

SEVENOAKS SCHOOL



ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

SEVENOAKS SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

| Contents | Page |
|---|-------------|
| Governors, Officers and Advisers | 1 |
| Annual Report of the Governors | 3 |
| □ Strategic Report | 5 |
| □ Statement of Accounting and Reporting Responsibilities | 14 |
| Independent Auditor's Report | 15 |
| Statement of Financial Activities, including Summary Income and Expenditure Account | 18 |
| Balance Sheet | 19 |
| Cashflow Statement | 20 |
| Notes to the Financial Statements | 21 |

SEVENOAKS SCHOOL

GOVERNORS, OFFICERS AND ADVISERS

YEAR ENDED 31 JULY 2021

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 | | | • | |
| A C Beckett MBA MA (Chair) | (appointed as Chair on 3 December 2020) | • | | • | |
| C P Gill MPhil BSc (Vice-Chairman) | | | | • | • |
| K Allen BSc ACA * | | | • | | • |
| R S M Best LLB | | • | | • | |
| T A B Boulton MA | | • | | • | |
| J G Davies LLB | | | | • | • |
| E J Ecclestone LLB Dip LP * | | • | | | • |
| G A Innes BSc ACA | | | • | | |
| J F J London LLM | | | • | | • |
| P Luxmoore BA | | • | | | |
| M McInerney BSc ACMA | | • | | | • |
| 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 Plumtre Johnson | G A Innes |

SEVENOAKS SCHOOL
GOVERNORS, DIRECTORS, OFFICERS AND ADVISERS
YEAR ENDED 31 JULY 2021

OFFICERS (currently and throughout the year)

| | |
|-------------------------|--|
| J R Elzinga AB MSt FCCT | <i>Headmaster (Succeeded Ms T Homewood, Acting Head, from 1 September 2020)</i> |
| G T Jones BA ACA | <i>Clerk to the Governors and Bursar (Resigned 31 July 2021)</i> |
| B McClure MA MPHIL PhD | <i>Clerk to the Governors and Bursar (Succeeded Mrs G T Jones on 1 September 2021)</i> |

| | |
|--|--|
| 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 & Foscett 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 2021

The members of Sevenoaks School Governing Body present their Annual Report for the year ended 31 July 2021 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, diversity, and availability. The Governors have regard to the Charity Governance Code published in 2017, as updated in 2020, which sets out the principles and recommended practice for good governance within the sector.

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 opportunities for Governors are identified, particularly in key areas such as safeguarding and health and safety. 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 sub-committees which have delegated oversight of specific areas on behalf of the Governing Body:

- The Governance Committee is responsible for maintaining and enhancing good governance. It does so by keeping governance procedures 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 is chaired by Mrs Alison Beckett, Chair of Governors.
- 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 reviewing educational and pastoral policies. The Education Committee is chaired by Mrs Eliza Ecclestone.
- The Finance and Property Committee is responsible for the review of the School's medium and long term financial and capital plans, budgets, and cash flows. The Committee also supervises and recommends 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 Committee before being presented to the full Governing Body. The Finance & Property Committee is chaired by Mr Mark Merson.
- The Public Benefit Committee reviews the School's service and partnership activities and other public benefit activities and ensure that these are in keeping with the charitable objects of Sevenoaks School. The Public Benefit Committee is chaired by Mr John Davies.

From time to time, Governors meet with members of the management team outside the normal schedule to discuss strategy or other important issues. Governors may also sit on steering groups or working groups to examine particular issues, for example during 2020/21 this included a New Girls' Boarding House Steering Group, and an International Engagement Working Group.

The day-to-day running of the School is delegated to the Headmaster and Bursar. They are supported by their Senior

SEVENOAKS SCHOOL

ANNUAL REPORT OF THE GOVERNORS

YEAR ENDED 31 JULY 2021

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. During 2020/21, the Chair, Mrs Alison Beckett, formed a group to have oversight of the pay and conditions of the Headmaster and Bursar, consisting of the Chair, Vice Chair, Chair of the Finance and Property Committee and a member of the Governance Committee.

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. Having a diverse staff enhances our school community and we warmly welcome applicants from all backgrounds. 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 and senior managers 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 periods 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 Headmaster. 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 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.

SEVENOAKS SCHOOL
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 JULY 2021

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 sense of social responsibility of every student. 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. These aims are encapsulated in the term a *Sevenoaks Education*.

STRATEGIC REPORT

OBJECTIVES FOR THE YEAR

The Governors' objectives for the academic year 2020/21 were:

- 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 SARS CoV-2 pandemic
- To protect and preserve the financial stability of the School during the SARS-CoV-2 pandemic
- To review the 2019 Masterplan and reconsider the sequencing of key projects
- To publicise and support Horizon 2032

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

Performance Against 2020/21 Objectives:

- *To support the Headmaster during his first year in post:* The Headmaster was involved in key decisions and meetings in advance of formally taking up his post. This included the Emergency Steering Group formed by the Governing Body to support the School through the Covid crisis. This has assisted a very smooth transition into managing the School, the challenges of delivering distance learning, uncertainties about the award of examination grades and key decisions in respect of the financial stability of the School, with the supportive engagement of all Governors and the new Chair of Governors whenever appropriate.
- *To preserve the quality of the education provided by the School to its students during the SARS CoV-2 pandemic:* Building on the experience of the first lockdown, the School built on and refined its approach to delivering distance learning, encompassing the needs of students based in the UK and overseas. In addition, the School placed significant emphasis on wellbeing and co-curriculum activities to support the overall development of students. The School has received praise from parents and students for its approach. An in-depth evaluation has been completed by the Institute of Teaching and Learning and been shared with the Governing Body.
- *To protect and preserve the financial stability of the School during the SARS-CoV-2 pandemic:* The Finance and Property Committee oversaw measures which included a freeze on non-essential capital expenditure and a recruitment freeze to ensure the preservation of the School's cash position. The School also furloughed staff under the government scheme. The FPC stress-tested the School's finances against a range of scenarios in respect of possible future pressures resulting from the pandemic. This exercise provided assurance to the Governing Body that the position was a stable one, and in the event of a worst-case scenario the School would have time to consider further measures before the situation became critical. Fee rebates of £1,122,000 (2020: £2,207,000) were issued during the year as a result of the forced closure of the School for the first eight weeks of the Lent term. Additional expenditure related to the pandemic totalled £1,345,000 (2020: Nil). These additional costs were offset by grants in respect of the Coronavirus Job Retention Scheme of £265,000 (2020: £582,000) and cost savings of £1,331,000 (2020: £1,360,000).
- *To review the 2019 Masterplan and reconsider the sequencing of key projects:* As noted above, a pause was placed on capital expenditure, with one exception, the decision to proceed with the new girls' boarding house based on a strong business case. The Governing Body has agreed a brief for the review of the Masterplan which will be taken forward although not critical for this year in view of decisions taken on existing projects. Further consideration will be given in the

SEVENOAKS SCHOOL

ANNUAL REPORT OF THE GOVERNORS

YEAR ENDED 31 JULY 2021

context of a Governing Body objective for next year, to consider the balance between investment in facilities and broadening access through development of the School's bursary programme. Consideration is being given to the funding of the refurbishment of Girls' International House, and this has been discussed by the School and Foundation Consultation Forum.

