on 19 April 2017, and commenced trading on 1 May 2017. The company is jointly owned with Sherborne Girls, and has been incorporated to identify international opportunities, select, market to and enter into arrangements with third parties on behalf of the two Schools jointly, to generate income, increase the value of the Schools' brands and enhance the Schools' reputations.

Sherborne Schools Worldwide Limited's trading results for the year ended 30 June 2023 are summarised below:

	Year to 30 June 2023 £'000	Year to 30 June 2022 £'000
Turnover	-	-
Administration	(36)	(30)
Operating loss	**(36)**	**(30)**
Interest payable	(25)	(14)
Loss for the year	**(61)**	**(44)**
50% share of loss	**(31)**	**(22)**
Shareholder's deficit	**(592)**	**(531)**
50% share of shareholder's deficit	**(296)**	**(265)**

The School has provided loan funding to Sherborne Schools Worldwide Limited of £200k. Repayments were due to be made in three equal instalments during the years to 30 June 2021 – 2023. However, potential projects were paused for an extended period as a result of the pandemic, so it has not been possible for the company to generate any income as yet, and this situation is likely to continue for some time. It is considered unlikely that the company will have sufficient funds to make any loan repayments until the 2024-25 year, so the whole of the loan balance at 30 June 2023 is included at note 17 – Debtors, shown as a balance due after more than one year from a joint venture undertaking. At 30 June 2022 the £200k balance was also included as a balance due after more than one year from a joint venture undertaking. The interest charged on the loan of £12k (2022 - £7k) has been eliminated in the consolidated accounts when calculating the School's net share of loss in the joint venture.

GOVERNORS AND CHARITY TRUSTEES

Sherborne School Governors are the Charity Trustees and Company Directors of Sherborne School Charity ("the Charity"). They have all served in office throughout the year except where indicated. Together with past Governors who served in the year as indicated, they are:

Chairman	Lt Gen David Leakey CMG CVO CBE MA Cantab
Vice Chairman	Mrs Angela Claire Lane BA, FCA (appointed as Vice Chairman 1 July 2022)
Ex-Officio	The Vicar of Sherborne, The Reverend Martin Lee
Co-Opted	Mrs Isabel Anne Cooper Burke, MB, BS, MRCGP (resigned 2 July 2022)
	Aubrey John Capel Esq
	Mrs Vicki Cotter, LLB (Hons), LLM
	Michael Levick French Esq, FCA (resigned 31 December 2022)
	Tim Hague Esq, FCCA, CTA (resigned 31 December 2022)
	Guy David John Hayward-Cole Esq, MA, MBA
	Nicholas Isaac (appointed 1 March 2023)
	Dr Max Jonas
	Nigel Lawson Jones Esq, BSc, FRICS, ACIArb
	Robin Anthony Langley Leach Esq, MA
	George Marsh Esq, MA, Cert Ed
	Dr Ruth Elizabeth Newman (appointed 1 September 2022)
	John David William Pocock Esq, BEng (Hons)
	Anthony John Demainbray Pralle (appointed 6 January 2023)
	Professor Simon Mark Spearing (appointed 26 May 2023)
	Mrs Gillian Staley, BSc, MSc, CMIOSH
	Mrs Elaine Stallard JP
	Robert Jan Temmink Esq, QC, MA, BL, FCIArb (resigned 21 October 2022)
	Michael Trevenen Wilson Esq, BSc, QTS
Staff Nominated Governor	Matthew James Whittell Esq, MA, MSc

Members of Committees

Finance and General Purposes Committee
Tim Hague (to 10 February 2023), Guy Hayward-Cole, Nicholas Isaac (from 1 March 2023), Nigel Jones (from 6 January 2023), Angela Lane (Chairman from 1 July 2022), David Leakey, Vicki Cotter (to 5 January 2023), Anthony Pralle (appointed 6 January 2023).

Investment Sub-Committee
Guy Hayward-Cole (Chairman), Michael French (to 10 February 2023; from 11 February 2023 – volunteer, Pro-Bono Adviser), Guy Hudson (volunteer, Pro-Bono Adviser), Charles Griffiths (volunteer, Pro-Bono Adviser).

Estates and Infrastructure Committee
Aubrey Capel, Vicki Cotter (Chairman), Max Jonas, Nigel Jones, John Pocock, Robert Temmink (to 21 October 2022).

Academic Committee
George Marsh (Chairman), Max Jonas, Robin Leach, Mark Spearing (appointed 26 May 2023), Michael Wilson.

Pastoral Committee
Isabel Burke (to 2 July 2022), Max Jonas (Chairman), Robin Leach, Martin Lee, George Marsh, Ruth Newman (from 1 September 2022), Gilly Staley.

Nominations Committee
Vicki Cotter, Angela Lane (from 1 July 2022), Robin Leach, David Leakey (Chairman).

The Board is a self-appointing body, apart from the Ex Officio Governors and the Staff Nominated Governor. Service on the Board is for a term of five years. Retiring Governors can be re-elected for a further five year term.

OFFICERS

Headmaster and Chief Executive	D A Luckett BA DPhil FRSA FHA
Bursar and Clerk to the Governors	Dr D C Cole BSc MSc PhD
Address	Sherborne School Abbey Road Sherborne DT9 3LF
Website	www.sherborne.org

ADVISERS

Bankers	Lloyds Bank Plc 1st Floor Sedgemoor House Deansgate Avenue Taunton Somerset TA1 2UF
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ
Auditor	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Investment Advisers	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA
Actuaries	Mercer Limited 1 Tower Place West London EC3R 5BU

SHERBORNE SCHOOLS GROUP

England & Wales - Charity number 1081228

Accounts

SHERBORNE SCHOOL ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 2022

SHERBORNE

Registered Company Number: 4002575
Registered Charity Number: 1081228

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The Governors of Sherborne School ("the Sherborne Group") present their annual report and audited accounts for the year ended 30 June 2022 and confirm that they comply with the requirements of the Charities Act 2011, Sherborne's constitution, the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019), and the Companies Act 2006.

REVIEW OF THE YEAR

Following two years where arrangements were disrupted by the coronavirus, the School remained open for boarding for the whole of the 2021-22 academic year thus enabling, despite certain controls remaining in place for much of the year, some semblance of normality to return for pupils and staff at both Sherborne School and Sherborne Preparatory School. Unfortunately, the same could not be said for Sherborne International where it was not possible for the 2021 summer courses to be held.

2021-22 marked the first full year of Sherborne Preparatory School being part of the Sherborne Group (and thus these accounts).

Principal Achievements and Performance

Educational Performance

2022 was the first year since 2019 that examinations had been sat, following the use of CAGs in 2020 and TAGs in 2021. 61.2% of A-level grades were A*-A, with 41% of boys achieving straight A/A*. Following the introduction of the BTEC qualification in 2020, the percentage of distinctions/starred distinctions awarded continued to rise to 89%, with no boys achieving less than a merit. The assessment of value-added of our Sixth form continued to outperform most other schools, with Sherborne now in the top 3.5% of all independent schools.

90% of Shirburnians apply to University (with those not opting to do so looking instead to apprenticeships, gap years or direct entry to careers, particularly in the Army/Navy). In 2022 four boys achieved places at Oxford and Cambridge, others places at Durham, Edinburgh, St Andrews, Bath and Bristol amongst others. The courses they are following range from Veterinary Science, Medicine, Mathematics and Engineering to English, History and Theology. Two boys secured places on *PwC Flying Start*, a highly competitive degree-work placement hybrid scheme. The remainder of the year group are either intending to re-apply next year, some of whom received better-than-expected results, or are proceeding to institutions in countries including Norway, Estonia and Spain.

Additionally, the School had excellent EPQ results, all 57 entrants achieving A-C and 67% receiving A*/A.

The School's GCSE results remain strong, with over 21% graded at 9, 47% scoring 9/8 and two thirds 9-7. Eighteen boys (15% of the total) achieved ten or more grades 9-7 (the old A*-A equivalent). Among them was one boy, who along with only thirteen other candidates (out of a total of 622,000 nationally) secured grade 9s in at least twelve GCSE subjects.

Of the departing Year Eight from Sherborne Preparatory School (n=22), 11 received academic scholarships and exhibitions at both Sherborne School and Sherborne Girls, as well as Cheltenham Ladies, Canford, Kings Bruton, Wellington and Leweston. Additionally, a further eight children achieved further scholarships and awards in Drama, Performing Arts, Music and Sport.

Sporting Achievements

On the sporting front, the Schools continued to excel. The Sherborne School rugby 1st XV reached the semi-final of the RFU National School Cup, losing narrowly to the eventual winners. The U14 rugby squad retained the Dorset & Wiltshire Cup. 20 boys, across all year groups were selected for the Bath RFU Academy with one being selected for England U18 in the Six Nations competition. Two departing U6 boys were offered contracts with Bath Rugby for the 2022-23 season.

Elsewhere the School had boys selected for a host of competitive opportunities ranging from the Yeovil Town FC senior squad to selection for the English Schools Cross Country championships. Our U14 team also won the Dorset County Hockey championships.

Sherborne Preparatory School won Independent School of the Year for Sporting Achievement in 2021.

The Arts

The Arts continue to flourish at Sherborne. Our Music scholars, spanning 3rd form to Upper Sixth achieved two ATCL Diplomas (one with Distinction), 11 Grade 8 Distinctions and 10 Grade 8 Merits between them. The Swing Band were able to perform regularly throughout the year culminating in 10 days of concerts in Barbados and individuals performed throughout the year in public recitals and concerts as well as the Halliday Cup and the Patrick Shelley Music Competition for Advanced Instrumentalists, this year adjudicated by the composer and conductor Jonathan Willcocks.

The Chamber Choir performed routinely at Sherborne Abbey as well as taking part in the Choral Evensong at Salisbury Cathedral. The Sherborne Schools Choral Society gave its annual concert to a sell out (450) audience and a Joint Schools Valentine *Unplugged* offered the opportunity for 18 performers from both the School and Sherborne Girls to perform singer/songwriter repertoire to a pupil audience.

The School put on an outstanding Joint School Musical (Grease) with Sherborne Girls in the Big School Room, with boys taking both leading roles as well as being responsible for the technical support of the production. Digby House put on Rabbit by David Foxton and Paper Birds came to the School to do a brilliant workshop in verbatim theatre culminating in a live performance in the Powell Theatre.

Co-curricular

Through participation in over 50 clubs and various other activities, our pupils hone their abilities to plan, think, lead, critique sources and news, analyse situations and behaviour and debate. Examples include the Model United Nations, Amnesty, Debating, Community Service, CCF, Environmental Action, Chess, Coding and various Pupil Voice Committees.

The CCF continued to go from strength to strength with 150 cadets going on visits/field trips to the Coldstream Guards in Windsor, HMS Collingwood in Portsmouth and 40 Commando in Taunton. Seven cadets competed in the National Royal Marine Pringle Trophy coming 3rd overall.

Development of Facilities and Resources

Despite uncertain times, the School progressed a number of major capital projects over the course of the year, the most significant of which was the construction of a second Sports Hall, adjacent to the current facility, as party of the broader Sports Centre redevelopment due for completion in the summer 2023. Despite multiple challenges to all aspects of the building market (inflation, availability of resources etc.) the project remains on target as regards scope, time and cost.

Additionally, the professional team was re-engaged to enable the School to go to market to identify a construction partner for the redevelopment of the Westcott Boarding House, planned to be ready for September 2024. Three construction tenders were received, and a final investment decision is now due in November 2022.

The summer of 2021 also saw the School roll out its digital provision for boys and staff across the whole of the Sherborne site as the first stage towards the digital strategy envisioned for the School within its 2022-27 Development Plan. As well as the whole of the teaching estate being upgraded with interactive panels, the IT team configured in excess of 140 new devices for our academic staff to enhance pedagogic practice in the classroom. This was matched by a scheme to enable our boys to purchase (at a significant discount) and receive similar specification devices to maximise the educative benefits of these enhancements.

Compliance

Despite the recommencement of ISI inspection activity, the School remains overdue for its Educational Quality Inspection. During the year both Schools devoted resources to ensuring that staff remained up to date with the regulatory requirements and that processes and procedures were updated to reflect any changes. The Schools committed significant resources to complying with new legislation and considering and mitigating the health and safety and safeguarding risks to pupils, staff and the local community that continued to arise from COVID-19.

Overseas Activities

Sherborne Schools Worldwide Limited (SSW), the company owned jointly with Sherborne Girls through which all new overseas operations are pursued, completed its fourth year of trading. Discussions continue with Sharaka Education (Sherborne School's partner in Qatar) towards the establishment of a chain of Sherborne Schools (In

partnership with Sherborne Girls) in the Middle East and North Africa. Heads of Terms for the partnership were signed in December 2021 with a more detailed full-form contract now close to being finalised.

Marketing and Recruitment

The key to stability and security is sustaining pupil numbers in both Sherborne School and Sherborne Preparatory School. The Third Form entry to Sherborne School was again full and numbers on roll increased to 598 (564 Boards: 34 Day) at the start of the year compared to 577 the previous year which was in line with the strategic plan objectives.

Overseas travel (in support of recruitment) remained problematic throughout the year due to the unprecedented global situation. The School continued to reach target markets with virtual open days and online forums as well as continuing with the well-established newsletter and the Shirburnian. Arrangements were also made to run our *'Sherborne at Work'* days, at which we invite Year 7 pupils and their parents to the School in September, as a virtual *'Sherborne at Home'* day. A series of short films were produced designed to give families an introduction to Sherborne, including video tours of each of the Boarding Houses.

Carbon Energy Report

The Charity is reporting under the requirements of the Companies (Directors' Report) and Limited Liability partnerships (Energy and Carbon Reporting) Regulations 2018. The Charity has followed the Environmental Reporting guidelines: including streamlined energy and carbon reporting guidance March 2019 and used the GHG Reporting Protocol – Corporate Standard for quantifying and reporting energy use. The UK Government Conversion Factors for Company Reporting have been used in the calculation.

UK GREENHOUSE GAS EMISSIONS AND ENERGY USE DATA	**2021/22**	**2020/21**
Energy consumption (kWh) used to calculate emissions (kWh)		
• Gas	7,328,307	7,509,799
• Electricity	2,315,220	2,302,892
• Transport fuel	76,170	34,612
Total energy consumption (kWh)	**9,719,697**	**9,847,303**
Emissions in metric tonnes CO2e		
• Gas consumption	1,327.71	1,393.64
• Owned transport – minibuses, car and vans	19.02	6.74
Emissions in metric tonnes CO2e		
• Purchased electricity	447.71	488.97
Emissions in metric tonnes CO2e		
• Business travel in employee owned vehicles	1.29	1.56
Total gross emissions in metric tonnes CO2e	**1,795.73**	**1,891.91**
Intensity ratio Tonnes CO2e per pupil – total number of pupils 775 (2021: 614)	**2.32**	**3.0813**

Energy usage for 2022 cannot be accurately compared to the previous year due to the implications of COVID-19 and the operating environment of the School for much of that time. Additionally, 2021-22 represents the first full year where the operations of Sherborne Preparatory School have been fully aggregated into the summary usage data. The Schools continue to work on projects to reduce their carbon footprint, the most significant of which has been the installation of photovoltaics on the new Sports Centre building.

Sustainability has been identified as one of the pillars of the 2022-27 Development Plan. A webinar was held for staff in the Trinity term to highlight all those ways in which a School can shape its response to the global sustainability challenge ranging from its own energy usage through to re-imagination of the current curriculum to put the subject at the heart of all that we do. Towards this ambition the School intends launching a Sustainability Challenge for pupils of Preparatory Schools in 2023-24.

In addition, the School owns two principal equity holdings, managed by Cazenove Capital. By far the largest of these relates to Scholarships and Prizes. As at 30 June 2021, Cazenove provided an overall assessment as to the carbon impact of the Schools holdings of 453 tonnes CO2 (relative to a benchmark of 446 tonnes/CO2). A second portfolio (Advanced Fees – Long term) was assessed as impacting 27 tonnes/CO" (vs benchmark of 28). *n.b.* the figures representing an aggregate of the annual scope 1 and 2 carbon emissions (in tonnes) that can be attributed to the School's holdings of the companies in which we are invested (Source: Schroders SustainEx).

PUBLIC BENEFIT

Bursaries and Scholarships

This year Sherborne School provided assistance with fees to 252 pupils (2021: 249) to the value of £3,502k (2021: £3,560k) which represented 14.7% of the School's gross fee income, which is 0.8% less than the previous year. 101 pupils (2021: 96) received means treated bursaries to the value of £2,205k representing an increase of 13.3% (£258k) on 2021. 10 pupils (2021:15) received means tested assistance (including scholarships as appropriate) of 100%, of these four are members of the HMC Scholarship scheme. A further seven pupils receive remissions of between 90% to 99% of termly fees. Four pupils received bursaries funded by the Old Shirburnian Society.

132 pupils (as 2021) received remitted scholarships based on their merit, with a total value of £627k (up from £601k). Scholarships represented 2.6% of the gross fees (2021: 2.8%). Of this number, 24 (down from 25 last year) also qualified for means-tested bursary support and are included in the figures relating to bursary awards.

In addition, Sherborne Preparatory School provided fee assistance to 113 pupils (50 of whose parents work at either Sherborne School, Sherborne Girls School or Sherborne Preparatory School). Remittances totalled £604k for the year (20.7% of gross fee income). 28 pupils received means-tested bursaries (2021: 22), eight of whom were also in receipt of a scholarship. The total value of means-tested bursaries for the year was £153k. A further 18 children were in receipt of scholarships. The School also admitted two displaced Ukrainian children on 100% bursaries in the Trinity term of 2022.

Links with Local Schools and the Community

The School has a well-established and vibrant outreach programme. Each Boarding House has developed links to a nominated charity. Across the year a number of events, ranging from Sleep Outs for Ukraine to the procurement of House Belts where proceeds went to a school in Kenya, have raised thousands of pounds for good causes. In addition, the Co-Curricular (Outreach) Committee rallied the whole school community to organise supplies for those displaced by the conflict in Ukraine.

We have had boys elected as Youth Advisors to the Sherborne Town Council, with two further individuals advising the Town Council's Environmental Action Group, thus improving engagement with the local community and providing further opportunities for greater awareness of those on the Council.

In addition to the very substantial benefits Sherborne brings to its pupils, the local community and society through the education offered, the bursary programme and links with local schools continue to create a social asset without cost to the Exchequer.

FUTURE PLANS

The Governing Body approved ambitious new Development Plans for both Sherborne School and Sherborne Preparatory School in June 2022, designed to take the Schools through to 2027. In so doing, they were conscious of just what turbulent times the Schools, sector and nation were experiencing and that, more than ever before, the Schools would need to be responsive to change and that the plans would require regular review and adjustment over the comings months and years.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

Sherborne's School's Object, as set out in its Articles of Association, is to advance education, by carrying on in or near Sherborne a boarding and day school for boys and girls. In furtherance of its Object, Sherborne maintains its heritage endowment, the School, with its many listed buildings. There is also an endowed Prize and Scholarship fund which contributes towards the provision of scholarships, bursaries and prizes.

Within this Object, the School's core vision is to foster a community of decent, thoughtful, hardworking boys who value and take full advantage of the opportunities they are given. Individualised care and support will allow them to feel safe and secure within our community; known and valued as individuals; and possessed of open minds that allow them to celebrate difference and diversity. When faced with challenges, they will be proactively and sensitively supported. No boy will ever be overlooked.

We aim to enthuse and prepare boys for life and the dynamic world of work in the twenty-first century. They will engage positively with their studies, make strong progress in all that they do, and embrace co-curricular and charitable opportunities. They will be ambitious for themselves and plan sensibly and thoughtfully for their futures. Our curriculum will be dynamic, flexible and responsive to individual needs. Boys will develop aesthetic sensibilities and physical wellbeing.

We will provide boys with a world-class, forward-looking education, imparting the knowledge, skills and attitudes needed for fulfilment and success. Such is the pace of technological and social change that we cannot be sure how the future workplace will look. Whilst traditional professions such as law, accountancy and medicine will remain important, success in those fields is likely to require a different blend of skills from those demanded in the past. At the same time, new, more diverse career paths will continue to emerge, including occupations that we cannot currently envisage, many requiring high levels of mathematical, scientific and technological competence. There will be fewer jobs for life and young people will need flexibility and resilience to adapt successfully to change.

To help our boys succeed, the School's academic provision must be first-rate. It must be flexible enough to serve the individual needs of all our boys, whatever their aptitudes and interests, and sufficiently adaptable to meet the changing demands of universities and employers. Much of what we have done in the past remains relevant, but we must be prepared to innovate, impart new skills, offer new subjects and adopt new ways of teaching and learning.

Excellent academic qualifications will remain important, but they will not be sufficient for a fulfilling life and career. A growing body of research indicates that employers of all types, from technology giants to professional services, are looking for much more than just a strong academic record. The most sought-after employees are likely to be those who demonstrate the ability to think critically, creatively and flexibly. They will be able to solve complex problems. They will possess adaptability, resilience, good judgement, emotional intelligence and the ability to work cooperatively with others. They will be trustworthy, likeable and engaging. These, then, are the attributes that we most need to foster through our curricular, co-curricular and pastoral provision.

We must also ensure that, as they mature into young men, our boys can forge positive, mutually respectful and productive relationships with women and girls. We will, therefore, continue to work closely with our partner school, Sherborne Girls, to provide an ever-richer range of opportunities for boys to work alongside girls, to learn from them, collaborate with them and form respectful, meaningful friendships appropriate to the twenty-first century.

We will focus upon the delivery of ethical education so that our boys not only understand issues of global significance but make good choices in support of the environment, equality, diversity and the creation of a fairer and better world. The School will itself establish ambitious and binding environmental targets.

Our staff will be proud of working at Sherborne, committed to the welfare and wellbeing of those around them and eager to contribute to the continued success of the School. Each will feel valued for the contribution they make to our community and appreciative of those made by others, whatever their role or position. The School will support them in their professional and personal development goals.

Above all, we will be a School based upon values. Kindness will be our watchword, embraced by all as our core value and manifested in our relationships with each other and our daily interactions. Empathy, generosity of spirit and integrity will permeate our community and our boys and staff will be concerned not simply with their own success but with the wellbeing of others at School, in the local community and further afield. They will engage proactively in charitable works to support the poorest, most vulnerable and those in greatest need.

Because of all these things, our boys will emerge from the School as empathetic, mature, thoughtful and likeable young men and their parents will consistently and unreservedly recommend the School to others, providing a compelling answer to the question *Why Sherborne?*

Sherborne Preparatory School's strategic aim is to be widely acknowledged as the outstanding school in the South West of England where every child is nurtured by individualised care, enjoys a happy childhood experience and is supported in making the transition to achieve a successful, productive and self-aware life.

The school's motto of *Non Nobis Solum* means 'not for ourselves alone' and there has never been a more pressing need for future generations to be active global citizens who are willing and equipped to make a contribution to the world around them.

At Sherborne Prep we believe in learning to think imaginatively, to work both collaboratively and independently and to care sincerely for others and for our world. We seek, through working hard, to discover all we are capable of doing and being, and the joys of life and of learning.

The school aims to:

- foster the best possible work ethic in each child by encouraging passion, curiosity, initiative and a joy of learning
- help children to discover and develop their own personalities and talents
- ensure that children are well grounded and develop a social and cultural awareness which enables them to understand their place and their responsibilities in the wider world
- welcome parents into a partnership which embraces trust, understanding, a shared vision and mutual support
- encourage children to see their education as a staging post to lifelong learning, discovery and achievement

Objectives and Public Benefit

Sherborne's objectives are set to reflect its educational aims and ethos. In setting objectives, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging. In furtherance of these objectives the Governors, as charity trustees, have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub sector guidance concerning the operation of the Public Benefit requirement under the Act.

Objectives for the Year

The Board of Governors developed a five year strategic plan which was adopted from June 2016. The financial year 2020/21 originally represented the final year of that plan, given the effects that COVID had on the operations of the School, the plan was extended for a further year to cover 2021/22.

The Strategic Plan http://www.sherborne.org/fileadmin/user_upload/Strategic_Plan_2016.pdf will guide the development of Sherborne and sets out a series of ambitious but achievable priorities:

- Excellent pastoral care ensuring flexibility to respond to the needs of each particular pupil and individualised care based around the House system;
- Commitment to full boarding, providing a safe and supportive environment within which our pupils can learn and grow. Continuing to operate a full weekend programme with no dilution of the boarding ethos by a move towards weekly boarding. As part of this, the weekend programme will be reviewed to ensure the most appropriate and engaging range of weekend activities are offered;

- Providing an academic education which prepares pupils for the challenges of a rapidly changing world, offering a forward-looking curriculum, balancing traditional arts, humanities and creative subjects alongside mathematical, scientific and technological disciplines;
- Building upon Sherborne's proud history of success in individual and team sports, maintaining an equal emphasis upon wide participation and elite success;
- Further developing Sherborne's outstanding reputation for the creative and performing arts. Among the many areas of strength, music occupies a special position and Sherborne is recognised as one of the country's leading non-specialist music schools. This strength will be developed by investing further resources to achieve greater national and international renown in both classical and modern choral, instrumental and orchestral music. Ways of further enhancing the provision for art, drama and other creative pursuits will be explored.

