

SEVENOAKS SCHOOL



ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

SEVENOAKS SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS

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SEVENOAKS SCHOOL

GOVERNORS, OFFICERS AND ADVISERS

YEAR ENDED 31 JULY 2020

GOVERNORS, DIRECTORS AND CHARITY TRUSTEES

The Governors of Sevenoaks School ("the School") are the School's charity trustees under charity law and the directors of the charitable company. The members of the Governing Body who served in office during the year and subsequently are detailed below.

		(1)	(2)	(3)	(4)
I Doherty MA (Chairman)	Mr Doherty was succeeded as Chair by Mrs Alison Beckett on 3 December 2020			•	
S J Dunnett OBE BA (Vice-Chairman)	(resigned as Vice-Chairman 27 November 2019)	•			
K Allen BSc ACA*	(appointed 27 November 2019)		•		•
A C Beckett MBA MA		•		•	
R S M Best BA		•		•	
T A B Boulton MA		•		•	
J G Davies LLB				•	•
E J Ecclestone LLB Dip LP *		•			•
C P Gill MPhil BSc	(appointed Vice-Chairman 27 November 2019)			•	•
G A Innes BSc ACA			•		
J F J London LLM			•		•
P Luxmoore BA	(appointed 27 November 2019)	•			
M McInerney BSc ACMA*	(appointed 27 November 2019)	•			•
M S Merson MA ACA			•		
D M H Phillips BA ACA			•	•	
Dr A Timms MA MPhil			•		
Professor D I Wilson FICHEM CEng CSci		•			
A P S Yuravlivker BSc ACA			•		

- (1) Members of the Education Committee
- (2) Members of the Finance & Property Committee
- (3) Members of the Governance Committee
- (4) Members of the Public Benefit Committee
- * Parent of pupil at the School

During the year the activities of the Governing Body were carried out through four committees. The membership of these committees is shown above for each Governor.

Under the School's Memorandum and Articles, the following bodies each nominate a Governor:

Sevenoaks District Council	Cllr J F J London
The Master and Fellows of Jesus College in the University of Cambridge	Professor D I Wilson
The President and Fellows of St John's College in the University of Oxford	Dr A Timms
The Trustees for the time being of the Will of Charles Plumptre Johnson	G Innes

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GOVERNORS, DIRECTORS, OFFICERS AND ADVISERS
YEAR ENDED 31 JULY 2020

OFFICERS (currently and throughout the year)

Ms T Homewood *Acting Head (Succeeded by Mr J Elizinga as Headmaster from 1 September 2020)*

G T Jones BA ACA *Clerk to the Governors and Bursar*

**Principal address and
Registered Office** Sevenoaks School
Sevenoaks
Kent TN13 1HU

Auditor Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Bankers National Westminster Bank plc
67 High Street
Sevenoaks
Kent
TN13 1LA

Solicitors Knocker & Foskett
The Red House
Sevenoaks
Kent
TN13 1JL

Insurance Brokers Aon Risk Services Ltd.
Somerset House
London Road
Redhill
Surrey
RH1 1LU

Chartered Surveyors Ibbett Mosely
125 High Street
Sevenoaks
Kent
TN13 1UT

Website www.sevenoaksschool.org

SEVENOAKS SCHOOL

ANNUAL REPORT OF THE GOVERNORS

YEAR ENDED 31 JULY 2020

The members of Sevenoaks School Governing Body present their Annual Report for the year ended 31 July 2020 under the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006, together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

Sevenoaks School ("the School") was founded in 1432. It is constituted as a company limited by guarantee registered in England, No. 4908949, and is registered with the Charity Commission under Charity No. 1101358.

Details of the members of the Governing Body, together with the School's officers and principal advisers, are given on pages 1 and 2.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by its Memorandum and Articles of Association, last amended on 19 June 2014.

Governing Body

The Governing Body is self-appointing, and its members are appointed for five years. Members may be re-elected for a further five years. New members of the Governing Body are elected at the Annual General Meeting of the Company on the recommendation of the Governing Body, who will have received proposals from the Governance Committee. In making these nominations, account is taken of eligibility, personal competence, specialist skills and availability. The Governors have regard to the Charity Governance Code published in 2017 which sets out the principles and recommended practice for good governance within the sector. During the year the Governance Committee has self-assessed the Governing Body's performance against the Code as part of an ongoing cycle of review and improvement.

Recruitment and Training of Governors

New Governors are inducted into the workings of the School, including Governing Body policy and procedures, by the Headmaster, Bursar and, as appropriate, other school staff. Training for Governors is an integral part of Governors' meetings. Additionally, some Governors also took advantage during the year of the opportunity to undertake training arranged by the Association of Governing Bodies of Independent Schools and by the Boarding Schools' Association. The purpose of the training is to keep Governors informed and updated on current issues in the sector and regulatory requirements.

Organisational Management

The members of the Governing Body, as the charity trustees, are legally responsible for the overall management and control of the School. They meet three times a year. Additionally, there are four permanent sub-committees which implement the policies of the Governing Body:

- The Governance Committee is responsible for maintaining and enhancing good governance. It does so by keeping governance arrangements under review and considering proposals for improvements. Periodically it reviews the composition of the Governing Body to ensure that a broad range of complementary skills and experience is represented. The Governance Committee was chaired by Ian Doherty, Chairman of Governors. Ian Doherty was succeeded as Chair of Governors by Mrs Alison Beckett on 3 December 2020.
- The Education Committee provides a forum for oversight and discussion of the School's educational aims and achievements and assists the Headmaster and management team in determining and implementing agreed educational and pastoral strategies and policies. The Education Committee is chaired by Alison Beckett.
- The Finance and Property Committee (FPC) is responsible for the review of the School's medium and long term plans, budgets and cash flows. The Committee also supervises and finalises the audited financial statements and annual report for approval by the Governing Body. Any School policies or initiatives that have a significant financial impact are considered by the FPC before being presented to the full Governing Body. The Finance & Property Committee is chaired by Mark Merson.
- The Public Benefit Committee is responsible for maintaining oversight and discussion of the School's community education strategy and other public benefit activities and ensuring that these are in keeping with the charitable objects of Sevenoaks School. The Public Benefit Committee was chaired in 2019/20 by Eliza Ecclestone, who has been succeeded for 2020/21 by John Davies.

From time to time, the Governors meet outside the normal schedule to discuss strategy or other important issues. Steering groups or working groups are also set up to examine particular issues and, in this context, steering groups have been set up to oversee refurbishments of the School's existing buildings, and School policy in respect of international engagement.

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ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
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Given the special circumstances of the Covid-19 outbreak, an Emergency Steering Group consisting of the Chairman, Vice Chairman, Chair of the Education Committee, Chairman of FPC, along with the Acting Head, Bursar and Director of Finance was formed. This provided weekly oversight of the School's response to the Covid-19 situation. The full Governing Body also had two additional meetings.

The day-to-day running of the School is delegated to the Headmaster and Bursar. They are supported by their Senior Management Teams and together this group are the key management personnel. The Headmaster and Bursar attend all meetings of the Governing Body and the Governing Body's Committees.

Remuneration policy is set by the Governing Body with the objective of rewarding staff fairly and reasonably. Delivery of the School's charitable vision and purpose is primarily dependent on the performance of the staff and staff costs are the largest single element of the School's charitable expenditure. The appropriateness and relevance of the remuneration policy is reviewed annually having taken account of comparative pay data produced both by the Office for National Statistics and private sector bodies.

Structure and relationships

The School has a wholly-owned non-charitable subsidiary: Sennocke Services Limited, whose annual profits are donated to the School under the Gift Aid Scheme. The trading activities of Sennocke Services Limited primarily comprise revenue from the letting of school facilities, when not in use by the School, to non-educational entities or individuals. This includes the letting of the Sennocke Sports Centre and The Space Performing Arts Centre. The School does not raise funds from the public.

The School also administers several special trusts, as detailed in Notes 19 to 21 to the financial statements.

Sevenoaks School Foundation ("the Foundation") is an independent charity that was set up in 2004 and registered with the Charity Commission under Charity No. 307923. The Foundation, whose objects mirror those of the School, is the registered owner of the majority of the buildings that form the premises of Sevenoaks School. The aim of the Foundation is to provide support to the Governors of Sevenoaks School in providing a first class education. The Trustees do so by leasing the buildings in which the School carries out its activities as detailed in Note 18 to the financial statements and by overseeing the work of the Foundation Office in raising the funds necessary to support both new building projects and a widening of access by the award of bursaries.

Employment Policy and Employee Engagement

The School is an equal opportunities employer. Full and fair consideration is given to job applications from all candidates regardless of any protected characteristics and due consideration is given to training and employment needs of all staff. The Governors place considerable value on the involvement of the School's employees in the activities of the School and continue to keep them informed on topics affecting them as employees, as well as on matters relating to the operation of the School. A Staff Common Room Committee is the main formal communication forum for teaching staff whilst for support staff there is the Support Staff Council. These bodies allow a two-way flow of information throughout the School and allow staff views to be sought on all types of issues. There are also regular all-staff meetings, through which employees are briefed and their views sought on a wide range of matters affecting the School. During the lockdown period of the Covid-19 pandemic, the School increased its efforts to communicate with and support employees. The School regularly briefed employees through a number of mechanisms, including online video meetings, and regular email updates from the Acting Head. Managers were encouraged to contact employees regularly, including those who were furloughed. Additionally, a dedicated 'Covid-19' page was set up on the School intranet that allowed employees to access resources, policies and community support groups.

Investment policy and objectives

The officers of the School are empowered by the Governors to manage the School's financial resources by placing deposits with a term of up to 24 months in a limited number of named financial institutions, or by purchasing units in a limited number of named pooled charitable investment funds. The officers of the School are also empowered to comply with alternative investment strategies if required under the terms of a donation or legacy. There is an upper limit of £7,500,000 in the placement of deposits for each of the approved institutions. Resources invested in pooled charitable investment funds are held for the long term and are traded only if a fund's performance is repeatedly below sector expectations. The investment strategy and policy are monitored by the Finance and Property Committee, as is investment performance, which is reported below, within the Strategic Report.

AIMS AND OBJECTS

Charitable Objects

The objects of the company are to advance education by the provision of a day and boarding school in or near Sevenoaks and by ancillary or incidental educational activities and other associated activities for the benefit of the community and, in selecting pupils to attend the school, preference shall be given to boys and girls who are, or who have a parent or parents, resident in the designated area. In this context, the designated area is defined as Sevenoaks and the immediately

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surrounding area. The Governors are mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011. In this connection the Governors have monitored closely the guidance on public benefit produced by the Charity Commission together with its supplemental guidance on fee-charging.

Aims and Intended Impact

Within the objects, it is the policy of the School to discover and develop to the full the academic and co-curricular potential of each pupil. The School also seeks to promote the physical and mental health and moral welfare of every boy and girl in its care. Within this context, pupils are encouraged to cultivate a strong sense of individual initiative with a sense of responsibility to the community in which they live, and to maintain a balance between self-respect and social concern. Similarly, the School aims to foster a healthy intellectual appetite while, at the same time, establishing the necessary ethical framework within which pupils can develop personally and professionally as citizens of the world. Sevenoaks School is a co-educational community for both day and boarding pupils.

STRATEGIC REPORT

OBJECTIVES FOR THE YEAR

The Governors' objectives for the year were:

- 1. To provide continuity and maintain momentum in a transitional year, including**
 - supporting the Acting Head during her year in post
 - preparing a new Head to take up his or her position
 - ensure action was taken to maintain relationships with supporters and prospective supporters during transition
- 2. To continue to consolidate and communicate the School's educational vision, guided by *Horizon 2032***
- 3. To consider the new Masterplan in conjunction with *Horizon 2032* and evaluate project options for the short and medium term**
- 4. With the support of the Foundation Trustees, complete the commissioning of the new boys' boarding house, and initiate the planning phase for a new girls' boarding house**
- 5. Initiate work to consider strategic options for developing and leveraging the School's intellectual property**

Strategies to Achieve the Year's Objectives

In pursuing the School's objectives, Governors have made use of established sub-committees, as well as participating in steering groups or working groups consisting of Governors and senior members of staff. Governors have also worked with the Trustees of Sevenoaks School Foundation. Where it has proved necessary, specialist legal advice has been sought. To assist in the delivery of physical facilities, professional advice has been taken from a range of consultants, as well as employing contractors.