- *To publicise and support Horizon 2032:* In view of the pandemic the launch of Horizon 2032 was deferred.

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, and has maintained a focus on wellbeing, both as a matter of good practice and given the exceptional demands and challenges of the pandemic. The Governing Body have received reports on the measures put in place to support staff, particularly during periods of remote working when the School campus was closed. The School is also working towards an externally validated wellbeing award. The Company has complied with the UK's Equality Act 2010 Regulations 2017 which require the publication of information on the gender pay gap for UK employees annually (excepting that the requirement to publish during 2019/20 was suspended due to the coronavirus outbreak). The School's 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 2020/21. 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).

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 a wide range of contributions which are also described.
- 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 Finance and Property Committee 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 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

Public Benefit

The imperative of delivering public benefit is woven throughout the School's activities. The School is proactive in seeking to make a significant contribution for the benefit of its communities in accordance with its charitable objects and has taken careful consideration of the Charity Commission guidance in deciding what educational and ancillary activities the charity

SEVENOAKS SCHOOL

ANNUAL REPORT OF THE GOVERNORS

YEAR ENDED 31 JULY 2021

should undertake. In the following report, therefore, the School's achievements and performance are reviewed through a lens of public benefit, including: advancing education; widening opportunity through offering free and assisted places; a distinctive student service programme; sharing resources and expertise through partnerships; and providing free or subsidised use of School facilities by other schools and community groups.

Advancing education

Founded in 1432, Sevenoaks School enjoys the distinction of being one of the UK's longest established schools. A tradition of innovation and excellence has seen Sevenoaks develop into a co-educational day and boarding school, its constituency extending both locally and internationally. The School offers a rigorous as well as a rounded education for pupils from the age of 11 to 18 and in particular has developed a worldwide reputation as a centre of excellence and as a flagship for the International Baccalaureate. An average of 1,160 students attended the School during 2020/21. The School actively seeks to maintain gender balance, achieving 49% (566) female students and 51% (594) male students. A third of the students (387) were boarders, comprising 170 female and 217 male students. In advancing education, the School relieves public funds of considerable expense.

The School continues its outstanding record of academic achievement, pastoral care and co-curricular opportunity. Academic excellence is achieved by bright, motivated students, inspired by highly qualified and dedicated teachers in well-resourced classrooms. A professional team of specialist tutors, boarding house staff and year heads ensures that our pupils are happy and receive expert care and support, while the mutual respect shared by students and staff helps to generate an atmosphere of friendliness. The School's campus offers a safe, attractive environment in which to learn and grow. State-of-the-art facilities, together with high level instruction, provide rich opportunities for pupils to participate in a wide variety of sports, the performing arts and many other activities.

Every pupil is encouraged to be curious, creative, critically aware, and to develop his or her passion and talent to the full. Life is fast-paced and dynamic, and expectations are high. At the same time, the School cultivates in its pupils the habit of reflecting on their learning and on the way they behave and perform. While distinctively forward-looking, the School continues to value its alumni, who return for regular matches, social events and anniversary dinners, and whose presence is strongly felt and recorded in the inclusive School publications.

The School's international outlook promotes the principles of tolerance and open-mindedness. Regular assemblies, tutor group meetings and a programme of talks help to foster the social and emotional welfare of students, while a long tradition of service and local and international charity projects advances a core set of values across the student body. Ambitious but principled, confident and compassionate, Sevenoaks students are prepared for leadership in an ever more complex world.

All Sixth Form students pursue the International Baccalaureate Diploma, a programme the School has delivered for over 40 years. The Diploma represents, in the School's view, the best preparation for university and for work in a world of global competition. Students leave Sevenoaks to study a wide range of courses at top universities in the UK, the US and elsewhere. They do so with an enlarged capacity for independent thought and intellectual risk-taking, a strong appetite for learning, and equipped with the skills and personal qualities necessary for a happy and successful life.

During the coronavirus pandemic, the School has been creative and determined in maintaining a holistic experience for all students. In Art, the Marketing Department assisted with creating an online platform and video features to share and celebrate students' achievements, in lieu of the traditional London exhibition which was cancelled due to Covid. The Music Department successfully reframed the whole idea of musical performance, with students challenged to share their playing by performing to their families at their family at home. More than 150 responded, with a dozen online iMovie concerts, and a Virtual Platform Concert was introduced. Drama posed its own unique challenges, particularly with the restrictions on working together and the uncertainty of live performances taking place. Yet, students and staff showed tremendous resilience and personality to meet this challenge. New clubs thrived, and the department was able to welcome back audiences to the Summer term performances of *The Wolves* and *Greenland* given by Middle and Lower School pupils. In sport, a 'new normal' was established and as a result even during the tightened restrictions of the November and January lockdowns, when club sport was stopped, school sport was able to continue. The department created a programme that enabled students to feel like they were still able to participate in competitive sport through internal tournaments and activities that created the feel of fixtures. The end of the Lent term saw students back on campus and the Summer term brought the welcome return of in-person fixtures.

Examination Results

As in 2020, examination results for both GCSE and International Baccalaureate (IB) students were determined differently due to the pandemic. For the IB Diploma, grades were determined using a combination of teacher predictions and coursework marks. For Year 11 (GCSEs, IGCSEs and Sevenoaks School Certificates), schools were asked to construct teacher assessed grades based on student performance and evidence. 235 students took the IB diploma. The mean diploma score was 41.3. This is a record for the School, but as the results were not determined the same way as in previous years, this is not a figure which can usefully be compared to results pre-2020. 30 pupils achieve the maximum 45 points. For Year 11, 93.8% of all qualifications were graded A/A* or 9/8/7. This is high compared to previous years, but not a record.

University Entrance

In 2020/21, the Higher Education Department supported successful applications by 227 students going to universities in

SEVENOAKS SCHOOL

ANNUAL REPORT OF THE GOVERNORS

YEAR ENDED 31 JULY 2021

the UK, USA, Canada, Europe and further afield in 2021. Of those students continuing to university studies in the UK, 85% (149/176 students) went to Oxford, Cambridge, London Colleges or other Russell Group universities, with UCL, Durham, and Cambridge the three most popular destinations with 27 students going on to study at UCL and 16 to Durham and 15 to Cambridge. 13 students took up a place at Oxford, 12 at Edinburgh, 9 at Exeter, 9 at Imperial College and 8 each at the LSE and Bristol. 22% of Sevenoaks students went on to study at top universities overseas, including US, European. Around half of students (52%) starting university in 2021 are studying degrees in the Arts and Humanities; 31% are studying STEM (Science, Technology, Engineering and Mathematics) subjects, and 17% 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.