Strategies to Achieve the Year's Objectives

The operational performance of Sherborne is described above in the main review of achievements. Through active marketing, the School sustained its momentum as a national institution and recruiting was active and effective although was impacted significantly due to the COVID-19 pandemic. Development planning continued at many levels.

Principal Activities of the Year

The principal activities for the year, which are described in more detail in the Review of the Year, fall under the following headings:

Academic
Compliance
Sport
Music, Drama, Art
Community

Our Ethos, Strategy and Policies

The Governors are responsible for setting strategies for both schools to achieve the objectives they have set. The focus of the strategy is on the development of pupils, their continued high levels of academic and co-curricular achievements and to further widen access to the education the School provides. In taking the strategy forward the School implements the following policies.

Sherborne is a charity which seeks to benefit the public through the pursuit of its stated object. Fees are set at a level to ensure Sherborne's financial viability and at a level that is consistent with its educational aims.

The School welcomes pupils from all backgrounds but needs to be satisfied that it will be able to educate and develop all prospective pupils to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy the School that potential pupils can cope with the pace of learning and benefit from the education provided.

Sherborne is an equal opportunity organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion or belief, sex, trans-gender status, marital or civil partnership status, sexual orientation or disability. Sherborne will make reasonable adjustment to meet the needs of staff or pupils who are or become disabled.

Sherborne is committed to safeguarding and promoting the welfare of its pupils and expects all staff and volunteers to share this commitment. This commitment is embedded throughout Sherborne's policies, procedures and working practices.

Access Policy

The Governors are committed to ensuring that access to the education offered is not restricted to those who can afford fees. The bursary policy together with the links with other schools in the area and the local community contribute to a widening of access to the education provided by Sherborne.

The Governors consider that bursaries are important in ensuring that boys from families who would otherwise not be able to afford the fees can access the education offered. Bursary awards are available to those who meet the general entry requirements and are made on the basis of parental means or to relieve hardship where an existing pupil's education and future prospects would be at risk, for example, in the case or bereavement or redundancy. In assessing means, the School takes a number of factors into consideration including family income, investments and savings and family circumstances.

However, Sherborne does not have a large endowment and in funding bursaries the School has to be mindful of ensuring a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their children's education, and those benefitting from the awards.

Bursaries are available for up to 100% of termly fees. They are advertised in the local press and through HMC Projects in Central and Eastern Europe. Further details of the bursary policy and how to apply are provided on the School website. Bursaries are subject to annual review so that the School can ensure that support is only provided to those that require it.

The Governors, through the initiatives explained above, intend that the proportion of means tested bursary support compared to merit awards should increase over the coming years.

Scholarship Policy

The purpose of scholarships and awards at the Schools is to recognise high academic potential or the ability to excel in Music, Sport, Drama, Art or Design and Technology (primarily Music and Sport at SPS). Scholarships and awards are awarded with a fixed remission of fees between 5% and 10%. Where assistance is required, awards may be supplemented by a means tested bursary. Further details about scholarships and awards are available on the Schools' websites.

Assistance to Teaching Staff

As part of Sherborne's emphasis on attracting and retaining high calibre staff, members of the teaching staff of both schools who choose to educate their children at Sherborne School, Sherborne Preparatory School or Sherborne Girls receive a fee discount.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The finances of the Group have been significantly impacted by both the loss of another year of income from Sherborne International (due primarily to the Group's inability to hold short course programmes in the summer of 2021) as well as the inclusion (following merger) of the finances of Sherborne Preparatory School.

Elsewhere, activity in the School's subsidiary trading/non-trading companies (Trading and Leisure) continued to be affected by both COVID-19 as well as the closure (for refurbishment) of the Sports Centre.

Sherborne School (Overseas Trading) Limited (SSOT) provided educational and management services to Sherborne Qatar. It made a profit of £162k (2021: £213k) which it was able to gift to Sherborne School, this being additional to the annual royalty from the Qatar relationship of £166k.

The combined result of all the above created a net loss (before taxation) of £287k (2021: 4,461k surplus, inclusive of asset transfer and loss of £724k excluding).

Investment Policy and Performance

The Board of Governors aims to maximise income whilst at a minimum continuing to preserve the real value of endowed investments. In pursuance of this approach, the Board of Governors also aims to maximise the total investment return whilst adopting a prudent investment posture. It also plans to match the return on invested Advance Fees Scheme monies in line with the maturation profile of the related liability to provide schooling in future years.

The investment objective of the Scholarship and Prize Fund is to preserve the real value of the capital of the Fund and to generate income to fund scholarships awarded by the School. This means that even in difficult markets the Fund will remain substantially invested and will ride out short term fluctuations in market investment values. The Fund achieved a cumulative return of -3.5% (2021: 16.01%) over the year against an investment objective of between 3% and 3.5% p.a.

Fundraising Performance

The School does not fundraise directly; this is carried out by the Sherborne School Foundation (Registered Charity No 1073522) of which Sherborne is the sole member. No external fundraising bodies are used. The Board of Governors has reviewed the Foundation's practices and is satisfied that its fundraising is compliant with the recognised standards of fundraising (set out in the Code of Fundraising Practice) as well as those required under charity law and wider law; no complaints have been received during the year.

Reserves Policy

Sherborne's policy is that unrestricted reserves should not be accumulated from year to year other than in anticipation of an identified capital project and that any surpluses generated from the running of Sherborne will be invested in developing its buildings, equipment and resources. Sherborne therefore holds no free reserves, with a negative £(12,262k) (2021: £(4,707k)) on unrestricted funds. The situation is largely attributable to the liability for holiday pay which is accrued because the main nine week holiday period falls just as the financial year ends and the defined pension liability. Governors do not consider that either of these liabilities are likely to result in an immediate impact on cash flow.

Total funds held at 30 June 2022 amounted to £44,595k (down £966k), which included £904k of restricted funds (up £123k).

Sherborne operates a defined benefit pension scheme for some of its support staff. This scheme was closed to new entrants in 2002 and the Governors closed the scheme to further accrual in September 2011. The pension liability is included in the unrestricted funds as required by FRS 102. The scheme deficit has closed further during 2022 to £460k at 30 June 2022 (2021: £567k). The corresponding liability does not result in an immediate cash flow impact. Contributions into the pension plan are met through planned income. Further information can be found in note 24 to these financial statements.

RISK MANAGEMENT

The Board of Governors is responsible for the management of risks faced by the Charity. The Governing Body approved the introduction of a new Risk Management Framework for the Group in June 2021. Within that framework, strategic risks to the Group are reviewed termly by the Full Governing Body with separate risk registers being considered by sub-committees as appropriate. In addition to Finance, HR, ICT and Estates registers (overseen by the Finance & General Purposes and Estates and Infrastructure Committees respectively), the School also now manages registers for academic and pastoral risks , as well registers specific to each individual Boarding House (through the Pastoral Committee). Risks and uncertainties are identified, assessed and controls established and monitored throughout the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Governors of Sherborne are the School's charity trustees under charity law and the directors of the charitable company. The School's Governors, advisers and key staff are set out on pages 55 to 56.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Sherborne is a charitable company limited by guarantee and not having a share capital, incorporated and registered in England and Wales under the Companies Act (company number 4002575) and registered with the Charity Commission for England and Wales (registration number 1081228). Its current Articles of Association are dated 26 May 2000 as revised by Special Resolutions passed on 26 November 2005, 26 November 2011, 12 September 2013, 3 May 2014 and 28 November 2020. Sherborne administers two associated charitable trusts, the Sherborne School Prize and Scholarship Fund and the Sherborne School Trust that are regulated by a Charity Commission Scheme sealed on 26 June 2000.

Board of Governors

The structure of the Charity consists of a Board of Governors, the details of which are explained on pages 55 to 56, together with information on how the members of the Board of Governors are appointed to office. The Board of Governors aims to comply with the Code of Good Governance and reviews their performance on an annual basis.

Recruitment and Training of Governors

New Governors are appointed to the Board on recommendation of the Nominations Committee. As and when vacancies become available, the main criterion on the search for suitable candidates is the need to maintain the best possible balance of relevant skills, expertise and experience. Induction for new Governors is organised by the Clerk to the Governors and briefing and discussions on topical subjects take place at Governors' meetings each term. External training courses, for example through the Association of Governing Bodies of Independent Schools (AGBIS) and the Boarding Schools Association, are made available to Governors. All new Governors are required to attend the AGBIS seminar for New Governors.

Organisational Management

The Governors, as charity trustees, are legally responsible for the overall management and control of Sherborne, which consists of the School, Sherborne Preparatory School, Sherborne International and (through its sole shareholdings) trading subsidiaries and meet at least three times a year. The work of reviewing many of their policies is carried out by the members of the Finance and General Purposes Committee (F&GPC), who meet three weeks before each meeting of the full Board. In particular this committee reviews the budget and finalises the audited financial statements and annual report for approval by the Board. The Chairman of Governors is a member of the F&GPC which was chaired for the year by Mr Guy Hudson. The other principal committees are the Investment Sub-Committee, chaired by Mr Guy Hudson, the Estates and Infrastructure Committee, chaired by Ms Vicki Cotter, the Academic Committee chaired by Mr George Marsh, the Pastoral Committee chaired by Dr Max Jonas and the Remuneration and Nominations Committees are chaired by the Chair of Governors. Other committee members are listed on pages 55 to 56. Each of these committees meets at least termly other than the Remuneration and Nominations Committee which meets as required.

The day to day running of Sherborne is delegated to the Chief Executive who is also the Headmaster of Sherborne School. He is supported by the Bursar and the Head (SPS) and the Senior Leadership Teams of each school. The Headmaster, the Bursar and the SPS Head attend meetings of the Board of Governors.

Pay Policy for Key Management Staff

The Governors consider the Board of Governors who are also directors of the company and the charity's trustees, and the Group Executive team to comprise the key management personnel of the charity in charge of directing and controlling, running and operating Sherborne on a day to day basis. All Governors give of their time freely and no Governor received remuneration in the year. Details of Governors' expenses and related party transactions are disclosed in notes 7 and 29.

The pay of the Headmaster and Chief Executive, the Bursar and the SPS Head is reviewed and determined annually by the Governors through the Remuneration Committee. Consideration is given to performance and benchmarked against comparable schools, details of which are available in reports produced for the independent school sector by AGBIS and Baines Cutler.

The pay of the other members of the Senior Leadership Teams is reviewed annually by the Headmaster and Chief Executive with reference to performance, average increases in earnings, inflation and sector benchmarks. Recommendations are made to the Governors who make the final decision.

Group Structure and Relationships

The Charity had three wholly owned non-charitable subsidiaries; Sherborne School (Trading) Limited, Sherborne School (Leisure) Limited and Sherborne School (Overseas Trading) Limited, whose activities and trading performance are discussed in note 6.

On 1 July 2008 Sherborne School became the sole member of the Sherborne School Foundation, registered company number 3686309 and registered charity number 1073522. The principal objects of the Sherborne School Foundation are to promote the charitable purposes of Sherborne School in Dorset and to promote any other charitable purpose connected with or otherwise associated with the School. The financial statements for the Sherborne School Foundation, for the year ended 30 June 2022 have been consolidated with the group financial statements of Sherborne School.

Related and connected party transactions are detailed in notes 29 and 30.

EMPLOYEE INFORMATION

Sherborne follows all legislative requirements relating to recruitment and employment and operates specific policies for the following areas:

Disciplinary and Grievance
Capability
Accessibility
Health and Safety
Whistle blowing
Discrimination and Equality

A regular appraisal programme is in place for all academic and most support staff and the personal and professional development of all staff is supported.

Employees are kept up to date with the plans for the School, its performance and matters of concern through verbal and written briefings, staff meetings and newsletters.

EMPLOYEE INVOLVEMENT

The School encourages the involvement of its employees in its management through regular meetings of the academic and support staff representative groups which have responsibility for the dissemination in information of particular concern to employees and for receiving their views on important matters of policy. The School also conducts an annual Staff Survey across all its staff. The Health and Safety Committee, at which a Governor is present, meets termly to consider, in addition to its broader H&S responsibilities the School's response to the COVID-19 pandemic and staff feedback on the measures being put in place.

DISABLED PERSONS

The School will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure they are given full and fair consideration when such vacancies arise.

There is a training scheme in operation so that employees who have been injured or disabled during the course of their employment can, where possible, continue in employment with the School.

During employment the School seeks to work with employees, considering their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

The number of disabled persons employed by the School during the year was 16 (2020:14).

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of Sherborne School for the purposes of company law) are responsible for preparing the Annual Report of the Governors (and the incorporated 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 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 the incoming resources and

application of resources, including the income and expenditure, of the charitable 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;
- make judgments and estimates that are reasonable and prudent;
- state whether 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 Governors are responsible for keeping proper accounting records that disclose with reasonable 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.

So far as the Governors are aware, there is no relevant audit information of which the Charity's auditor is unaware. The Governors have each taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

AUDITOR

Haysmacintyre LLP have indicated their willingness to continue in office. A resolution to reappoint Haysmacintyre LLP as the School's auditor will be made at the Annual General Meeting.

The Annual Report of the Governors (and the incorporated Strategic Report) were approved by Board of Governors of Sherborne School on 26 November 2022 and signed on its behalf by:

Lt General A D Leakey
Chairman of Governors

Opinion

We have audited the financial statements of Sherborne School for the year ended 30 June 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cashflows 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 30 June 2022 and of the group'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 Governors' 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 and parent charitable company'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 Governors with respect to going concern are described in the relevant sections of this report.

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Annual Report of the Governors. 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 Annual Report of the Governors (which incorporates the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Annual Report of the Governors 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 Annual Report of the Governors (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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors for the financial statements

As explained more fully in the Statement of Governors' Responsibilities on pages 12-13, the Governors (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 Governors 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 Governors 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 Governors 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, the parent charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the independent school regulations, safeguarding regulations, health and safety requirements, GDPR, employment law and Charity Commission's general guidance 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 the Companies Act 2006, the Charities Act 2011, Sherborne's Constitution, the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019), and consider other factors such as payroll taxes and VAT.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements such as the valuation of investment property. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Inspecting the outcomes of any regulatory inspections;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates and challenge of the underlying assumptions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to 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. 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.

LStn

Lee Stokes (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date: 7 December 2022

10 Queen Street Place
London
EC4R 1AG

Sherborne School

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating a Consolidated Income and Expenditure Account)
for the year ended 30 June 2022

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2022 Total Funds £'000	2021 Total Funds £'000
Income from:						
Charitable Activities:						
School fees	4	22,946	-	-	22,946	21,017
Donations:						
Transfer of assets in respect of Sherborne Preparatory School	15	-	-	-	-	5,185
Other donations, legacies and grants	5	30	761	-	791	1,730
Other trading activities:						
Commercial trading operations	6	849	-	-	849	428
Investments	7	166	177	-	343	385
Other:						
Other income	8	201	-	-	201	146
Total income		**24,192**	**938**	**-**	**25,130**	**28,891**
Expenditure on:						
Raising funds:						
Commercial trading operations	6	866	-	-	866	585
Net share of loss in joint venture	30	15	-	-	15	3
Fundraising costs		-	123	-	123	75
Investment management fees		-	29	-	29	28
Total expenditure on raising funds	12	**881**	**152**	**-**	**1,033**	**691**
Charitable activities:						
Educational activities		24,186	198	-	24,384	23,739
Expenditure on charitable activities	12	**24,186**	**198**	**-**	**24,384**	**23,739**
Total expenditure		**25,067**	**350**	**-**	**25,417**	**24,430**
Net income/(expenditure) and net movement in funds before gains and losses on investments		**(875)**	**588**	**-**	**(287)**	4,461
Net gains/(losses) on investments		-	(75)	(311)	(386)	779
Net income/(expenditure) before taxation		**(875)**	**513**	**(311)**	**(673)**	**5,240**
Tax on profit/(loss) on ordinary activities	13	-	-	-	-	3
Net income/(expenditure) after taxation		**(875)**	**513**	**(311)**	**(673)**	**5,243**
Transfers between funds	23b	390	(390)	-	-	-
Net income/(expenditure) before other recognised gains and losses carried forward		**(485)**	**123**	**(311)**	**(673)**	**5,243**

Sherborne School

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating a Consolidated Income and Expenditure Account)
for the year ended 30 June 2022

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2022 Total Funds £'000	2021 Total Funds £'000
Net income/(expenditure) before other recognised gains and losses brought forward		**(485)**	**123**	**(311)**	**(673)**	**5,243**
Remeasurement of defined benefit pension scheme	28	(293)	-	-	(293)	533
Net movements in funds		**(778)**	**123**	**(311)**	**(966)**	**5,776**
Reconciliation of funds						
Total Funds brought forward		36,976	781	7,804	45,561	39,785
Total funds carried forward	23	**36,198**	**904**	**7,493**	**44,595**	**45,561**

All amounts relate to continuing operations.

The full Consolidated Statement of Financial Activities for the year ended 30 June 2021 is set out at note 21.

The notes on pages 21 to 54 form part of these financial statements.

Sherborne School

BALANCE SHEETS
as at 30 June 2022

	Notes	Group 2022 £'000	Group 2021 £'000	School 2022 £'000	School 2021 £'000
Fixed assets					
Tangible assets	14/15	49,136	42,466	49,133	42,461
Investment assets	16	8,936	8,835	8,282	8,182
Total fixed assets		**58,072**	**51,301**	**57,415**	**50,643**
Current assets					
Stocks		316	352	107	138
Debtors	17	2,829	3,452	3,480	4,085
Cash		1,831	3,218	1,397	2,899
Total current assets		**4,976**	**7,022**	**4,984**	**7,122**
Liabilities					
Creditors: amounts falling due within one year	18	(6,713)	(5,308)	(6,565)	(5,222)
Net current assets/(liabilities)		**(1,737)**	**1,714**	**(1,581)**	**1,900**
Total assets less current liabilities		**56,335**	**53,015**	**55,834**	**52,543**
Creditors: amounts falling due after more than one year	20	(11,280)	(6,887)	(11,280)	(6,887)
Net assets excluding pension liability		**45,055**	**46,128**	**44,554**	**45,656**
Defined benefit pension scheme liability	28	(460)	(567)	(460)	(567)
Total net assets		**44,595**	**45,561**	**44,094**	**45,089**
The funds of the group:					
Endowed funds	23(a)	7,493	7,804	7,493	7,804
Restricted funds	23(b)	904	781	58	62
Unrestricted funds:	23(c)				
Accumulation fund		36,658	37,543	37,003	37,790
Pension reserve		(460)	(567)	(460)	(567)
		36,198	36,976	36,543	37,223
Total funds	23	**44,595**	**45,561**	**44,094**	**45,089**

The net expenditure of the School for the year to 30 June 2022 was (£703k) (2021: net income – £6,845k).

The notes on pages 21 to 54 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Governors of Sherborne School on 26 November 2022 and signed on its behalf by:

Lt General A D Leakey (Chairman)

Sherborne School

CONSOLIDATED STATEMENT OF CASHFLOWS

as at 30 June 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Net cash generated from/(used by) operating activities	26		**1,269**		**5,153**
Cash flows from investing activities:					
Investment income		343		385	
Proceeds from sale of property, plant and equipment		363		8	
Proceeds from sale of investments		2,728		4,240	
Purchase of property, plant and equipment		(8,580)		(6,783)	
Purchase of investments		(1,357)		(744)	
Purchase of endowed fund investments		(1,849)		(3,594)	
Net cash used in investing activities			**(8,352)**		**(6,488)**
Cash flows from financing activities:					
Cash inflows from borrowing		4,500		500	
Cash inflows from new advance fee contracts		1,251		402	
Cash repayments of advance fee contracts		(55)		(44)	
Net cash provided by financing activities			**5,696**		**858**
Change in cash and cash equivalents in the reporting period			**(1,387)**		**(477)**
Cash and cash equivalents at the beginning of the year			3,218		3,695
Total cash and cash equivalents at the end of the year			**1,831**		**3,218**
Cash and bank balances			1,831		3,218
			1,831		3,218

The notes on pages 21 to 54 form part of these financial statements.

1. General Information

Sherborne School ('the Company') is a charitable company limited by guarantee and not having a share capital, incorporated and registered in England and Wales under the Companies Act (company number 4002575) and registered with the Charity Commission for England and Wales (registration number 1081228).

The address of the Company's registered office and principal place of business is Sherborne School, Abbey Road, Sherborne, Dorset, DT9 3LF.

The Group consists of Sherborne School and all of its subsidiaries – Sherborne School (Trading) Limited, Sherborne School (Leisure) Limited, Sherborne School Foundation and Sherborne School (Overseas Trading) Limited.

The Company's principal activity is to advance education, by carrying on in or near Sherborne a boarding and day school for boys and girls.

The subsidiary companies operate to support Sherborne School's principal activity. The principal activity for each subsidiary is detailed in note 6.

The Company has entered into a joint venture arrangement with Sherborne Girls. Each School owns a 50% interest in Sherborne Schools Worldwide Limited, incorporated to support the principal activities of both Schools. Further information on this joint venture is detailed in note 30.

2. Accounting policies

(a) Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition, effective 1 January 2019).

The financial statements have been prepared under the historical cost convention as modified by the inclusion of listed investments and investment property at fair value.

The financial statements have also been prepared on a going concern basis. In common with other Schools, Sherborne School faces uncertainties arising from current economic conditions including inflationary risks and interest rate rises. After making due enquiries, including review of the latest financial data and future projections, the Governors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing these financial statements.

(b) Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are in respect of the provision of education to pupils in the main School and Sherborne International are stated after deducting allowances, scholarships, bursaries and other remissions granted.

(c) Advance Fees Scheme

The School offers parents the opportunity to pay for up to five years tuition fees in advance. The amount received is invested and interest is accrued to contracts. This is treated as deferred income until the pupil joins the School whereupon the fees for each School term are transferred to income

2. Accounting policies *(continued)*

(d) Fee extras

The School collects monies in respect of trips and pupils' personal living expenses and pays these monies out in full to third parties. As these funds do not represent income for the School, they are not accounted for in the Statement of Financial Activities.

(e) Donations and legacies

Donations are recognised once the School has entitlement to the income, it is probable that the donation will be received and the amount can be measured reliably.

Donations received for the general purposes of the Charity are credited to the accumulation fund. Donations for purposes restricted by the wishes of the donor are taken to "restricted funds" where these wishes are legally binding on the Governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as "endowments" – permanent or expendable according to the nature of the restriction.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is made from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material.

(f) Government grants

The School was in receipt of grant income under the Government's Coronavirus Job Retention Scheme (CJRS), which has been recognised as income on a systematic basis over the period in which the School recognises the related salary costs the grant was intended to compensate.

(g) Income from Commercial trading activities

Turnover from Commercial trading activities comprises revenue recognised by the company in respect of services supplied, exclusive of Value Added Tax and trade discounts.

(h) Tangible fixed assets and depreciation

The carry forward values of tangible fixed assets are shown in notes 14 and 15 to these financial statements. The basis for determining these carry forward values is historic cost except for the School's properties, which were revalued in the period to 30 June 2000, and this is now their deemed cost.

Furnishings and equipment costing less than £5k are written off to the Statement of Financial Activities as an expense as acquired.

Building projects costing less than £50k are written off to the Statement of Financial Activities as an expense as acquired.

Depreciation is calculated to write off the cost less estimated residual value of fixed assets on a straight line basis over their currently estimated useful lives.

2. Accounting policies *(continued)*

(h) Tangible fixed assets and depreciation *(continued)*

Land and buildings
The Charity owns a number of buildings within the town of Sherborne. Properties that have no ascertainable historical cost and cannot be valued without undue expense are excluded from the financial statements as allowed by FRS 102.

Buildings are depreciated over their estimated remaining useful lives that are initially calculated to be within 30-50 years.

Land and assets under construction are not depreciated.

Plant, equipment and motor vehicles
Plant, equipment and motor vehicles includes School equipment, boarding house fixtures and fittings, computer equipment, vehicles and kitchen and sports equipment. They are depreciated at the following initial rates:

• Computer equipment	25%
• Vehicles and playing fields equipment	20%
• Kitchen and sports equipment	15%
• All other items	10%

(i) Stocks

The School holds stocks for maintenance purposes, catering and other consumables. The School Shop holds stocks for resale. All stocks are valued at the lower of cost and net realisable value.

(j) Taxation

The School is a registered charity, and as such is entitled to tax exemptions on all its income and gains, properly applied for its charitable purposes. Tax charges may arise in subsidiary companies where the level of Gift Aid payments are insufficient to eliminate all taxable profits.

The School is not registered for VAT, and its expenditure is inclusive of VAT incurred. Where group companies are VAT registered, expenditure is reported net of recoverable VAT.

(k) Fixed asset investments

Listed investments are classified as financial instruments and valued at fair value, equivalent to bid price at the year end.