Performance Against Objectives

In addition to the objectives set at the beginning of the year, The Governing Body addressed specific issues arising from the Covid-19 outbreak. These included a fee reduction for the Summer term following the introduction of distanced learning. The FPC undertook an exercise to stress test the School's financial position. A budget for 2020/21 was also considered and agreed which met the cost of additional safety measures to support the reopening of the School in September 2020.

- 1. To provide continuity and maintain momentum in this transitional year**
 - Governors provided close support to the Acting Head during the year, in particular during the closure of the campus due to the pandemic, via the Emergency Steering Group. The Acting Head liaised closely with the incoming Headmaster.
 - Governors provided support for the ongoing stewardship of supporters and prospective supporters through briefings and discussions within the School and the Foundation Consultation Forum. The Chairman also met with the Executive Director of Advancement and, where requested, with individual supporters.
- 2. To continue to consolidate and communicate our educational vision, guided by *Horizon 2032***

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- Together with the Acting Head and incoming Headmaster, Horizon 2032 has been finalised, although its launch has been postponed because of the pandemic.
- 3. To consider the new Masterplan in conjunction with Horizon 2032 and evaluate project options for the short and medium term**
- Governors authorised the rapid refurbishment of the teaching facilities vacated following the September 2018 opening of the new Science & Technology and Global Study Centre. The old science building that dated from the 1930s and the 1960s was refurbished and repurposed to provide high quality classrooms for humanities subjects as well as much needed enhanced social spaces for the Middle School. The old Sixth Form Common Room, which adjoins the English department, was repurposed as additional flexible teaching and rehearsal spaces for English and Drama. The old Biology block was refurbished as a new home for the Classics department. The Art Department was able to gain much needed additional space by expanding into the old Middle School Common Room. Following on from these projects completed in the early part of the year, Governors authorised the refurbishment of Manor House to provide better accommodation for Admissions and allied support functions. This project, despite practical difficulties caused by the pandemic, was completed in late summer 2020. Governors will consider how to move forward with the next phases of the Masterplan as part of their objectives for 2020/21.
- 4. With the support of the Foundation Trustees, complete the commissioning of the new boys' boarding house, and initiate the planning phase for a new girls' boarding house**
- The new boys' boarding house, Aisher House, was opened on time and on budget at the start of the 2019/20 academic year. Until the pandemic struck, the Foundation's new girls' boarding house project was progressing well. Planning consent was obtained for the new house, but it was decided, together with the Foundation Trustees, not to commence construction at that time. Following review at the end of 2020 the project was resumed as demand for places at the School remains strong.
- 5. Initiate work to consider strategic options for developing and leveraging the School's intellectual property**
- Governors initiated a Working Group together with key staff to consider how the School might enhance its international engagement. This work was paused when the campus closed in March 2020 due to the pandemic and will be recommenced in 2020/21. As part of its work the Group will consider the learnings from the rapid deployment of distance learning, and how that experience might be harnessed to further enhance the broad education provided by the School.

Promotion of the success of the organisation to benefit its members

The Governors confirm that in accordance with Section 172 (1) of the Companies Act they act in a way they consider would be most likely to achieve the charitable objects of the Company. In making this assessment the Governors have considered the following:

- a. **The likely consequences of any decision in the long term**
The long-term sustainability of the operating model is considered by the Governors as set out in the going concern section of the Governors' Report. Specifically, the Governors consider both short- and longer-term financial projections and the key risks that could negatively impact the sustainability of Sevenoaks School. The Governors review management information, budgets, forecasts, cashflow projections and progress against the financial plan on a regular basis. Risk management is embedded at all levels across the Company. The most significant risks are discussed at each Board meeting. See page 13 for further details.
- b. **The interests of the company's employees**
In relation to employee engagement, the Governors receive regular reports from management on the perspectives of staff. The Governors held all their 2019 meetings at Sevenoaks School enabling staff to engage with them more freely. The Board attended two staff briefings and held several round table discussions with staff in October 2019. With regards to Board Diversity, there are six women and twelve men. The Company has complied with the UK's Equality Act 2010 Regulations 2017 that require the publication of information on the gender pay gap for UK employees annually. The 2019 report is available on the Sevenoaks School website.
- c. **The need to foster the company's business relationships with suppliers, customers and others**
In relation to key stakeholder engagement, the Governors consulted through various channels in 2019. Sevenoaks School is committed to ensuring that its mission and values are reflected in its approach to buying goods and services and Sevenoaks School is transparent with information and prides itself on building mutually beneficial relationships.
- d. **The impact of the company's operations on the community and the environment**
The Company has completed the Energy Savings Opportunity Scheme (ESOS) reporting requirements and is now reporting under the Streamlined Energy and Carbon Reporting (SECR).

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The School's considerable contribution to the local community is set out in sections which follow, and includes partnership work and support to local state funded schools. The School's voluntary service ethos supports wide range of contributions which are also described, along with the School's support to the community and NHS services.

e. The desirability of the company maintaining a reputation for high standards of business conduct

The Company's Procurement Policy that has been approved by the FPC as delegated by the Board, outlines the responsibility of company employees to undertake procurement processes that demonstrate fairness and integrity, comply with relevant laws and regulations, keep information confidential and secure and ensure procurement best practice is followed. Sevenoaks School seeks to promote and apply the highest standards of business conduct and adheres to all applicable laws and regulations relating to fraud, bribery and corruption wherever it operates (including the UK Fraud Act 2006 and Bribery Act 2010 which applies to Sevenoaks School's operations both in the UK and globally). During the course of the pandemic the School sought to reduce days for payment to assist suppliers.

f. The need to act fairly as between members of the company.

The Governors have a conflicts of interest policy contained in their working rules. All Governors make an annual declaration of business interests and declare if there is any conflict of interest relating to any item on the agenda at each meeting.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Pupils

An average of 1,123 pupils attended the School during 2019/20 of whom 367 were boarders. Day boys numbered 368 and day girls 388. In the boarding community there were 196 boys and 171 girls.

Examination Results and University Entrance

This has been an exceptional year to manage in view of the Covid-19 outbreak, and the well-publicised issue of how student examination grades were awarded in 2020. Sevenoaks School students in Years 11 undertook IGCSE and GCSE examinations and in accordance with the national change of policy these were the subject of centre assessed grades. These results were in line with outstanding results from previous years. 94.9% of all examinations were graded A/A* or 9/8/7. 27 students gained 11 or 12 A*/A +9/8/7 grades, and further 106 achieved 10 A*/A +9/8/7 grades.

All Sevenoaks School students in the Sixth Form study for the International Baccalaureate Diploma. Whilst A Levels moved to the award of grades as assessed by individual schools, the International Baccalaureate retained responsibility for the award of grades. This therefore created some disparity in the treatment nationally of A Level and IB students.

Nevertheless, students achieved an average Diploma score of 40.1 points, about ten points above the world average. Eighteen students achieved the maximum 45 points, with 24 securing 44 points and another 23 securing 43 points. Over 60 per cent of the cohort achieved 40 points or more.

This was also an exceptional year to manage in respect of university entrance, and the School's Higher Education department worked closely with students, parents and academic institutions to resolve some of the issues which arose.

In 2019/20, the Higher Education department supported successful applications by 226 students to universities in the UK, USA, Canada, Europe and further afield. The percentage of students progressing to their first choice university was 90%. Thirty-seven students took up university places in the United States, or Canada including four to the University of Chicago, three to Stanford, UCLA and UC Berkeley, two to Dartmouth, and one to Yale, Harvard, UPenn, Brown. A further seven students entered European universities. Nineteen per cent of Sevenoaks students went on to study at top universities overseas, compared with 5% of all Independent Schools Council pupils.

Of the 2019/20 year group (214), 188 went straight to university, 13 had a deferred place for 2021 entry and 13 will apply with their results. Of those students continuing to university studies in the UK, 82% (149 from 182 UK students) went to Oxford, Cambridge, London Colleges or other Russell Group universities, with Durham, UCL and Exeter the three most popular destinations. Nineteen students went to UCL and 18 to Exeter and Durham. Eleven students took up a place at Cambridge, 17 to Oxford, 12 to KCL and Imperial College and 11 to Edinburgh.

In the highly competitive fields of Medicine and Veterinary Science, 14 students took places for Medicine (12), Veterinary Science (1) and Dentistry (1).

Around half of the School's students (48%) who started university in 2020 are studying degrees in the Arts and Humanities; 30% are studying STEM (Science, Technology, Engineering and Mathematics) subjects, and 22% Liberal Arts and Combined programmes, in the UK and in the USA. Studies for these interdisciplinary degrees, often covering both the Arts and the Sciences, fit very well with the breadth of IB studies undertaken at Sevenoaks.

Music and Drama

The Music department presented (in collaboration with the Drama department) *A Night at the Movies* which was well received and were preparing for choral and instrumental Music at Sevenoaks concerts before they were cancelled. There

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were the usual performances of *Crash into Christmas* and *Sevenoaks Swings* before the School had to look at more creative ways of bringing music to people, which was done in the form of virtual concerts. Some of these were organised by students, a Virtual Jazz Club. Other students took recorded concerts effectively into care homes and the School still presented its usual open platform series. Elsewhere, the provision for the scholars was strong. One student was awarded first prize in the Newnham College Music Essay Prize. The department was to be represented by three students at the national finals of Pro Corda's annual chamber music festival which was rescheduled to take place at Sevenoaks but sadly cancelled. National competitions tended not to take place in 2019/20.

The Sevenoaks School Theatre Company production, *The Moon and Miss Herschel* told the story of Caroline Herschel and also highlighted the contribution of women in Science. A year in the making, a company of 40 pupils workshopped and devised ideas. It was very well received in Sevenoaks and toured successfully in Germany. One of the highlights was performing in a school in a deprived suburb of Hannover, where the school pupils had never really seen people their own age perform in such a production.

In Drama, the Middle School Production, *Caesar*, with a cast and crew of nearly 50, the pupils brought to life a cautionary tale that seemed all too familiar to the modern audiences and was received with praise and distinction.

After two terms of developing an exciting site-specific and immersive staging concept for the Lower Sixth play, *Rebel Heart*, the School had to close just a few days before the scheduled performances. During lockdown the cast met on Zoom to rehearse various scenes. When cancellation was confirmed many continued to meet up to record dialogue from the play, which has been edited into a film.

Although the cast for the Lower School project, *Alice and the Dreamtellers*, had not got through as much material as the Lower Sixth play, there was still disappointment but also appreciation of how far they had come exploring the project.

During lockdown, a broad range of on-line activities/clubs were put together. These included: storytelling, radio drama, monologues and duologues, dance and physical theatre, play reading and discussion groups.

A number of theatre trips were run before the lockdown to support different areas of the curriculum.

Sport

The school is committed to providing opportunities for all, while developing excellence in those who pursue an activity to a higher level. The School has county winning teams and appearances at national finals across a range of sports. These teams and individuals are supported by the School's Sport Performance and Scholarships programme. In the 2019/20 season, prior to lock down the School played in 873 fixtures, with 139 teams across 20 sports. Seventy-seven per cent of students participated, 98% of Lower School, 77% of Middle School, and 54% of Upper School.

The School has come eighth in the School Sport Magazine Top 100 Independent Sports Schools of 2019 list. This equals the School's highest ever position.

There were some significant achievements in lockdown with a virtual PE curriculum, virtual fixtures versus other schools, the introduction of the Sevenoaks Sports Talks podcasts, online seminars, and Instagram fitness classes, which the pupils were all able to access.