Widening opportunity through free and assisted places

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 is committed to respecting that heritage. Over the past 10 years the School has significantly increased the number of part or full funded places from 5 to 68 in 2020/21 at a cost of £1,557,000. Funded by both the School and the Sevenoaks School Foundation, these students benefit from the outstanding educational opportunities offered by the School. One of the School's key strategic objectives for the future is to grow its capacity to support the numbers of students who can benefit from a *Sevenoaks Education*. During the year the School moved away from the terminology of 'bursaries' to the more accessible language of 'free and assisted places'

From 2016 the School has also partnered with the Royal National Children's SpringBoard Foundation, the UK's largest boarding school bursary charity. The aim is to match children to the right boarding schools to achieve life-transforming outcomes for students, and to provide for a 'ripple effect' whereby those students raise aspiration with their home communities. This education can provide young people with the opportunity to access a future not tied to where they started in life. Currently three Royal SpringBoard students are in the Sixth Form at Sevenoaks School supported by full boarding bursaries from the Sevenoaks School Foundation

Student service programme

Service has for a long time been a key part of a Sevenoaks education. The weekly service programme has continued to see the School's relationship with local and global organisations strengthen. One example is the relationship with Sevenoaks *Welcomes Refugees*. In addition, many students continue to lead their own service or social enterprise projects, ranging from creating and selling lapel badges in support of EDGE (endangered) species, to running WomenEmpower speaker sessions for local schools. The latter has involved students in Year 12 discussing topics ranging from racism to body positivity. Many students have also been mentored along the way through the School's student-led social entrepreneurship competition which gives participants feedback on their ideas ahead of a few groups receiving funding after feedback from external judges.

The following examples and comments from students provide a flavour of the many service activities undertaken during the course of the year:

- Donating sports items to local primary schools across Kent: *"We collected many boxes filled with sports equipment, including numerous netballs donated by the PE & Sport department, as well as some memorable items, like a pair of ice skates! These were all hugely appreciated by the schools receiving them and overall, the collection was very successful."* (Year 9 Student).
- Donating unused devices to Sevenoaks households: *"21 per cent of households in Sevenoaks lack a device to FaceTime their family, and many households have a single computer to share between multiple children... I wanted to encourage students to empty out their family drawer of old phones, tablets and computers which sit and collect dust, so we can instead recycle these devices and share them with our wider community. This would help students to attend their online lessons and help elderly people to speak with their families."* (Lower 6th form student)
- Creating food and hygiene parcels for primary schools, food banks and other charitable organisations: *"Inspired by the school's outstanding efforts to support our local community during the first lockdown, it was undeniably essential we continued our school-wide Covid-19 response. Throughout the year we continued to collect and carefully make up food and hygiene parcels to meet the requests of 12 different primary schools, local food banks and organisations, such as One Big Family, which helps the homeless in the Medway area. It was amazing to see the whole school's engagement and generosity throughout the entire process. This was especially evident during our Christmas collection, as each tutor group worked together to make up individual parcels (200 in total!), personalising them with Christmas cards."* (Lower 6th form student)
- In the Lower School, the Year 7 Society & Change course finished with a *Storytelling for Change* project with students creating picture books, video animations, and cartoons to use metaphor as a tool for social understanding. Year 8 students completed their social entrepreneurship seed funding *10 Challenge* with students responding well to the challenge set this year of considering the social and environmental contribution made by a product designed by the student, as well as the funds raised. Over £2500 was raised for 12 different causes.
- In the Middle School, the Year 9 students' advocacy work created as part of the core critical thinking element of the curriculum was drawn together into a gallery, with students choosing campaigns to address issues relating to deforestation, gender and football, gender roles during Covid and fast fashion as holding the potential for impact. The year group also had the opportunity to engage with *The High Life*, an immersive climate change simulation offered by Empathy Action.
- A group of Year 11 students became social entrepreneurs for the last week of their school year, working in teams to respond to challenges set to them by the UOcean Project and makers of an exercise app, Waliba. The coaches from Entrepreneurs in Action strengthened their understanding across the areas of marketing, finance, project

SEVENOAKS SCHOOL

ANNUAL REPORT OF THE GOVERNORS

YEAR ENDED 31 JULY 2021

management and innovation through practical research and engagement.

- In October 2020 half term, 13 students volunteered to work with Invicta Academy, an online pop-up school founded in Kent, with the sole purpose of helping the children of the United Kingdom catch up on missed learning.

Sharing resources and expertise through partnerships and other initiatives

The School's strategic vision reinforces its commitment to share its educational expertise and other resources with schools and other partners, providing opportunities for children and teachers to take part in a shared programme of teaching and learning events and co-curricular activities. The following provides a summary of key partnership activities:

- ***Knole Academy:*** The School has built strong and still growing links with Knole Academy. The immediate past Senior Deputy Head is the Chair of Knole Academy Governing Body, continuing a long personal commitment to supporting the Academy. The current Headmaster and new Senior Deputy Head are also Governors of Knole Academy. The links between Knole Academy and Sevenoaks School are deep and broad, with mutual support for CPD and research-based learning. Knole Academy has introduced the International Baccalaureate Careers Programme (IBCP) which is described further below. Although face to face collaborative work was limited by the pandemic, support for teaching has continued and the School is looking forward to resuming its full range of academic and co-curricular collaborations, the latter including the Combined Cadet Force and the Duke of Edinburgh award scheme.
- ***Sevenoaks Primary Partnership:*** 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.
- ***The Kent Academies Network (KAN):*** The Kent Academies Network aims to remove barriers to Higher Education for the most able, disadvantaged pupils. The 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 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 has been in place since 2013 and seen four cohorts through to university. The new Aspire university access programme will begin in 2021. Core and Aspire are uniquely comprehensive four-year programmes of mentoring, meet-up days and Core residential weeks. KAN events were held virtually over the course of the year, and the spring 'residential' had to take place remotely due to the pandemic. On Friday 26 March 2021, students from all four current KAN cohorts (2017-2020) attended many different virtual events over the course of the weekend, including academic and revision sessions as well as some more unusual extracurricular activities.
- ***The International Baccalaureate Career Related Programme (IBCP):*** 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 coordinating development of the platform. 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 Education People and the UK IB Schools and Colleges Association (IBSCA):*** The School has partnered with The Education People and IBSCA to establish a cross-sector initiative to support school improvement, especially in non-selective state schools in Kent. Specifically, the partnership has implemented an online social learning platform (IB Subject Communities) which will help teachers across the partnership share teaching advice, best practice, and resources. Four members of Sevenoaks School staff are Subject Leaders (Art, Biology, Psychology and Mathematics) and will curate and facilitate their area of expertise. The initiative has been designed to increase mutual understanding and community between all sectors and between experienced and inexperienced or non-specialist teachers alike. The key aim is for teachers to improve their practice overall, regardless of school context, but fundamental to the core of the partnership is a desire to improve outcomes for disadvantaged students at post-16.
- ***EduSpots:*** The School has close links with the Ghanaian educational charity, EduSpots. In the Michaelmas term, a team of 12 Lower Sixth students worked to provide online resources that students in Ghana (and beyond) could complete at home or in their communities, using resources available locally. In the Lent term, the students worked virtually to create plans for the EduSTEM weekly science clubs. This involved making an experiment planning sheet and a presentation to accompany it. Ghanaian students sent videos to Sevenoaks students demonstrating how experiments had been completed. These ranged from making anemometers, to measuring wind speed, to modelling tooth decay using eggshells. In the Summer term, the Sevenoaks students compiled these videos with their own to showcase work across the EduSpots network. Sevenoaks students were also excited to work with the Ghanaian team to support resource creation for their STEM for a Sustainable Future summer camps. This project has now received