Changes in the valuation of listed investments during the year are shown as unrealised gains or losses. Gains and losses arising from the disposal of assets are disclosed as realised, being the difference between the sale proceeds and the market value at the beginning of the year.

In the separate accounts of the company, on transition to FRS 102, the School elected to hold its interests in subsidiaries at cost, and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairments, losses or reversals of impairment losses are recognised immediately in the Statement of Financial Activities.

2. Accounting policies *(continued)*

(l) Investment properties

Investment properties are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in the Statement of Financial Activities.

(m) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments and the pension scheme liability which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, trade and fee debtors, other debtors and accrued income. A specific provision is made for debts for which recoverability is in doubt. Cash and cash equivalents are defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise deposits, fees in advance, trade creditors and other creditors.

(n) Permanent Endowment Fund

As detailed in note 23 the Charity holds assets donated under permanent endowment. Where such an asset is sold, the proceeds of the sale are treated as capital receipts and are taken directly to the Permanent Endowment Fund. Income arising on general purpose Permanent Endowment Fund investments is treated as general income, within unrestricted funds, of the School.

(o) Scholarship and Prize Funds

Legacies and donations are recognised as receivable under this heading once receipt is considered probable and are invested to provide scholarships and prizes for the benefit of pupils at the School.

(p) Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on the straight line basis over the lease term.

(q) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or are capitalised as an intangible fixed asset or a tangible fixed asset.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2. Accounting policies *(continued)*

(r) Retirement benefits

Defined contribution plans

The School operates a defined contribution scheme for support staff. The amount charged to the Statement of Financial Activities is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Defined benefit plans

The School operates a defined benefit retirement plan, which closed to future accrual from 31 August 2011. The cost of providing benefits is determined using the projected unit credit method.

Asset/Liability

The net defined benefit asset/liability represents the present value of the defined benefit obligation minus the fair value of plan assets out of which obligations are to be settled. Any asset resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan.

The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains/Losses

Gains or losses recognised in net income:

- The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost.
- The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.
- Net interest on the net defined benefit asset/liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligations.

Gains or losses recognised after net income:

- Actuarial gains and losses.
- The difference between the interest income on the plan assets and the actual return on the plan assets.

Multi-employer plans

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator.

Contributions are recognised in the Statement of Financial Activities in the period to which they relate as there is insufficient information available to use defined benefit accounting.

2. Accounting policies *(continued)*

(s) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is allocated or apportioned to the applicable expenditure heading on a direct cost basis, with staff costs being allocated according to the estimated time spent by staff working in relevant departments and is classified under the following activity headings:

- Commercial trading activities comprise the costs of commercial trading including the lettings activities and leisure centre activities;
- Fundraising activities includes all fundraising costs of Sherborne School Foundation to promote the charitable purposes of Sherborne; and
- Expenditure on educational activities includes the costs incurred in respect of the provision of education to pupils and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(t) Basis of consolidation

The group financial statements consolidate the financial statements of the charity and its wholly owned subsidiary undertakings, Sherborne School (Trading) Limited, Sherborne School (Leisure) Limited, Sherborne School (Overseas Trading) Limited and Sherborne School Foundation made up to 30 June 2021 and all inter group sales and profits are eliminated fully on consolidation. As permitted by section 408 of the Companies Act 2006, the parent company's income and expenditure account has not been included in these financial statements.

(u) Joint venture

The Charity has a 50% share in a jointly controlled entity, Sherborne Schools Worldwide Limited. This entity's audited accounts have been drawn up to 30 June 2022. The Charity has provided loan funding to the entity, which has been incorporated into debtors as an amount due from a joint venture undertaking. The Charity's share of the entity's income and expenditure, assets and liabilities at 30 June 2022 has been incorporated into these financial statements using the equity method. Further information is provided in note 30.

(v) Fund accounting

Unrestricted funds are funds that are available for use at the discretion of the Governors in furtherance of the objects of the Charity. Designated funds are unrestricted funds which have been set aside by the Governors for specific purposes. The aim and the use of the designated funds are set out in the notes to the financial statements.

Restricted funds are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the Charity for particular purposes. The aim and use of the restricted funds are set out in the notes to the financial statements.

Transfers between funds are made either where there is a deficit on a restricted fund or where funds have been raised for a restricted project but expenses incurred have been made from unrestricted funds.

2. Accounting policies *(continued)*

3. Critical accounting estimates and areas of judgement

In the application of the Group's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Tangible fixed assets – estimation of useful life

Tangible fixed assets represent a significant proportion of the Group's total assets. Therefore the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Consolidated Statement of Financial Activities.

The useful lives and residual values of the Group's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology. Historically changes in useful lives and residual values have not resulted in material changes to the Group's depreciation charge.

Bad debt provisions

The Group has recognised bad debt provisions where there is uncertainty whether specific accounts receivable are collectible. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other reasonable factors.

Valuation of defined benefit retirement plan

The present value of the School's defined benefit retirement plan 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 for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability.

4. School fees

(a) *School Fees*

		2022 £'000	2021 £'000
School	- Boarders	22,532	20,109
	- Day boys	1,155	1,142
Preparatory School	- Prep	2,615	931
	-Pre-Prep	305	107
Total School fees		26,607	22,289
Sherborne International	- Fees	-	1,889
Other	- Registration fees	79	71
Total fees		26,686	24,249
Less: Total scholarships, bursaries, grants and discounts		(4,128)	(2,852)
		22,558	21,397
Add back: Scholarships and discounts paid for by restricted funds		105	(585)
		22,663	20,812
Music fees received		283	205
School fees per Consolidated Statement of Financial Activities		**22,946**	**21,017**

(b) *Awards, prizes, and discounts paid for by Restricted Funds comprised:*

	2022 £'000	2021 £'000
Scholarships	83	(608)
Advance fees discount	22	23
	105	**(585)**

5. Donations, legacies and grants

	2022 £'000	2021 £'000
Committed giving	92	67
Donations	648	296
Legacies	36	196
Grants	15	1,171
	791	**1,730**

6. Income from subsidiaries' trading activities

The School owns the whole of the share capital of three of its subsidiaries which are Sherborne School (Trading) Limited (company no. 2747901), Sherborne School (Leisure) Limited (company no. 4332724) and Sherborne School (Overseas Trading) Limited (company no. 06817042). The Sherborne School Foundation (company no. 3686309 and charity no. 1073522) is a subsidiary charity of Sherborne School as the School is the sole corporate member of the Foundation.

6. Income from subsidiaries' trading activities *(continued)*

The income and expenditure, net of inter-group transactions, from commercial trading operations was as follows:

	2022		2021	
	Income £'000	Expenditure £'000	Income £'000	Expenditure £'000
Sherborne School (Trading) Limited	502	565	218	289
Sherborne School (Leisure) Limited	172	288	(21)	278
Sherborne School (Overseas Trading) Limited	175	13	231	18
	849	**866**	**428**	**585**

(a) Sherborne School (Trading) Limited's principal activity continues to be that of the operation of the School's sports and uniform shop, the Hub cafe and the provision of letting and educational services. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2022 £'000	2021 £'000
Turnover	614	403
Cost of sales	(654)	(457)
Gross (loss)/profit	**(40)**	**(54)**
Administration	(36)	(24)
Operating (loss)/profit	**(76)**	**(78)**
Other operating income	-	39
(Loss)/profit on ordinary activities before taxation	**(76)**	**(39)**
Tax on (loss)/profit on ordinary activities	-	5
(Loss)/profit on ordinary activities after taxation	**(76)**	**(34)**
Gift Aid distribution	**-**	**-**
Gross Assets	**266**	**235**
Gross Liabilities	**(360)**	**(254)**
Shareholder's Funds/(Deficit)	**(94)**	**(19)**

Included in turnover are commission payments to Overseas Agents that have been invoiced to Sherborne School amounting to £63k (2021: £101k) and departmental sales amounting to £50k (2021: £85k). These balances have been eliminated on consolidation.

Included in administration expenses are £13k (2021: £7k) of management charges, comprising accounting fees £11k (2021: £5k), insurance £1k (2021: £1k) and management charges £1k (2021: £1k) paid to Sherborne School. These balances were all eliminated on consolidation.

6. Income from subsidiaries' trading activities *(continued)*

(b) Sherborne School (Leisure) Limited's principal activity is that of the provision of leisure facilities. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2022 £'000	2021 £'000
Turnover	363	217
Administration	(302)	(288)
Operating profit/(loss)	**61**	**(71)**
Other operating income	1	74
Profit on ordinary activities	**62**	**3**
Gift Aid distribution	**62**	**3**
Gross Assets	**82**	**18**
Gross Liabilities	**(81)**	**(17)**
Shareholder's Funds	**1**	**1**

Included in turnover is £192k (2021: £238k) of income in relation to the use of the sports centre by pupils of the school, received from Sherborne School. This balance was eliminated on consolidation.

Included in administration expenses are £15k (2021: £10k) of management charges, comprising accounting fees £6k (2021: £1k), insurance £1k (2021: £1k), management charges £1k (2021: £1k) and rent £7k (2021: £7k) paid to Sherborne School. These balances were all eliminated on consolidation.

(c) Sherborne School (Overseas Trading) Limited's principal objects are to promote the charitable purposes of Sherborne School in Qatar and to promote any other charitable purpose connected with or otherwise associated with the School. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2022 £'000	2021 £'000
Turnover	175	231
Administration	(13)	(18)
Profit on ordinary activities	**162**	**213**
Gift Aid distribution	**162**	**218**
Gross Assets	**181**	**233**
Gross Liabilities	**(166)**	**(218)**
Shareholder's Funds	**15**	**15**

6. Income from subsidiaries' trading activities *(continued)*

(d) The Sherborne School Foundation's principal objects are to promote the charitable purposes of Sherborne School in Dorset and to promote any other charitable purpose connected with or otherwise associated with the School. Its results for the year, as extracted from the audited financial statements, are summarised below:

	2022 £'000	2021 £'000
Income from:		
Donations, legacies and grants	1,016	692
Investments	1	-
Total income	**1,017**	**692**
Expenditure on:		
Raising funds	(124)	(75)
Charitable activities	(766)	(2,168)
Total expenditure	**(890)**	**(2,243)**
Net Income/(Expenditure)	**127**	**(1,551)**
Gross Assets	**858**	**726**
Gross Liabilities	**(12)**	**(8)**
Total Charity Funds	**846**	**718**

Included in donations and legacies income is £256k (2021: £161k) received from Sherborne School as donated services that has been eliminated on consolidation. Included in expenditure is £679k (2021: £2,068k) paid to Sherborne School; £679k (2021: 2,068k) of this was eliminated on consolidation.

7. Investment income

	2022 £'000	2021 £'000
Dividends receivable	176	216
Qatar royalty	166	166
Bank interest receivable	1	3
	343	385

8. Other income

	2022 £'000	2021 £'000
Other ancillary trading income		
Houses income	50	40
Junior common room income	8	-
School events income	43	32
Sundry income	100	74
	201	146

9. Net income for the year

This is stated after charging/(crediting):

	2022 £'000	2021 £'000
Auditor's remuneration:-		
Fees payable for the audit of the parent charity and the consolidation	30	29
Fee payable for the audit of subsidiaries pursuant to legislation	17	16
Fees payable to the group's auditors and its associates in respect of Corporation tax services	4	4
Depreciation	1,844	1,696
(Profit)/loss on disposal of fixed assets	(293)	(4)
Operating lease costs - equipment	31	13
Stock recognised as an expense	384	242
Interest on advance fee scheme	22	23
Loan interest	126	73

Four Governors received reimbursement of out of pocket expenses for travel expenses, amounting to £1,015 in the current year (2021: £9, in respect of travel expenses for one Governor).

10. Analysis of staff costs, trustee remuneration, and the cost of key management personnel

	2022 £'000	2021 £'000
Wages and salaries	12,356	13,336
Social security costs	1,208	1,181
Pension contribution – defined contribution scheme	1,895	1,896
	15,459	**16,413**

The number of higher paid employees was:

	2022 No.	2021 No.
£60,000 - £70,000	12	13
£70,000 - £80,000	11	5
£80,000 - £90,000	2	4
£90,000 - £100,000	-	1
£100,000 - £110,000	1	-
£220,000 - £230,000	1	-
£260,000 - £270,000	-	1

The calculation of staff costs for higher paid employees includes gross salary and benefits in kind.

The key management personnel of the parent charity and the group comprise the Governors, the Chief Executive Officer and the members of the Group Executive. The total employee benefits of the key management personnel of the charity were £562k (2021: £675k), including benefits in kind, national insurance and pension contributions. The Governors are unpaid.

Included within staff costs above are non-statutory/non-contractual severance payments totalling £Nil (2021: £Nil) and statutory severance payments of £26k (2021: £356k).

11. Staff numbers

The average number of staff employed by the charity during the year was as follows:

	2022 No.	2021 No.
Educational staff	196	191
Support staff	265	318
	461	**509**

12. Analysis of expenditure

Year ended 30 June 2022	Staff costs £'000	Other costs £'000	Depreciation £'000	2022 Total £'000	2021 Total £'000
Cost of raising funds:					
Commercial trading operations:					
Sherborne School (Trading) Limited	204	360	1	565	289
Sherborne School (Leisure) Limited	201	85	2	288	278
Sherborne School (Overseas Trading) Limited	-	13	-	13	18
Net share of loss in joint venture	-	15	-	15	3
Fundraising costs	75	48	-	123	75
Investment management fees	-	29	-	29	28
	480	550	3	1,033	691
Charitable activities:					
Educational activities					
Teaching	10,987	611	-	11,598	11,581
Welfare	1,525	2,881	-	4,406	4,214
Premises	749	1,675	1,841	4,265	4,139
Support costs of schooling	1,677	1,628	-	3,305	2,702
Education and grant making	-	93	-	93	109
Operational costs – Foundation	41	46	-	87	100
Financing costs	-	457	-	457	422
Governance	-	88	-	88	237
Other expenditure	-	85	-	85	235
	14,979	7,564	1,841	24,384	23,739
Total expenditure for Group	15,459	8,114	1,844	25,417	24,430

12. Analysis of expenditure *(continued)*

Year ended 30 June 2021	Staff costs £'000	Other costs £'000	Depreciation £'000	2021 Total £'000	2020 Total £'000
Cost of raising funds:					
Commercial trading operations:					
Sherborne School (Trading) Limited	114	173	2	289	495
Sherborne School (Leisure) Limited	201	76	1	278	399
Sherborne School (Overseas Trading) Limited	-	18	-	18	11
Net share of loss in joint venture	-	3	-	3	9
Fundraising costs	68	7	-	75	119
Investment management fees	-	28	-	28	28
	383	305	3	691	1,061
Charitable activities:					
Educational activities					
Teaching	11,068	513	-	11,581	12,109
Welfare	2,725	1,489	-	4,214	4,107
Premises	801	1,645	1,693	4,139	4,913
Support costs of schooling	1,381	1,321	-	2,702	2,791
Education and grant making	-	109	-	109	135
Operational costs – Foundation	55	45	-	100	106
Financing costs	-	422	-	422	195
Governance	-	237	-	237	127
Other expenditure	-	235	-	235	607
	16,030	6,016	1,693	23,739	25,090
Total expenditure for Group	16,413	6,321	1,696	24,430	26,379

13. Taxation

	2022 £'000	2021 £'000
Tax on ordinary activities	-	(3)

14. Tangible fixed assets - School

	Land and Buildings £'000	Plant, Equipment and Motor vehicles £'000	Assets Under Construction £'000	Total £'000
Cost				
At 1 July 2021	54,557	8,819	-	63,376
Additions	555	928	7,096	8,579
Disposals	(91)	(1,373)	-	(1,464)
At 30 June 2022	55,021	8,374	7,096	70,491
Depreciation				
At 1 July 2021	14,585	6,330	-	20,915
Charge for year	1,040	801	-	1,841
Disposals	(27)	(1,371)	-	(1,398)
At 30 June 2022	15,598	5,760	-	21,358
Net book value				
At 30 June 2022	**39,423**	**2,614**	**7,096**	**49,133**
At 30 June 2021	39,972	2,489	-	42,461

Included within Plant, equipment and motor vehicles above are assets held under lease and hire purchase contracts with a net book value at 30 June 2022 of £205,562 (2021: £259,950). The depreciation charge for the year on these assets amounted to £112,475 (2021: £97,988).

15. Tangible fixed assets - Group

	Land and Buildings £'000	Plant, Equipment and Motor Vehicles £'000	All Weather Pitch £'000	Assets Under Construction £'000	Total £'000
Cost					
At 1 July 2021	54,557	8,976	439	-	63,972
Additions	555	928	-	7,096	8,579
Disposals	(91)	(1,428)	-	-	(1,519)
At 30 June 2022	55,021	8,476	439	7,096	71,032
Depreciation					
At 1 July 2021	14,585	6,482	439	-	21,506
Charge for year	1,040	804	-	-	1,844
Disposals	(27)	(1,427)	-	-	(1,454)
At 30 June 2022	15,598	5,859	439	-	21,896
Net book value					
At 30 June 2022	**39,423**	**2,617**	-	**7,096**	**49,136**
At 30 June 2021	39,972	2,494	-	-	42,466

Included within Plant, equipment and motor vehicles above are assets held under lease and hire purchase contracts with a net book value at 30 June 2022 of £205,562 (2021: £259,950). The depreciation charge for the year on these assets amounted to £112,475 (2021: £97,988).

15. Tangible fixed assets - Group *(continued)*

The comparable amount of land and buildings included above at deemed cost determined according to the historical cost accounting rules are as follows:

	Land and Buildings £'000
Cost	42,658
Accumulated depreciation	(10,826)
Net book value	
At 30 June 2022	31,832
At 30 June 2021	32,077

In the period to 30 June 2000, the School's properties (with the exception of certain inalienable or historic buildings for which reliable valuations were not available without incurring costs considered to outweigh the usefulness of the information to financial statements users) were revalued by Chesters, Chartered Surveyors, on the basis of their then current open market value or depreciated replacement cost (as appropriate). In accordance with the transitional provisions of FRS 102 these valuations have not been updated.

The principal School buildings at Abbey Road, Sherborne, have no ascertainable historical cost and cannot be valued without undue expense and are excluded from the financial statements.

On 1 April 2021 Sherborne School merged with Sherborne Preparatory School (SPS), and as part of the transfer agreement all SPS assets and liabilities were transferred to Sherborne School. The following table summarises the fair value of the assets and liabilities transferred at that date:

	Fair value £'000
Fixed assets	5,660
Current assets	144
Current liabilities	(619)
	5,185

16. Investments

	Unlisted £'000	Investment Property £'000	Foundation Fund £'000	Advance Fee Fund £'000	Scholarship & Prize Fund £'000	Total £'000
At 1 July 2021	1	150	-	1,535	6,496	8,182
Additions	-	-	-	1,357	1,849	3,206
Disposals at book value	-	-	-	(885)	(1,873)	(2,758)
Unrealised gain/(loss)	-	-	-	(51)	(306)	(357)
Equalisation of investments	-	-	-	-	-	-
Change in accrued income	-	-	-	9	-	9
Total for Charity	1	150	-	1,965	6,166	8,282
Group transactions added/ (eliminated) on consolidation	(1)	-	655	-	-	654
At 30 June 2022	**-**	**150**	**655**	**1,965**	**6,166**	**8,936**
Investments listed on the Stock Exchange	-	-	655	1,965	6,166	8,835
Historical cost	1	5	655	2,002	6,012	8,675

Unlisted Investments

The consolidated balance sheet shows the same investments as the School, with the exception of the unlisted investments of £1,004 (2021: £1,004) in Sherborne School (Trading) Limited, Sherborne School (Leisure) Limited, Sherborne School (Overseas Trading) Limited and Sherborne Schools Worldwide Limited and the investments held within the Sherborne School Foundation of £655k (2021: £655k) which are excluded.

Investment Property

In July 2016, the investment property in Gillingham was revalued by Chesters, Chartered Surveyors, on the basis of its open market at a value of £150,000. The Governors have reviewed the valuation of the property and are satisfied that it continues to be recognised at its fair value.

This investment property has an historical cost of £5k.

Listed Investments

The market value of investments held outside the UK was £4,231k (2021: £4,576k).

17. Debtors

	Group		School	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Due within one year:				
Trade debtors	27	9	21	9
Tax recoverable	26	3	-	-
Fees due	1,121	1,092	1,121	1,092
Other debtors	146	121	92	102
Prepayments	1,509	2,227	1,509	2,227
Amount due from subsidiary undertakings	-	-	494	428
Amount due from joint venture undertaking	-	-	43	27
Due after more than one year:				
Amount due from joint venture undertaking	-	-	200	200
	2,829	**3,452**	**3,480**	**4,085**

18. Creditors: amounts falling due within one year

	Group		School	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Fees received in advance	1,155	653	1,155	653
Trade creditors	1,345	664	1,289	651
Taxation and social security	352	406	346	384
Finance leases	116	89	116	89
Other creditors	330	180	252	141
Accruals	1,942	2,113	1,934	2,101
Pensions	271	310	271	310
Deposits held	404	210	404	210
	5,915	4,625	5,767	4,539
Advance fees (see note 19)	798	683	798	683
	6,713	**5,308**	**6,565**	**5,222**

Details and security on the bank loan and overdraft facilities are disclosed in Note 20.

19. Advance fee payments

Parents may enter into a contract to pay to the School up to the equivalent of five years' tuition fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils will remain in the School, advance fees will be applied as follows:

	2022	2021
	£'000	£'000
After five years	415	456
Within two to five years	504	520
Within one to two years	470	456
	1,389	1,432
Within one year	798	683
	2,187	**2,115**

The movement during the year on advance fees were as follows:

	2022	2021
	£'000	£'000
At 1 July 2021	2,115	2,848
New advance fees received during the year	1,250	402
Fees repaid during the year	(55)	(44)
Amounts accrued for interest	22	23
Amounts utilised in payments of fees	(1,145)	(1,114)
At 30 June 2022	**2,187**	**2,115**

20. Creditors: amounts falling due after more than one year

	Group		School	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Advance fees (note 19)	1,389	1,432	1,389	1,432
Bank loan	7,500	3,000	7,500	3,000
Deposits	2,259	2,259	2,259	2,259
Finance leases	132	196	132	196
	11,280	**6,887**	**11,280**	**6,887**

The bank loan and loan facilities are secured by way of legal mortgage charges dated 17 January 2001 and 1 November 2019 over certain properties owned by Sherborne School. A £16M facility has been arranged with Lloyds Bank plc to provide funds for working capital and the planned capital projects, which can be drawn down through revolving credit agreements. £7.5M had been drawn down at 30 June 2021 (£3M at 30 June 2021), and this amount has been included within Creditors: amounts falling due after more than one year as those funds will continue to be needed as part of the planned project expenditure once the projects are able to be moved forward. The total balance outstanding on all revolving credit agreements will be converted to a term loan at 1 November 2024. The interest rate applicable to the loan facilities is 2.15% over Bank of England Base Rate.