In cross country, the School's juniors started the season well at Sevenoaks Prep's Thomas Trophy. The girls' team came first retaining the trophy and the boys finished third. The School hosted the ESAA County Cup where the junior girls, inter girls and boys each finished first and the junior boys finished second. All four teams qualified for the regional round of the English Schools' cross-country cup and the junior girls qualified for the National Finals. The Knole Run, the Kent Schools junior races, and the Kent Schools inter races were stand-out performances for many students. Eight runners also represented Kent in the SE inter-counties in Chelmsford.

In Rugby, Sevenoaks 1st XV have been selected by Fifteen Rugby as one of the top five teams in the country for their performance against Reigate GS. The School won the U18 Kent shield at the Kent 7s tournament. Two players have achieved county selections.

In Hockey, the hockey club for the second consecutive year completed the clean sweep of county championships, winning the U12s, U13s, U14s, U16s and U18s. The U16 hockey girls finished third in their group at the Tier 3 National finals. The U12A hockey team finished second at the East regional finals. The 2nd XI represented Sevenoaks at the East region finals after being crowned county champions. The School's U13A team won the UKSA Girls U13 Schools Hockey 7s at East Grinstead Hockey club. The U16 indoor hockey team are county champions. One student has been selected for the England Hockey U16 squad.

In shooting, at the National Schools' open, Sevenoaks won first and second individual as well as first and second in senior pairs. We also won the junior pairs and the Fours match.

The School hosted the annual U13 Sevenoaks School Futsal Tournament. The U13 Sevenoaks side finished as overall winners.

In cricket, the School's U15 girls' side were county champions of the Indoor Lady Taverner's competition, qualifying for the regional finals. A number of students have been selected at various levels for Kent county.

In swimming, four teams competed in races at the ESSA's Secondary Schools Team Relay Championships. In the Kent

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Secondary Schools' Individual Championships, the boys retained the shield for the third year in a row and the girls finished second.

The School's tennis programme has been ranked eighth in the top 10 boys' tennis schools in the country for 2019. At the regional finals, the junior girls and junior boys finished third overall. The School's U15 boys' team won the county cup final.

In sailing, the School A team won the first school team racing competition of the new school year at Farmoor Reservoir out of 21 teams from 17 different schools competing.

In curling, a Sevenoaks student has been invited to join the England Junior Men's curling team.

In a successful trip to the First Snow Ski Racing Championships in Val Thorens at the start of the Christmas break, the School had some brilliant top 10 performances in the 3 ski racing events. At the Kent Schools squash competition, every girls and boys team progressed to the final, coming runner-up in all the categories.

In netball the 2nd VII came third and the 1st VII were winners of the Birley's tournament. The U14s came second in the Birley's netball tournament.

The School's fencing team won three medals at the British Schools' Championships, and three Sevenoaks students have been selected to represent Great Britain.

In riding the 80cm class team won the team competition, the School's first Equestrian national title!

In football, the U13 team were runners up in the Kent Schools FA U13 competition.

Other Activities

The Art department continued to support students in developing their creativity and to realise ambitious outcomes. Independence and innovation are key to the department's aims, and these qualities are evident in the work produced for IB submissions. The department supports a large number of Higher Education applications, for which first rate portfolios are essential. Architecture is growing in popularity and students have gone on to pursue this at Cornell, UCL, and The Architecture Association amongst other destinations. History of Art remains a strength. In March, recent alumni assembled a body of work for exhibition in London in collaboration with the Sevenoaks School Foundation. Due to the circumstances of this year the exhibition did not take place, but it is hoped it can be rescheduled shortly.

Prior to the lockdown period, approximately 100 trips took place including 70 day trips. These included local trips into Sevenoaks town, theatre trips into London and trips to local debating competitions. There were 30 residential trips ranging from overnight Combined Cadet Force exercises, language exchanges to Spain and overseas academic trips to Greece and Switzerland.

The Sevenoaks Debating Society continued to have great success. The School runs three clubs every week for students in Lower, Middle and Upper School and the School continues regularly to enter national and international competitions, giving students an opportunity to put their skills to the test. At the University of Cambridge Schools' Debating Competition two Sevenoaks Teams qualified for Finals Day. At the University of Oxford Schools' Debating Competition, two Sevenoaks Teams qualified for Finals Day, which, unfortunately was cancelled due to Covid-19. The School entered four novice teams into the UCL Debating Competition, one team winning the Novice Final. Four School teams attended the Debate Mate Schools Debating Competition. This competition was very successful for Sevenoaks, with one team qualifying for the Novice Final, and one for the Grand Final.

During the Summer term the school continued to have an active debating community. There were fortnightly debates on-line for students in both Middle and Upper School. The virtual debates united the Sevenoaks debaters, notwithstanding that they were all over the world.

Public Benefit

The School provides benefit to the public in accordance with its charitable objects and has taken careful consideration of the Charity Commission guidance in deciding what activities the charity should undertake. In advancing education, the School relieves public funds of considerable expense and also provides means-tested awards (in 2019/20 amounting to £1,453,000) that allow attendance by 70 students who would otherwise not be able to benefit from the outstanding educational opportunities offered by the School. In terms of ancillary and educational activities and other associated activities for the benefit of the community, the School is proactive and during the reporting year has again sought to make a significant contribution for the benefit of the public.

Links with other Charitable Bodies

Sevenoaks School Foundation (Registered Charity No. 307923), an independent charity, whose objects mirror those of the School, made grants of £425,000 to the School for bursaries and scholarships. A further £44,000 was granted by the Foundation to fund residential trips and other extra-curricular activities for bursary award holders.

The School continues to enjoy a close relationship with Sevenoaks Almshouses, an independent charity with a shared history. The School nominates two trustees and provides a range of support services and social activities. The residents of the Almshouses are very much part of the wider school community.

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Collaboration with State Schools and Academies

The School was established by William Sevenoke in 1432 as a free school to provide an education for young scholars regardless of their financial background, and the School remains committed to respecting that heritage by its significant involvement in the local educational landscape. The School's strategic vision, *Horizon 2032*, reinforces the commitment to share its educational vision and resources with other schools in the community, providing opportunities for local children and teachers to take part in a shared programme of teaching and learning events and activities.

The School has built strong and still growing links with Knole Academy. The Chairman of Sevenoaks School Governors is a member of the Knole Academy Trust and the Senior Deputy Head is the Chair of Knole Academy Governing Body.

The links between Knole Academy and Sevenoaks School are deep and broad, with mutual support for CPD and research based learning led by the Deputy Heads from each school. Knole Academy has introduced the International Baccalaureate Careers Programme (IBCP) and academic links are strong. A number of Sevenoaks staff attend Knole Academy on a regular basis to support learning. Teaching contributions from Sevenoaks School have encompassed Mathematics, Music, English and Science. This has resulted in a number of achievements, for example the offer of an additional Mathematics qualification for Knole students which would not otherwise be available. Other collaborations have involved the Combined Cadet Force and the Duke of Edinburgh award scheme.

Thirty local primary schools have formed the Sevenoaks Primary Partnership to enable them to share good practice and achieve economies of scale. Sevenoaks School plays an important role in supporting this partnership through providing facilities for meetings and supporting several activities. Although inevitably limited by the circumstances of 2019/20, fifteen new sports partnership events were planned. A number of events were held before the lockdown period including two full sports events, staff CPD and student leader sessions. Several schools had been working together to apply for the Green Flag award in July 2020, and a further programme commenced at Knole Academy with another nine schools in January 2020. Support for other initiatives included a science buddy partnership, and in January 2020 primary school and Sevenoaks science teachers met to discuss an action plan. There was also support for primary school teacher development and CPD.

The Kent Academies Network (KAN) university access programme run by Sevenoaks School comprises five academies in Kent: Knole, Skinners, Oasis Isle of Sheppey, The John Wallis Church of England, and Marsh. Each year the partner academies nominate around five Year 9 students to write a personal statement and be put forward for interview. KAN then selects two or three students to be part of the university access programme. The selection process looks for academically able and committed students who would benefit from the support of the programme. The Free School Meals 'Ever 6' qualification and university first-generation pupils are also prioritised. The students commit to KAN for their remaining time at school (Year 10 to 13) and attend annual residential weeks (at Easter and in the summer) and 'meet-up' days (in Autumn and Spring). In small groups students are assigned undergraduate mentors, who play a central role in the delivery of the bespoke residential programmes. The programme's mentors provide academic support and pastoral guidance throughout the course of KAN via a secure online platform.

The programme has been in place since 2013 and seen four cohorts through to university.

The IBCP, based on inter-school collaboration, began in 2011 with a pilot that involved six high schools, one of which, Skinners' Kent Academy, has a close association with Sevenoaks School and is a member of the Kent Academies Network. The School has supported the Local Authority in its development of the IBCP. Initial success has been followed by gradual expansion and the network currently includes 25 schools and other Kent high schools have expressed an interest in joining.

Sevenoaks School has played a key role through its commitment to supporting the raising of achievement in state schools and to extending access to IB programmes. It sponsors annual conferences for the Headteachers of the schools in the network, provides subject expertise to support teachers and is co-ordinating development of the platform through the work of its Director of Community Education Programmes. The programme raises post-16 outcomes for students from disadvantaged backgrounds, improves their retention, builds their self-confidence, extends their communication skills, increases the likelihood of their entering higher education, and develops the soft skills valued by employers.

The Kent IBCP network includes a high proportion of schools that serve challenging communities. These include coastal schools and others in areas of rural deprivation. The pilot was initially focused on the Isle of Thanet but was extended to include schools in Swale, Gravesham and Dover, to cover four of the five districts of Kent with the highest rates of deprivation. (Thanet, where three high schools now offer the IBCP, is in the 9% most deprived districts in England). In the major expansion in 2015/16, the schools invited to consider joining were identified by officers of the Local Authority and the choice was influenced by the 2015 Index of Multiple Deprivation. Of the 25 schools currently in the network, 11 had 33% - 60% of students classified as disadvantaged at the end of Key Stage 4 in 2018, and 23 had 19% - 60% of students disadvantaged.

The School has been successful in a DfE Cross-Sector Partnership grant bid to further support the development of the IBCP, £17,000 total, with £8,000 from DfE and £9,000 match funding from The Education People. The main goal of the project is to support school improvement in Kent, but also nationally. The School works closely with IBSCA and the IBCP Kent Steering Committee to progress the Learnium Platform (now named 'Communities'), which will provide IB teachers across the UK with the opportunity to meet, collaborate and share resources.

The School has also been successful in a second bid, £38,000 total: £19,000 from DfE with £19,000 match funding from Sevenoaks School Foundation. The bulk of this project is to support the Sevenoaks Primary Partnership (SPP) and to bolster the 'Outreach Box' provision (ca £31,000) as well as support and/or initiate four other projects: Eco Schools; Science Buddy Project; SPP Sport and Arts camps; Knole Academy IBCP support.

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Since 2017, 38 individual schools/organisations have received loans of teaching resources in the form of Outreach Boxes. Over 4000 children have benefited from the resources. The School has created 31 boxes ranging from virtual reality sets to history to music boxes. The range has recently expanded to include samba, indoor curling, world music, and renewable energy boxes.

In October 2019 the School ran the first Outreach Box Open Evening event as a means of showcasing the scheme to local primary school teachers, and invited them to attend a series of technology based CPD sessions. The purpose of this was to give teaching staff the confidence to book out the more technical boxes and use the resources in their classrooms. The School welcomed 36 teachers from 13 different primary schools to the event.

Other contributions to Teaching and Learning at Maintained Schools

The School's Primary School Voluntary Service Unit project year supported local schools with their literacy curriculum. As in previous years, Sevenoaks received many requests for some Primary School focussed Shakespeare work. Over the course of the Michaelmas term, seven students researched, developed, workshopped and ultimately wrote a version of *A Midsummer Night's Dream* for primary school pupils, along with a post-show Q&A to focus on issues arising from the play. In the Lent term the School hosted a selection of local primary schools in their performing arts centre, engaging with pupils across KS2 to help bring the play to life and discuss the problems of 'the Dream' in greater depth.

The Public Arts Programme hosted in the performing arts venue, The Space, offers inspiration and links the School's students with students from other schools. This year one production, *Blue Planet III*, highlighted an environmental message through comedy and was performed to a full house of primary school children.