SEVENOAKS SCHOOL

ANNUAL REPORT OF THE GOVERNORS

YEAR ENDED 31 JULY 2021

funding for roll out to four further communities from the Ashworth Charitable Trust. Students have also worked with the Ghanaian team to create new educational resources for EduLit, the literacy programme, given the school closures in Ghana due to Covid-19. These have ranged from the production of a children's book series to a series of non-fiction writing lesson templates for the leaders of the Spots to use when teaching parts of the junior high syllabus. Another new project focused on teaching parts of speech and sentence-building to younger children through the game of Chatterbox. A highlight of the students' work was the book drive towards the end of the year. With the help of ten other schools, over 20,000 books were collected and sent to 42 EduSpots libraries across Ghana.

- **STEM Week:** From 1 to 5 March 2021, the School hosted its annual STEM Week event under the new title, STEMagination Week. Taking the theme of creativity in science, the programme included online shows, insightful lectures and competitions for students and staff from Sevenoaks School and other local schools. Over 30 local schools took part in the virtual event. The line-up included an interesting 3D printing session of the Bloodhound supersonic car, a slow drawing class designed to explore the power of observation, and a liquid nitrogen workshop. Students also had the opportunity to watch and engage with award-winning shows from Science Made Simple. Organised by the department of Science and Technology, the event is part of the Schools ongoing partnership programme, which broadens access to resources for local schools and teachers. Content was tailored to audiences from Key Stage 1 up to Key Stage 5. The programme was created to showcase scientific innovation and inspire creative thinking in Science, Technology, Engineering and Mathematics (STEM). The virtual event links were made available on the website for external schools to continue to access as an ongoing STEM resource.
- **Outreach Boxes:** A Sevenoaks outreach box is a collection of subject-specific classroom resources available on loan to schools. The School has been incredibly fortunate over the last couple of years to work closely with many of our local schools, running events, workshops and teacher training, and hosting many of the partnership meetings. Through these interactions the School is regularly asked if we can assist with resources for the classroom. Whilst it is not possible to provide resources for each school, the solution has been to loan equipment for free, like a library of useful classroom resources. The School's Outreach programme is generously supported by the Sevenoaks School Foundation and its benefactors. More than £70,000 has been donated to the programme over the past two years. Outreach boxes together with VR sets have been fully funded through this generous support.

Free or subsidised use of School facilities by other schools and community groups

The School's facilities and grounds are usually made available to the community year-round although unfortunately this was limited during 2020/21 due to Covid-19 control measures. Prior to the lockdown 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 and Sennocke Sports Centre. These include The Weald Primary School, Anthony Roper School, Sevenoaks Hockey Club, Sevenoaks Athletic Club, Sevenoaks Powerchair Football Club, and Sevenoaks Round Table.

Links with other Charitable Bodies

The School has links with other charitable bodies, including Sevenoaks School Foundation (Registered Charity No. 307923), an independent charity whose objects mirror those of the School. In 2020/21, the Foundation made grants of £601,000 to the School for bursaries and scholarships. A further £43,000 was granted by the Foundation to fund residential trips and other extra-curricular activities for bursary award holders.

The School also 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.

Sustainability

In February 2021, students took part in a number of talks, workshops and challenges as part of an annual Green Week, with each day tackling a different environmental theme: Wicked Waste, Under the Sea, Life on Land, Climate Action, Reflection and Looking Forward.

There were a variety of workshops and seminars run by Sevenoaks School teachers and external speakers. Challenges and activities including encouraging students to consider reducing their waste; to explore the natural world around them by tracking biodiversity through photography; and to upcycle plastic. The School's Eco Partnership service group has also been creating resources to help local primary schools with their environmental education.

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 17.2% for the year ended 31 July 2021 (2020: average loss 2.7%). The dividend income was available to be applied to the purposes of the various funds. This performance is due to the recovery in investment funds following the extraordinary market conditions last year as a result of the COVID-19 pandemic. 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

SEVENOAKS SCHOOL
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 JULY 2021

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 £2,629,000 (2020: £2,103,000) as shown in the school's Statement of Financial Activities. This includes a £20,000 (2020: £6,000) 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 again affected by the COVID-19 global pandemic. Remote learning took place during the Lent 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 (£23,805,000). Each year reserves equivalent to 3% of gross fee income are transferred to the bursary reserve (£997,000) and the cost of bursaries granted (£1,573,000) 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 £645,000 cost to the School of making those additional awards. The balance on the bursary reserve was £939,000 at the end of July 2021 (2020: £870,000).

At 31 July 2021, after taking into account the pension-funding deficit of £4,757,000 (2020: £6,209,000), -£135,000 (2020: £2,150,000) was held in General Funds, which represented 0 weeks operating costs. The pension-funding deficit of £4,757,000 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 £4,626,000 which represents 6 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

The Governors continue to review 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.

SEVENOAKS SCHOOL

ANNUAL REPORT OF THE GOVERNORS

YEAR ENDED 31 JULY 2021

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

The School's greenhouse gas emissions for the financial year were equivalent to 1,888.11 tonnes of carbon dioxide which equates to 9,679,465 kilo-Watt-hours (kWh) of energy and has undertaken 4 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 2021 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.

Table 1 shows the GHG emissions for the School in tonnes of carbon dioxide equivalent for the year:

| | Emission Source | 2020/21 Energy (kWh) | 2020/21 Emissions (tCO₂e) | <i>2019/20 Energy (kWh)</i> | <i>2019/20 Emissions (tCO₂e)</i> |
|-----------------|------------------------|-----------------------------|---|-----------------------------|---|
| Scope 1 | Gas Consumption | 6,597,580 | 1,208.41 | 5,271,767 | 969.32 |
| | Heating Oil | 361,584 | 92.85 | 326,829 | 83.90 |
| | Owned Transport | 107,757 | 27.11 | 106,754 | 26.76 |
| | Sub Total | 7,066,921 | 1,328.37 | 5,705,350 | 1,079.98 |
| Scope 2 | Purchased Electricity | 2,539,059 | 539.12 | 2,537,591 | 591.61 |
| Scope 3 | Business Travel | 73,485 | 20.61 | 68,200 | 19.13 |
| Total Emissions | | 9,679,465 | 1888.11 | 8,311,141 | 1,690.73 |

Table 2 shows the intensity ratios for the School:

| Type | 2020/21 kWh/Students | 2020/21 tCO₂e/Students | <i>2019/20 kWh/Students</i> | <i>2019/20 tCO₂e/Students</i> |
|-------------|-----------------------------|--|-----------------------------|--|
| Occupancy | 8,344 | 1.63 | 7,401 | 1.51 |

During the year 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. |
| Renewal of tennis centre roof | <ul style="list-style-type: none"> Improved thermal efficiency | <ul style="list-style-type: none"> Replacement of leaking roof including improved insulation meeting latest regulatory standards |
| New boilers in School Theatre and Boarding House | <ul style="list-style-type: none"> Heating | <ul style="list-style-type: none"> Replacement of old boilers with new condensing boilers |
| Staff accommodation windows | <ul style="list-style-type: none"> Improved thermal efficiency | <ul style="list-style-type: none"> Refurbishment of sash windows |

SEVENOAKS SCHOOL

ANNUAL REPORT OF THE GOVERNORS

YEAR ENDED 31 JULY 2021

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: vetting procedures as required by law for the protection of children, formal agendas and briefing papers for committee and sub-committee meetings; strategic and business planning; budgeting and management accounting; and, clear authorisation and approval levels. 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.