21. Consolidated Statement of Financial Activities for prior year

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2021 Total Funds £'000
Income from:				
Charitable Activities:				
School fees	21,017	-	-	21,017
Donations:				
Transfer of assets in respect of Sherborne Preparatory School	5,180	5	-	5,185
Other donations, legacies and grants	1,200	530	-	1,730
Other trading activities:				
Commercial trading operations	428	-	-	428
Investments	168	217	-	385
Other:				
Other income	146	-	-	146
Total income	**28,139**	**752**	**-**	**28,891**
Expenditure on:				
Raising funds:				
Commercial trading operations	585	-	-	585
Net share of loss in joint venture	3	-	-	3
Fundraising costs	-	75	-	75
Investment management fees	-	28	-	28
Total expenditure on raising funds	**588**	**103**	**-**	**691**
Charitable activities:				
Educational activities	23,513	226	-	23,739
Expenditure on charitable activities	**23,513**	**226**	**-**	**23,739**
Total expenditure	**24,101**	**329**	**-**	**24,430**
Net income and net movement in funds before gains and losses on investments	**4,038**	**423**	**-**	**4,461**
Net gains/(losses) on investments	-	(67)	846	779
Net income before taxation	**4,038**	**356**	**846**	**5,240**
Tax on profit on ordinary activities	3	-	-	3
Net income after taxation	**4,041**	**356**	**846**	**5,243**
Transfers between funds	1,903	(1,903)	-	-
Net income/(expenditure) before other recognised gains and losses carried forward	**5,944**	**(1,547)**	**846**	**5,243**

21. Consolidated Statement of Financial Activities for prior year *(continued)*

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2021 Total Funds £'000
Net income/(expenditure) before other recognised gains and losses brought forward	**5,944**	**(1,547)**	**846**	**5,243**
Remeasurement of defined benefit pension scheme	533	-	-	533
Net movements in funds	**6,477**	**(1,547)**	**846**	**5,776**
Reconciliation of funds				
Total funds brought forward	30,499	2,328	6,958	39,785
Total funds carried forward	**36,976**	**781**	**7,804**	**45,561**

22. Analysis of net assets between funds

(a) Analysis of group net assets between funds

	Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long Term Liabilities £'000	Pension Liability £'000	Fund Balances £'000
Unrestricted					
Pension Reserve Designated Fund	-	-	-	(460)	(460)
Accumulation Fund	48,920	(2,371)	(9,891)	-	36,658
Restricted funds	-	904	-	-	904
Endowed					
Advance Fee Fund	1,966	(577)	(1,389)	-	-
Edbrooke Scholarship and Bursary	255	-	-	-	255
Scholarship and Prize Fund	4,166	307	-	-	4,473
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
Endowed Property	765	-	-	-	765
Group total at 30 June 2022	**58,072**	**(1,737)**	**(11,280)**	**(460)**	**44,595**

22. Analysis of net assets between funds *(continued)*

(a) Analysis of group net assets between funds *(continued)*

	Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long Term Liabilities £'000	Pension Liability £'000	Fund Balances £'000
Unrestricted					
Pension Reserve Designated Fund	-	-	-	(567)	(567)
Accumulation Fund	42,250	748	(5,455)	-	37,543
Restricted funds	-	781	-	-	781
Endowed					
Advance Fee Fund	1,535	(103)	(1,432)	-	-
Edbrooke Scholarship and Bursary	255	-	-	-	255
Scholarship and Prize Fund	4,496	288	-	-	4,784
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
Endowed Property	765	-	-	-	765
Group total at 30 June 2021	**51,301**	**1,714**	**(6,887)**	**(567)**	**45,561**

(b) Analysis of School net assets between funds

	Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long Term Liabilities £'000	Pension Liability £'000	Fund Balances £'000
Unrestricted					
Pension Reserve Designated Fund	-	-	-	(460)	(460)
Accumulation Fund	48,263	(1,369)	(9,891)	-	37,003
Restricted funds	-	58	-	-	58
Endowed					
Advance Fee Fund	1,966	(577)	(1,389)	-	-
Edbrooke Scholarship and Bursary	255	-	-	-	255
Scholarship and Prize Fund	4,166	307	-	-	4,473
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
Endowed Property	765	-	-	-	765
School total at 30 June 2022	**57,415**	**(1,581)**	**(11,280)**	**(460)**	**44,094**

22. Analysis of net assets between funds *(continued)*

(b) Analysis of School net assets between funds *(continued)*

	Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long Term Liabilities £'000	Pension Liability £'000	Fund Balances £'000
Unrestricted					
Pension Reserve Designated Fund	-	-	-	(567)	(567)
Accumulation Fund	41,592	1,653	(5,455)	-	37,790
Restricted funds	-	62	-	-	62
Endowed					
Advance Fee Fund	1,535	(103)	(1,432)	-	
Edbrooke Scholarship and Bursary	255	-	-	-	255
Scholarship and Prize Fund	4,496	288	-	-	4,784
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
Endowed Property	765	-	-	-	765
School total at 30 June 2021	**50,643**	**1,900**	**(6,887)**	**(567)**	**45,089**

Of the above, the Scholarship and Prize Fund is a linked charity to the School. The other linked charity, The Sherborne School Trust, remains dormant.

23. Analysis of charitable funds

(a) Analysis of movements in permanent endowed funds (Group and School)

	Balance at 1 July 2021 £'000	Income £'000	Expenditure £'000	Transfers and Investment Gains £'000	Balance at 30 June 2022 £'000
Endowed Property	765	-	-	-	765
Edbrooke fund	255	-	-	-	255
Scholarship and Prize Fund	4,784	-	-	(311)	4,473
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
	7,804	**-**	**-**	**(311)**	**7,493**

	Balance at 1 July 2020 £'000	Income £'000	Expenditure £'000	Transfers and Investment Gains £'000	Balance at 30 June 2021 £'000
Endowed Property	765	-	-	-	765
Edbrooke fund	255	-	-	-	255
Scholarship and Prize Fund	3,938	-	-	846	4,784
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
	6,958	**-**	**-**	**846**	**7,804**

23. Analysis of charitable funds *(continued)*

(a) Analysis of movements in permanent endowed funds (Group and School) *(continued)*

Endowed Property

Land and property gifted to the School in furtherance of its Object, to advance education that is held on permanent endowment and is administered and managed by the Governors.

Edbrooke fund

A fund, the income from which will be made available to the Headmaster and applied at his discretion from time to time, to benefit a pupil wishing to attend the School who may have just missed a scholarship. Alternatively, a pupil currently at the School whose parents find themselves in financial difficulty.

Scholarship and Prize Fund

The Scholarship and Prize fund endowment is invested to provide scholarships and prizes for the benefit of the School. The total realised and unrealised gains and (losses) during the year amounted to £846k (2020 – (£442k)).

Scholarship and Prize Fund – Eglington Bursaries

The Scholarship and Prize Fund – Eglington Bursaries endowment was set up with a legacy from the late Charles Eglington. The fund is invested to provide bursaries for the benefit of the School.

(b) Analysis of movements in restricted funds

	Balance at 1 July 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Investment Gains /(Losses) £'000	Balance at 30 June 2022 £'000
Advance Fee Fund	-	66	(23)	32	(75)	-
Scholarship and Prize Fund	-	111	(111)	-	-	-
Andrew Yorke Sail Training Fund	48	1	(1)	-	-	48
Bursary Fund	-	44	-	(44)	-	-
Cricket Square	4	-	-	-	-	4
Art Project	-	3	-	(3)	-	-
Grand Piano	1	3	-	(4)	-	-
Music Projects	-	1	-	(1)	-	-
Shell House Fund	2	-	-	-	-	2
Upper Pavilion Fund	2	-	-	-	-	2
Sports Centre	-	625	-	(625)	-	-
SPS Restricted Fund	4	-	-	(3)	-	1
Other restricted funds	1	1	(1)	-	-	1
Charity	62	855	(136)	(648)	(75)	58
The Sherborne School Foundation	718	1,018	(890)	-	-	846
	780	1,873	(1,026)	(648)	(75)	904
Eliminated on consolidation	-	(935)	679	256	-	-
Group	780	938	(347)	(392)	(75)	904

Transfers from restricted funds to the accumulation fund correspond to income where the original restriction of the fund has been fulfilled during the year.

23. Analysis of charitable funds *(continued)*

(b) Analysis of movements in restricted funds *(continued)*

The transfer of £256k in the consolidated accounts represents a reclassification between restricted and unrestricted funds. This adjustment is required to correct the balance held on restricted funds by ensuring the elimination of inter-company transactions between Sherborne School and the Sherborne School Foundation.

The breakdown of restricted reserves of £846k for the Sherborne School Foundation is detailed in that Charity's accounts.

	Balance at 1 July 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Investment Gains /(Losses) £'000	Balance at 30 June 2021 £'000
Advance Fee Fund	-	91	(24)	-	(67)	-
Scholarship and Prize Fund	-	126	(126)	-	-	-
Andrew Yorke Sail Training Fund	47	2	(1)	-	-	48
Bursary Fund	-	672	-	(672)	-	-
Cricket Square	4	-	-	-	-	4
Hardship Fund	-	36	-	(36)	-	-
Grand Piano	1	-	-	-	-	1
Shell House Fund	2	-	-	-	-	2
Upper Pavilion Fund	2	-	-	-	-	2
Sports Centre	-	1,350	-	(1,350)	-	-
SPS Restricted Fund	-	5	-	(1)	-	4
CCF Field Gun	-	6	-	(6)	-	-
Other restricted funds	1	2	(2)	-	-	1
Charity	57	2,290	(153)	(2,065)	(67)	62
The Sherborne School Foundation	2,270	692	(2,244)	-	-	718
	2,328	2,982	(2,397)	(2,065)	(67)	781
Eliminated on consolidation	-	(2,230)	2,068	162	-	-
Group	2,328	752	(329)	(1,903)	(67)	781

Transfers from restricted funds to the accumulation fund correspond to incoming resources where the original restriction of the fund has been fulfilled during the year.

The transfer of £162k in the consolidated accounts represents a reclassification between restricted and unrestricted funds. This adjustment is required to correct the balance held on restricted funds by ensuring the elimination of inter-company transactions between Sherborne School and the Sherborne School Foundation.

The breakdown of restricted reserves of £718k for the Sherborne School Foundation is detailed in that Charity's accounts.

23. Analysis of charitable funds *(continued)*

(b) Analysis of movements in restricted funds *(continued)*

Annual Fund Bursaries
From the annual fund donations that are for bursaries in general and will help supplement the support for the Travel and Tour Bursaries, the Personal Development and High Flyer Fund and other bursaries offered by the Foundation in co-operation with the School.

Bursary Fund
To widen access to Sherborne School through a programme of means tested bursaries.

Cricket Square
To support the relaying of the cricket squares within the School and primarily those on the Upper square.

Foundation Fellows
Funds transferred by the Sherborne School Foundation to support and fund the enrichment and teaching of Fellows of the School.

Grand Piano
Funds transferred by the Sherborne School Foundation to contribute towards the cost of a grand piano.

Music Projects
Funds transferred by the Sherborne School Foundation to contribute towards the various Music projects.

Hardship Fund
To support pupils within the School who fall on hard financial times and who the School would like to remain in the School until they complete a key stage of their education.

Art Project
Funds transferred by the Sherborne School Foundation to support an Art capital project.

Scholarships
Funds transferred by the Sherborne School Foundation to support and fund scholarships provided by the School.

Shell House Fund
Funds raised for the restoration and upkeep of the Shell House, located in the garden of Harper House.

Sports Centre
Funds raised by and transferred from the Sherborne School Foundation towards the redevelopment of the Sports Centre.

Upper Pavilion
The fund is for the refurbishment and extension of the Upper Pavilion.

Westcott House Fund
Donations received towards the redevelopment of Westcott House prior to its reopening as a Sherborne School boarding house.

SPS Restricted Fund
Donation made to Sherborne preparatory School for the benefit of its staff and pupils.

CCF Field Gun
Funds raise by and transferred from the Sherborne School Foundation for the purchase of a field gun for use by the School's Combined Cadet Force.

Other Restricted Funds
These relate to several smaller restricted funds which have been donated during the year. The majority of the donations have been expended during the year in accordance with the original donor's wishes; the remaining £1k will be expended next year.

23. Analysis of charitable funds *(continued)*

(c) Analysis of movements in unrestricted funds

	Balance at 1 July 2021 £'000	Income £'000	Expenditure £'000	Tax £'000	Transfers and Investment Gains/(Losses) £'000	Balance at 30 June 2022 £'000
Pension reserve – designated fund	(567)	-	400	-	(293)	(460)
Accumulation fund	37,543	24,192	(25,467)	-	390	36,658
Total	**36,976**	**24,192**	**(25,067)**	**-**	**(97)**	**36,198**

The total transfers, amounting to £390k (2021 - £1,903k), represent transfers of £390k (2021 - £1,903k) from the accumulation fund to restricted funds, as detailed in Note 23(b). There is also £224k (2021 - £221k) which will be distributed to Sherborne School from two of its trading subsidiaries which has been included as a Gift Aid donation in the accounting year ended 30 June 2022. Please refer to note 6 for more information.

	Balance at 1 July 2020 £'000	Income £'000	Expenditure £'000	Tax £'000	Transfers and Investment Gains/(Losses) £'000	Balance at 30 June 2021 £'000
Pension reserve – designated fund	(1,427)	-	327	-	533	(567)
Accumulation fund	31,926	28,139	(24,428)	3	1,903	37,543
Total	**30,499**	**28,139**	**(24,101)**	**3**	**2,436**	**36,976**

24. Contracts and commitments

At 30 June 2022 the School had commitments as follows:

	2022 £'000	2021 £'000
Contracted for but not provided in these financial statements	**6,745**	**386**
Authorised but not contracted	**5,917**	**22,948**

The £6,745k included above as Contracted for but not provided includes the balance of the contract in respect of the Sports Centre project.

25. Other commitments

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

	2022 £'000	2021 £'000
Within one year	2	2
After 1 year but within 5 years	18	52
	20	54

26. Reconciliation of net income/(expenditure) to net cash flow from group operating activities

	2022 £'000	2021 £'000
Net income/(expenditure) before investment gains/(losses)	(287)	4,461
Adjustments for:		
Investment income	(343)	(385)
Finance costs	147	96
Equalisation of investments	(9)	(15)
Depreciation	1,844	1,696
(Profit)/loss on disposal of property, plant and equipment	(296)	(8)
Add back of non-cash FRS102 charge to defined benefit retirement scheme	137	213
Less cash contributions to defined benefit retirement scheme	(537)	(540)
Advance fees utilised	(1,146)	(1,113)
	(490)	4,405
Movements in working capital:		
Decrease in stocks	36	100
(Increase) in debtors	622	(62)
(Decrease)/increase in creditors	1,227	783
Cash (used by)/generated from operations	1,395	5,226
Investment income		
Interest paid	(126)	(73)
Net cash (used by)/provided by group operating activities	1,269	5,153

27. Reconciliation of net debt

	At 1 July 2021 £'000	Cash Flows £'000	New Finance Leases £'000	At 30 June 2022 £'000
Cash	3,218	(1,387)	-	1,831
Loans falling due after more than one year	(3,000)	(4,500)	-	(7,500)
Finance lease obligations	(284)	111	(75)	(248)
Total	**(66)**	**(5,776)**	**(75)**	**(5,917)**

28. Pension schemes

Teaching Staff

The School participates in the Teachers' Pension Scheme (TPS) for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,520k (2021: £1,538k), and at the year-end £179k (2021 – £198k) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the valuation report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23 68%.

The 31 March 2016 valuation report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The Government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The Government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

Teaching Staff

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. Accordingly, the School has taken the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The School has set out above the information available on the scheme.

28. Pension schemes *(continued)*

Support Staff Defined Contribution Scheme

The Group operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the Group in an independently administered fund. The contributions payable by the Group charged to profit or loss amounted to £353k (2021: £350k). Contributions totalling £47k (2021: £57k) were payable to the fund at the year end and are included in creditors.

Support Staff Defined Benefit Scheme

The company sponsors the Governors of Sherborne School Support Staff Pension Scheme which is a defined benefit arrangement. The scheme closed to future accrual from 1 September 2011. A full actuarial valuation of this scheme was carried out by a qualified independent actuary at 31 August 2019 and updated by a qualified independent actuary to 30 June 2022.

The contributions made by the employer over the financial year have been £537k (2021: £540k).

28. Pension schemes *(continued)*

a) Changes in the present value of the defined benefit obligation are as follows:

	2022 £'000	2021 £'000
Present value of funded obligations	(8,751)	(11,078)
Fair value of plan assets	8,291	10,511
Deficit	(460)	(567)
Amounts in the balance sheet:		
Liabilities	(460)	(567)
Assets	-	-
Net liability	(460)	(567)

b) Changes in the present value of the defined benefit obligation are as follows:

	2022 £'000	2021 £'000
Opening defined benefit obligation	11,078	11,880
Expenses	130	194
Interest cost	207	176
Actuarial losses	(2,126)	(619)
Benefits paid	(538)	(553)
Closing defined benefit obligation	8,751	11,078

c) Changes in the fair value of scheme assets are as follows:

	2022 £'000	2021 £'000
Opening fair value of scheme assets	10,511	10,453
Interest income	200	157
Return on scheme assets less interest on net defined benefit pension scheme liability	(2,419)	(86)
Contributions by employer	537	540
Benefits paid	(538)	(553)
Fair value of scheme assets at end of year	8,291	10,511

28. Pension schemes *(continued)*

d) The amounts included within the Statement of Financial Activities are as follows:

	2022 £'000	2021 £'000
Current service cost	-	-
Expenses	(130)	(194)
Total charge to net income	(130)	(194)
Net interest on the net defined benefit pension scheme liability	(7)	(19)
Net finance cost	(7)	(19)
Total amount charged within net income	(137)	(213)
Remeasurement of the net defined benefit pension scheme liability	(293)	533
Total amount charged to the Statement of Financial Activities	(430)	320

e) The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2022	2021
Equities	-	-
Bonds	-	-
Fixed Interest Matching Assets	32%	34%
Inflation Linked Matching Assets	26%	26%
Managed Growth	40%	39%
Other	2%	1%

The scheme assets were switched to managed growth following the closure of the scheme to future accrual.

The actual return on the scheme assets in the year was:

	2022 £'000	2021 £'000
Actual return on the scheme assets	(2,219)	71

28. Pension schemes *(continued)*

f) Principal assumptions at the balance sheet date (expressed as weighted averages)

The assets of the scheme have been included in this year's financial statements at market value and the liabilities have been calculated using the following principal actuarial assumptions:

	30 June 2022	30 June 2021
Inflation (RPI)	3.54% pa	3.5% pa
Inflation (CPI)	3.09% pa	3.0% pa
Salary increases	n/a	n/a
Rate of discount	3.84% pa	1.9% pa
Rate of increase in pensions in payment where CPI to a maximum of 5% applies	3.63%	3.6%
Rate of increase in pensions in payment where CPI to a max of 2.5% applies	2.07%	2.05%
Assumes life expectancies on retirement age 65:		
Retiring today – males	20.7	20.7
Retiring today - females	23.1	23.1
Retiring in 20 years - males	22.0	22.0
Retiring in 20 years - females	24.6	24.6

29. Related party transactions

Transactions between the School and other group companies that have been eliminated on consolidation are disclosed below:

	2022 £'000	2021 £'000
Sherborne School (Trading) Limited		
Agents commission invoiced to School	63	101
Departmental sales invoiced to School	50	85
Profits gifted to School	-	-
Support costs invoiced by School	(13)	(7)
Sherborne School (Leisure) Limited		
Pupil usage of sports facilities invoiced to School	192	238
Profits gifted to School	62	3
Support and rental costs invoiced by School	(15)	(10)
Sherborne School (Overseas Trading) Limited		
Profits gifted to School	162	218
The Sherborne School Foundation		
Donations to School	679	2,068
Donated services from School	256	162
Sherborne Schools Worldwide Limited		
Interest paid to the School	7	6

Details of balances due between these entities and the School at the year end are disclosed in debtors and creditors.

Details of the joint venture undertaking, Sherborne Schools Worldwide Limited, are disclosed at note 30.

29. Related party transactions *(continued)*

There were no transactions with Governors and directors/trustees of Group companies during the year to 30 June 2022.

There were no other related or connected party transactions during the year.

30. Joint venture interest

The School owns 50% of the share capital of Sherborne Schools Worldwide Limited (company no. 10730155), which was incorporated on 19 April 2017, and commenced trading on 1 May 2017. The company is jointly owned with Sherborne Girls, and has been incorporated to identify international opportunities, select, market to and enter into arrangements with third parties on behalf of the two Schools jointly, to generate income, increase the value of the Schools' brands and enhance the Schools' reputations.

Sherborne Schools Worldwide Limited's trading results for the year ended 30 June 2022 are summarised below:

	Year to 30 June 2022 £'000	Year to 30 June 2021 £'000
Turnover	-	-
Administration	(30)	(7)
Operating loss	**(30)**	**(7)**
Interest payable	(14)	(12)
Loss for the year	**(44)**	**(19)**
50% share of loss	**(22)**	**(9)**
Shareholder's deficit	**(531)**	**(487)**
50% share of shareholder's deficit	**(265)**	**(243)**

The School has provided loan funding to Sherborne Schools Worldwide Limited of £200k. Repayments were due to be made in three equal instalments during the years to 30 June 2021 – 2023. However, potential projects were paused for an extended period as a result of the pandemic, so it has not been possible for the company to generate any income as yet, and this situation is likely to continue for some time. It is considered unlikely that the company will have sufficient funds to make any loan repayments until the 2024-25 year, so the whole of the loan balance at 30 June 2022 is included at note 17 – Debtors, shown as a balance due after more than one year from a joint venture undertaking. At 30 June 2021 the £200k balance was also included as a balance due after more than one year from a joint venture undertaking. The interest charged on the loan of £7k (2021 - £6k) has been eliminated in the consolidated accounts when calculating the School's net share of loss in the joint venture.

GOVERNORS AND CHARITY TRUSTEES

Sherborne School Governors are the Charity Trustees and Company Directors of Sherborne School Charity ("the Charity"). They have all served in office throughout the year except where indicated. Together with past Governors who served in the year as indicated, they are:

Chairman	Lt Gen David Leakey CMG CVO CBE MA Cantab
Vice Chairman	Guy Andrew Hudson Esq, MA (resigned 30 June 2022)
	Mrs Angela Claire Lane BA, FCA (appointed as Vice Chairman 1 July 2022)
Ex-Officio	The Vicar of Sherborne, The Reverend Martin Lee (appointed 27 November 2021)
Co-Opted	Mrs Isabel Anne Cooper Burke, MB, BS, MRCGP (resigned 2 July 2022)
	Aubrey John Capel Esq
	Mrs Vicki Cotter, LLB (Hons), LLM
	Michael Levick French Esq, FCA
	Tim Hague Esq, FCCA, CTA
	Guy David John Hayward-Cole Esq, MA, MBA
	Dr Max Jonas
	Nigel Lawson Jones Esq, BSc, FRICS, ACIArb
	Robin Anthony Langley Leach Esq, MA
	George Marsh Esq, MA, Cert Ed
	Dr Ruth Elizabeth Newman (appointed 1 September 2022)
	John David William Pocock Esq, BEng (Hons)
	Mrs Gillian Staley, BSc, MSc, CMIOSH
	Mrs Elaine Stallard JP
	Robert Jan Temmink Esq, QC, MA, BL, FCIArb (resigned 21 October 2022)
	Michael Trevenen Wilson Esq, BSc, QTS
Staff Nominated Governor	Matthew James Whittell Esq, MA, MSc

Members of Committees

Finance and General Purposes Committee
Tim Hague, Guy Hayward-Cole, Guy Hudson (Chairman to 30 June 2022), Angela Lane (Chairman from 1 July 2022), David Leakey, Vicki Cotter.

Investment Sub-Committee
Michael French, Guy Hudson (volunteer, Pro-Bono Adviser), Charles Griffiths (volunteer, Pro-Bono Adviser).

Estates and Infrastructure Committee
Aubrey Capel, Vicki Cotter (Chairman), Max Jonas, Nigel Jones, David Leakey, John Pocock, Robert Temmink (to 21 October 2022).

Academic Committee
George Marsh (Chairman), Max Jonas, Robin Leach, Michael Wilson.

Pastoral Committee
Isabel Burke (to 2 July 2022), Max Jonas (Chairman), Robin Leach, Martin Lee (from 27 November 2021), George Marsh, Ruth Newman (from 1 September 2022), Gilly Staley.

Nominations Committee
Guy Hudson (to 30 June 2022), Vicki Cotter, Robin Leach, David Leakey (Chairman).

The Board is a self-appointing body, apart from the Ex Officio Governors and the Staff Nominated Governor. Service on the Board is for a term of five years. Retiring Governors can be re-elected for a further five year term.

OFFICERS

Headmaster and Chief Executive	D A Luckett BA DPhil FRSA FHA
Bursar and Clerk to the Governors	Dr D C Cole BSc MSc PhD
Address	Sherborne School Abbey Road Sherborne DT9 3LF
Website	www.sherborne.org

ADVISERS

Bankers	Lloyds Bank Plc 1st Floor Sedgemoor House Deansgate Avenue Taunton Somerset TA1 2UF
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ
Auditor	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Investment Advisers	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA
Actuaries	Mercer Limited 1 Tower Place West London EC3R 5BU

SHERBORNE SCHOOLS GROUP

England & Wales - Charity number 1081228

Accounts

SHERBORNE SCHOOL ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 2021

SHERBORNE

Registered Company Number: 4002575
Registered Charity Number: 1081228

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The Governors of Sherborne School ("the Sherborne Group") present their annual report and audited accounts for the year ended 30 June 2021 and confirm that they comply with the requirements of the Charities Act 2011, Sherborne's constitution, the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019), and the Companies Act 2006.

REVIEW OF THE YEAR

A core team of staff worked throughout the summer, closely following Government guidance and advice from Public Health England, the local Health Protection Team and organisations such as the Boarding Schools' Association to prepare the School for reopening in September 2020. Our boarding accommodation was reconfigured to establish zones within each House in order to limit contacts between boys and the number who would have to isolate in the event of a confirmed case of Covid-19. Procedures for use of the Dining Hall and other communal spaces were developed to accommodate zones, social distancing and enhanced cleaning regimes and other hygiene precautions. Other adaptions instituted to accommodate the requirements of social distancing included reconfiguration of all classrooms to achieve social distancing (including fixed seating plans, removal of all double desks and their replacement with single desks and the installation of screens where required); reconfiguration of the Health Centre; and installation of protective screens and adaptions in the Dining Hall and School Shop.

In order to accommodate overseas boys who required quarantine accommodation, work was undertaken to allow Westcott House to be used for this purpose from 20 August 2020. The House was used as the School's isolation facility and was used to accommodate boys who were symptomatic and awaiting Covid-19 testing together with any boys who tested positive but were unable to travel home. Westcott had a dedicated team of staff including six newly appointed Health Care Assistants and was configured and equipped to make it suitable for use as a quarantine/isolation unit.

In January 2021 the Government announced a further period of lockdown. Arrangements were made to care for those boys who were in transit back to School and those who were due to arrive for quarantine in Westcott House for as long as they remained in School. Those boys successfully engaged in remote working and the School did everything possible to give them a positive and fulfilling experience.