The Chemistry department has hosted sessions for primary school visitors as part of the VSU provision and also hosted a Christmas demonstration for primary schools with a variety of exciting experiments.

The School ran an Eco-Primary Partnership which included 20 primary schools, with pupils at Sevenoaks and Knole Academy guiding primary pupil ambassadors through the Eco-Schools framework.

On 18 October 2019, the School welcomed 330 teachers, headteachers and teaching assistants from the South-East to the Primary School Conference. The event was a great opportunity for schools to share best practice and network amongst their peers.

The School's annual STEM Week took place on 2 March, welcoming over 1900 children from 17 primary schools to a variety of interactive workshops and shows. This provided an opportunity for the young pupils to access STEM facilities and resources. One group launched a rocket on campus before visiting NASA in a virtual reality session, while others watched a show on Liquid Nitrogen. One school said, 'The 94 children we brought were enraptured by the demonstrations: they were challenging and scientifically rigorous but explained so clearly.'

This year the School expanded on previous Science Weeks by running seven Science and five Technology lessons for KS2 pupils, led by Sevenoaks teachers and assisted by students. Pupils went pond dipping in Biology, made slime in Chemistry and learnt about the engineering behind constructing bridges using K'Nex. The School also welcomed back Science Made Simple, who performed their interactive shows for KS1 children on the science behind bubbles and transportation.

There were instrumental and vocal initiatives supporting the music at the Knole Academy and local primary schools on a Thursday afternoon. The gamelan VSU project enables local clusters of primary schools to play the gamelan housed in the gatehouse on Thursday afternoons.

The School has expanded its sports outreach offering, running 14 different activities and CPD sessions this year for local primary schools. Events included hosting the Sevenoaks Water Polo Club Primary School Tournament in March, where eight schools took part, many of which were new to the sport. There was also an annual primary school football tournament in the Michaelmas term, welcoming seven schools to the Sennocke Centre.

A number of School teaching staff are governors at local schools.

Community Education Events, Activities and Shared Use of Facilities

Prior to the March lockdown, the School continued with its evening speaker programme, which is free for the local community to attend alongside School students and parents. Numbers vary, but all talks attract external attendees; for some talks they account for almost 50% of the audience. The University of the Third Age usually accounts for a good number, especially for science speakers. The School works in collaboration with the Sevenoaks Bookshop, who provide book sales for many of the talks. All talks are advertised to local schools. Speaker events that were well attended by the local community included: Professor Richard English, 'Does Terrorism Work?'; Professor Martin Hendry, 'Ripples of Gravity, Flashes of Light - the Dawn of Gravitational-Wave Astronomy'; Dr Giles Yeo, 'Gene Eating – the science of obesity and the truth about diets'; and Dr Adam Rutherford, 'How to Argue with a Racist'.

The School's facilities and grounds are usually made available to the community year round although there has been no access for the community since February due to Covid-19 control measures.

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In the lead up to February, 33 sports clubs were being facilitated. A term-time community swimming programme led by School staff saw 88 lessons being offered benefitting 371 participants between the ages of 5 to 16 weekly.

In addition to supporting the annual variety of regional tournaments, county development days, talent identification days and primary school galas the School hosted Kent Schools Disability Boccia Tournament with 25 participants taking part. Feedback was that not only did the School exceed their expectations in terms of exceptional sporting facilities, but the participants complex personal, medical and care needs were met. Facilities were used to deliver five vocational qualification courses to community adults, by example; Pool Plant Management, Netball and Tennis Referees Qualifications, National Pool Lifesaver Qualifications, with the latter being delivered by the School's expert staff in alignment with the National Regulatory Body.

Prior to the lockdown period the School's music concerts were open to the public and a number of local schools and community groups use the facilities offered by the Performing Arts Centre.

Service and Social Impact

Covid-19 Response

The School hosted a drive through NHS Assessment Hub located in its main car park from June to August. The hub was designed to divert suspected cases of Covid-19 from local practice facilities for assessment. The School provided management support to help establish the hub and ongoing logistical support such as power and use of facilities by NHS staff.

The School undertook a number of initiatives in the exceptional circumstances of the lockdown period. Weekly food and hygiene collections were organised by staff and students between March and July 2020. Twenty-two collections in five months resulted in roughly 1,500 bags of shopping and boxes of items which were delivered to local primary schools and food banks in the area.

To support people in isolation and students who did not have access to the internet, unused telephones, laptops and tablets were collected by volunteers working alongside the Care for our Community Sevenoaks Group. Seventy devices were collected and distributed to local schools, organisations and individuals identified by the District Council.

Teaching staff contributed their time to the Invicta Summer Academy, a local initiative to help students catch up after the interruption to learning caused by Covid-19. As part of the Outreach Box initiative, the School's collection of laptops was shared with five schools to support their pupils' online learning at home during the Covid-19 pandemic.

Thirteen members of staff who live on site collected and delivered medications on a weekly basis to fifteen Almshouses residents who were unable to leave home.

The Technology department produced 1000 pieces of PPE equipment which were delivered to a variety of local organisations including care homes and GP practices.

In other areas of service and social impact

Sevenoaks has a long history of service education. Today, Sevenoaks students engage in service and social impact themes and activities through the School's service programme, curriculum-embedded provision, extra-curricular clubs and programmes, and a number of student-led responses.

Service Programme

Pupils collectively engage in over 600 hours of voluntary service each week. As part of the school's primary school programme within the service programme on a Thursday afternoon, roughly 450 students in years 10-13 are involved in 35 different projects collaborating with local, national and global communities.

In the Sevenoaks community, the refugee action group have worked alongside Sevenoaks Welcome Refugees and local Syrians to create conversation classes which were held online during lockdown, also supporting the development of the charity's social media platforms and online concerts. Students have also worked with the elderly (hosting Thursday Club, visiting care homes, and co-writing poems with the elderly), enjoying art with residents at a local hospice, working in local charity shops, working on design projects, and sharing a love of reading at the local library.

School partnership placements have involved the support of primary school students, with some students serving as teaching assistants and offering musical performances to young and old. Other students have enjoyed helping at Valence School (a school for physically disabled children) and supporting the Riding for the Disabled project.

Students can learn about environmental sustainability through being part of the School's Green Team. The Eco-Schools partnership was a huge success, with 12 schools being guided through the Eco-Schools framework by Sevenoaks students.

During the lockdown period, the School moved its entire service programme into an online format, finding online placements for all students. Students could use the time to focus on various forms of service learning including sign language and English teaching courses. Many existing community relationships continued in an online form and many students led their own initiatives during this period. This included a series of online concerts for the elderly led by a Year

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10 student, and a pen pal letter-writing scheme with the elderly in care homes.

Charity Fundraising

The pupils of Sevenoaks School raised over £70,000 in support of charities in the United Kingdom and overseas. Several concerts were held including the Sing-Off, A Show of Support, and a Sevenoaks Got Talent.

Other fundraising events included the Park Grange alternative lunch, pupil-led Christmas markets, film nights, and dances. Pupils from the Navy section took part in a 50k rowing challenge to raise awareness and funds for the work of the Royal Navy and Royal Marines charity which aims to improve mental health amongst the submarine community. Lower School students also raised over £2,000 for various charities selected by pupils through their weekly cake sales.

There were a number of student-led fundraising events including the Lockdown Concert, which brought students, parents and community members together for two hours of music, in support of Porchlight, West Kent Mind and Age UK, with over £800 raised. A group of pupils created 'Radrag's', an upcycling pop up festival shop, also run in aid of Hospice in the Weald.

Collections

In the period leading up to Christmas collections of food, clothing and toiletries were distributed to the Loaves and Fishes Foodbank in Sevenoaks and Helping the Homeless in Medway. Two students led a collection of 'winter warmers' for local primary school children.

Global Partnerships

A group of students visited Surbaack in South Africa, engaging in partnership activities in a local school. A second annual trip to Ghana to work in partnership with EduSpots in several Ghanaian communities was cancelled. However students raised over £1,000 which enabled 12 communities to set up community hygiene education stations and book loaning systems. Sales of the Geography calendar, produced by a Sixth Form student, raised nearly £1,000 and, for the tenth year, these proceeds were provided to a school in the High Atlas mountains in Morocco, to enable girls to attend secondary school. Sadly the annual trip to Morocco was not able to go ahead this year.

Social Entrepreneurship and Advocacy

In December, the School ran its second annual student-led Christmas market, with 15 stalls from students who had created products to sell in support of causes they cared about, raising over £1,000. In January, Year 8 pupils took part in the £10 challenge following a series of talks on social entrepreneurship ahead of them developing their own small-scale social enterprises, which raised £3,000 for Hospice in the Weald and Young Minds, two charities that the students chose to support.

Many students have created impressive social enterprises. One student was recognised with a Diana Legacy award for her commitment to mental health advocacy, refugee support, and environmental action – she had the opportunity to speak at the UN Climate Summit and TedX Vicenza. There were a number of activities to raise awareness of LGBT+ issues in the local community, including giving Stonewall's 'rainbow laces' out on match day.

Environmental Action

In addition to the various environmental options within the service programme, over 30 students have signed up for the Eco-Committee, which aims to improve the School's environmental impact, and raise awareness of issues and behaviours tied to environment and sustainability. The School has an established Green Week, with students and staff leading events and assemblies, highlighting different areas of environmental sustainability education. Over 200 trees were planted as part of a school-wide tree-planting week. The student-led Eco Create group led a session at Sevenoaks library focused on engaging primary school students in environmental action through arts and crafts.

Leadership

Several students sit on the Sevenoaks Youth Council, and have been instrumental in redesigning a youth café and in creating plastic-reduction pledges for businesses across the community.

Sevenoaks students participate in a school partnership involving 60 students from 12 schools, delivered virtually in 2019/20, with speakers delivering sessions on skills and understanding required for effective social leadership such as analysing problems, communication and impact measurement.

Sharing Practice

Ideas are regularly shared with schools on Twitter @sevenoaksimpact, which has a strong following from school community action departments and leaders. In August 2020, the school was selected as one of 100 showcase schools to speak on the topic of student-led social entrepreneurship and community engagement at the T4 World Education Week.

The School's Director of Service & Social Impact chairs the Independent School's Council Community Action Network, bringing together teachers from over 40 state and private schools for discussions on service and community action, working alongside those leading Schools Together. The Director chairs bi-termly sessions virtually or at the ISC, has created platforms for sharing best practice, and created toolkits to support other schools. In February 2020, the School hosted a

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national conference, attended by 60+ community action leaders from across the country, with a focus on advancing the quality of the student learning in service engagement.

Investment Performance

The School holds the majority of its restricted funds in long term investments, mainly in the form of pooled charitable investment funds, which yielded an average loss of 2.7% for the year ended 31 July 2020 (2019: average return 7.3%). The dividend income was available to be applied to the purposes of the various funds. This performance is due to the exceptional market conditions following the COVID-19 pandemic but Governors anticipate future performance to be in line with their investment objective of preserving the capital value with a minimum level of risk.

Unrestricted funds are held in bank deposits for operational liquidity purposes and for short to medium term application to planned improvements to the school's facilities, as well as for capital protection purposes. The Governors will review the investment strategy again over the coming year.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Results

Net outgoing funds (before the actuarial loss on pensions and the gains on investments) for the year were £2,103,000 (2019: £473,000) as shown in the school's Statement of Financial Activities. This includes a £6,000 (2019: £9,000) surplus from Sennocke Services Limited which is shown in the Statement of Financial Activities as an unrestricted donation, with the summary accounts for the entity being disclosed in Note 23 to the financial statements. The result for the year was affected by the COVID-19 global pandemic. Remote learning took place during the summer term and day and boarding fees were reduced accordingly. A high proportion of the School's costs are fixed but expenditure was reduced where possible, including catering and utilities, and expenditure was paused on all but essential capital projects.