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.

With respect to Covid-19, 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 was assured that for each of the scenarios, it would be possible to take the action required to ensure the future viability of the School. The School has continued to follow UK Government advice, implement appropriate adaptations to the campus and ways of operating, and update Covid-19 specific risk assessments as needed. It will continue to monitor the progress of the pandemic and will adapt its responses in a considered and flexible manner.

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 through perceived failure to meet public benefit obligations and aspirations, and potential associated impacts on the School's charging structure and cost base. 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. In view of an increasing awareness of the threats posed by breaches in cyber security, the School's risk register highlights this risk to ensure continuing oversight of the control measures put in place. The School also maintains an awareness of the increasing cost of both the Teachers' Pension Scheme and the Local Government Pension Scheme, and these were reviewed by the Finance and Property Committee in 2020/21. No change to the School's arrangements were considered necessary at that time but it is an area that will be kept under review.

The School is mitigating its risk in relation to the withdrawal of its charitable status by ensuring the significant public benefit arising from its activities is clearly articulated, 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 perceived 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 widening access to its excellent education services as a key part of its new strategy. 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 free and assisted places 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.

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. The School has continued its enhanced focus on safety issues 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 taking into account the potential consequences of the Covid-19 pandemic identified to date) allow risks to be mitigated to an acceptable level.

SEVENOAKS SCHOOL
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 JULY 2021

FUTURE PLANS

Governing Body Objectives 2021/22

1. Ensure the School's stability

- To continue to protect and preserve the stability of the School during and after the SARS-CoV-2 pandemic;

2. Strategic planning

- To finalise the School's new strategy to 2032, to include the future vision for a *Sevenoaks Education*, increased opportunity through free and assisted places, reviewing and developing partnerships, and becoming carbon neutral.
- To agree enabling campus and financial plans to ensure the successful delivery of the strategy, including the renewal of the School's heritage campus for the future.

3. Good governance

- To support and embed the new senior leadership team in the work and governance of the School.
- To conduct a review of the Governing Body's structure and effectiveness and implement the findings.

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.

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 1 December 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 Sevenoaks School

Opinion

We have audited the financial statements of Sevenoaks School ('the charitable company') for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2021 and of 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

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, health and safety legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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



Tina Allison

Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

20th December 2021

SEVENOAKS SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2021

| | Notes | Unrestricted Funds £'000 | Restricted Funds £'000 | 2021 £'000 | 2020 £'000 |
|--|-------|--------------------------------|------------------------------|-----------------|-----------------|
| Income from: | | | | | |
| Charitable activities | | | | | |
| School fees receivable | 2 | 31,374 | - | 31,374 | 28,823 |
| Ancillary trading income | 3 | 1,892 | - | 1,892 | 2,033 |
| Other trading activities | | | | | |
| Charitable trading income | 4 | 437 | - | 437 | 557 |
| Investments | | | | | |
| Investment income | 5 | - | 30 | 30 | 40 |
| Bank and other interest | 6 | 39 | - | 39 | 195 |
| Voluntary sources | | | | | |
| Grants and donations | 7 | 21 | 856 | 877 | 584 |
| Other | | | | | |
| Other Income | 1.4 | 265 | - | 265 | 692 |
| Total incoming resources | | <u>34,028</u> | <u>886</u> | <u>34,914</u> | <u>32,924</u> |
| Expenditure on: | | | | | |
| Raising funds | | | | | |
| Charitable trading costs | 8 | (866) | - | (866) | (842) |
| Financing costs | 9 | (42) | - | (42) | (55) |
| Total deductible costs | | <u>(908)</u> | <u>-</u> | <u>(908)</u> | <u>(897)</u> |
| Charitable activities | | | | | |
| Education and grant making | 8 | (35,964) | (671) | (36,635) | (34,130) |
| Total expenditure | | <u>(36,872)</u> | <u>(671)</u> | <u>(37,543)</u> | <u>(35,027)</u> |
| Net (outgoing)/incoming funds from operations before transfers and investment gains | | (2,844) | 215 | (2,629) | (2,103) |
| Gains / (losses) on investments | 12 | - | 150 | 150 | (24) |
| Transfers between funds | 21 | 94 | (94) | - | - |
| Net loss | | <u>(2,750)</u> | <u>271</u> | <u>(2,479)</u> | <u>(2,127)</u> |
| Pension scheme actuarial gains / (losses) | 22 | 1,931 | - | 1,931 | (2,683) |
| Net movement in funds for the year | | <u>(819)</u> | <u>271</u> | <u>(548)</u> | <u>(4,810)</u> |
| Fund balances brought forward at 1 August 2020 | | <u>25,428</u> | <u>1,284</u> | <u>26,712</u> | <u>31,522</u> |
| Fund balances carried forward at 31 July 2021 | | <u>24,609</u> | <u>1,555</u> | <u>26,164</u> | <u>26,712</u> |

The notes on pages 21 to 40 form part of these financial statements.

SEVENOAKS SCHOOL

BALANCE SHEET AS AT 31 JULY 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|--|-------|---------------|---------------|
| FIXED ASSETS | | | |
| Tangible fixed assets | 11 | 23,805 | 22,408 |
| Investments | 12 | 1,025 | 875 |
| | | <u>24,830</u> | <u>23,283</u> |
| CURRENT ASSETS | | | |
| Debtors | 13 | 1,527 | 1,123 |
| Cash and deposits | | 19,293 | 21,027 |
| | | <u>20,820</u> | <u>22,150</u> |
| CURRENT LIABILITIES | | | |
| Creditors payable within one year | 14 | (12,269) | (10,206) |
| NET CURRENT ASSETS | | <u>8,551</u> | <u>11,944</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 33,381 | 35,227 |
| LONG-TERM LIABILITIES | | | |
| Creditors payable after one year | 15 | (2,460) | (2,306) |
| Pension scheme funding deficit | 22 | (4,757) | (6,209) |
| NET ASSETS | 21 | <u>26,164</u> | <u>26,712</u> |
| REPRESENTED BY: | | | |
| RESTRICTED FUNDS | 21 | 1,555 | 1,284 |
| UNRESTRICTED FUNDS | 21 | | |
| Designated funds: | | | |
| Fixed assets | | 23,805 | 22,408 |
| Bursary reserve | | 939 | 870 |
| Building fund | | - | - |
| | | <u>24,744</u> | <u>23,278</u> |
| Pension reserve | | (4,757) | (6,209) |
| Other unrestricted | | 4,622 | 8,359 |
| General Funds | | (135) | 2,150 |
| TOTAL FUNDS | | <u>26,164</u> | <u>26,712</u> |

These financial statements were approved by the Governing Body on 1 December 2021 and were signed on its behalf by:

Alison Beckett

Mrs Alison Beckett
Chair of Governing Body

The notes on pages 21 to 40 form part of these financial statements.