A series of parent webinars was introduced in January 2021 in order to cover key topics in an interactive and engaging manner.

In February 2021 the Government announced that schools in England were permitted to reopen for all pupils from 8 March 2021.

Principal Achievements and Performance

Educational Performance

The Secretary of State for Education announced on 25 February the alternative grade award process that would operate following the cancellation of the summer's public examinations based upon an Ofqual consultation.

GCSE, AS and A level grades were determined by teachers based upon assessment of the material that candidates were taught. BTEC grades were awarded by a similar system. Teachers were permitted to base their grading upon a broad range of evidence of each candidate's performance throughout the course. Schools were also able to include data from the optional assessment papers that were made available by the examination boards. The system was not governed by any algorithms such as that which caused such difficulty in 2020.

95.9% of A Level grades at Sherborne were at grade A*-B which is significantly better than any obtained by previous Sherborne cohorts, reflecting the combination of the strength of this year group and a national picture of grade inflation. As last year, the BTEC results were excellent with 74% D*/D (with D* equivalent to an A* at A level and D equivalent to an A grade). This was similar to our first BTEC cohort in 2020. All the BTEC candidates achieved at least a merit.

Most boys were successful in securing their preferred university places. Of the 94 Upper Sixth Form boys who made UCAS applications, 85 were accepted by their first and 7 by their second-choice institutions. Destinations include Bristol, Loughborough, British & Irish Modern Music Institute (BIMM), Liverpool, Manchester, Southampton, Bath, Cardiff, the Courtauld Institute, Durham, Edinburgh and Exeter as well as others in the US and Europe. 74% of places secured by 2021 leavers were at Russell Group universities.

GCSE results were also the best ever with 25.5% of entries awarded a grade 9 and 52.2% at grades 9 to 8. 77.1% of this year's entries were at grades 9 to 7 and 98.5% at grades 9 to 5. All entries were awarded at least a grade 4 (equivalent to a C grade in the old grading system). Among the top performers at GCSE were approximately a third of our boys who achieved 10 or more grades 9-7 (the old A*-A equivalent). Eight boys achieved 10 or more grade 9s, four with straight 9s.

The Extended Project Qualification saw the culmination of a project begun during the first lockdown to offer the Lower Sixth Form the opportunity to complete an EPQ project. Eighty-one boys attained an EPQ worth half an A level. The majority of these at A*/A grade with almost half of the boys achieving an A*.

Of the departing Year Eight from Sherborne Preparatory School (n=40), 23 received places at Sherborne School with eight being awarded either a scholarship or exhibition. Additionally, children achieved places at Winchester, Kings Bruton, Canford, Sherborne Girls, Dauntsey's, Clayesmore, Monmouth, Shrewsbury, Leweston and Milton Abbey, six of which came with a scholarship/exhibition.

Sporting Achievements

On the sporting front, the first weeks of the Michaelmas term were devoted to summer games. After this most boys were involved in training for Rugby and other winter sports. However, the sessions were suitably adapted in accordance with rigorous and ongoing risk assessment, self-screening before each session and suitable control measures to limit contact between boys and ensure appropriate standards of hygiene. Unfortunately, the Sport Department had to revert to an online provision from January 2021, including pre-recorded and live sessions for the boys to cover sports specific skills and physical training.

Following the announcement of a return to School on 8 March the Sports Department developed a programme of sport, with some sports being modified in accordance with National Governing Body rules or School policies.

The Trinity Term saw the return of fixtures for cricket, tennis, athletics, golf and sailing, whilst many other activities took place, including clay shooting, badminton, and squash.

One boy was selected to represent Somerset U16s in the South West Counties Golf Association Championship, two boys represented Yeovil Town U18s, three boys represented Dorset U14s and one boy represented Hampshire U14s cricket teams, one boy was selected to represent Australia in FIS junior races across Europe securing several podium positions and after the loss of the Rugby season, it was some consolation to see a number of our elite players in action for Bath Rugby Academy U18s, U17s and U16s and the Exeter Chiefs U18s.

The Arts

The first part of the year saw some creative thinking by the Music Department to ensure that the musical life could recommence. There have been 21 *YouTube* lunchtime recitals, with some recorded 'live' and eight recorded remotely whilst the boys were at home between January and March. The Concert Orchestra were able to rehearse in several smaller groups, with screens between them, and socially distanced, for a mixture of remotely recorded performances and 'live' performances for Commem. The Wind Band recorded *The Dambusters* and *Earth, Wind and Fire*, socially distanced, with six different camera angles. A pupil Organ Recital, broadcast on *YouTube,* took place on both organs in the Chapel, with filming on gimbals. The Swing Band made several remote recordings, and two 'live' recordings from the Tindall Recital Hall – all appearing on *YouTube*. 117 boys in the Choir rehearsed on Zoom, in small groups of no more than twelve singers in various different locations around the School, and as an entire group, which filled the Chapel (socially distanced, and with screens) from March. The Choir recorded several hymns for use in the online services and it was a remarkable achievement that membership never reduced, despite having not a single Abbey Service in which to sing. Chamber Choir, recorded and filmed an online Carol Service of nine Lessons and Carols, made available to all parents, Old Shirburnians and staff, on the School website. The Chamber Choir recorded fourteen anthems throughout the School year – some remotely, others 'live' but socially-distanced – for transmission in the weekly online service. There were seven Grade 8 exam results (six Distinctions, one Merit) amongst 76 exams, Grades 5-8, taken across the three terms, and entirely digitally (no examiner, but instead a camera and recording kit). One boy achieved his ATCL Performance Diploma with an exceptionally high Distinction.

The final weekend of the Trinity term saw the return of our major music competition, the Patrick Shelley, after an enforced absence in 2020, albeit that the event was not open to those parents and boys who would ordinarily have made up the audience.

Virtual Commemoration included speeches from the Chairman of Governors and Headmaster, as well as from the outgoing Heads of School. The Leavers' Service and speeches and prize giving were pre-recorded, and the Music Department also recorded the Gala Concert and Leavers' Concert. www.sherborne.org/commem2021

The Drama Department worked hard to overcome the staging difficulties presented by Covid-19 by broadcasting the plays on the School's own station, Radio Sherborne. Four Houses directed and performed plays, the Senior School performed *Under Milk Wood* and the Lower School performed *The Turn of the Screw* and boys were also able to take their LAMDA examinations this year.

Co-curricular

The increasingly popular Duke of Edinburgh award scheme continued to expand with an excess of 260 boys enrolled across the three levels. The Model United Nations group ran a series of mini conferences in School and online this year. Boys from all year groups participated, developing research, presentation and debating skills.

Sherborne Combined Cadet Force welcomed cadets from Sherborne Girls. With the difficulties and restrictions of the academic year, the cadets from Sherborne School and Sherborne Girls engaged positively with the Combined Cadet Force programme. Following the announcement of a further lockdown in January 2021, as during the Trinity Term 2020, the School worked hard to provide a broad and fulfilling programme of co-curricular pursuits for so long as the boys were away from School. This included music, sport and as many other activities as possible, our aim being that all co-curricular activities, clubs and societies continued other than those that simply did not lend themselves to remote delivery. Housemasters also worked to provide online social activities to allow the boys to connect and spend time with their friends.

A comprehensive review of co-curricular activities throughout the year is included in the Shirburnian which is available from Reception at Sherborne School.

Merger with Sherborne Preparatory School

After several months of work, Sherborne School and Sherborne Preparatory School merged on the 1 April 2021. As part of this merger, £5,185k of assets transferred from the Preparatory School to Sherborne School. To effect the merger Sherborne School made an advance of £475k to discharge the prep school's borrowings, clear supplier balances and provide the monies necessary for its voluntary liquidation costs.

Following the decision of the SPS Headmaster to retire at the end of the academic year, a new Head was appointed in March 2021 in readiness to start in September 2021. The SPS Bursar also departed in August 2021.

Significant work has been undertaken to bring the Preparatory School into the Group. Following an initial TUPE transfer of all staff, opportunities have been taken to rationalise and re-align reporting lines across support functions to provide greater resilience and expertise as well as generate efficiencies to the Group. The Preparatory School operated a different Financial Year (September to August) to Sherborne School which has now been aligned. As a result, these accounts include income and expenditure for SPS for the period April to June 2021.

Closure of the Main Course provision at Sherborne International

The last cohort of main course students left Sherborne International at the end of the 2020/21 Academic Year. The roll had been in decline for several years which was further compounded by COVID-19 and rules against overseas travel. The Principal oversaw the associated process of consultation and subsequent staffing redundancies as numbers dwindled as respective courses were taught out. The ongoing COVID-19 situation meant that it was also not possible for short-courses to be held in the Summer 2020/Easter 2021, nor due to travel restrictions the Summer of 2021 which further impacted on both the income to Sherborne International as well as the timings of the redundancy process. The final Management Account for Sherborne International shows a deficit of £1,644k for 2020/21.

Looking forward a small core team has been retained to revitalise the short-course provision going forwards with recruitment already underway for the Summer of 2022.

Development of Facilities and Resources

Following the majority of capital projects for the School being suspended in March 2020 due to the financial uncertainty created by the arrival of COVID-19, the Board took the decision in March 2021 to proceed with the redevelopment and extension of the Sports Centre. Following an extensive tender process, a design and build

contract was let to Amiri Construction Ltd for c.£9.1M, for a phased programme of work due to complete in the summer of 2023.

The other projects of note completed in the year were the:

- partial refurbishment of The Green boarding house, which was completed in time for the boys' delayed return in the Lent Term forming a new entrance porch and lobby, separate Tutors accommodation and a new Matron's office, along with several conversions on the first floor to dormitories and bedrooms and the formation of a computer room;
- full redecoration of the Carrington Building housing the Art Department; and
- continued roll out of the Wireless Network Replacement Project across the Group estate.

Additionally, the decision to outsource the Catering operation at Sherborne School was taken in early 2021. Following open competition (supported by ISCC) the School appointed Chartwells Independent as its Catering partner in April, with the contract taking effect from July. The School's existing Catering Team transferred (under TUPE) to Chartwells from 1 July 2021.

The Sherborne School Foundation

The Foundation continued to raise funds on behalf of the School. Whilst their primary focus for the year remained the Sports Centre redevelopment campaign (targeted to raise £4M towards the overall costs of the project), in recognition of the hardship experienced by the families of a number of our boys due to the economic impacts of COVID-19, the Foundation Trustees agreed that £650k should be made available to the School in support of additional bursaries relating to COVID-hardship. These monies were received in November 2020.

Additionally, £1.35M was transferred across the year towards the costs of the Sports Centre redevelopment.

Compliance

In response to the pandemic, ISI suspended inspection activity in 2020. Consequently, the School is overdue for the Educational Quality Inspection. In anticipation of the inspection, a consultancy visit was arranged by two Reporting Inspectors. During the year the School devoted resources to ensuring that staff remained up to date with the regulatory requirements and that processes and procedures were updated to reflect any changes. The School committed significant resources to complying with new legislation and considering and mitigating the health and safety and safeguarding risks to pupils, staff and the local community arising out of COVID-19. A school wide COVID-19 specific risk assessment is continuously reviewed to reduce the chance of infection.

Overseas Activities

Despite the pandemic, Sherborne Qatar has continued to develop and expand. The new girls' school has opened and the main senior school has moved to new premises in the Mall of Qatar.

Sherborne Schools Worldwide Limited (SSW), the company owned jointly with Sherborne Girls through which all new overseas operations are pursued, completed its fourth year of trading. Due to COVID-19, various opportunities previously identified for developing overseas schools and markets had to be paused.

Towards the end of the year, as travel restrictions eased, discussions with Sharaka Education (Sherborne School's partner in Qatar) were renewed towards the establishment of a chain of Sherborne Schools (in partnership with Sherborne Girls) in the Middle East and North Africa. Following agreement of a Memorandum of Understanding draft terms are now being discussed.

Marketing and Recruitment

The key to stability and security is sustaining pupil numbers in the School. The Third Form entry to Sherborne School was again full and numbers on roll increased to 577 at the start of the year compared to 559 the previous year which was in line with the strategic plan objectives.

The increase in marketing and recruitment activity was sustained throughout the year. Travel was not possible throughout the year due to the unprecedented global situation. The School continued to reach target markets with virtual open days and online forums as well as continuing with the well-established newsletter and the Shirburnian. Arrangements were also made to run our '*Sherborne at Work*' days, at which we invite Year 7 pupils and their parents to the School in September, as a virtual '*Sherborne at Home*' day. A series of short films were

produced, designed to give families an introduction to Sherborne, including video tours of each of the boarding Houses.

The recruitment pipeline for future years at Sherborne School remains very encouraging, measured by sustained prospective parent and pupil enquiries and registrations, and is on course for a full Third Form entry to continue, but the impact of the COVID-19 pandemic and specifically the economic effects on our current and prospective parent body remains uncertain.

Carbon Energy Report

The Charity is reporting under the requirements of the Companies (Directors' Report) and Limited Liability partnerships (Energy and Carbon Reporting) Regulations 2018. The Charity has followed the Environmental Reporting guidelines: including streamlined energy and carbon reporting guidance March 2019 and used the GHG Reporting Protocol – Corporate Standard for quantifying and reporting energy use. The UK Government Conversion Factors for Company Reporting have been used in the calculation.

UK GREENHOUSE GAS EMISSIONS AND ENERGY USE DATA	**2020/21**	**2019/20**
Energy consumption (kWh) used to calculate emissions (kWh)		
• Gas	7,509,799	7,758,312
• Electricity	2,302,892	1,883,678
• Transport fuel	34,612	260,146
Total energy consumption (kWh)	**9,847,303**	**9,902,136**
Emissions in metric tonnes CO2e		
• Gas consumption	1,393.64	1,434.07
• Owned transport – minibuses, car and vans	6.74	43.54
Emissions in metric tonnes CO2e		
• Purchased electricity	488.97	439.16
Emissions in metric tonnes CO2e		
• Business travel in employee owned vehicles	1.56	35.70
Total gross emissions in metric tonnes CO2e	**1,891.91**	**1,952.47**
Intensity ratio Tonnes CO2e per pupil – total number of pupils 614 (2020: 655)	**3.0813**	**2.9809**

Energy usage for 2021 cannot be compared to the previous year due to the implications of COVID-19 and the operating environment of the School for much of the year (including periods of remote teaching). Similarly, due to restrictions on travel for much of the year, emissions were significantly reduced.

A number of projects planned to reduce the carbon footprint of the School were paused in 2021 as the financial implications of COVID-19 were being assessed and will be revisited in the year ahead.

PUBLIC BENEFIT

Bursaries and Scholarships

This year Sherborne School provided assistance with fees to 249 pupils (2020: 217) to the value of £3,560k (2020: £2,595k) which represented 15.5% of the School's gross fee income, which is 1.9% more than the previous year. Of this £708k was supported through the transfer of restricted funds from the Foundation. 96 pupils (2020: 84) received means treated bursaries to the value of £1,947k representing an increase of 30.7% (£457k) on 2020. A significant proportion of this uplift was in response to the specific financial hardships COVID created with 42 discrete means-tested applications being received of which the School were able to support 30, totalling £307k. 15 pupils (2020: 9) received means tested assistance (including scholarships as appropriate) of 100% and a further seven pupils of 90% to 99% of termly fees. Seven pupils received bursaries funded by the Old Shirburnian Society.

132 pupils (up 20) received scholarships based on their merit though their total value fell to £601k (from £656k). Scholarships represented 2.8% of the gross fees (2020: 3.3%). Of this number, 25 (down from 34) also qualified for means-tested bursary support and are included in the figures relating to bursary awards.

In addition, the Sherborne Preparatory School provided fee assistance to 116 pupils (53 of whose parents work at either Sherborne School, Sherborne Girls School or Sherborne Preparatory School). For the three months (April to June 21) this amounted to £194k of remissions. 22 pupils received means-tested bursaries, eight of whom were also in receipt of a scholarship. The total value of bursaries for the period was £41k. A further 14 children were in receipt of scholarships totalling £11.5k for the term.

Links with Local Schools and the Community

The Headmaster is a member of the Executive Board of King Arthur's School, Wincanton and four other members of staff are Governors of local maintained schools. Further details of the different projects are available at https://www.schoolstogether.org/case-studies/?schoolId=71038

COVID-19 frustrated pupils' engagement in the community and outreach projects both locally and further afield, but it is hoped that pupils will start to become involved in causes greater than themselves with the new appointment of a Charity and Outreach Coordinator.

COVID-19 interrupted Sherborne's work with The Gryphon to provide pupils at the local maintained school the opportunity to study specialist subjects at Sixth Form at no cost, which The Gryphon is not able to fund.

The Careers Department organised and hosted online Careers Fairs and lectures about the university admissions process to which the local Sixth Form was invited. The Department also hosted and facilitated online Oxbridge practice interviews for pupils from local schools.

In response to the COVID-19 pandemic the Schools donated perishable goods to the Sherborne Foodbank and more than 200 science goggles and safety glasses to local GP surgeries. The Catering Manager and colleagues ran the Sherborne Community Kitchen, using some of the School's equipment to cook and serve up to 80 meals a day for local people who were struggling to make ends meet. The School offered its boarding houses to the local NHS trusts for use whilst the Schools were closed with King's House being advertised to NHS staff for overnight stays.

The Schools' fundraising efforts were cut short by COVID but a total of £13k was raised before the Schools closed, including £7k raised by The Green at their Charity Gala for the Turi Children's Project in Kenya.

A large number of local community groups and charities also used the School's facilities either at no or a nominal charge including the five day Sherborne Abbey Music Festival, but this year it was cancelled due to COVID.

As a charity, the parents of our pupils have the assurance that all Sherborne's income is applied for educational purposes. As an educational charity, Sherborne enjoys tax exemption on its educational activities and on investment income and gains provided these are applied for charitable aims. As a charity, Sherborne is also entitled to an 80% reduction on business rates on the property occupied for charitable purposes. The financial benefits received from these tax exemptions are all applied for educational purposes and indirectly help Sherborne to maintain its bursary policy and links with the local community and other schools. However, as an educational charity, Sherborne is unable to reclaim VAT input tax on its costs as its income is primarily exempt for VAT purposes. Sherborne pays tax as an employer through national insurance contributions.

In addition to the very substantial benefits Sherborne brings to its pupils, the local community and society through the education offered, the bursary programme and links with local schools create a social asset without cost to the Exchequer.

FUTURE PLANS

The Governors reviewed their future plans in March 2020 when the scale of the COVID-19 pandemic and its potential impact became apparent. In response to the ongoing uncertainty, and to ensure continuity through this period, an Interim Development Plan was approved by Governors in June 2021 for the 2021-22 Academic Year. Work is underway to prepare an over-arching Development Plan for the Group as well as individual plans (2022-27) for the two Schools.

Despite the complexities and uncertainties that the pandemic has brought the School has continued to look forward throughout the year with significant investment decisions being taken in proceeding with the Sports Centre development and the roll out of the Academic IT strategy to staff and boys. In November 2021 the Finance and General Purposes Committee approved that the design team finalise the specification (and supporting documentation) for the tender of the construction project for Westcott House in March 2022.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

Sherborne's School's Object, as set out in its Articles of Association, is to advance education, by carrying on in or near Sherborne a boarding and day school for boys and girls. In furtherance of its Object, Sherborne maintains its heritage endowment, the School, with its many listed buildings. There is also an endowed Prize and Scholarship fund which contributes towards the provision of scholarships, bursaries and prizes.

Sherborne aims to provide an outstanding, all-round education for boys. By supporting and challenging each pupil, we strive to give each of them the opportunity and confidence to be the best person that they can be. We want our boys to develop a strong sense of identity, integrity, an ability to think and learn for themselves, and a commitment to leadership and service.

To achieve our vision, we seek to encourage, challenge and nurture boys so that they:

- develop curiosity, creativity, determination and resilience;
- grow morally, spiritually and socially and in physical, emotional and spiritual health;
- become independent and confident young people who possess the self-reliance and resourcefulness to thrive in the modern world;
- are respectful of the needs of others, recognising the importance of empathy, co-operation and collaboration; and
- discover, explore and extend their passions, skills and personal qualities through an education that extends well beyond the classroom and offers wide ranging opportunities to participate and to excel.

Sherborne Preparatory School's strategic aim is to provide excellent education and care of boys and girls between the ages of 3 and 13 years of age, and to be recognised as such locally, nationally and internationally. That education is to be both academic and co-curricular, with the intention of broadening and deepening wider interests and to maximise the potential of our students at their chosen senior school, and eventually in their adult lives.

Sherborne International aims to provide short courses for non-native students during Easter and summer holiday periods. A further aim of Sherborne International is to generate a significant annual surplus in order to support the Charity's capital programme.

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Objectives and Public Benefit

Sherborne's objectives are set to reflect its educational aims and ethos. In setting objectives, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging. In furtherance of these objectives the Governors, as charity trustees, have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub sector guidance concerning the operation of the Public Benefit requirement under the Act.

Objectives for the Year

The Board of Governors developed a five year strategic plan which was adopted from June 2016. The financial year 2020/21 represented the final year of that plan.

The Strategic Plan http://www.sherborne.org/fileadmin/user_upload/Strategic_Plan_2016.pdf will guide the development of Sherborne and sets out a series of ambitious but achievable priorities:

- Excellent pastoral care ensuring flexibility to respond to the needs of each particular pupil and individualised care based around the House system;
- Commitment to full boarding, providing a safe and supportive environment within which our pupils can learn and grow. Continuing to operate a full weekend programme with no dilution of the boarding ethos by a move

towards weekly boarding. As part of this, the weekend programme will be reviewed to ensure the most appropriate and engaging range of weekend activities are offered;

- Providing an academic education which prepares pupils for the challenges of a rapidly changing world, offering a forward-looking curriculum, balancing traditional arts, humanities and creative subjects alongside mathematical, scientific and technological disciplines;
- Building upon Sherborne's proud history of success in individual and team sports, maintaining an equal emphasis upon wide participation and elite success;
- Further developing Sherborne's outstanding reputation for the creative and performing arts. Among the many areas of strength, music occupies a special position and Sherborne is recognised as one of the country's leading non-specialist music schools. This strength will be developed by investing further resources to achieve greater national and international renown in both classical and modern choral, instrumental and orchestral music. Ways of further enhancing the provision for art, drama and other creative pursuits will be explored.

Strategies to Achieve the Year's Objectives

The operational performance of Sherborne is described above in the main review of achievements. Through active marketing, the School sustained its momentum as a national institution and recruiting was active and effective although was impacted significantly due to the COVID-19 pandemic. Development planning continued at many levels.

Principal Activities of the Year

The principal activities for the year, which are described in more detail in the Review of the Year, fall under the following headings:

Academic
Compliance
Sport
Music, Drama, Art
Community

Our Ethos, Strategy and Policies

The Governors are responsible for setting a strategy for achieving the objectives they have set. The focus of the strategy is on the development of pupils, their continued high levels of academic and co-curricular achievements and to further widen access to the education the School provides. In taking the strategy forward the School implements the following policies.

Sherborne is a charity which seeks to benefit the public through the pursuit of its stated object. Fees are set at a level to ensure Sherborne's financial viability and at a level that is consistent with its educational aims.

The School welcomes pupils from all backgrounds but needs to be satisfied that it will be able to educate and develop all prospective pupils to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy the School that potential pupils can cope with the pace of learning and benefit from the education provided.

Sherborne is an equal opportunity organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion or belief, sex, trans-gender status, marital or civil partnership status, sexual orientation or disability. Sherborne will make reasonable adjustment to meet the needs of staff or pupils who are or become disabled.

Sherborne is committed to safeguarding and promoting the welfare of its pupils and expects all staff and volunteers to share this commitment. This commitment is embedded throughout Sherborne's policies, procedures and working practices.

Access Policy

The Governors are committed to ensuring that access to the education offered is not restricted to those who can afford fees. The bursary policy together with the links with other schools in the area and the local community contribute to a widening of access to the education provided by Sherborne.

The Governors consider that bursaries are important in ensuring that boys from families who would otherwise not be able to afford the fees can access the education offered. Bursary awards are available to those who meet the general entry requirements and are made on the basis of parental means or to relieve hardship where an existing pupil's education and future prospects would be at risk, for example, in the case or bereavement or redundancy. In assessing means, the School takes a number of factors into consideration including family income, investments and savings and family circumstances.

However, Sherborne does not have a large endowment and in funding bursaries the School has to be mindful of ensuring a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their children's education, and those benefitting from the awards.

Bursaries are available for up to 100% of termly fees. They are advertised in the local press and through HMC Projects in Central and Eastern Europe. Further details of the bursary policy and how to apply are provided on the School website. Bursaries are subject to annual review so that the School can ensure that support is only provided to those that require it.

The Governors, through the initiatives explained above, intend that the proportion of means tested bursary support compared to merit awards should increase over the coming years.