Reserves Level and Policy and Financial Viability

The reserves of Sevenoaks School are held in designated funds for fixed assets, buildings and bursaries. The designated fund for fixed assets covers the book value of fixed assets (£22,408,000). Each year reserves equivalent to 3% of gross fee income are transferred to the bursary reserve (£926,000) and the cost of bursaries granted (£1,478,000) is set against that fund. In addition, transfers from restricted funds for bursaries for fees and extras, which include grants received from Sevenoaks School Foundation, are allocated to the bursary reserve, to cover the £469,000 cost to the School of making those additional awards. The balance on the bursary reserve was £870,000 at the end of July 2020 (2019: £953,000).

At 31 July 2020, after taking into account the pension-funding deficit of £6,209,000 (2019: £3,320,000), £2,150,000 (2019: £3,566,000) was held in General Funds, which represented 3 weeks operating costs. The pension-funding deficit of £6,209,000 arising from the School's defined benefit staff pension is an actuarially calculated deficit under FRS102 that is accrued as a liability. Excluding the pension fund deficit, the balance on the General Fund would be £8,359,000 which represents 12 weeks operating costs. The Governors' intention is to hold up to one term's operating costs in General Funds to provide an element of protection in an uncertain economic climate. Despite the COVID-19 pandemic, the Governors consider the level of reserves to be appropriate. The Governors will continue to keep the level of reserves under review.

Going Concern

In March 2020, the World Health Organisation declared Covid-19 a global pandemic. The Governors have reviewed the impact of Covid-19 on the School's operations and finances. Taking into consideration actions taken to manage costs and to preserve cash, together with the ongoing demand for places, funding facilities available to the School, and future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future, and consider that there are no material uncertainties over the School's financial viability. Accordingly, the Governors continue to adopt the going concern basis in preparing the financial statements.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

The School's greenhouse gas emissions for the financial year were equivalent to 1,690.73 tonnes of carbon dioxide which equates to 8,311,141 kilo-Watt-hours (kWh) of energy and has undertaken 3 energy efficiency actions (EEA) in this reporting year.

This information has been compiled in line with the 2019 HM Government Environmental Reporting Guidelines: including Streamlined Energy and Carbon Reporting (SECR). The 2020 UK Government GHG Conversion Factors for Company Reporting have been used to calculate emissions. Energy consumption data has been taken from invoices issued for the financial year and meter readings. Transport energy has been calculated from fuel consumption data in litres for Scope 1 emissions and miles travelled for Scope 3 emissions.

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Table 1 shows the GHG emissions for the School in tonnes of carbon dioxide equivalent for the year. There is no information available for prior years.

	Emission Source	2019/20 Energy (kWh)	2019/20 Emissions (tCO ₂ e)
Scope 1	Gas Consumption	5,271,767	969.32
	Heating Oil	326,829	83.90
	Owned Transport	106,754	26.76
	Sub Total	5,705,350	1,079.98
Scope 2	Purchased Electricity	2,537,591	591.61
Scope 3	Business Travel	68,200	19.13
Total Emissions		8,311,141	1,690.73

Table 2 shows the intensity ratios for the School

Type	2019/20 kWh/Students	2019/20 tCO ₂ e/Students
Occupancy	7,401	1.51

During the year the following the following efficiency actions were taken:

Category	Title	Description
Lighting	<ul style="list-style-type: none"> LED Upgrades 	<ul style="list-style-type: none"> LED lights are being fitted as an ongoing project throughout the school. In particular the lights in the main kitchen were replaced with LED lights during July 2020
Refurbishment of listed building	<ul style="list-style-type: none"> Improved thermal efficiency Heating Lighting 	<ul style="list-style-type: none"> Sash windows repaired and refitted with more efficient brush seals. Roof replaced with improved insulation. 2 new efficient boilers fitted. Zonal thermostatically controlled heating system. Modern energy efficient LED lighting throughout the building
New boiler in boarding house	<ul style="list-style-type: none"> Heating 	<ul style="list-style-type: none"> Replacement of old boiler with two new condensing boilers

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RISK MANAGEMENT

A formal review of the charity's risk management processes is undertaken on an annual basis with the aim of reviewing the major risks to the School. The key controls used by the charity include: formal agendas and briefing papers for committee and sub-committee meetings; strategic and business planning; budgeting and management accounting; clear authorisation and approval levels; and, vetting procedures as required by law for the protection of children. Governors have reviewed the principal areas of the School's operations and considered the major risks faced in each area, including the implications of the Covid-19 pandemic. At a strategic level, the School's Finance and Property Committee considered a range of potential scenarios that could arise as a result of Covid-19. These were tested using the School's financial model, and potential mitigating actions considered for each scenario. The Committee were assured that for each of the scenarios, it would be possible to take the action required to ensure the future viability of the School. Operational actions taken in response to the Covid-19 outbreak are described in more detail later in this section.

Apart from the significant and special circumstances of the Covid-19 outbreak, at a financial level, we believe that the principal risk is one common to all independent schools constituted as a charity, namely the potential withdrawal of charitable status and potential associated impacts on the School's charging structure and cost base. This risk is of withdrawal of charitable status through failure to meet public benefit obligations and aspirations. At the operational level, we believe the principal risks continue to be a failure to meet our pastoral duties to our pupils, as well as not developing our staff, facilities and systems in such a way as to enable us to remain a leading independent school.

The School is mitigating its risk in relation to the withdrawal of its charitable status by adding its voice to sector wide communications and participating in research on the contribution of Sevenoaks School and of independent schools in general to the economy and to the reputation of a British education. It is also reviewing its financial plans and considering what actions might be necessary if any element of this risk becomes reality.

In respect of a potential failure of its public benefit duties, the School believes it has made a substantial contribution to the public over many years in pursuit of its charitable objects via its educational services to its pupils, links with maintained schools, other community activities and its bursary programme. Nevertheless, having identified this as a growing strategic risk, the School is now focused on improving access to its excellent education services. It is doing this in two principal ways: first by extending and deepening its relationships and connections with local maintained schools and young people in general. In doing so it is taking a more strategic and considered approach to achieving impact in the programmes and activities that had been growing organically over a number of years, and is reviewing what further on-campus activities could be provided. Secondly, it is also considering how to grow its bursary programme, both in terms of the funding available and the most effective and appropriate way to recruit able pupils who would not otherwise be able to attend the school. The School's Public Benefit Committee focuses on and steers activities in this area.

In respect of a potential failure in its pastoral duties to its pupils, the School's activities are focused in the following key areas. In respect of the potential abuse of pupils, the School has comprehensive child protection policies and procedures in place, always in line with national guidance *Keeping Children Safe in Education*. The need for vigilance and immediate action should a child be considered at risk is continually reinforced through communications and training. Concerns in respect of inappropriate online behaviour by students are dealt with through a programme of educational initiatives, including an online safety week, staff awareness training and information for parents. In order to take a lead in addressing mental health issues amongst young people, increased counselling hours have been made available. Within the Institute of Teaching and Learning, one of the key research and review strands is considering methods to monitor and advance the wellbeing of students and staff.

In respect of its staff, facilities and systems, the following mitigation measures are in place. Staff expertise and satisfaction are kept under continual and close review. Personal development for teaching staff is carried out under the auspices of the Institute of Teaching and Learning which seeks to research and implement best practice in continuing professional development. The School also makes frequent use of outside training providers for both teaching and non-teaching staff. In the light of the 2015 accident in the Chemistry Department, and the subsequent prosecution by the Health and Safety Executive, the School has continued its enhanced focus on safety issues in that department and across the School. The School's risk register identifies various mitigating factors in respect of school systems.

In the opinion of the Governors, the School has established resources and a review system which should, under normal conditions (and the potential consequences of the Covid-19 pandemic identified to date) allow risks to be mitigated to an acceptable level.

In January 2020, the School identified Covid-19 as a potential pandemic risk and took immediate steps to improve handwashing and sanitizing facilities and educated students and staff about the importance of hand and face hygiene. It also introduced additional cleaning of high-touch points across the School site. As community transmission within the UK accelerated, the School took the decision to close the campus from 18 March and to move to a distance learning model, with teachers and almost all non-teaching staff working from home. The School carefully followed its pastoral policies and all relevant UK Government advice to protect the safety and wellbeing of students and staff. Non-teaching staff who could not work from home were furloughed.

There was a significant reduction in expected income from Easter 2020 onwards due to Summer Term fee rebates given to parents, the cancellation of the Summer Programme and external lets, and the cessation of the School's commercial

SEVENOAKS SCHOOL
ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
YEAR ENDED 31 JULY 2020

sports activities. The loss of income was mitigated as far as possible by furloughing many non-teaching staff, the freezing of recruitment activities, the cessation of all non-essential expenditure, and the pausing of major capital projects. The Summer Term fee rebates and disruption to the Summer Programme and external lets alone account for a reduction in income of £2.9 million

One building refurbishment project that had already started was permitted to continue because the financial penalties for ceasing work would have outweighed any potential savings, and the building was in a fragile condition, as the roof and windows had been removed for refurbishment or replacement.

Having carried out appropriate risk assessments, the School reopened in September 2020, following UK Government guidance, and after implementing a number of adaptations to the campus and ways of operating. It will continue to monitor the progress of the pandemic and will adapt its responses in a considered and flexible manner.

FUTURE PLANS

In the coming year, the Governing Body's intentions include:

- To support the Headmaster during his first year in post
- To preserve the quality of the education provided by the School to its students during the Covid-19 pandemic
- To protect and preserve the financial stability of the School during the Covid-19 pandemic
- To review the 2019 Masterplan and reconsider the sequencing of key projects
- To publicise and support Horizon 2032

ACCOUNTING AND REPORTING RESPONSIBILITIES

The members of the Governing Body (who are also directors of Sevenoaks School for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Governing Body to prepare financial statements for each financial year. Under that law the Governing Body has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the Governing Body must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charity for that period. In preparing these financial statements, the members of the Governing Body are required to:

- select the most appropriate accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable 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 members of the Governing Body are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SEVENOAKS SCHOOL
ANNUAL REPORT OF THE GOVERNORS (CONTINUED)
YEAR ENDED 31 JULY 2020

Relevant audit information

Insofar as each of the Directors, as members of the Governing Body, at the date of approval of this report are aware, there is no relevant audit information (information needed by the Company's auditor in connection with preparing the audit report) of which the Company's auditor is unaware. Each member of the Governing Body has taken all the steps that he or she should have taken as a member of the Governing Body in order to make himself or herself aware of the relevant audit information and to establish that the Company's auditor is aware of that information.

Approved by the Governing Body of Sevenoaks School on 4 May 2021, including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by:



Mrs Alison Beckett
Chair of Governing Body

Independent Auditor's Report to the Members of Sevenoaks School

Opinion

We have audited the financial statements of Sevenoaks School for the year ended 31 July 2020 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement 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 charitable company's affairs as at 31 July 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. 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.

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 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the 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 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 page 17, 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.

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.



Tina Allison

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

Date 28 May 2021

SEVENOAKS SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2020

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	2020 £'000	2019 £'000
Income from:					
Charitable activities					
School fees receivable	2	28,823	-	28,823	28,813
Ancillary trading income	3	2,033	-	2,033	2,864
Other trading activities					
Charitable trading income	4	557	-	557	1,025
Investments					
Investment income	5	-	40	40	30
Bank and other interest	6	195	-	195	236
Voluntary sources					
Grants and donations	7	8	576	584	598
Other					
Other Income	1.4	692	-	692	-
Total incoming resources		<u>32,308</u>	<u>616</u>	<u>32,924</u>	<u>33,566</u>
Expenditure on:					
Raising funds					
Charitable trading costs	8	(842)	-	(842)	(1,043)
Financing costs	9	(55)	-	(55)	(71)
Total deductible costs		<u>(897)</u>	<u>-</u>	<u>(897)</u>	<u>(1,114)</u>
Charitable activities					
Education and grant making	8	(33,654)	(476)	(34,130)	(32,925)
Total expenditure		<u>(34,551)</u>	<u>(476)</u>	<u>(35,027)</u>	<u>(34,039)</u>
Net (outgoing)/incoming funds from operations before transfers and investment gains					
		(2,243)	140	(2,103)	(473)
(Losses)/gains on investments	12	-	(24)	(24)	62
Transfers between funds	21	131	(131)	-	-
Net loss		<u>(2,112)</u>	<u>(15)</u>	<u>(2,127)</u>	<u>(411)</u>
Pension scheme actuarial (losses)	22	(2,683)	-	(2,683)	(831)
Net movement in funds for the year		<u>(4,795)</u>	<u>(15)</u>	<u>(4,810)</u>	<u>(1,242)</u>
Fund balances brought forward at 1 August 2019		<u>30,223</u>	<u>1,299</u>	<u>31,522</u>	<u>32,764</u>
Fund balances carried forward at 31 July 2020		<u>25,428</u>	<u>1,284</u>	<u>26,712</u>	<u>31,522</u>

The notes on pages 24 to 43 form part of these financial statements.