SEVENOAKS SCHOOL
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2021

| | Note | 2021 | 2020 |
|--|------|---------|---------|
| | | £'000 | £'000 |
| Net cash inflow / (outflow) from operations | | | |
| Net cash provided / (used) by operating activities | (i) | 260 | (1,254) |
| Cash flows from investing activities | | | |
| Payment for tangible fixed assets | | (4,384) | (4,361) |
| Proceeds on sale of tangible fixed assets | | 35 | 4 |
| Net return on defined benefit pension scheme | | 2,329 | 17 |
| Investment income and bank interest received | | 68 | 235 |
| Net cash used in investing activities | | (1,952) | (4,105) |
| Cash flows from financing activities: | | | |
| Finance costs paid | | (42) | (55) |
| Net cash used in financing activities | | (42) | (55) |
| Change in cash and cash equivalents in the reporting period | | (1,734) | (5,414) |
| Cash and cash equivalents at the beginning of the period | | 21,027 | 26,441 |
| Cash and cash equivalents at the end of the reporting period | (ii) | 19,293 | 21,027 |

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

| | 2021 | 2020 |
|---|---------|---------|
| | £'000 | £'000 |
| Net outgoing funds | (2,629) | (2,103) |
| Elimination of non-operating cashflows: | | |
| - Investment income | (68) | (235) |
| - Financing costs | 42 | 55 |
| Defined benefit pension scheme adjustments | (1,850) | 189 |
| Depreciation charge | 2,949 | 2,657 |
| Loss / (profit) on sale of assets | 3 | (4) |
| (Increase) / decrease in debtors | (404) | 766 |
| Increase / (decrease) in creditors (excluding fees in advance scheme) | 868 | (1,709) |
| Increase / (decrease) in fees in advance scheme creditors | 239 | (905) |
| Increase in parents' deposits | 1,110 | 35 |
| | 2,889 | 849 |
| Net cash inflow / (outflow) from operations | 260 | (1,254) |

(ii) Analysis of changes and cash equivalents

| | At 1 August 2020 £'000 | Cashflows £'000 | At 31 July 2021 £'000 |
|--------------|------------------------------|--------------------|-----------------------------|
| Deposits | 6,507 | 1,348 | 7,855 |
| Cash at bank | 14,520 | (3,082) | 11,438 |
| | 21,027 | (1,734) | 19,293 |

The notes on pages 21 to 40 form part of these financial statements.

SEVENOAKS SCHOOL
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 JULY 2021

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 14.

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 (CJRS) of £265,000 (2020: £582,000). Grants received in respect of the CJRS have been accounted for using the performance model.

SEVENOAKS SCHOOL
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

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 2021

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 all new support staff 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

| | 2021 £'000 | 2020 £'000 |
|---|----------------|----------------|
| Fees receivable consist of: | | |
| School fees | 33,236 | 30,880 |
| Less: scholarships, bursaries and other awards | <u>(2,517)</u> | <u>(2,532)</u> |
| | 30,719 | 28,348 |
| Add back: bursaries and other awards paid for by restricted funds | <u>655</u> | <u>475</u> |
| | <u>31,374</u> | <u>28,823</u> |

Scholarships, bursaries and other awards were paid to 287 pupils (2020: 290). Within this means-tested bursaries totaling £1,585,000 were paid to 74 pupils (2020: £1,499,000 to 77 pupils).

3. CHARITABLE ACTIVITIES – OTHER INCOME

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Extras | 1,421 | 1,631 |
| Registration fees | 292 | 288 |
| Fees in lieu of notice and forfeit deposits | 143 | 51 |
| Shop and other trading income | 18 | 33 |
| Transport from Sevenoaks Station | <u>18</u> | <u>30</u> |
| | <u>1,892</u> | <u>2,033</u> |

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

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 | 2021 | <i>2020</i> |
| | | | £'000 | <i>£'000</i> |
| Securities investment income | | | | |
| Equities | - | 30 | 30 | <i>40</i> |
| | <u>-</u> | <u>30</u> | <u>30</u> | <u><i>40</i></u> |

6. BANK AND OTHER INTEREST

| | Unrestricted | Total | <i>Total</i> |
|---------------|--------------|------------------|-------------------|
| | £'000 | 2021 | <i>2020</i> |
| | | £'000 | <i>£'000</i> |
| Bank interest | 39 | 39 | <i>195</i> |
| | <u>39</u> | <u>39</u> | <u><i>195</i></u> |

7. GRANTS AND DONATIONS RECEIVABLE

| | Unrestricted | Restricted | Total | <i>Total</i> |
|--|--------------|------------|-------------------|-------------------|
| | £'000 | £'000 | 2021 | <i>2020</i> |
| | | | £'000 | <i>£'000</i> |
| Grants to the School for bursaries from: | | | | |
| – Sevenoaks School Foundation | - | 644 | 644 | <i>469</i> |
| Gift-aided donation - Sennocke Services Ltd | 20 | - | 20 | <i>6</i> |
| Grants to the School for non-bursaries from: | | | | |
| – Sevenoaks School Foundation | - | 202 | 202 | <i>104</i> |
| Sundry grants and donations | 1 | 10 | 11 | <i>2</i> |
| Science Week | - | - | - | <i>3</i> |
| | <u>21</u> | <u>856</u> | <u>877</u> | <u><i>584</i></u> |

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

8. ANALYSIS OF EXPENDITURE

(a) Total expenditure

| | Note | Staff costs (note 10) £'000 | Depreciation (note 11) £'000 | Other £'000 | Total 2021 £'000 | <i>Total 2020 £'000</i> |
|--|------|-----------------------------------|------------------------------------|----------------|---------------------------------|---------------------------------|
| Cost of generating funds | | | | | | |
| Charitable trading expenses | | 157 | 152 | 557 | 866 | 842 |
| Financing costs | 9 | - | - | 42 | 42 | 55 |
| Total costs of generating funds | | 157 | 152 | 599 | 908 | 897 |
| Charitable expenditure | | | | | | |
| Education and grant making | | | | | | |
| Teaching | | 14,144 | 355 | 1,062 | 15,561 | 15,759 |
| Welfare | | 2,206 | 52 | 2,192 | 4,450 | 3,378 |
| Premises repair and maintenance | | 1,207 | 2,238 | 7,109 | 10,554 | 9,439 |
| Support costs and governance | | 3,694 | 153 | 1,546 | 5,393 | 5,073 |
| Grants, awards and prizes (note 8(b)) | | - | - | 677 | 677 | 481 |
| Total charitable expenditure | | 21,251 | 2,798 | 12,586 | 36,635 | 34,130 |
| Total expended | | 21,408 | 2,950 | 13,185 | 37,543 | 35,027 |