Scholarship Policy

The purpose of scholarships and awards at the School is to recognise high academic potential or the ability to excel in Music, Sport, Drama, Art or Design and Technology. Scholarships and awards are awarded with a fixed remission of fees between 5% and 10%. Where assistance is required, awards may be supplemented by a means tested bursary. Further details about scholarships and awards are available on the School's website.

Assistance to Teaching Staff

As part of Sherborne's emphasis on attracting and retaining high calibre staff, members of the teaching staff who choose to educate their sons at the School receive a fee discount.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The finances of the Group were significantly impacted in many ways by the COVID-19 pandemic. Fee income in the Lent term was severely impacted as Boys were not able to return to the School until 8 March 2021. As a result, Governors felt it appropriate to only charge parents the day fee for the period their sons were remote studying. Any other savings the School benefitted from through this period were more than outweighed by both the additional provision that had to be made in ensuring it remained COVID-secure as well as the enhancements necessary to ensuring the very best educative provision possible for the Boys whilst they were studying remotely. This decision resulted in a loss of income of c.£920k vs budget for the term.

Elsewhere, activity in the School's subsidiary trading/non-trading companies (Trading and Leisure) was severely affected by COVID-19. With respect to Trading, whilst the School Shop remained open (either physically or online) the Hub Café was closed for the whole of the year resulting in a net deficit of £39k for the year (vs a surplus of £95k in 2019/20). Profits from leisure activities were also down to £3k for the year (from £116k in 2019/20) with little/no income from commercial use of the School's sporting facilities due to lockdown.

As mentioned previously, Sherborne International was unable to hold any of its intensive (short course) programmes in the Summer 2020 or Easter 2021 resulting in a small loss of £37k being generated. In 2019/20 Intensive courses contributed £695k.

To provide the best chance of protecting jobs for staff to return to when the Schools reopened the School made use of the government's Coronavirus Job Retention Scheme (CJRS), receiving £1,045k (£848k Sherborne School; £2k Sherborne Preparatory School; £195k Sherborne International) over the course of the year.

Outside of the pandemic, fee income to Sherborne International was down £1,481k relative to 2019/20 due to a significantly smaller roll. Whilst direct expenditure was managed closely, the effect of redundancy costs contributed to the Main Programmes generating a deficit of £1,141k for the year.

Sherborne School (Overseas Trading) Limited (SSOT) provided educational and management services to Sherborne Qatar. It made a profit of £213k (2020: £200k) which it was able to gift to Sherborne School.

The net operating income of the group for the year is significantly skewed by the transfer of £5,185k of assets from Sherborne Preparatory School. Solus, SPS made a small surplus of £117k for the period it was part of the Group (1 April to 30 June 2021).

The net result of all the above creates a Net Income (before taxation) of £4,461k (2020: £808k). Discounting the asset transfer would create a deficit of £724k for the year, which given the financial impact the closure of the Sherborne International Main Programme was budgeted to have is significantly ahead of expectations.

Investment Policy and Performance

The Board of Governors aims to maximise income whilst at a minimum continuing to preserve the real value of endowed investments. In pursuance of this approach, the Board of Governors also aims to maximise the total investment return whilst adopting a prudent investment posture. It also plans to match the return on invested Advance Fees Scheme monies in line with the maturation profile of the related liability to provide schooling in future years.

The investment objective of the Scholarship and Prize Fund is to preserve the real value of the capital of the Fund and to generate income to fund scholarships awarded by the School. This means that even in difficult markets the Fund will remain substantially invested and will ride out short term fluctuations in market investment values. The Fund, helped by the upturn experienced by the markets as we emerge from COVID-19 achieved a net return of 16.01% over the year against an investment objective of between 3% and 3.5% p.a.

Fundraising Performance

The School does not fundraise directly; this is carried out by the Sherborne School Foundation (Registered Charity No 1073522) of which Sherborne is the sole member. No external fundraising bodies are used. The Board of Governors has reviewed the Foundation's practices and is satisfied that its fundraising is compliant with the recognised standards of fundraising (set out in the Code of Fundraising Practice) as well as those required under charity law and wider law; no complaints have been received during the year.

Reserves Policy

Sherborne's policy is that unrestricted reserves should not be accumulated from year to year other than in anticipation of an identified capital project and that any surpluses generated from the running of Sherborne will be invested in developing its buildings, equipment and resources. Sherborne therefore holds no free reserves, with a negative £(4,707k) (2020: £(5,320k)) on unrestricted funds. The situation is largely attributable to the liability for holiday pay which is accrued because the main nine week holiday period falls just as the financial year ends and the defined pension liability. Governors do not consider that either of these liabilities are likely to result in an immediate impact on cash flow.

Total funds held at 30 June 2021 amounted to £45,561k, which included £781k of restricted funds.

Sherborne operates a defined benefit pension scheme for some of its support staff. This scheme was closed to new entrants in 2002 and the Governors closed the scheme to further accrual in September 2011. The pension liability is included in the unrestricted funds as required by FRS 102. The scheme deficit has closed considerably during 2021 to £567k at 30 June 2021 (2020: £1,427k). The corresponding liability does not result in an immediate cash flow impact. Contributions into the pension plan are met through planned income. Further information can be found in note 28 to these financial statements.

RISK MANAGEMENT

The Board of Governors is responsible for the management of risks faced by the Charity. Detailed consideration of risk is delegated to the Finance and General Purposes Committee who are assisted by the Group Executive team. Risks and uncertainties are identified, assessed and controls established and monitored throughout the year.

In November all risks were reviewed in light of the COVID-19 pandemic and continued to be reviewed throughout the year. The key strategies for mitigating the risks of COVID-19 were and continue to be as follows:

- Provision of in school pupil quarantine and isolation facilities and enhanced medical care;
- Routine testing of both boys and staff, including the establishment of a temporary test centre and the procurement of a SAMBA-2 testing machine;
- The establishment of a set of principles against which events and activities can be checked to decide whether they can proceed safely, these principles having the welfare of the Boys at their core;
- Capability to switch to remote academic, co-curricular and pastoral provision;
- Regular and enhanced communication with staff, parents and other stakeholders;
- A reduced fee rate for the Lent term (and for any period when boys are not able to attend the School in person);
- Following Government requirements on re-opening of schools and all other requirements in relation to COVID-19;
- Engagement with staff in the use of the CJRS, support for home-working and plans for re-opening;
- Investment in ICT resources to support remote learning, home working and communication with stakeholders;
- A specific and very detailed COVID-19 risk assessment which is kept under constant review;
- The use of digital communication platforms wherever possible.

In addition to the risks of COVID-19, long term financial sustainability together with falls in academic standards and quality of pastoral care, including Child Protection and Safeguarding, are the most significant risks. The Governors consider that the priorities identified in the Strategic Plan are the most effective ways of mitigating these risks in the medium to long term. The following key controls are important in managing all the risks:

- formal agendas for all Committee and Board activity focuses Governors' discussions and evaluation at the strategic level;
- detailed terms of reference for all committees ensures that roles and responsibilities are clearly identified and all operational areas are covered;
- comprehensive strategic planning, budgeting and management accounting enables financial performance to be monitored and reviewed;
- detailed financial planning model independently reviewed on an annual basis by independent advisers;
- established organisational structure and lines of reporting ensures that staff are accountable and their performance monitored;
- formal written policies and procedures which staff work to and regular training ensures compliance with regulatory requirements, Health and Safety and other legislation;
- clear authorisation and approval levels reduce the risk of overspend and unauthorised expenditure; and
- Child Protection and Safeguarding embedded within the organisational culture and reinforced with regular training for Governors and all staff.

Through these processes the Governors believe that the major risks identified are managed and adequately mitigated.

In June the Finance and General Purposes Committee recommended a new Risk Management Framework for the School to Governors which was approved. The new framework provides greater transparency to the oversight of risk in the School and places additional responsibility on senior staff and the various governance Committees to its management.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Governors of Sherborne are the School's charity trustees under charity law and the directors of the charitable company. The School's Governors, advisers and key staff are set out on pages 58 to 59.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Sherborne is a charitable company limited by guarantee and not having a share capital, incorporated and registered in England and Wales under the Companies Act (company number 4002575) and registered with the Charity Commission for England and Wales (registration number 1081228). Its current Articles of Association are

dated 26 May 2000 as revised by Special Resolutions passed on 26 November 2005, 26 November 2011, 12 September 2013, 3 May 2014 and 28 November 2020. Sherborne administers two associated charitable trusts, the Sherborne School Prize and Scholarship Fund and the Sherborne School Trust that are regulated by a Charity Commission Scheme sealed on 26 June 2000.

Board of Governors

The structure of the Charity consists of a Board of Governors, the details of which are explained on pages 58 to 59, together with information on how the members of the Board of Governors are appointed to office. The Board of Governors aims to comply with the Code of Good Governance and reviews their performance on an annual basis.

Recruitment and Training of Governors

New Governors are appointed to the Board on recommendation of the Nominations Committee. As and when vacancies become available, the main criterion on the search for suitable candidates is the need to maintain the best possible balance of relevant skills, expertise and experience. Induction for new Governors is organised by the Clerk to the Governors and briefing and discussions on topical subjects take place at Governors' meetings each term. External training courses, for example through the Association of Governing Bodies of Independent Schools (AGBIS) and the Boarding Schools Association, are made available to Governors. All new Governors are required to attend the AGBIS seminar for New Governors.

Organisational Management

The Governors, as charity trustees, are legally responsible for the overall management and control of Sherborne, which consists of the School, Sherborne International and (through its sole shareholdings) trading subsidiaries and meet at least three times a year. The work of reviewing many of their policies is carried out by the members of the Finance and General Purposes Committee (F&GPC), who meet three weeks before each meeting of the full Board. In particular this committee reviews the budget and finalises the audited financial statements and annual report for approval by the Board. The Chairman of Governors is a member of the F&GPC which is chaired by Mr Guy Hudson. The other principal committees are the Investment Sub-Committee, chaired by Mr Guy Hudson, the Estates and Infrastructure Committee, chaired by Mrs Vicki Cotter, the Academic Committee chaired by Mr George Marsh, the Pastoral Committee chaired by Dr Max Jonas and the Remuneration and Nominations Committees are chaired by the Chair of Governors. Other committee members are listed on pages 58 to 59. Each of these committees meets at least termly other than the Remuneration and Nominations Committee which meets as required.

The day to day running of Sherborne is delegated to the Chief Executive who is also the Headmaster of Sherborne School. He is supported by the Bursar, the Head (SPS) from 1 April 2021 and, for the year relating to these accounts the Principal of Sherborne International, together with other members of the Group Executive and the Senior Leadership Teams of each school. The Headmaster, the Bursar, the SPS Head (from 1 April) and the Principal attend meetings of the Board of Governors.

Pay Policy for Key Management Staff

The Governors consider the Board of Governors who are also directors of the company and the charity's trustees, and the Group Executive team comprise the key management personnel of the charity in charge of directing and controlling, running and operating Sherborne on a day to day basis. All Governors give of their time freely and no Governor received remuneration in the year. Details of Governors' expenses and related party transactions are disclosed in notes 9 and 29.

The pay of the Headmaster and Chief Executive, the Bursar, the SPS Head and the Principal of Sherborne International is reviewed and determined annually by the Governors through the Remuneration Committee. Consideration is given to performance and benchmarked against comparable schools, details of which are available in reports produced for the independent school sector by AGBIS and Baines Cutler.

The pay of the other members of the Group Executive is reviewed annually by the Headmaster and Chief Executive with reference to performance, average increases in earnings, inflation and sector benchmarks. Recommendations are made to the Governors who make the final decision.

Group Structure and Relationships

The Charity had three wholly owned non-charitable subsidiaries; Sherborne School (Trading) Limited, Sherborne School (Leisure) Limited and Sherborne School (Overseas Trading) Limited, whose activities and trading performance are discussed in note 6.

On 1 July 2008 Sherborne School became the sole member of the Sherborne School Foundation, registered company number 3686309 and registered charity number 1073522. The principal objects of the Sherborne School Foundation are to promote the charitable purposes of Sherborne School in Dorset and to promote any other charitable purpose connected with or otherwise associated with the School. The financial statements for the Sherborne School Foundation, for the year ended 30 June 2021 have been consolidated with the group financial statements of Sherborne School.

Related and connected party transactions are detailed in notes 29 and 30.

EMPLOYEE INFORMATION

Sherborne follows all legislative requirements relating to recruitment and employment and operates specific policies for the following areas:

Disciplinary and Grievance
Capability
Accessibility
Health and Safety
Whistle blowing
Discrimination and Equality

A regular appraisal programme is in place for all academic and most support staff and the personal and professional development of all staff is supported.

There are formal and informal processes for consultation with teaching and support staff, including a Salaries and Conditions of Service Committee.

Employees are kept up to date with the plans for the School, its performance and matters of concern through verbal and written briefings, staff meetings and newsletters. Throughout the period when the Schools were closed due to the COVID-19 pandemic there was a specific communication plan to ensure that all staff were kept abreast of how the School was responding. All staff received letters from the Chief Executive and Bursar advising them of the financial and economic factors affecting the School, the immediate actions the Governors were taking and the reasons for them. Staff were consulted on the COVID-19 risk assessment and received regular updates on the plans for re-opening.

EMPLOYEE INVOLVEMENT

The School encourages the involvement of its employees in its management through regular meetings of the academic and support staff representative groups which have responsibility for the dissemination in information of particular concern to employees and for receiving their views on important matters of policy. The Health and Safety Committee, at which a Governor is present, meets termly to consider, in addition to its broader H&S responsibilities the School's response to the COVID-19 pandemic and staff feedback on the measures being put in place.

DISABLED PERSONS

The School will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure they are given full and fair consideration when such vacancies arise.

There is a training scheme in operation so that employees who have been injured or disabled during the course of their employment can, where possible, continue in employment with the School.

During employment the School seeks to work with employees, considering their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

The number of disabled persons employed by the School during the year was 16 (2020:14).

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of Sherborne School for the purposes of company law) are responsible for preparing the Annual Report of the Governors (and the incorporated 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 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 the incoming resources and application of resources, including the income and expenditure, of the charitable 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;
- make judgments and estimates that are reasonable and prudent;
- state whether 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.

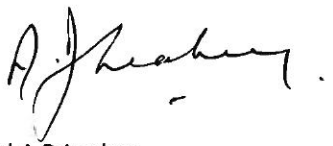
The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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.

So far as the Governors are aware, there is no relevant audit information of which the Charity's auditor is unaware. The Governors have each taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

AUDITOR

Haysmacintyre LLP have indicated their willingness to continue in office. A resolution to reappoint Haysmacintyre LLP as the School's auditor will be made at the Annual General Meeting.

The Annual Report of the Governors (and the incorporated Strategic Report) were approved by Board of Governors of Sherborne School on 27 November 2021 and signed on its behalf by:



Lt General A D Leakey
Chairman of Governors

Opinion

We have audited the financial statements of Sherborne School for the year ended 30 June 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cashflows 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 30 June 2021 and of the group'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 Governors' 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 and parent charitable company'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 Governors with respect to going concern are described in the relevant sections of this report.

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Annual Report of the Governors. 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 Annual Report of the Governors (which incorporates the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Annual Report of the Governors 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 Annual Report of the Governors (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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors for the financial statements

As explained more fully in the Statement of Governors' Responsibilities on page 16, the Governors (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 Governors 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 Governors 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 Governors 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, the parent charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the independent school regulations, safeguarding regulations, health and safety requirements, GDPR, employment law and Charity Commission's general guidance 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 the Companies Act 2006, the Charities Act 2011, Sherborne's Constitution, the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019), and consider other factors such as payroll taxes and VAT.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements such as the valuation of investment property. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Inspecting the outcomes of any regulatory inspections;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates and challenge of the underlying assumptions.

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. 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.

Lee Stokes (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date: 9 December 2021

10 Queen Street Place
London
EC4R 1AG

Sherborne School

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating a Consolidated Income and Expenditure Account)
for the year ended 30 June 2021

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2021 Total Funds £'000	2020 Total Funds £'000
Income from:						
Charitable Activities:						
School fees	4	21,017	-	-	21,017	21,920
Donations:						
Transfer of assets in respect of Sherborne Preparatory School	15	5,180	5	-	5,185	-
Other donations, legacies and grants	5	1,200	530	-	1,730	1,988
Other trading activities:						
Commercial trading operations	6	428	-	-	428	1,083
Investments	7	168	217	-	385	485
Other:						
Other income	8	146	-	-	146	113
Total income		**28,139**	**752**	**-**	**28,891**	**25,589**
Expenditure on:						
Raising funds:						
Commercial trading operations	6	585	-	-	585	905
Net share of loss in joint venture	30	3	-	-	3	9
Fundraising costs		-	75	-	75	119
Investment management fees		-	28	-	28	28
Total expenditure on raising funds	12	**588**	**103**	**-**	**691**	**1,061**
Charitable activities:						
Educational activities		23,513	226	-	23,739	23,720
Expenditure on charitable activities	12	**23,513**	**226**	**-**	**23,739**	**23,720**
Total expenditure		**24,101**	**329**	**-**	**24,430**	**24,781**
Net income and net movement in funds before gains and losses on investments		**4,038**	**423**	**-**	**4,461**	808
Net gains/(losses) on investments		-	(67)	846	779	(514)
Net income/(expenditure) before taxation		**4,038**	**356**	**846**	**5,240**	**294**
Tax on profit/(loss) on ordinary activities	13	3	-	-	3	(5)
Net income/(expenditure) after taxation		**4,041**	**356**	**846**	**5,243**	**289**
Transfers between funds	23b	1,903	(1,903)	-	-	-
Net income/(expenditure) before other recognised gains and losses carried forward		**5,944**	**(1,547)**	**846**	**5,243**	**289**

Sherborne School

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating a Consolidated Income and Expenditure Account)
for the year ended 30 June 2021

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2021 Total Funds £'000	2020 Total Funds £'000
Net income/(expenditure) before other recognised gains and losses brought forward		**5,944**	**(1,547)**	**846**	**5,243**	**289**
Remeasurement of defined benefit pension scheme	28	533	-	-	533	(447)
Net movements in funds		**6,477**	**(1,547)**	**846**	**5,776**	**(158)**
Reconciliation of funds						
Total Funds brought forward		30,499	2,328	6,958	39,785	39,943
Total funds carried forward	23	**36,976**	**781**	**7,804**	**45,561**	**39,785**

All amounts relate to continuing operations.

The full Consolidated Statement of Financial Activities for the year ended 30 June 2020 is set out at note 21.

The notes on pages 24 to 57 form part of these financial statements.

Sherborne School

BALANCE SHEETS

as at 30 June 2021

	Notes	Group 2021 £'000	Group 2020 £'000	School 2021 £'000	School 2020 £'000
Fixed assets					
Tangible assets	14/15	42,466	37,379	42,461	37,372
Investment assets	16	8,835	7,944	8,182	7,208
Total fixed assets		**51,301**	**45,323**	**50,643**	**44,580**
Current assets					
Stocks		352	453	138	117
Debtors	17	3,452	3,389	4,085	3,740
Cash		3,218	3,695	2,899	2,228
Total current assets		**7,022**	**7,537**	**7,122**	**6,085**
Liabilities					
Creditors: amounts falling due within one year	18	(5,308)	(5,149)	(5,222)	(5,027)
Net current assets		**1,714**	**2,388**	**1,900**	**1,058**
Total assets less current liabilities		**53,015**	**47,711**	**52,543**	**45,638**
Creditors: amounts falling due after more than one year	20	(6,887)	(6,499)	(6,887)	(6,499)
Net assets excluding pension liability		**46,128**	**41,212**	**45,656**	**39,139**
Defined benefit pension scheme liability	28	(567)	(1,427)	(567)	(1,427)
Total net assets		**45,561**	**39,785**	**45,089**	**37,712**
The funds of the group:					
Endowed funds	23(a)	7,804	6,958	7,804	6,958
Restricted funds	23(b)	781	2,328	62	57
Unrestricted funds:	23(c)				
Accumulation fund		37,543	31,926	37,790	32,124
Pension reserve		(567)	(1,427)	(567)	(1,427)
		36,976	30,499	37,223	30,697
Total funds	23	**45,561**	**39,785**	**45,089**	**37,712**

The net income of the School for the year to 30 June 2021 was £6,845k (2020: net expenditure – (£581k)).

The notes on pages 24 to 57 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Governors of Sherborne School on 27 November 2021 and signed on its behalf by:

Lt General A D Leakey (Chairman)

Sherborne School

CONSOLIDATED STATEMENT OF CASHFLOWS

as at 30 June 2021

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Net cash generated from/(used by) operating activities	26		**5,153**		**(2,864)**
Cash flows from investing activities:					
Investment income		385		485	
Proceeds from sale of property, plant and equipment		8		7	
Proceeds from sale of investments		4,240		2,634	
Purchase of property, plant and equipment		(6,783)		(1,362)	
Purchase of investments		(744)		(1,900)	
Purchase of endowed fund investments		(3,594)		(958)	
Net cash used in investing activities			**(6,488)**		**(1,094)**
Cash flows from financing activities:					
Cash inflows from borrowing		500		2,500	
Cash inflows from new advance fee contracts		402		1,159	
Cash repayments of advance fee contracts		(44)		(22)	
Net cash provided by financing activities			**858**		**3,637**
Change in cash and cash equivalents in the reporting period			**(477)**		**(321)**
Cash and cash equivalents at the beginning of the year			3,695		4,016
Total cash and cash equivalents at the end of the year			**3,218**		**3,695**
Cash and bank balances			3,218		3,695
			3,218		3,695

The notes on pages 24 to 57 form part of these financial statements.

1. General Information

Sherborne School ('the Company') is a charitable company limited by guarantee and not having a share capital, incorporated and registered in England and Wales under the Companies Act (company number 4002575) and registered with the Charity Commission for England and Wales (registration number 1081228).

The address of the Company's registered office and principal place of business is Sherborne School, Abbey Road, Sherborne, Dorset, DT9 3LF.

The Group consists of Sherborne School and all of its subsidiaries – Sherborne School (Trading) Limited, Sherborne School (Leisure) Limited, Sherborne School Foundation and Sherborne School (Overseas Trading) Limited.

The Company's principal activity is to advance education, by carrying on in or near Sherborne a boarding and day school for boys and girls.

The subsidiary companies operate to support Sherborne School's principal activity. The principal activity for each subsidiary is detailed in note 6.

The Company has entered into a joint venture arrangement with Sherborne Girls. Each School owns a 50% interest in Sherborne Schools Worldwide Limited, incorporated to support the principal activities of both Schools. Further information on this joint venture is detailed in note 30.

2. Accounting policies

(a) Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition, effective 1 January 2019).

The financial statements have been prepared under the historical cost convention as modified by the inclusion of listed investments and investment property at fair value.

The financial statements have also been prepared on a going concern basis. In common with other Schools, Sherborne School faces uncertainties arising from current economic conditions and in particular the impact of the COVID-19 pandemic. After making due enquiries, including review of the latest financial data and future projections, the Governors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing these financial statements.

(b) Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are in respect of the provision of education to pupils in the main School and Sherborne International are stated after deducting allowances, scholarships, bursaries and other remissions granted.

(c) Advance Fees Scheme

The School offers parents the opportunity to pay for up to five years tuition fees in advance. The amount received is invested and interest is accrued to contracts. This is treated as deferred income until the pupil joins the School whereupon the fees for each School term are transferred to income

2. Accounting policies *(continued)*

(d) Fee extras

The School collects monies in respect of trips and pupils' personal living expenses and pays these monies out in full to third parties. As these funds do not represent income for the School, they are not accounted for in the Statement of Financial Activities.

(e) Donations and legacies

Donations are recognised once the School has entitlement to the income, it is probable that the donation will be received and the amount can be measured reliably.

Donations received for the general purposes of the Charity are credited to the accumulation fund. Donations for purposes restricted by the wishes of the donor are taken to "restricted funds" where these wishes are legally binding on the Governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as "endowments" – permanent or expendable according to the nature of the restriction.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is made from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material.

(f) Government grants

The School is in receipt of grant income under the Government's Coronavirus Job Retention Scheme (CJRS), which is recognised as income on a systematic basis over the period in which the School recognises the related salary costs the grant is intended to compensate.

(g) Income from Commercial trading activities

Turnover from Commercial trading activities comprises revenue recognised by the company in respect of services supplied, exclusive of Value Added Tax and trade discounts.

(h) Tangible fixed assets and depreciation

The carry forward values of tangible fixed assets are shown in notes 14 and 15 to these financial statements. The basis for determining these carry forward values is historic cost except for the School's properties, which were revalued in the period to 30 June 2000, and this is now their deemed cost.

Furnishings and equipment costing less than £5k are written off to the Statement of Financial Activities as an expense as acquired.

Building projects costing less than £50k are written off to the Statement of Financial Activities as an expense as acquired.

Depreciation is calculated to write off the cost less estimated residual value of fixed assets on a straight line basis over their currently estimated useful lives.

2. Accounting policies *(continued)*

(h) Tangible fixed assets and depreciation *(continued)*

Land and buildings
The Charity owns a number of buildings within the town of Sherborne. Properties that have no ascertainable historical cost and cannot be valued without undue expense are excluded from the financial statements as allowed by FRS 102.