SEVENOAKS SCHOOL

BALANCE SHEET AS AT 31 JULY 2020

	Notes	2020 £'000	2019 £'000
FIXED ASSETS			
Tangible fixed assets	11	22,408	20,704
Investments	12	875	899
		<u>23,283</u>	<u>21,603</u>
CURRENT ASSETS			
Debtors	13	1,123	1,889
Cash and deposits		<u>21,027</u>	<u>26,441</u>
		22,150	28,330
CURRENT LIABILITIES			
Creditors payable within one year	14	<u>(10,206)</u>	<u>(11,867)</u>
NET CURRENT ASSETS		<u>11,944</u>	<u>16,463</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		35,227	38,066
LONG-TERM LIABILITIES			
Creditors payable after one year	15	(2,306)	(3,224)
Pension scheme funding deficit	22	<u>(6,209)</u>	<u>(3,320)</u>
NET ASSETS	21	<u>26,712</u>	<u>31,522</u>
REPRESENTED BY:			
RESTRICTED FUNDS	21	1,284	1,299
UNRESTRICTED FUNDS	21		
Designated funds:			
Fixed assets		22,408	20,704
Bursary reserve		870	953
Building fund		<u>-</u>	<u>5,000</u>
		<u>23,278</u>	<u>26,657</u>
Pension reserve		(6,209)	(3,320)
Other unrestricted		8,359	6,886
General Funds		<u>2,150</u>	<u>3,566</u>
TOTAL FUNDS		<u>26,712</u>	<u>31,522</u>

These financial statements were approved by the Governing Body on 4 May 2021 and were signed on its behalf by:

Alison Beckett

Mrs Alison Beckett
Chair of Governing Body

The notes on pages 24 to 43 form part of these financial statements.

SEVENOAKS SCHOOL
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2020

	Note	2020	2019
		£'000	£'000
Net cash (outflow)/inflow from operations			
Net cash (used) / provided by operating activities	(i)	(1,254)	2,152
Cash flows from investing activities			
Payment for tangible fixed assets		(4,361)	(7,781)
Proceeds on sale of tangible fixed assets		4	1
Investment income and bank interest received		252	556
Net cash used in investing activities		(4,105)	(7,224)
Cash flows from financing activities:			
Finance costs paid		(55)	(71)
Net cash used in financing activities		(55)	(71)
Change in cash and cash equivalents in the reporting period		(5,414)	(5,143)
Cash and cash equivalents at the beginning of the period		26,441	31,584
Cash and cash equivalents at the end of the reporting period	(ii)	21,027	26,441

(i) Reconciliation of net income to net cash flow from operating activities

	2020	2019
	£'000	£'000
Net outgoing funds	(2,103)	(473)
Elimination of non-operating cashflows:		
- Investment income	(235)	(266)
- Financing costs	55	71
Defined benefit pension scheme adjustments	189	32
Depreciation charge	2,657	1,808
(Profit) on sale of assets	(4)	-
Decrease/(Increase) in debtors	766	(130)
(Decrease)/Increase in creditors (excluding fees in advance scheme)	(1,709)	2,469
(Decrease) in fees in advance scheme creditors	(905)	(1,623)
Increase in parents' deposits	35	264
	849	2,625
Net cash (Outflow)/ inflow from operations	(1,254)	2,152

(ii) Analysis of changes and cash equivalents

	At 1 August 2019 £'000	Cashflows £'000	At 31 July 2020 £'000
Deposits	7,377	(870)	6,507
Cash at bank	19,064	(4,544)	14,520
	26,441	(5,414)	21,027

The notes on pages 24 to 43 form part of these financial statements.

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2015.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investments.

The accounts present the statement of financial activities (SOFA), the balance sheet and the cash flow statement for the charity.

The School is a Public Benefit entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 23 September 2003 (company number: 4908949) and registered as a charity on 5 January 2004 (charity number: 1101358).

Going-Concern

Having reviewed the impact of Covid-19 on the School's operations and finances, and taking into consideration the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the School's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 17.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, governors are required to make judgements, estimates, and assumptions about the carrying value 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. Actual results may differ from these estimates.

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 current and future periods.

In the view of the governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

1.1 Fees and similar earned income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships or bursaries granted by the School against those fees, but including contributions from restricted funds, are accounted for in the period in which the service is provided.

1.2 Investment income

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis.

1.3 Donations, legacies, grants and other voluntary incoming resources

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Fund. Where a donor has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention is to be permanent or not. Gifts in kind are valued at estimated open market value at the date of the gift, in the case of assets for retention or consumption, or at the value to the School in the case of donated services or facilities.

1.4 Other Income

Included within Other Income are grants in respect of the Coronavirus Job Retention Scheme of £582,000 (2019: nil).

Grants received in respect of the Coronavirus Job Retention Scheme have been accounted for using the performance model.

SEVENOAKS SCHOOL
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

1. ACCOUNTING POLICIES (continued)

1.5 Expenditure

Expenditure is accrued as soon as a liability is considered probable. Expenditure attributable to more than one cost category in the SOFA is apportioned to them on the basis of the estimated amount attributable to each activity during the year by reference to the use made of the underlying assets. Irrecoverable VAT is included with the item of expenditure to which it relates.

Grants awarded are expended as soon as they become legal or operational commitments. Governance costs comprise the costs of complying with constitutional and statutory requirements.

1.6 Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings, vehicles, furniture, machinery, IT equipment and systems, and other equipment costing more than £5,000 is capitalised and carried in the balance sheet at historical cost. In certain circumstances, where the cost of an asset is not ascertainable, a reasonable estimate of the cost, if material, has been used.

Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred.

1.7 Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives:

School freehold and leasehold buildings, including major extensions	50 years
Improvements to freehold and leasehold buildings	10 years
Furniture, machinery and equipment	4 years
Motor vehicles	4 years
IT equipment and systems	3 years

1.8 Investments

Listed investments are valued at their market values as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

1.9 Sennocke Services Limited

The principal activity of the School's subsidiary company, Sennocke Services Limited, is to carry on the commercial trading business of Sevenoaks School. The activity and balance sheet is not currently at a level which is considered to be material and, therefore, the accounts of Sennocke Services Limited are not consolidated.

1.10 Fund Accounting

The charitable trust funds of the School are accounted for as unrestricted or restricted income, in accordance with the terms of trust imposed by the donors.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the Governors either to further the School's Objects or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Restricted income comprises gifts, legacies and grants where there is no capital retention obligation or power but only a trust law restriction to some specific purpose intended by the donor.

1.11 Pension costs

Retirement benefits to employees of the School and its subsidiary are provided through three pension schemes, two defined benefit on a career average revalued basis (CARE) schemes, and one defined contribution scheme. The pension costs charged in the Statement of Financial Activities are determined as follows:

- (a) The Teachers' Pension Scheme – This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The scheme changed from a defined benefit scheme to a CARE scheme in April 2015. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

SEVENOAKS SCHOOL
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

1. ACCOUNTING POLICIES (continued)

- (b) The School also contributes to the Local Government Pension Scheme (LGPS) for support staff at rates determined by the scheme actuary. The LGPS transitioned from a defined benefit to a CARE scheme in April 2014, and is accounted for under FRS102, with the net defined benefit liability of the scheme shown in the accounts as a designated fund entitled "Pension Reserve", which is deducted from unrestricted funds in the balance sheet. The Governors note that the calculated notional deficit or surplus calculated under FRS102 can vary greatly from year to year depending on the assumptions made at the valuation date, but with normally little or no effect on short term cashflows.
- (c) The School's Group Personal Pension Plan – This is a defined contribution group personal pension plan for support staff with Aegon. Employers' pension costs are charged in the period in which the salaries to which they relate are payable. Since 1 April 2010 new support staff are only permitted to join the defined contribution Group Pension Plan, including those joining the scheme under auto-enrolment.

1.12 Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

1.13 Financial Instruments

Financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access and term deposit bank accounts. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

2. CHARITABLE ACTIVITIES – FEES RECEIVABLE

	2020 £'000	2019 £'000
Fees receivable consist of:		
School fees	30,880	30,780
Less: scholarships, bursaries and other awards	<u>(2,532)</u>	<u>(2,348)</u>
	28,348	28,432
Add back: bursaries and other awards paid for by restricted funds	<u>475</u>	<u>381</u>
	<u>28,823</u>	<u>28,813</u>

Scholarships, bursaries and other awards were paid to 290 pupils (2019: 277). Within this means-tested bursaries totaling £1,499,000 were paid to 77 pupils (2019: £1,282,000 to 62 pupils).

3. CHARITABLE ACTIVITIES – OTHER INCOME

	2020 £'000	2019 £'000
Extras	1,631	2,444
Registration fees	288	282
Fees in lieu of notice and forfeit deposits	51	46
Shop and other trading income	33	54
Transport from Sevenoaks Station	<u>30</u>	<u>38</u>
	<u>2,033</u>	<u>2,864</u>

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

4. OTHER TRADING ACTIVITIES

Income and costs incurred in providing educational courses and provision of staff accommodation.

5. INVESTMENT INCOME

	Unrestricted	Restricted	Total	<i>Total</i>
	£'000	£'000	2020	<i>2019</i>
			£'000	<i>£'000</i>
Securities investment income				
Equities	-	40	40	<i>30</i>
	<u>-</u>	<u>40</u>	<u>40</u>	<u><i>30</i></u>

6. BANK AND OTHER INTEREST

	Unrestricted	Total	<i>Total</i>
	£'000	2020	<i>2019</i>
		£'000	<i>£'000</i>
Bank interest	195	195	<i>236</i>
	<u>195</u>	<u>195</u>	<u><i>236</i></u>

7. GRANTS AND DONATIONS RECEIVABLE

	Unrestricted	Restricted	Total	<i>Total</i>
	£'000	£'000	2020	<i>2019</i>
			£'000	<i>£'000</i>
Grants to the School for bursaries from:				
– Sevenoaks School Foundation	-	469	469	<i>371</i>
Gift-aided donation - Sennocke Services Ltd	6	-	6	<i>9</i>
Grants to the School for non-bursaries from:				
– Sevenoaks School Foundation	-	104	104	<i>215</i>
Sundry grants and donations	2	-	2	<i>3</i>
Science Week	-	3	3	<i>-</i>
	<u>8</u>	<u>576</u>	<u>584</u>	<u><i>598</i></u>

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

8. ANALYSIS OF EXPENDITURE

(a) Total expenditure

	Note	Staff costs (note 10) £'000	Depreciation (note 11) £'000	Other £'000	Total 2020 £'000	<i>Total 2019 £'000</i>
Cost of generating funds						
Charitable trading expenses		154	148	540	842	1,043
Financing costs	9	-	-	55	55	71
Total costs of generating funds		154	148	595	897	1,114
Charitable expenditure						
Education and grant making						
Teaching		13,500	390	1,869	15,759	15,705
Welfare		1,632	32	1,714	3,378	3,724
Premises repair and maintenance		1,162	1,882	6,395	9,439	8,189
Support costs and governance		3,256	205	1,612	5,073	4,910
Grants, awards and prizes (note 8(b))		-	-	481	481	397
Total charitable expenditure		19,550	2,509	12,071	34,130	32,925
Total expended		19,704	2,657	12,666	35,027	34,039

Comparative total expenditure

	Staff costs (note 10) £'000	Depreciation (note 11) £'000	Other £'000	<i>Total 2019 £'000</i>	<i>Total 2018 £'000</i>
Cost of generating funds					
Charitable trading expenses	291	148	604	1,043	899
Financing costs	-	-	71	71	85
Total costs of generating funds	291	148	675	1,114	984
Charitable expenditure					
Education and grant making					
Teaching	12,549	324	2,832	15,705	14,374
Welfare	1,609	23	2,092	3,724	3,576
Premises repair and maintenance	1,060	1,112	6,017	8,189	6,330
Support costs and governance	2,904	201	1,805	4,910	4,661
Grants, awards and prizes (note 8(b))	-	-	397	397	407
Total charitable expenditure	18,122	1,660	13,143	32,925	29,348
Total expended	18,413	1,808	13,818	34,039	30,332

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

(b) Grants, awards and prizes

	2020 £'000	2019 £'000
From Restricted Funds:		
Bursaries and other grants and awards	475	381
Prizes and leaving awards	-	10
From Unrestricted Funds:		
Prizes and leaving awards	6	6
	481	397

(c) Governance included in support costs

	2020 £'000	2019 £'000
Remuneration paid to auditor for audit services	23	23
Reimbursement of personal expenses to Governors – travel costs	3	7
Other governance costs	20	32
	46	62

Travel expenses totaling £3,000 (2019: £7,000) were claimed by 2 members (2019: 3) of the Governing Body.