Comparative total expenditure

| | Staff costs (note 10) £'000 | Depreciation (note 11) £'000 | Other £'000 | <i>Total 2020 £'000</i> | <i>Total 2019 £'000</i> |
|--|-----------------------------------|------------------------------------|----------------|---------------------------------|---------------------------------|
| Cost of generating funds | | | | | |
| Charitable trading expenses | 154 | 148 | 540 | 842 | 1,043 |
| Financing costs | - | - | 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 |

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

(b) Grants, awards and prizes

| | 2021 £'000 | 2020 £'000 |
|---------------------------------------|-----------------------------|-----------------------------|
| From Restricted Funds: | | |
| Bursaries and other grants and awards | 671 | 475 |
| Prizes and leaving awards | - | - |
| From Unrestricted Funds: | | |
| Prizes and leaving awards | 6 | 6 |
| | 677 | 481 |

(c) Governance included in support costs

| | 2021 £'000 | 2020 £'000 |
|--|-----------------------------|-----------------------------|
| Remuneration paid to auditor for audit services | 32 | 23 |
| Reimbursement of personal expenses to Governors – travel costs | - | 3 |
| Other governance costs | 19 | 20 |
| | 51 | 46 |

No travel expenses (2020: £3,000) were claimed by members of the Governing Body (2020: 2).

In addition to the above audit remuneration the auditor received fees for taxation compliance services totaling £12,000 (2020: £4,000).

9. FINANCE AND OTHER COSTS

| | 2021 £'000 | 2020 £'000 |
|-------------------------------------|-----------------------------|-----------------------------|
| Fees in advance debt-financing cost | 42 | 55 |
| | 42 | 55 |

10. STAFF COSTS

The aggregate payroll costs for the year were as follows:

| | 2021 £'000 | 2020 £'000 |
|-----------------------|-----------------------------|-----------------------------|
| Wages and salaries | 16,750 | 15,508 |
| Social security costs | 1,637 | 1,583 |
| Other pension costs | 2,829 | 2,606 |
| | 21,216 | 19,697 |

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 2021

| | | |
|---|--------------|--------------|
| Aggregate employee-benefits of key management personnel | 2,092 | 1,811 |
|---|--------------|--------------|

| | 2021 | 2020 |
|--|------|------|
| Number of higher paid employees in bands of: | | |
| £60,000 to £70,000 | 44 | 44 |
| £70,000 to £80,000 | 23 | 20 |
| £80,000 to £90,000 | 3 | 4 |
| £90,000 to £100,000 | 3 | 3 |
| £130,000 to £140,000 | - | 1 |
| £160,000 to £170,000 | 1 | - |
| £180,000 to £190,000 | 1 | 1 |

The number with retirement benefits accruing

| | | |
|--|----------------|----------------|
| - in Defined Contribution schemes was | 8 | 7 |
| of which the contributions amounted to | £57,686 | £56,938 |
| - in Defined Benefit schemes was | 68 | 66 |

The average number of the School's employees during the year was 504 (2020:506).

| | 2021 | 2020 |
|------------------|------------|------------|
| Teaching | 167 | 171 |
| Teaching support | 32 | 33 |
| Welfare | 64 | 60 |
| Premises | 30 | 29 |
| Support | 83 | 83 |
| Other activities | 128 | 130 |
| | 504 | 506 |

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

11. TANGIBLE FIXED ASSETS

| | Property & Improvements | Vehicles & Equipment | Total |
|---------------------------|-------------------------------|----------------------------|---------------|
| | £'000 | £'000 | £'000 |
| Cost | | | |
| 1 August 2020 | 29,416 | 6,371 | 35,787 |
| Additions | 3,725 | 659 | 4,384 |
| Disposals | (122) | (60) | (182) |
| As at 31 July 2021 | 33,019 | 6,970 | 39,989 |
| Depreciation | | | |
| As at 1 August 2020 | 8,318 | 5,060 | 13,378 |
| Charge for period | 2,178 | 772 | 2,950 |
| Disposals | (84) | (60) | (144) |
| As at 31 July 2021 | 10,412 | 5,772 | 16,184 |
| Net book value | | | |
| At 31 July 2021 | 22,607 | 1,198 | 23,805 |
| <i>At 31 July 2020</i> | <i>21,098</i> | <i>1,310</i> | <i>22,408</i> |

12. SECURITIES INVESTMENTS

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Investments | | |
| At 1 August | 875 | 899 |
| Increase / (decrease) in value of investments | 150 | (24) |
| At 31 July 2020 | 1,025 | 875 |

Investments comprise:

Alternative assets

| | | |
|---------------------------------|-------|-----|
| Pooled charity investment funds | 1,025 | 875 |
|---------------------------------|-------|-----|

Holdings at the year-end comprising more than 5% of the total are:

| | £'000 |
|--------------------|-------|
| COIF income shares | 901 |
| M & G Charifund | 124 |

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

| 13. DEBTORS | 2021 | 2020 |
|---------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Fees and extras | 617 | 252 |
| Trade | 372 | 115 |
| Staff loans | 7 | 8 |
| Other debtors | 33 | 40 |
| Other prepayments and accrued income | 474 | 681 |
| Amounts due from subsidiary companies | 24 | 27 |
| | <u>1,527</u> | <u>1,123</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

| | 2021 | 2020 |
|---|---------------|---------------|
| | £'000 | £'000 |
| Deposits from parents | 3,195 | 2,085 |
| Fees received from parents in advance of term | 4,547 | 3,055 |
| Trade creditors | 463 | 541 |
| Taxation and social security | - | 415 |
| Payroll costs | 1,268 | 1,202 |
| Fees in Advance Scheme | 2,201 | 2,116 |
| Accruals and deferred income | 395 | 592 |
| Loan from the Johnson Trust | 200 | 200 |
| | <u>12,269</u> | <u>10,206</u> |

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

| | 2021 | 2020 |
|-----------------------------|--------------|--------------|
| | £'000 | £'000 |
| Fees in Advance Scheme | 2,460 | 2,306 |
| Loan from the Johnson Trust | - | - |
| | <u>2,460</u> | <u>2,306</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:

| | 2021 | 2020 |
|--------------------------|--------------|--------------|
| | £'000 | £'000 |
| After five years | 87 | 31 |
| Within two to five years | 1,060 | 881 |
| Within one to two years | 1,313 | 1,394 |
| | <u>2,460</u> | <u>2,306</u> |
| Within one year | 2,201 | 2,116 |
| | <u>4,661</u> | <u>4,422</u> |