Buildings are depreciated over their estimated remaining useful lives that are initially calculated to be within 30-50 years.

Land and assets under construction are not depreciated.

Plant, equipment and motor vehicles
Plant, equipment and motor vehicles includes School equipment, boarding house fixtures and fittings, computer equipment, vehicles and kitchen and sports equipment. They are depreciated at the following initial rates:

• Computer equipment	25%
• Vehicles and playing fields equipment	20%
• Kitchen and sports equipment	15%
• All other items	10%

(i) Stocks

The School holds stocks for maintenance purposes, catering and other consumables. The School Shop holds stocks for resale. All stocks are valued at the lower of cost and net realisable value.

(j) Taxation

The School is a registered charity, and as such is entitled to tax exemptions on all its income and gains, properly applied for its charitable purposes. Tax charges may arise in subsidiary companies where the level of Gift Aid payments are insufficient to eliminate all taxable profits.

The School is not registered for VAT, and its expenditure is inclusive of VAT incurred. Where group companies are VAT registered, expenditure is reported net of recoverable VAT.

(k) Fixed asset investments

Listed investments are classified as financial instruments and valued at fair value, equivalent to bid price at the year end.

Changes in the valuation of listed investments during the year are shown as unrealised gains or losses. Gains and losses arising from the disposal of assets are disclosed as realised, being the difference between the sale proceeds and the market value at the beginning of the year.

In the separate accounts of the company, on transition to FRS 102, the School elected to hold its interests in subsidiaries at cost, and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairments, losses or reversals of impairment losses are recognised immediately in the Statement of Financial Activities.

2. Accounting policies *(continued)*

(l) Investment properties

Investment properties are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in the Statement of Financial Activities.

(m) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments and the pension scheme liability which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, trade and fee debtors, other debtors and accrued income. A specific provision is made for debts for which recoverability is in doubt. Cash and cash equivalents are defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise deposits, fees in advance, trade creditors and other creditors.

(n) Permanent Endowment Fund

As detailed in note 23 the Charity holds assets donated under permanent endowment. Where such an asset is sold, the proceeds of the sale are treated as capital receipts and are taken directly to the Permanent Endowment Fund. Income arising on general purpose Permanent Endowment Fund investments is treated as general income, within unrestricted funds, of the School.

(o) Scholarship and Prize Funds

Legacies and donations are recognised as receivable under this heading once receipt is considered probable and are invested to provide scholarships and prizes for the benefit of pupils at the School.

(p) Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on the straight line basis over the lease term.

(q) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or are capitalised as an intangible fixed asset or a tangible fixed asset.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2. Accounting policies *(continued)*

(r) Retirement benefits

Defined contribution plans

The School operates a defined contribution scheme for support staff. The amount charged to the Statement of Financial Activities is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Defined benefit plans

The School operates a defined benefit retirement plan, which closed to future accrual from 31 August 2011. The cost of providing benefits is determined using the projected unit credit method.

Asset/Liability

The net defined benefit asset/liability represents the present value of the defined benefit obligation minus the fair value of plan assets out of which obligations are to be settled. Any asset resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan.

The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains/Losses

Gains or losses recognised in net income:

- The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost.
- The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.
- Net interest on the net defined benefit asset/liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligations.

Gains or losses recognised after net income:

- Actuarial gains and losses.
- The difference between the interest income on the plan assets and the actual return on the plan assets.

Multi-employer plans

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator.

Contributions are recognised in the Statement of Financial Activities in the period to which they relate as there is insufficient information available to use defined benefit accounting.

2. Accounting policies *(continued)*

(s) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is allocated or apportioned to the applicable expenditure heading on a direct cost basis, with staff costs being allocated according to the estimated time spent by staff working in relevant departments and is classified under the following activity headings:

- Commercial trading activities comprise the costs of commercial trading including the lettings activities and leisure centre activities;
- Fundraising activities includes all fundraising costs of Sherborne School Foundation to promote the charitable purposes of Sherborne; and
- Expenditure on educational activities includes the costs incurred in respect of the provision of education to pupils and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(t) Basis of consolidation

The group financial statements consolidate the financial statements of the charity and its wholly owned subsidiary undertakings, Sherborne School (Trading) Limited, Sherborne School (Leisure) Limited, Sherborne School (Overseas Trading) Limited and Sherborne School Foundation made up to 30 June 2021 and all inter group sales and profits are eliminated fully on consolidation. As permitted by section 408 of the Companies Act 2006, the parent company's income and expenditure account has not been included in these financial statements.

(u) Joint venture

The Charity has a 50% share in a jointly controlled entity, Sherborne Schools Worldwide Limited. This entity's audited accounts have been drawn up to 30 June 2021. The Charity has provided loan funding to the entity, which has been incorporated into debtors as an amount due from a joint venture undertaking. The Charity's share of the entity's income and expenditure, assets and liabilities at 30 June 2021 has been incorporated into these financial statements using the equity method. Further information is provided in note 30.

(v) Fund accounting

Unrestricted funds are funds that are available for use at the discretion of the Governors in furtherance of the objects of the Charity. Designated funds are unrestricted funds which have been set aside by the Governors for specific purposes. The aim and the use of the designated funds are set out in the notes to the financial statements.

Restricted funds are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the Charity for particular purposes. The aim and use of the restricted funds are set out in the notes to the financial statements.

Transfers between funds are made either where there is a deficit on a restricted fund or where funds have been raised for a restricted project but expenses incurred have been made from unrestricted funds.

2. Accounting policies *(continued)*

3. Critical accounting estimates and areas of judgement

In the application of the Group's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Tangible fixed assets – estimation of useful life

Tangible fixed assets represent a significant proportion of the Group's total assets. Therefore the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Consolidated Statement of Financial Activities.

The useful lives and residual values of the Group's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology. Historically changes in useful lives and residual values have not resulted in material changes to the Group's depreciation charge.

Bad debt provisions

The Group has recognised bad debt provisions where there is uncertainty whether specific accounts receivable are collectible. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other reasonable factors.

Valuation of defined benefit retirement plan

The present value of the School's defined benefit retirement plan 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 for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability.

4. School fees

(a) *School Fees*		2021 £'000	2020 £'000
School	- Boarders	20,109	18,102
	- Day boys	1,142	948
Preparatory School	- Prep	931	-
	-Pre-Prep	107	-
Total School fees		22,289	19,050
Sherborne International	- Fees	1,889	5,137
Other	- Registration fees	71	77
Total fees		24,249	24,264
Less: Total scholarships, bursaries, grants and discounts		(2,852)	(2,595)
		21,397	21,669
Add back: Scholarships and discounts paid for by restricted funds		(585)	58
		20,812	21,727
Music fees received		205	193
School fees per Consolidated Statement of Financial Activities		**21,017**	**21,920**

(b) *Awards, prizes, and discounts paid for by Restricted Funds comprised:*	2021 £'000	2020 £'000
Scholarships	(608)	29
Advance fees discount	23	29
	(585)	**58**

5. Donations, legacies and grants

	2021 £'000	2020 £'000
Committed giving	67	59
Donations	296	489
Legacies	196	321
Grants	1,171	1,119
	1,730	**1,988**

6. Income from subsidiaries' trading activities

The School owns the whole of the share capital of three of its subsidiaries which are Sherborne School (Trading) Limited (company no. 2747901), Sherborne School (Leisure) Limited (company no. 4332724) and Sherborne School (Overseas Trading) Limited (company no. 06817042). The Sherborne School Foundation (company no. 3686309 and charity no. 1073522) is a subsidiary charity of Sherborne School as the School is the sole corporate member of the Foundation.

6. Income from subsidiaries' trading activities *(continued)*

The income and expenditure, net of inter-group transactions, from commercial trading operations was as follows:

	2021		2020	
	Income £'000	Expenditure £'000	Income £'000	Expenditure £'000
Sherborne School (Trading) Limited	218	289	556	495
Sherborne School (Leisure) Limited	(21)	278	314	399
Sherborne School (Overseas Trading) Limited	231	18	213	11
	428	**585**	**1,083**	**905**

(a) Sherborne School (Trading) Limited's principal activity continues to be that of the operation of the School's sports and uniform shop, the Hub cafe and the provision of letting and educational services. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2021 £'000	2020 £'000
Turnover	403	813
Cost of sales	(457)	(726)
Gross (loss)/profit	**(54)**	**87**
Administration	(24)	(36)
Operating (loss)/profit	**(78)**	**51**
Other operating income	39	44
(Loss)/profit on ordinary activities before taxation	**(39)**	**95**
Tax on (loss)/profit on ordinary activities	5	(5)
(Loss)/profit on ordinary activities after taxation	**(34)**	**90**
Gift Aid distribution	**-**	**75**
Gross Assets	**235**	**370**
Gross Liabilities	**(254)**	**(355)**
Shareholder's Funds/(Deficit)	**(19)**	**15**

Included in turnover are commission payments to Overseas Agents that have been invoiced to Sherborne School amounting to £101k (2020: £256k) and departmental sales amounting to £85k. These balances have been eliminated on consolidation.

Included in administration expenses are £7k (2020: £10k) of management charges, comprising accounting fees £5k (2020: £8k), insurance £1k (2020: £1k) and management charges £1k (2020: £1k) paid to Sherborne School. These balances were all eliminated on consolidation.

6. Income from subsidiaries' trading activities *(continued)*

(b) Sherborne School (Leisure) Limited's principal activity is that of the provision of leisure facilities. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2021 £'000	2020 £'000
Turnover	217	479
Administration	(288)	(418)
Operating profit	**(71)**	**61**
Other operating income	74	55
Profit on ordinary activities	**3**	**116**
Gift Aid distribution	**3**	**116**
Gross Assets	**18**	**151**
Gross Liabilities	**(17)**	**(150)**
Shareholder's Funds	**1**	**1**

Included in turnover is £238k (2020: £165k) of income in relation to the use of the sports centre by pupils of the school, received from Sherborne School. This balance was eliminated on consolidation.

Included in administration expenses are £10k (2020: £19k) of management charges, comprising accounting fees £1k (2020: £10k), insurance £1k (2020: £1k), management charges £1k (2020: £1k) and rent £7k (2020: £7k) paid to Sherborne School. These balances were all eliminated on consolidation.

(c) Sherborne School (Overseas Trading) Limited's principal objects are to promote the charitable purposes of Sherborne School in Qatar and to promote any other charitable purpose connected with or otherwise associated with the School. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2021 £'000	2020 £'000
Turnover	231	213
Administration	(18)	(13)
Profit on ordinary activities	**213**	**200**
Gift Aid distribution	**218**	**-**
Gross Assets	**233**	**68**
Gross Liabilities	**(218)**	**(46)**
Shareholder's Funds	**15**	**22**

Included in administration expenses is interest paid of £Nil (2020: £2k) to Sherborne School. This has been eliminated on consolidation.

6. Income from subsidiaries' trading activities *(continued)*

(d) The Sherborne School Foundation's principal objects are to promote the charitable purposes of Sherborne School in Dorset and to promote any other charitable purpose connected with or otherwise associated with the School. Its results for the year, as extracted from the audited financial statements, are summarised below:

	2021 £'000	2020 £'000
Income from:		
Donations, legacies and grants	692	1,094
Investments	-	5
Total income	**692**	**1,099**
Expenditure on:		
Raising funds	(75)	(120)
Charitable activities	(2,168)	(311)
Total expenditure	**(2,243)**	**(431)**
Net Income/(Expenditure)	**(1,551)**	**668**
Gross Assets	**726**	**2,278**
Gross Liabilities	**(8)**	**(8)**
Total Charity Funds	**718**	**2,270**

Included in donations and legacies income is £161k (2020: £237k) received from Sherborne School as donated services that has been eliminated on consolidation. Included in expenditure is £2,068k (2020: £181k) paid to Sherborne School; £2,068k (2020: £181k) of this was eliminated on consolidation.

7. Investment income

	2021 £'000	2020 £'000
Dividends receivable	216	309
Qatar royalty	166	166
Bank interest receivable	3	10
	385	485

8. Other income

	2021 £'000	2020 £'000
Other ancillary trading income		
Houses income	40	33
Junior common room income	-	10
School events income	32	39
Sundry income	74	31
	146	113

9. Net income for the year

This is stated after charging/(crediting):

	2021 £'000	2020 £'000
Auditor's remuneration:-		
Fees payable for the audit of the parent charity and the consolidation	29	27
Fee payable for the audit of subsidiaries pursuant to legislation	16	16
Fees payable to the group's auditors and its associates in respect of Corporation tax services	4	3
Depreciation	1,696	1,655
(Profit)/loss on disposal of fixed assets	(4)	(7)
Operating lease costs - equipment	13	20
Stock recognised as an expense	242	185
Interest on advance fee scheme	23	29
Loan interest	73	48

One Governor received reimbursement of out of pocket expenses for travel expenses, amounting to £9 in the current year (2020: £2,492 in respect of travel expenses for four Governors).

10. Analysis of staff costs, trustee remuneration, and the cost of key management personnel

	2021 £'000	2020 £'000
Wages and salaries	13,336	12,922
Social security costs	1,181	1,230
Pension contribution – defined contribution scheme	1,896	1,826
	16,413	**15,978**

The number of higher paid employees was:

	2021 No.	2020 No.
£60,000 - £70,000	13	14
£70,000 - £80,000	5	9
£80,000 - £90,000	4	2
£90,000 - £100,000	1	1
£110,000 - £120,000	-	1
£140,000 - £150,000	-	1
£260,000 - £270,000	1	1

The calculation of staff costs for higher paid employees includes gross salary and benefits in kind.

The key management personnel of the parent charity and the group comprise the Governors, the Chief Executive Officer and the members of the Group Executive. The total employee benefits of the key management personnel of the charity were £675k (2020: £603k), including benefits in kind, national insurance and pension contributions. The Governors are unpaid.

Included within staff costs above are non-statutory/non-contractual severance payments totalling £Nil (2020: £51k) and statutory severance payments of £356k (2020: £Nil).

11. Staff numbers

The average number of staff employed by the charity during the year was as follows:

	2021 No.	2020 No.
Educational staff	191	192
Support staff	318	366
	509	**558**

12. Analysis of expenditure

Year ended 30 June 2021	Staff costs £'000	Other costs £'000	Depreciation £'000	2021 Total £'000	2020 Total £'000
Cost of raising funds:					
Commercial trading operations:					
Sherborne School (Trading) Limited	114	173	2	289	495
Sherborne School (Leisure) Limited	201	76	1	278	399
Sherborne School (Overseas Trading) Limited	-	18	-	18	11
Net share of loss in joint venture	-	3	-	3	9
Fundraising costs	68	7	-	75	119
Investment management fees	-	28	-	28	28
	383	305	3	691	1,061
Charitable activities:					
Educational activities					
Teaching	11,068	513	-	11,581	11,374
Welfare	2,725	1,489	-	4,214	3,583
Premises	801	1,645	1,693	4,139	4,159
Support costs of schooling	1,381	1,321	-	2,702	2,810
Education and grant making	-	109	-	109	179
Operational costs – Foundation	55	45	-	100	128
Financing costs	-	422	-	422	815
Governance	-	237	-	237	140
Other expenditure	-	235	-	235	532
	16,030	6,016	1,693	23,739	23,720
Total expenditure for Group	16,413	6,321	1,696	24,430	24,781

12. Analysis of expenditure *(continued)*

Year ended 30 June 2020	Staff costs £'000	Other costs £'000	Depreciation £'000	2020 Total £'000	2019 Total £'000
Cost of raising funds:					
Commercial trading operations:					
Sherborne School (Trading) Limited	238	254	3	495	607
Sherborne School (Leisure) Limited	271	126	2	399	439
Sherborne School (Overseas Trading) Limited	-	11	-	11	8
Net share of loss in joint venture	-	9	-	9	62
Fundraising costs	76	43	-	119	151
Investment management fees	-	28	-	28	22
	585	471	5	1,061	1,289
Charitable activities:					
Educational activities					
Teaching	11,075	299	-	11,374	12,109
Welfare	2,074	1,509	-	3,583	4,107
Premises	791	1,719	1,649	4,159	4,913
Support costs of schooling	1,371	1,439	-	2,810	2,791
Education and grant making	-	179	-	179	135
Operational costs – Foundation	82	46	-	128	106
Financing costs	-	815	-	815	195
Governance	-	140	-	140	127
Other expenditure	-	532	-	532	607
	15,393	6,678	1,649	23,720	25,090
Total expenditure for Group	15,978	7,149	1,654	24,781	26,379

13. Taxation

	2021 £'000	2020 £'000
Tax on ordinary activities	(3)	5

14. Tangible fixed assets - School

	Land and Buildings £'000	Plant, Equipment and Motor vehicles £'000	Total £'000
Cost			
At 1 July 2020	48,488	9,106	57,594
Additions	6,069	713	6,782
Disposals	-	(1,000)	(1,000)
At 30 June 2021	54,557	8,819	63,376
Depreciation			
At 1 July 2020	13,616	6,606	20,222
Charge for year	969	724	1,693
Disposals	-	(1,000)	(1,000)
At 30 June 2021	14,585	6,330	20,915
Net book value			
At 30 June 2021	**39,972**	**2,489**	**42,461**
At 30 June 2020	34,872	2,500	37,372

Included within Plant, equipment and motor vehicles above are assets held under lease and hire purchase contracts with a net book value at 30 June 2021 of £259,950 (2020: £262,287). The depreciation charge for the year on these assets amounted to £97,988 (2020: £47,241).

15. Tangible fixed assets - Group

	Land and Buildings £'000	Plant, Equipment and Motor Vehicles £'000	All Weather Pitch £'000	Total £'000
Cost				
At 1 July 2020	48,488	9,262	439	58,189
Additions	6,069	714	-	6,783
Disposals	-	(1,000)	-	(1,000)
At 30 June 2021	54,557	8,976	439	63,972
Depreciation				
At 1 July 2020	13,616	6,755	439	20,810
Charge for year	969	727	-	1,696
Disposals	-	(1,000)	-	(1,000)
At 30 June 2021	14,585	6,482	439	21,506
Net book value				
At 30 June 2021	**39,972**	**2,494**	**-**	**42,466**
At 30 June 2020	34,872	2,507	-	37,379

Included within Plant, equipment and motor vehicles above are assets held under lease and hire purchase contracts with a net book value at 30 June 2021 of £259,950 (2020: £262,287). The depreciation charge for the year on these assets amounted to £97,988 (2020: £47,241).

15. Tangible fixed assets - Group *(continued)*

The comparable amount of land and buildings included above at deemed cost determined according to the historical cost accounting rules are as follows:

	Land and Buildings £'000
Cost	42,194
Accumulated depreciation	(10,117)
Net book value	
At 30 June 2021	32,077
At 30 June 2020	26,712

In the period to 30 June 2000, the School's properties (with the exception of certain inalienable or historic buildings for which reliable valuations were not available without incurring costs considered to outweigh the usefulness of the information to financial statements users) were revalued by Chesters, Chartered Surveyors, on the basis of their then current open market value or depreciated replacement cost (as appropriate). In accordance with the transitional provisions of FRS 102 these valuations have not been updated.

The principal School buildings at Abbey Road, Sherborne, have no ascertainable historical cost and cannot be valued without undue expense and are excluded from the financial statements.

On 1 April 2021 Sherborne School merged with Sherborne Preparatory School (SPS), and as part of the transfer agreement all SPS assets and liabilities were transferred to Sherborne School. The following table summarises the fair value of the assets and liabilities transferred:

	Fair value £'000
Fixed assets	5,660
Current assets	144
Current liabilities	(619)
	5,185

16. Investments

	Unlisted £'000	Investment Property £'000	Foundation Fund £'000	Advance Fee Fund £'000	Scholarship & Prize Fund £'000	Total £'000
At 1 July 2020	1	150	-	1,330	5,727	7,208
Additions	-	-	-	744	3,594	4,338
Disposals at book value	-	-	-	(523)	(3,502)	(4,025)
Unrealised gain/(loss)	-	-	-	(30)	677	647
Equalisation of investments	-	-	-	-	-	-
Change in accrued income	-	-	-	14	-	14
Total for Charity	1	150	-	1,535	6,496	8,182
Group transactions added/ (eliminated) on consolidation	(1)	-	654	-	-	653
At 30 June 2021	**-**	**150**	**654**	**1,535**	**6,496**	**8,835**
Investments listed on the Stock Exchange	-	-	654	1,535	6,496	8,835
Historical cost	1	5	654	1,571	5,900	8,131

Unlisted Investments
The consolidated balance sheet shows the same investments as the School, with the exception of the unlisted investments of £1,004 (2020: £1,004) in Sherborne School (Trading) Limited, Sherborne School (Leisure) Limited, Sherborne School (Overseas Trading) Limited and Sherborne Schools Worldwide Limited which are excluded.

Investment Property
In July 2016, the investment property in Gillingham was revalued by Chesters, Chartered Surveyors, on the basis of its open market at a value of £150,000. The Governors have reviewed the valuation of the property and are satisfied that it continues to be recognised at its fair value.

This investment property has an historical cost of £5k.

Listed Investments
The market value of investments held outside the UK was £4,576k (2020: £3,307k).

17. Debtors

	Group		School	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Due within one year:				
Trade debtors	9	66	9	65
Tax recoverable	3	37	-	-
Fees due	1,092	758	1,092	758
Other debtors	121	399	102	102
Prepayments	2,227	2,129	2,227	2,129
Amount due from subsidiary undertakings	-	-	428	465
Amount due from joint venture undertaking	-	-	27	88
Due after more than one year:				
Amount due from joint venture undertaking	-	-	200	133
	3,452	**3,389**	**4,085**	**3,740**

18. Creditors: amounts falling due within one year

	Group		School	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Fees received in advance	653	1,339	653	1,339
Trade creditors	664	260	651	222
Taxation and social security	406	249	384	224
Finance leases	89	69	89	69
Other creditors	180	251	141	198
Accruals	2,113	1,520	2,101	1,514
Pensions	310	277	310	277
Deposits held	210	209	210	209
	4,625	4,174	4,539	4,052
Advance fees (see note 19)	683	975	683	975
	5,308	**5,149**	**5,222**	**5,027**

Details and security on the bank loan and overdraft facilities are disclosed in Note 20.

19. Advance fee payments

Parents may enter into a contract to pay to the School up to the equivalent of five years' tuition fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils will remain in the School, advance fees will be applied as follows:

	2021 £'000	2020 £'000
After five years	456	357
Within two to five years	520	875
Within one to two years	456	641
	1,432	1,873
Within one year	683	975
	2,115	**2,848**

The movement during the year on advance fees were as follows:

	2021 £'000	2020 £'000
At 1 July 2020	2,848	2,811
New advance fees received during the year	402	1,159
Fees repaid during the year	(44)	(22)
Amounts accrued for interest	23	29
Amounts utilised in payments of fees	(1,114)	(1,129)
At 30 June 2021	**2,115**	**2,848**

20. Creditors: amounts falling due after more than one year

	Group		School	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Advance fees (note 19)	1,432	1,873	1,432	1,873
Bank loan	3,000	2,500	3,000	2,500
Deposits	2,259	1,905	2,259	1,905
Finance leases	196	221	196	221
	6,887	**6,499**	**6,887**	**6,499**

The bank loan and loan facilities are secured by way of legal mortgage charges dated 17 January 2001 and 1 November 2019 over certain properties owned by Sherborne School. A £16M facility has been arranged with Lloyds Bank plc to provide funds for working capital and the planned capital projects, which can be drawn down through revolving credit agreements. £3M had been drawn down at 30 June 2021 (£2.5M at 30 June 2020), and this amount has been included within Creditors: amounts falling due after more than one year as those funds will continue to be needed as part of the planned project expenditure once the projects are able to be moved forward. The total balance outstanding on all revolving credit agreements will be converted to a term loan at 1 November 2024. The interest rate applicable to the loan facilities is 2.15% over LIBOR.