In addition to the above audit remuneration the auditor received fees for taxation compliance services totaling £4,000 (2019: £1,000).

9. FINANCE AND OTHER COSTS

	2020 £'000	2019 £'000
Fees in advance debt-financing cost	55	71
	55	71

10. STAFF COSTS

The aggregate payroll costs for the year were as follows:

	2020 £'000	2019 £'000
Wages and salaries	15,508	15,285
Social security costs	1,583	1,561
Other pension costs	2,606	1,780
	19,697	18,626

None of the Governors received any remuneration or other benefits from Sevenoaks School or from any connected body.

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Aggregate employee-benefits of key management personnel	1,811	2,019
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	2020	2019
Number of higher paid employees in bands of:		
£60,000 to £70,000	44	43
£70,000 to £80,000	20	8
£80,000 to £90,000	4	5
£90,000 to £100,000	3	2
£120,000 to £130,000	-	1
£130,000 to £140,000	1	-
£140,000 to £150,000	-	1
£180,000 to £190,000	1	-
£230,000 to £240,000	-	1

The number with retirement benefits accruing

- in Defined Contribution schemes was	7	8
of which the contributions amounted to	£56,938	£50,126
- in Defined Benefit schemes was	66	53

The average number of the School's employees during the year was 506 (2019:492).

	2020	2019
Teaching	171	166
Teaching support	33	30
Welfare	60	57
Premises	29	31
Support	83	85
Other activities	130	123
	506	492

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

11. TANGIBLE FIXED ASSETS

	Property & Improvements	Vehicles & Equipment	Total
	£'000	£'000	£'000
Cost			
1 August 2019	25,436	6,012	31,448
Additions	3,980	381	4,361
Disposals	-	(23)	(23)
As at 31 July 2020	29,416	6,370	35,786
Depreciation			
As at 1 August 2019	6,468	4,276	10,744
Charge for period	1,850	807	2,657
Disposals	-	(23)	(23)
As at 31 July 2020	8,318	5,060	13,378
Net book value			
At 31 July 2020	21,098	1,310	22,408
<i>At 31 July 2019</i>	<i>18,968</i>	<i>1,736</i>	<i>20,704</i>

12. SECURITIES INVESTMENTS

	2020 £'000	2019 £'000
Investments		
At 1 August 2019	899	837
(Decrease)/Increase in value of investments	(24)	62
At 31 July 2020	875	899

Investments comprise:

Alternative assets

Pooled charity investment funds	875	899
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Holdings at the year-end comprising more than 5% of the total are: **£'000**

COIF income shares	774
M & G Charifund	<u>101</u>

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

13. DEBTORS	2020 £'000	2019 £'000
Fees and extras	252	710
Trade	115	326
Staff loans	8	16
Other debtors	40	37
Other prepayments and accrued income	681	791
Amounts due from subsidiary companies	27	9
	<u>1,123</u>	<u>1,889</u>

All debtors are due within one year, except for £5,000 (2019: £7,000) of staff loans, which are due after more than one year.

14. CREDITORS: amounts falling due within one year

	2020 £'000	2019 £'000
Deposits from parents	2,085	2,049
Fees received from parents in advance of term	3,055	3,082
Trade creditors	541	1,224
Taxation and social security	415	442
Payroll costs	1,202	1,194
Fees in Advance Scheme	2,116	2,303
Accruals and deferred income	592	1,573
Loan from the Johnson Trust	200	-
	<u>10,206</u>	<u>11,867</u>

15. CREDITORS: amounts falling due after more than one year

	2020 £'000	2019 £'000
Fees in Advance Scheme	2,306	3,024
Loan from the Johnson Trust	-	200
	<u>2,306</u>	<u>3,224</u>

16. FEES IN ADVANCE SCHEME

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

	2020 £'000	2019 £'000
After five years	31	59
Within two to five years	881	1,397
Within one to two years	1,394	1,568
	<u>2,306</u>	<u>3,024</u>
Within one year	2,116	2,303
	<u>4,422</u>	<u>5,327</u>

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

16. FEES IN ADVANCE SCHEME (continued)

Summary of movements in liability	£'000
Balance at 1 August 2019	5,327
New contracts	1,579
Amounts used to pay fees	(2,539)
Amounts accrued to contract as debt financing cost	55
	<u>55</u>
Balance at 31 July 2020	<u>4,422</u>

17. FINANCIAL INSTRUMENTS

	2020 £'000	2019 £'000
Financial assets measured at fair value.	875	899

Financial assets held at fair value include assets held as investments.

18. LEASES

	2020 £'000	2019 £'000
Leasehold property leases which expire:		
Payable within one year	3,987	3,423
Payable in the second to fifth year inclusive	14,558	12,517
Payable after five years	26,823	26,137
	<u>45,367</u>	<u>42,077</u>
Other leases which expire:		
Payable within one year	51	31
Payable in the second to fifth year inclusive	130	83
Payable after five years	-	-
	<u>181</u>	<u>114</u>
Freehold property leases which expire:		
Receivable within one year	22	22
Receivable in the second to fifth year inclusive	-	-
Receivable after five years	-	-
	<u>22</u>	<u>22</u>

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

19. MAJOR FUNDS OF THE SCHOOL

a. RESTRICTED FUNDS

i. Bursary fund	- grants from Sevenoaks School Foundation for means-tested bursaries for pupils.
ii. SFU scholarship	- a gift from Sevenoaks Farmers Union to provide fee assistance to pupils whose parents hold membership of the SFU.
iii. Ligner scholarship	- a bequest from G A Ligner to provide a closed scholarship to former pupils who are attending university, with priority being given to those attending Gonville & Caius or other colleges of Cambridge University.
iv. Plender scholarship	- a bequest from Lord Plender to provide a closed scholarship to former pupils who are attending university.
v. Johnson scholarship	- a bequest from CP Johnson to provide a closed scholarship to former pupils who are attending St John's College, Oxford.
vi. Downton scholarship	- a bequest from Hilda Downton to provide a music scholarship at Sevenoaks School in the name of her brother, John Downton.
vii. Garrod scholarship	- a gift for scholarships at Sevenoaks School.
viii. Forder bursary	- to provide means-tested bursaries for extras.
ix. General scholarship	- numerous gifts to provide means-tested financial support.
x. Taylor prizes	- a gift from Kim Taylor to provide prizes for IB extended essays
xi. Shooting fund	- a gift to provide financial support to the Sevenoaks School shooting club for prizes and competition expenses.
xii. Consolidated prizes fund	- numerous individual gifts to establish prizes for pupils
xiii. Kirkwood fund	- a gift to provide funds for a high quality speaker to visit the school
xiv. Consolidated travel funds	various gifts and legacies to provide financial assistance to pupils and recent former pupils for educational international travel
xv. Chiesman settlement	- a will settlement from the estate of C. S. Chiesman for the benefit of Sevenoaks School. The income from the settlement is transferred annually to unrestricted funds.
xvi. Friends of Sevenoaks	- a fund to hold grants from the Friends of Sevenoaks (an independent charity for the support of Sevenoaks School) for the purchase of specific items of equipment.

b. UNRESTRICTED AND DESIGNATED FUNDS

Unrestricted funds represent accumulated income from the School's activities and other sources that are available for the general purposes of the School. Designated funds represent unrestricted funds that have been set aside for specific purposes by decision of the Governing Body.

o General reserve	- the general unrestricted funds of the school.
o Pension reserve	- a designated fund to cover the deficit on the defined benefit pension scheme (note 23).
o Fixed assets reserve	- a designated fund to cover the cost of the school's fixed assets.
o Building reserve	- a designated fund to assist with the capital costs of improving the school's facilities. It is anticipated that this fund will be spent within the next two years.
o Bursary reserve	- a designated fund to provide means-tested bursaries for pupils who would otherwise be unable to benefit from an education at Sevenoaks School. It is anticipated that this fund will be spent within the next five years.

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

At 31 July 2020

	Restricted £'000	Unrestricted £'000	Total £'000
Tangible fixed assets	-	22,408	22,408
Securities investments	875	-	875
Net current assets	409	11,535	11,944
Long term liabilities	-	(8,515)	(8,515)
	<u>1,284</u>	<u>25,428</u>	<u>26,712</u>

At 31 July 2019

	<i>Restricted £'000</i>	<i>Unrestricted £'000</i>	<i>Total £'000</i>
<i>Tangible fixed assets</i>	-	20,704	20,704
<i>Securities investments</i>	899	-	899
<i>Net current assets</i>	400	16,063	16,463
<i>Long term liabilities</i>	-	(6,544)	(6,544)
	<u>1,299</u>	<u>30,223</u>	<u>31,522</u>

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

21. SUMMARY OF MOVEMENTS ON MAJOR FUNDS

	At 1 Aug 2019 £'000	Incoming Resources £'000	Resources Expended £'000	Other Transfers £'000	Gains/ (Losses) £'000	At 31 July 2020 £'000
Unrestricted funds						
General reserve	6,886	26,574	(30,232)	5,131	-	8,359
Pension reserve	(3,320)	-	(206)	-	(2,683)	(6,209)
Fixed assets reserve	20,704	4,339	(2,635)	-	-	22,408
Building fund	5,000	-	-	(5,000)	-	-
Bursary reserve	953	1,395	(1,478)	-	-	870
Total Unrestricted	30,223	32,308	(34,551)	131	(2,683)	25,428
Restricted funds						
Bursary fund	-	469	(469)	-	-	-
SFU scholarship	59	2	(4)	-	1	58
Ligner scholarship	185	6	-	-	1	192
Plender scholarship	117	4	-	-	-	121
Johnson scholarship	201	6	-	-	1	208
Downton scholarship	77	-	-	-	-	77
Garrod scholarship	63	2	(1)	-	-	64
Forder bursary	61	4	(2)	-	(13)	50
General scholarship	23	2	-	-	(5)	20
Taylor prizes	30	1	-	-	(4)	27
Shooting fund	104	1	-	-	(6)	99
Consolidated prizes fund	96	3	-	-	-	99
Kirkwood fund	17	1	-	-	-	18
Consolidated travel funds	76	3	-	-	1	80
Friends of Sevenoaks	19	-	-	(1)	-	18
IDEA/IDEA Beta	1	-	-	-	-	1
Science Week	2	-	-	-	-	2
Outreach	-	4	-	-	-	4
ITL	-	93	-	(93)	-	-
Kent Academies Network	-	11	-	(11)	-	-
Science Equipment fund	61	-	-	(22)	-	39
Chiesman Trust	107	4	-	(4)	-	107
Total Restricted	1,299	616	(476)	(131)	(24)	1,284
Total Funds	31,522	32,924	(35,027)	-	(2,707)	26,712

£875,000 of restricted funds are held in securities (2019: £899,000), and the remaining £409,000 (2019: £400,000) is held in cash and deposits.