21. Consolidated Statement of Financial Activities for prior year

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2020 Total Funds £'000
Income from:				
Charitable Activities:				
School fees	21,920	-	-	21,920
Donations and legacies	1,132	856	-	1,988
Other trading activities:				
Commercial trading operations	1,083	-	-	1,083
Investments	171	314	-	485
Other:				
Other income	113	-	-	113
Total income	**24,419**	**1,170**	**-**	**25,589**
Expenditure on:				
Raising funds:				
Commercial trading operations	905	-	-	905
Net share of loss in joint venture	9	-	-	9
Fundraising costs	-	119	-	119
Investment management fees	-	28	-	28
Total expenditure on raising funds	**914**	**147**	**-**	**1,061**
Charitable activities:				
Educational activities	23,389	331	-	23,720
Expenditure on charitable activities	**23,389**	**331**	**-**	**23,720**
Total expenditure	**24,303**	**478**	**-**	**24,781**
Net income and net movement in funds before gains and losses on investments	**116**	**692**	**-**	**808**
Net gains/(losses) on investments	-	(72)	(442)	(514)
Net income/(expenditure) before taxation	**116**	**620**	**(442)**	**294**
Tax on profit/(loss) on ordinary activities	(5)	-	-	(5)
Net income/(expenditure) after taxation	**111**	**620**	**(442)**	**289**
Transfers between funds	938	(938)	-	-
Net income/(expenditure) before other recognised gains and losses carried forward	**1,049**	**(318)**	**(442)**	**289**

21. Consolidated Statement of Financial Activities for prior year *(continued)*

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2020 Total Funds £'000
Net income/(expenditure) before other recognised gains and losses brought forward	**1,049**	**(318)**	**(442)**	**289**
Remeasurement of defined benefit pension scheme	(447)	-	-	(447)
Net movements in funds	**602**	**(318)**	**(442)**	**(158)**
Reconciliation of funds				
Total funds brought forward	29,897	2,646	7,400	39,943
Total funds carried forward	**30,499**	**2,328**	**6,958**	**39,785**

22. Analysis of net assets between funds

(a) Analysis of group net assets between funds

	Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long Term Liabilities £'000	Pension Liability £'000	Fund Balances £'000
Unrestricted					
Pension Reserve Designated Fund	-	-	-	(567)	(567)
Accumulation Fund	42,250	748	(5,455)	-	37,543
Restricted funds	-	781	-	-	781
Endowed					
Advance Fee Fund	1,535	(103)	(1,432)	-	-
Edbrooke Scholarship and Bursary	255	-	-	-	255
Scholarship and Prize Fund	4,496	288	-	-	4,784
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
Endowed Property	765	-	-	-	765
Group total at 30 June 2021	**51,301**	**1,714**	**(6,887)**	**(567)**	**45,561**

22. Analysis of net assets between funds *(continued)*

(a) Analysis of group net assets between funds *(continued)*

	Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long Term Liabilities £'000	Pension Liability £'000	Fund Balances £'000
Unrestricted					
Pension Reserve Designated Fund	-	-	-	(1,427)	(1,427)
Accumulation Fund	37,246	(694)	(4,626)	-	31,926
Restricted funds	-	2,328	-	-	2,328
Endowed					
Advance Fee Fund	1,330	543	(1,873)	-	-
Edbrooke Scholarship and Bursary	255	-	-	-	255
Scholarship and Prize Fund	3,727	211	-	-	3,938
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
Endowed Property	765	-	-	-	765
Group total at 30 June 2020	**45,323**	**2,388**	**(6,499)**	**(1,427)**	**39,785**

(b) Analysis of School net assets between funds

	Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long Term Liabilities £'000	Pension Liability £'000	Fund Balances £'000
Unrestricted					
Pension Reserve Designated Fund	-	-	-	(567)	(567)
Accumulation Fund	41,592	1,653	(5,455)	-	37,790
Restricted funds	-	62	-	-	62
Endowed					
Advance Fee Fund	1,535	(103)	(1,432)	-	-
Edbrooke Scholarship and Bursary	255	-	-	-	255
Scholarship and Prize Fund	4,496	288	-	-	4,784
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
Endowed Property	765	-	-	-	765
School total at 30 June 2021	**50,643**	**1,900**	**(6,887)**	**(567)**	**45,089**

Registered Company Number: 4002575
Registered Charity Number: 1081228

22. Analysis of net assets between funds *(continued)*

(b) Analysis of School net assets between funds *(continued)*

	Fixed Assets £'000	Net Current Assets/ (Liabilities) £'000	Long Term Liabilities £'000	Pension Liability £'000	Fund Balances £'000
Unrestricted					
Pension Reserve Designated Fund	-	-	-	(1,427)	(1,427)
Accumulation Fund	36,503	247	(4,626)	-	32,124
Restricted funds	-	57	-	-	57
Endowed					
Advance Fee Fund	1,330	543	(1,873)	-	-
Edbrooke Scholarship and Bursary	255	-	-	-	255
Scholarship and Prize Fund	3,727	211	-	-	3,938
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
Endowed Property	765	-	-	-	765
School total at 30 June 2020	**44,580**	**1,058**	**(6,499)**	**(1,427)**	**37,712**

Of the above, the Scholarship and Prize Fund is a linked charity to the School. The other linked charity, The Sherborne School Trust, remains dormant.

23. Analysis of charitable funds

(a) Analysis of movements in permanent endowed funds (Group and School)

	Balance at 1 July 2020 £'000	Income £'000	Expenditure £'000	Transfers and Investment Gains £'000	Balance at 30 June 2021 £'000
Endowed Property	765	-	-	-	765
Edbrooke fund	255	-	-	-	255
Scholarship and Prize Fund	3,938	-	-	846	4,784
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
	6,958	**-**	**-**	**846**	**7,804**

	Balance at 1 July 2019 £'000	Income £'000	Expenditure £'000	Transfers and Investment Gains £'000	Balance at 30 June 2020 £'000
Endowed Property	765	-	-	-	765
Edbrooke fund	255	-	-	-	255
Scholarship and Prize Fund	4,380	-	-	(442)	3,938
Scholarship and Prize Fund – Eglington Bursaries	2,000	-	-	-	2,000
	7,400	**-**	**-**	**(442)**	**6,958**

23. Analysis of charitable funds *(continued)*

(a) Analysis of movements in permanent endowed funds (Group and School) *(continued)*

Endowed Property

Land and property gifted to the School in furtherance of its Object, to advance education that is held on permanent endowment and is administered and managed by the Governors.

Edbrooke fund

A fund, the income from which will be made available to the Headmaster and applied at his discretion from time to time, to benefit a pupil wishing to attend the School who may have just missed a scholarship. Alternatively, a pupil currently at the School whose parents find themselves in financial difficulty.

Scholarship and Prize Fund

The Scholarship and Prize fund endowment is invested to provide scholarships and prizes for the benefit of the School. The total realised and unrealised gains and (losses) during the year amounted to £846k (2020 – (£442k)).

Scholarship and Prize Fund – Eglington Bursaries

The Scholarship and Prize Fund – Eglington Bursaries endowment was set up with a legacy from the late Charles Eglington. The fund is invested to provide bursaries for the benefit of the School.

(b) Analysis of movements in restricted funds

	Balance at 1 July 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Investment Gains /(Losses) £'000	Balance at 30 June 2021 £'000
Advance Fee Fund	-	91	(24)	-	(67)	-
Scholarship and Prize Fund	-	126	(126)	-	-	-
Andrew Yorke Sail Training Fund	47	2	(1)	-	-	48
Bursary Fund	-	672	-	(672)	-	-
Cricket Square	4	-	-	-	-	4
Hardship Fund	-	36	-	(36)	-	-
Grand Piano	1	-	-	-	-	1
Shell House Fund	2	-	-	-	-	2
Upper Pavilion Fund	2	-	-	-	-	2
Sports Centre	-	1,350	-	(1,350)	-	-
SPS Restricted Fund	-	5	-	(1)	-	4
CCF Field Gun	-	6	-	(6)	-	-
Other restricted funds	1	2	(2)	-	-	1
Charity	57	2,290	(153)	(2,065)	(67)	62
The Sherborne School Foundation	2,270	692	(2,244)	-	-	718
	2,328	2,982	(2,397)	(2,065)	(67)	781
Eliminated on consolidation	-	(2,230)	2,068	162	-	-
Group	2,328	752	(329)	(1,903)	(67)	781

Transfers from restricted funds to the accumulation fund correspond to income where the original restriction of the fund has been fulfilled during the year.

23. Analysis of charitable funds *(continued)*

(b) Analysis of movements in restricted funds *(continued)*

The transfer of £162k in the consolidated accounts represents a reclassification between restricted and unrestricted funds. This adjustment is required to correct the balance held on restricted funds by ensuring the elimination of inter-company transactions between Sherborne School and the Sherborne School Foundation.

The breakdown of restricted reserves of £718k for the Sherborne School Foundation is detailed in that Charity's accounts.

	Balance at 1 July 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Investment Gains /(Losses) £'000	Balance at 30 June 2020 £'000
Advance Fee Fund	-	112	(30)	(8)	(74)	-
Scholarship and Prize Fund	-	197	(197)	-	-	-
Andrew Yorke Sail Training Fund	37	11	(1)	-	-	47
Bursary Fund	-	77	-	(77)	-	-
Cricket Square	4	-	-	-	-	4
Hardship Fund	-	2	-	(2)	-	-
Scholarships	-	63	-	(63)	-	-
IT Fund	-	5	-	(5)	-	-
Grand Piano	-	1	-	-	-	1
Shell House Fund	2	-	-	-	-	2
Upper Pavilion Fund	2	-	-	-	-	2
Foundation Fellows	-	18	-	(18)	-	-
Lyon House Fund	-	2	-	(2)	-	-
Westcott House Fund	1,000	-	-	(1,000)	-	-
Other restricted funds	1	1	(1)	-	-	1
Charity	1,046	489	(228)	(1,175)	(74)	57
The Sherborne School Foundation	1,600	1,099	(431)	-	2	2,270
	2,646	1,588	(659)	(1,175)	(72)	2,328
Eliminated on consolidation	-	(418)	181	237	-	-
Group	2,646	1,170	(478)	(938)	(72)	2,328

Transfers from restricted funds to the accumulation fund correspond to incoming resources where the original restriction of the fund has been fulfilled during the year.

The transfer of £237k in the consolidated accounts represents a reclassification between restricted and unrestricted funds. This adjustment is required to correct the balance held on restricted funds by ensuring the elimination of inter-company transactions between Sherborne School and the Sherborne School Foundation.

The breakdown of restricted reserves of £2,270k for the Sherborne School Foundation is detailed in that Charity's accounts.

23. Analysis of charitable funds *(continued)*

(b) Analysis of movements in restricted funds *(continued)*

Annual Fund Bursaries
From the annual fund donations that are for bursaries in general and will help supplement the support for the Travel and Tour Bursaries, the Personal Development and High Flyer Fund and other bursaries offered by the Foundation in co-operation with the School.

Bursary Fund
To widen access to Sherborne School through a programme of means tested bursaries.

Cricket Square
To support the relaying of the cricket squares within the School and primarily those on the Upper square.

Foundation Fellows
Funds transferred by the Sherborne School Foundation to support and fund the enrichment and teaching of Fellows of the School.

Grand Piano
Funds transferred by the Sherborne School Foundation to contribute towards the cost of a grand piano.

Hardship Fund
To support pupils within the School who fall on hard financial times and who the School would like to remain in the School until they complete a key stage of their education.

IT Fund
Funds transferred by the Sherborne School Foundation to support IT capital projects.

Scholarships
Funds transferred by the Sherborne School Foundation to support and fund scholarships provided by the School.

Shell House Fund
Funds raised for the restoration and upkeep of the Shell House, located in the garden of Harper House.

Sports Centre
Funds raised by and transferred from the Sherborne School Foundation towards the redevelopment of the Sports Centre.

Upper Pavilion
The fund is for the refurbishment and extension of the Upper Pavilion.

Wallace House Fund
To support the pastoral needs of the residents of the Wallace House boarding house primarily to support their academic, pastoral and sporting needs within the House.

Westcott House Fund
Donations received towards the redevelopment of Westcott House prior to its reopening as a Sherborne School boarding house in September 2023.

SPS Restricted Fund
Donation made to Sherborne preparatory School for the benefit of its staff and pupils.

CCF Field Gun
Funds raise by and transferred from the Sherborne School Foundation for the purchase of a field gun for use by the School's Combined Cadet Force.

Other Restricted Funds
These relate to several smaller restricted funds which have been donated during the year. The majority of the donations have been expended during the year in accordance with the original donor's wishes; the remaining £1k will be expended next year.

23. Analysis of charitable funds *(continued)*

(c) Analysis of movements in unrestricted funds

	Balance at 1 July 2020 £'000	Income £'000	Expenditure £'000	Tax £'000	Transfers and Investment Gains/(Losses) £'000	Balance at 30 June 2021 £'000
Pension reserve – designated fund	(1,427)	-	327	-	533	(567)
Accumulation fund	31,926	28,139	(24,428)	3	1,903	37,543
Total	**30,499**	**28,139**	**(24,101)**	**3**	**2,436**	**36,976**

The total transfers, amounting to £1,903k (2020 - £938k), represent transfers of £1,903k (2020 - £938k) from the accumulation fund to restricted funds, as detailed in Note 23(b). There is also £221k (2020 - £191k) which will be distributed to Sherborne School from two of its trading subsidiaries which has been included as a Gift Aid donation in the accounting year ended 30 June 2021. Please refer to note 6 for more information.

	Balance at 1 July 2019 £'000	Income £'000	Expenditure £'000	Tax £'000	Transfers and Investment Gains/(Losses) £'000	Balance at 30 June 2020 £'000
Pension reserve – designated fund	(1,370)	-	390	-	(447)	(1,427)
Accumulation fund	31,267	24,419	(24,693)	(5)	938	31,926
Total	**29,897**	**24,419**	**(24,303)**	**(5)**	**491**	**30,499**

24. Contracts and commitments

At 30 June 2021 the School had commitments as follows:

	2021 £'000	2020 £'000
Contracted for but not provided in these financial statements	**386**	**2,047**
Authorised but not contracted	**22,948**	**19,633**

25. Other commitments

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

	2021 £'000	2020 £'000
Within one year	2	-
After 1 year but within 5 years	52	15
	54	15

26. Reconciliation of net income/(expenditure) to net cash flow from group operating activities

	2021 £'000	2020 £'000
Net income before investment gains/(losses)	4,461	808
Adjustments for:		
Investment income	(385)	(485)
Finance costs	96	76
Equalisation of investments	(15)	(8)
Depreciation	1,696	1,655
(Profit)/loss on disposal of property, plant and equipment	(8)	(7)
Add back of non-cash FRS102 charge to defined benefit retirement scheme	213	146
Less cash contributions to defined benefit retirement scheme	(540)	(536)
Advance fees utilised	(1,113)	(1,129)
	4,405	520
Movements in working capital:		
Decrease in stocks	100	20
(Increase) in debtors	(62)	(2,105)
(Decrease)/increase in creditors	783	(1,252)
Cash (used by)/generated from operations	5,226	(2,817)
Investment income		
Interest paid	(73)	(47)
Net cash (used by)/provided by group operating activities	5,153	(2,864)

27. Reconciliation of net debt

	At 1 July 2020 £'000	Cash Flows £'000	New Finance Leases £'000	At 30 June 2021 £'000
Cash	3,695	(477)	-	3,218
Loans falling due after more than one year	(2,500)	(500)	-	(3,000)
Finance lease obligations	(290)	70	(64)	(284)
Total	**905**	**(907)**	**(64)**	**(66)**

28. Pension schemes

Teaching Staff
The School participates in the Teachers' Pension Scheme (TPS) for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,538k (2020: £1,486k), and at the year-end £198k (2020 – £183k) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the valuation report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23 68%.

The 31 March2016 valuation report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The Government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the government is currently analysing the responses.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism review is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Teaching Staff
Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. Accordingly, the School has taken the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The School has set out above the information available on the scheme.

28. Pension schemes *(continued)*

Support Staff Defined Contribution Scheme
The Group operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the Group in an independently administered fund. The contributions payable by the Group charged to profit or loss amounted to £350k (2020: £342k). Contributions totalling £57k (2020: £46k) were payable to the fund at the year end and are included in creditors.

Support Staff Defined Benefit Scheme
The company sponsors the Governors of Sherborne School Support Staff Pension Scheme which is a defined benefit arrangement. The scheme closed to future accrual from 1 September 2011. A full actuarial valuation of this scheme was carried out by a qualified independent actuary at 31 August 2016 and updated by a qualified independent actuary to 30 June 2021.

The contributions made by the employer over the financial year have been £540k (2020: £540k).

28. Pension schemes *(continued)*

a) Changes in the present value of the defined benefit obligation are as follows:

	2021 £'000	2020 £'000
Present value of funded obligations	(11,078)	(11,880)
Fair value of plan assets	10,511	10,453
Deficit	(567)	(1,427)
Amounts in the balance sheet:		
Liabilities	(567)	(1,427)
Assets	-	-
Net liability	(567)	(1,427)

b) Changes in the present value of the defined benefit obligation are as follows:

	2021 £'000	2020 £'000
Opening defined benefit obligation	11,880	11,529
Expenses	194	121
Interest cost	176	245
Actuarial losses	(619)	855
Benefits paid	(553)	(870)
Closing defined benefit obligation	11,078	11,880

c) Changes in the fair value of scheme assets are as follows:

	2021 £'000	2020 £'000
Opening fair value of scheme assets	10,453	10,159
Interest income	157	220
Return on scheme assets less interest on net defined benefit pension scheme liability	(86)	408
Contributions by employer	540	536
Benefits paid	(553)	(870)
Fair value of scheme assets at end of year	10,511	10,453

28. Pension schemes *(continued)*

d) The amounts included within the Statement of Financial Activities are as follows:

	2021 £'000	2020 £'000
Current service cost	-	-
Expenses	(194)	(121)
Total charge to net income	(194)	(121)
Net interest on the net defined benefit pension scheme liability	(19)	(25)
Net finance cost	(19)	(25)
Total amount charged within net income	(213)	(146)
Remeasurement of the net defined benefit pension scheme liability	533	(447)
Total amount charged to the Statement of Financial Activities	320	(593)

e) The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2021	2020
Equities	-	-
Bonds	-	-
Fixed Interest Matching Assets	34%	12%
Inflation Linked Matching Assets	26%	18%
Managed Growth	39%	69%
Other	1%	1%

The scheme assets were switched to managed growth following the closure of the scheme to future accrual.

The actual return on the scheme assets in the year was:

	2021 £'000	2020 £'000
Actual return on the scheme assets	71	628

28. Pension schemes *(continued)*

f) Principal assumptions at the balance sheet date (expressed as weighted averages)

The assets of the scheme have been included in this year's financial statements at market value and the liabilities have been calculated using the following principal actuarial assumptions:

	30 June 2021	30 June 2020
Inflation (RPI)	3.5% pa	3.2% pa
Inflation (CPI)	3.0% pa	2.65% pa
Salary increases	n/a	n/a
Rate of discount	1.9% pa	1.5% pa
Rate of increase in pensions in payment where CPI to a maximum of 5% applies	3.6%	3.45%
Rate of increase in pensions in payment where CPI to a max of 2.5% applies	2.05%	1.9%
Assumes life expectancies on retirement age 65:		
Retiring today – males	20.7	20.7
Retiring today - females	23.1	23.0
Retiring in 20 years - males	22.0	22.0
Retiring in 20 years - females	24.6	24.5

29. Related party transactions

Transactions between the School and other group companies that have been eliminated on consolidation are disclosed below:

	2021 £'000	2020 £'000
Sherborne School (Trading) Limited		
Agents commission invoiced to School	101	256
Departmental sales invoiced to School	85	-
Profits gifted to School	-	95
Support costs invoiced by School	(7)	(10)
Sherborne School (Leisure) Limited		
Pupil usage of sports facilities invoiced to School	238	165
Profits gifted to School	3	115
Support and rental costs invoiced by School	(10)	(19)
Sherborne School (Overseas Trading) Limited		
Interest paid to the School	-	2
Profits gifted to School	218	-
The Sherborne School Foundation		
Donations to School	2,068	181
Donated services from School	162	237
Sherborne Schools Worldwide Limited		
Interest paid to the School	6	7

Details of balances due between these entities and the School at the year end are disclosed in debtors and creditors.

Details of the joint venture undertaking, Sherborne Schools Worldwide Limited, are disclosed at note 30.

29. Related party transactions *(continued)*

There were no transactions with Governors and directors/trustees of Group companies during the year to 30 June 2021.

There were no other related or connected party transactions during the year.

30. Joint venture interest

The School owns 50% of the share capital of Sherborne Schools Worldwide Limited (company no. 10730155), which was incorporated on 19 April 2017, and commenced trading on 1 May 2017. The company is jointly owned with Sherborne Girls, and has been incorporated to identify international opportunities, select, market to and enter into arrangements with third parties on behalf of the two Schools jointly, to generate income, increase the value of the Schools' brands and enhance the Schools' reputations.

Sherborne Schools Worldwide Limited's trading results for the year ended 30 June 2021 are summarised below:

	Year to 30 June 2021 £'000	Year to 30 June 2020 £'000
Turnover	-	50
Administration	(7)	(67)
Operating loss	**(7)**	**(17)**
Interest payable	(12)	(14)
Loss for the year	**(19)**	**(31)**
50% share of loss	**(9)**	**(16)**
Shareholder's deficit	**(487)**	**(468)**
50% share of shareholder's deficit	**(243)**	**(234)**

The School has provided loan funding to Sherborne Schools Worldwide Limited of £200k. Repayments were due to be made in three equal instalments during the years to 30 June 2021 – 2023. However, potential projects have been paused for an extended period as a result of the pandemic, so it has not been possible for the company to generate any income, and this situation is likely to continue for some time. It is considered unlikely that the company will have sufficient funds to make any loan repayments until the 2022-23 year, so the whole of the loan balance at 30 June 2021 is included at note 17 – Debtors, shown as a balance due after more than one year from a joint venture undertaking. At 30 June 2020 the balance had been split between £67k shown as a balance due within one year and £133k included as a balance due after more than one year from a joint venture undertaking. The interest charged on the loan of £6k (2020 - £7k) has been eliminated in the consolidated accounts when calculating the School's net share of loss in the joint venture.

GOVERNORS AND CHARITY TRUSTEES

Sherborne School Governors are the Charity Trustees and Company Directors of Sherborne School Charity ("the Charity"). They have all served in office throughout the year except where indicated. Together with past Governors who served in the year as indicated, they are:

Chairman	Roger Stewart Fidgen Esq, FRICS (resigned 4 July 2020)
	Lt Gen David Leakey CMG CVO CBE MA Cantab (appointed Chairman 4 July 2020)
Vice Chairman	Guy Andrew Hudson Esq, MA
Ex-Officio	Her Majesty's Deputy Lord Lieutenant for the County of Dorset, Russell Lucas-Rowe DL (resigned 4 July 2020)
	The Vicar of Sherborne, The Reverend Canon Eric Woods DL, MA, FRSA (resigned 4 July 2020)
Co-Opted	Mrs Isabel Anne Cooper Burke, MB, BS, MRCGP
	Aubrey John Capel Esq
	Mrs Vicki Cotter, LLB (Hons), LLM
	Michael Levick French Esq, FCA
	Tim Hague Esq, FCCA, CTA (appointed 8 June 2021)
	Guy David John Hayward-Cole Esq, MA, MBA
	Dr Max Jonas
	Nigel Lawson Jones Esq, BSc, FRICS, ACIArb (appointed 1 April 2021)
	Mrs Angela Claire Lane BA, FCA
	Robin Anthony Langley Leach Esq, MA
	George Marsh Esq, MA, Cert Ed
	John David William Pocock Esq, BEng (Hons) (appointed 3 August 2020)
	Mrs Gillian Staley, BSc, MSc, CMIOSH
	Mrs Elaine Stallard JP
	Robert Jan Temmink Esq, QC, MA, BL, FCIArb
	Michael Trevenen Wilson Esq, BSc, QTS
Staff Nominated Governor	Matthew James Whittell Esq, MA, MSc

Members of Committees

Finance and General Purposes Committee
Roger Fidgen (to 4 July 2020), Tim Hague (from 8 June 2021), Guy Hayward-Cole (from 4 July 2020), Guy Hudson (Chairman), Angela Lane, David Leakey (from 4 July 2020), Vicki Cotter, Matthew Whittell (to 4 July 2020).

Investment Sub-Committee
Michael French, Guy Hudson (Chairman), Charles Griffiths (volunteer, Pro-Bono Adviser, from 4 July 2020).

Estates and Infrastructure Committee
Aubrey Capel, Vicki Cotter (Chairman), Max Jonas, Nigel Jones (from 1 April 2021), David Leakey (to 4 July 2020), John Pocock (from 3 August 2020), Robert Temmink.

Academic Committee
George Marsh (Chairman), Max Jonas, Robin Leach, Michael Wilson.

Pastoral Committee
Eric Woods (Chairman, to 4 July 2020), Isabel Burke, Max Jonas (Chairman, from 4 July 2020), Robin Leach, George Marsh, Gilly Staley.

Nominations Committee
Roger Fidgen (Chairman, to 4 July 2020), Guy Hudson, Vicki Cotter, Robin Leach, David Leakey (Chairman, from 4 July 2020).

The Board is a self-appointing body, apart from the Ex Officio Governors and the Staff Nominated Governor. Service on the Board is for a term of five years. Retiring Governors can be re-elected for a further five year term.

OFFICERS

Headmaster and Chief Executive	D A Luckett BA DPhil FRSA FHA
Bursar and Clerk to the Governors	Mrs L A Robins BSc MRICS (until 31 December 2020) Dr D C Cole BSc MSc PhD (from 1 January 2021)
Address	Sherborne School Abbey Road Sherborne DT9 3LF
Website	www.sherborne.org

ADVISERS

Bankers	Lloyds Bank Plc 1st Floor Sedgemoor House Deansgate Avenue Taunton Somerset TA1 2UF
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ
Auditor	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Investment Advisers	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA
Actuaries	Mercer Limited 1 Tower Place West London EC3R 5BU