The £131,000 transferred from restricted funds to unrestricted funds is in respect of depreciation on capital equipment purchased using specific restricted funds and specific grants for the Institute of Teaching & Learning and the Kent Academies Network.

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Comparative Summary of Movements on Major Funds

	<i>At 1 Aug 2018 £'000</i>	<i>Incoming Resources £'000</i>	<i>Resources Expended £'000</i>	<i>Other Transfers £'000</i>	<i>Gains/ (Losses) £'000</i>	<i>At 31 July 2019 £'000</i>
<i>Unrestricted funds</i>						
<i>General reserve</i>	9,117	23,873	(30,264)	4,160	-	6,886
<i>Pension reserve</i>	(2,167)	-	(322)	-	(831)	(3,320)
<i>Fixed assets reserve</i>	14,731	7,780	(1,807)	-	-	20,704
<i>Building fund</i>	9,000	-	-	(4,000)	-	5,000
<i>Bursary reserve</i>	913	1,294	(1,254)	-	-	953
<i>Total Unrestricted</i>	31,594	32,947	(33,647)	160	(831)	30,223
<i>Restricted funds</i>						
<i>Bursary fund</i>	-	371	(371)	-	-	-
<i>SFU scholarship</i>	57	2	(4)	-	4	59
<i>Ligner scholarship</i>	168	5	-	-	12	185
<i>Plender scholarship</i>	106	3	-	-	8	117
<i>Johnson scholarship</i>	183	5	-	-	13	201
<i>Downton scholarship</i>	77	-	-	-	-	77
<i>Garrod scholarship</i>	57	2	(1)	-	5	63
<i>Forder bursary</i>	64	3	(6)	2	(2)	61
<i>General scholarship</i>	24	1	-	(2)	-	23
<i>Taylor prizes</i>	29	1	-	-	-	30
<i>Shooting fund</i>	103	1	-	-	-	104
<i>Consolidated prizes fund</i>	88	2	-	-	6	96
<i>Kirkwood fund</i>	15	1	-	-	1	17
<i>Consolidated travel funds</i>	69	2	(1)	-	6	76
<i>Friends of Sevenoaks</i>	20	-	-	(1)	-	19
<i>IDEA/IDEA Beta</i>	1	-	-	-	-	1
<i>Mobile chamber organ</i>	2	-	-	(2)	-	-
<i>Science Week</i>	2	-	-	-	-	2
<i>Outreach</i>	7	2	(9)	-	-	-
<i>ITL</i>	-	79	-	(79)	-	-
<i>Kent Academies Network</i>	-	71	-	(71)	-	-
<i>Science Equipment fund</i>	-	65	-	(4)	-	61
<i>Chiesman Trust</i>	98	3	-	(3)	9	107
<i>Total Restricted</i>	1,170	619	(392)	(160)	62	1,299
<i>Total Funds</i>	32,764	33,566	(34,039)	-	(769)	31,522

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

22. PENSION SCHEMES

Retirement benefits to employees of the School are provided through two defined benefit schemes and one defined contribution scheme, which are funded by the School's and employees' contributions.

Defined benefit schemes

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £2,115,000 (2019: £1,363,000) and at the year-end £175,000 (2019: £115,000) 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 2014. 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 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.

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 a remedy to the discrimination conclusion has been determined by the Employment Tribunal 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.

Local Government Pension Scheme

Sevenoaks School is an "admitted body" to the Kent County Council (KCC) Pension Fund (LGPS). The scheme was closed to new members with effect from 1 April 2010, though it remains open to existing members.

Contributions are made to the scheme in accordance with the recommendations of the scheme's actuary and are charged to the Statement of Financial Activities. The current service contribution rate during the year was set in bands, linked to the level of full-time equivalent full-time salary received, ranging from 5.5% to 12.5% payable by employees and a further 39.3% payable by the School. At 31 August 2020, £9,000 was accrued in respect of pension contributions to this scheme (2019: £6,000).

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

22. PENSION SCHEMES (CONTINUED)

a. The amounts recognised in the balance sheet are as follows

	2020	2019
	£'000	£'000
Present value of funded obligations	(23,744)	(20,500)
Fair value of scheme assets	<u>17,535</u>	<u>17,180</u>
Net liability	<u>(6,209)</u>	<u>(3,320)</u>

b. Changes in the present value of the defined benefit obligation

	2020	2019
	£'000	£'000
Opening defined benefit obligation	20,500	18,780
Current service cost	511	496
Interest cost	416	491
Change in financial assumptions	2,180	2,146
Change in demographic assumptions	(272)	(1,025)
Experience loss on defined benefit obligation	778	-
Estimated benefits paid net of transfers in	(464)	(602)
Past service costs, including curtailments	-	112
Contributions by scheme participants and other employers	<u>95</u>	<u>102</u>
Closing defined benefit obligation	<u>23,744</u>	<u>20,500</u>

c. Changes in the fair value of the scheme assets

	2020	2019
	£'000	£'000
Opening fair value of scheme assets	17,180	16,613
Interest on assets	352	437
Return on assets less interest	90	352
Other actuarial gains	(14)	-
Administration expenses	(9)	(8)
Contributions by employer, including unfunded	305	286
Contributions by scheme participants and other employers	95	102
Benefits paid plus unfunded net of transfers in	<u>(464)</u>	<u>(602)</u>
Closing fair value of scheme assets	<u>17,535</u>	<u>17,180</u>

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

d. The amounts included within the Statement of Financial Activities

	2020 £'000	2019 £'000
Service cost	511	608
Net interest on the defined liability	64	54
Administration expenses	9	8
Total amount charged within net incoming resources	584	670
Net actuarial losses / recognised in the year	2,683	831

The School expects to contribute £477,000 in 2020/21.

e. Reconciliation of movements in Present Value of Plan Liabilities and Assets

	2020 £'000	2019 £'000
Net liability at beginning of year	3,320	2,167
Movements in the year:		
Employer's current service cost	511	496
Employers past service cost, including curtailments	-	112
Employer's contribution	(305)	(286)
Expected net interest on plan assets	(64)	(54)
Actual net interest less expected net interest on plan assets	47	(236)
Changes in assumptions underlying the plan liabilities	2,700	1,121
Net liability at end of the year	6,209	3,320

f. The major categories of scheme assets as a percentage of total assets

	2020	2019
Equities	64%	68%
Gilts	1%	1%
Other bonds	13%	9%
Property	11%	12%
Cash	3%	3%
Absolute return fund	8%	7%
Total	100%	100%

The actual return on scheme assets is estimated to be 3%.

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

g. Principal actuarial assumptions at the balance sheet date

	2020	2019
Financial assumptions		
Discount rate	1.30%	2.05%
Rate of increase in salaries	3.25%	3.90%
Rate of increase in payment of pensions	2.25%	2.40%
Inflation assumption (CPI)	<u>2.25%</u>	<u>2.40%</u>
Assumed life expectancy in years at age 65:		
Non pensioners		
Females	25.2	25.8
Males	23.2	23.7
Pensioners		
Females	23.8	24.0
Males	<u>21.8</u>	<u>22.0</u>

h. History of experience gains and losses

	2020	2019	2018	2017	2016	2015
	£'000	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(23,744)	(20,500)	(18,780)	(19,066)	(18,165)	(15,197)
Plan assets		<u>17,180</u>	<u>16,613</u>	<u>15,422</u>	<u>13,159</u>	<u>12,273</u>
	<u>17,535</u>					
Deficit	(6,209)	(3,320)	(2,167)	(3,644)	(5,006)	2,924
Experience adjustments on plan liabilities	(778)	-	-	365	-	-
Experience adjustments on scheme assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>237</u>	<u>319</u>

Defined contribution scheme

The Sevenoaks School Group Personal Pension Plan (GPP) started in April 2010. This is a money purchase group personal pension scheme managed by Aegon. Members of the contractually enrolled scheme pay a minimum of 4% of their pensionable salary with no maximum limit. The School matches each member's contribution, up to a limit of 6%. Members of the GPP scheme receive a death-in-service benefit of 3 times salary.

There is a sub-section of the GPP scheme for auto-enrolment. Members of the auto-enrolled scheme currently pay 5% of their pensionable salary.

Members may contract to exchange salary for higher pension contribution. Employers' contributions are charged in the Statement of Financial Activities in the period in which the salaries to which they relate are due. Employers' contributions in the year amounted to £172,000 (2019: £146,000). At 31 July 2020 there were £16,000 accrued pension contributions for this scheme (2019: £14,000).

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

23. SUBSIDIARIES

The School owns all the issued share capital of a trading company Sennocke Services Limited, company number 1980362 incorporated in England, which carries out the commercial trading services of Sevenoaks School. The School receives any surpluses earned by the company as a gift-aided donation. The financial statements of the company for the year to 31 July 2020, which are not consolidated with the School financial statements, showed the following position:

	2020 £	2019 £
PROFIT AND LOSS ACCOUNT		
Turnover	425,041	678,778
Operating costs	<u>(418,839)</u>	<u>(669,939)</u>
Profit from continuing activities	6,202	8,839
Deposit interest received	-	-
	<u>6,202</u>	<u>8,839</u>
Gift aided donation – (Gross)	<u>(6,202)</u>	<u>(8,839)</u>
Profit after payment of covenant	-	-
Balance brought forward	<u>15,000</u>	<u>15,000</u>
Balance carried forward	<u>15,000</u>	<u>15,000</u>
	2020 £	2019 £
BALANCE SHEET		
Tangible fixed assets	-	-
CURRENT ASSETS		
Debtors	26,551	72,913
Cash at bank and in hand	<u>15,050</u>	<u>19,280</u>
	41,601	92,193
CREDITORS: amounts falling due within one year	<u>(26,599)</u>	<u>(77,191)</u>
Net current assets	<u>15,002</u>	<u>15,002</u>
TOTAL NET ASSETS	<u>15,002</u>	<u>15,002</u>
CAPITAL AND RESERVES		
Called up share capital	2	2
Profit and loss account (below)	<u>15,000</u>	<u>15,000</u>
	<u>15,002</u>	<u>15,002</u>

No management charges were paid by Sennocke Services Limited to the School during the year (2019: Nil). At 31 July 2020 there were no amounts (2019:£9,348) owed to the School.

24. RELATED PARTY TRANSACTIONS

Sevenoaks School is the educational sponsor of Knole Academy. The Senior Deputy Head of Sevenoaks School is also the Chairman of Knole Academy. There have been many joint initiatives involving staff and students from the School and Knole Academy during the year to share knowledge and experience in a number of areas.

There was no charge for these activities or services and there were no amounts owed to the School at 31 July 2020 (2019: Nil).

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

25. STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE FIGURES BY FUND-TYPE

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Income from:			
Charitable activities			
School fees receivable	28,813	-	28,813
Ancillary trading income	2,864	-	2,864
Other trading activities			
Charitable trading income	1,025	-	1,025
Investments			
Investment income	-	30	30
Bank and other interest	236	-	236
Voluntary sources			
Grants and donations	9	589	598
Total incoming resources	32,947	619	33,566
Expenditure on:			
Raising funds			
Charitable trading costs	(1,043)	-	(1,043)
Financing costs	(71)	-	(71)
Total deductible costs	(1,114)	-	(1,114)
Charitable activities			
Education and grant making	(32,533)	(392)	(32,925)
Total expenditure	(33,647)	(392)	(34,039)
Net incoming funds from operations before transfers and investment gains	(700)	227	(473)
Gains on investments	-	62	62
Transfers between funds	160	(160)	-
Net income and capital gains	(540)	129	(411)
Pension scheme actuarial gains	(831)	-	(831)
Net movement in funds for the year	(1,371)	129	(1,242)
Fund balances brought forward at 1 Aug 2018	31,594	1,170	32,764
Fund balances brought forward at 31 July 2019	30,223	1,299	31,522