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

16. FEES IN ADVANCE SCHEME (continued)

| Summary of movements in liability | £'000 |
|--|---------------------|
| Balance at 1 August 2020 | 4,422 |
| New contracts | 2,576 |
| Repayments | (98) |
| Amounts used to pay fees | (2,281) |
| Amounts accrued to contract as debt financing cost | 42 |
| | <u>42</u> |
| Balance at 31 July 2021 | <u>4,661</u> |

17. FINANCIAL INSTRUMENTS

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| Financial assets measured at fair value. | 1,025 | 875 |

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

18. LEASES

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| Leasehold property leases which expire: | | |
| Payable within one year | 3,862 | 3,987 |
| Payable in the second to fifth year inclusive | 14,562 | 14,558 |
| Payable after five years | 13,923 | 17,249 |
| | <u>31,717</u> | <u>35,794</u> |
| Other leases which expire: | | |
| Payable within one year | 51 | 51 |
| Payable in the second to fifth year inclusive | 62 | 130 |
| Payable after five years | - | - |
| | <u>113</u> | <u>181</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 2021

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 2021

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

At 31 July 2021

| | Restricted £'000 | Unrestricted £'000 | Total £'000 |
|------------------------|-----------------------------|-------------------------------|------------------------|
| Tangible fixed assets | - | 23,805 | 23,805 |
| Securities investments | 1,025 | - | 1,025 |
| Net current assets | 530 | 8,021 | 8,551 |
| Long term liabilities | - | (7,217) | (7,217) |
| | <u>1,555</u> | <u>24,609</u> | <u>26,164</u> |

At 31 July 2020

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

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

21. SUMMARY OF MOVEMENTS ON MAJOR FUNDS

| | At 1 Aug 2020 £'000 | Incoming Resources £'000 | Resources Expended £'000 | Other Transfers £'000 | Gains/ (Losses) £'000 | At 31 July 2021 £'000 |
|---------------------------|---------------------------|--------------------------------|--------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Unrestricted funds | | | | | | |
| General reserve | 8,359 | 28,098 | (31,929) | 94 | - | 4,622 |
| Pension reserve | (6,209) | - | (479) | - | 1,931 | (4,757) |
| Fixed assets reserve | 22,408 | 4,288 | (2,891) | - | - | 23,805 |
| Bursary reserve | 870 | 1,642 | (1,573) | - | - | 939 |
| Total Unrestricted | 25,428 | 34,028 | (36,872) | 94 | 1,931 | 24,609 |
| Restricted funds | | | | | | |
| Bursary fund | - | 496 | (496) | - | - | - |
| SFU scholarship | 58 | 2 | (4) | - | 9 | 65 |
| Ligner scholarship | 192 | 5 | - | - | 25 | 222 |
| Plender scholarship | 121 | 3 | - | - | 15 | 139 |
| Johnson scholarship | 208 | 5 | - | - | 25 | 238 |
| Downton scholarship | 77 | - | - | - | - | 77 |
| Garrod scholarship | 64 | 2 | (2) | - | 10 | 74 |
| Forder bursary | 50 | 3 | (4) | - | 11 | 60 |
| General scholarship | 20 | 1 | - | - | 4 | 25 |
| Taylor prizes | 27 | 1 | - | - | 4 | 32 |
| Shooting fund | 99 | 1 | - | - | 5 | 105 |
| Consolidated prizes fund | 99 | 2 | - | - | 12 | 113 |
| Kirkwood fund | 18 | - | - | - | 2 | 20 |
| Consolidated travel funds | 80 | 2 | - | - | 11 | 93 |
| Friends of Sevenoaks | 18 | 1 | - | (3) | - | 16 |
| IDEA/IDEA Beta | 1 | - | - | - | - | 1 |
| Science Week | 2 | - | - | - | - | 2 |
| Outreach | 4 | - | - | - | - | 4 |
| ITL | - | 3 | - | (3) | - | - |
| Kent Academies Network | - | 26 | - | (26) | - | - |
| Science Equipment fund | 39 | 1 | - | (23) | - | 17 |
| DfE Sevenoaks | - | - | (8) | - | - | (8) |
| Community Fund | - | - | - | - | - | - |
| DfE Kent IBCP Network | - | 10 | (7) | - | - | 3 |
| STGSC Biology Pond | - | 55 | - | (5) | - | 50 |
| COVID-19 Appeal Fund | - | 264 | (150) | (31) | - | 83 |
| Chiesman Trust | 107 | 3 | - | (3) | 17 | 124 |
| Total Restricted | 1,284 | 886 | (671) | (94) | 150 | 1,555 |
| Total Funds | 26,712 | 34,914 | (37,543) | - | 2,081 | 26,164 |

£1,025,000 of restricted funds are held in securities (2020: £875,000), and the remaining £530,000 (2020: £409,000) is held in cash and deposits.

The £94,000 transferred from restricted funds to unrestricted funds includes 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 2021

Comparative Summary of Movements on Major Funds

| | <i>At 1 Aug 2019 £'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 2020 £'000</i> |
|----------------------------------|------------------------------------|---|---|--------------------------------------|--------------------------------------|--------------------------------------|
| <i>Unrestricted funds</i> | | | | | | |
| <i>General reserve</i> | 6,886 | 26,574 | (30,232) | 5,131 | - | 8,359 |
| <i>Pension reserve</i> | (3,320) | - | (206) | - | (2,683) | (6,209) |
| <i>Fixed assets reserve</i> | 20,704 | 4,339 | (2,635) | - | - | 22,408 |
| <i>Building fund</i> | 5000 | - | - | (5,000) | - | - |
| <i>Bursary reserve</i> | 953 | 1,395 | (1,478) | - | - | 870 |
| <i>Total Unrestricted</i> | 30,223 | 32,308 | (34,551) | 131 | (2,683) | 25,428 |
| <i>Restricted funds</i> | | | | | | |
| <i>Bursary fund</i> | - | 469 | (469) | - | - | - |
| <i>SFU scholarship</i> | 59 | 2 | (4) | - | 1 | 58 |
| <i>Ligner scholarship</i> | 185 | 6 | - | - | 1 | 192 |
| <i>Plender scholarship</i> | 117 | 4 | - | - | - | 121 |
| <i>Johnson scholarship</i> | 201 | 6 | - | - | 1 | 208 |
| <i>Downton scholarship</i> | 77 | - | - | - | - | 77 |
| <i>Garrod scholarship</i> | 63 | 2 | (1) | - | - | 64 |
| <i>Forder bursary</i> | 61 | 4 | (2) | - | (13) | 50 |
| <i>General scholarship</i> | 23 | 2 | - | - | (5) | 20 |
| <i>Taylor prizes</i> | 30 | 1 | - | - | (4) | 27 |
| <i>Shooting fund</i> | 104 | 1 | - | - | (6) | 99 |
| <i>Consolidated prizes fund</i> | 96 | 3 | - | - | - | 99 |
| <i>Kirkwood fund</i> | 17 | 1 | - | - | - | 18 |
| <i>Consolidated travel funds</i> | 76 | 3 | (1) | - | 1 | 80 |
| <i>Friends of Sevenoaks</i> | 19 | - | - | (1) | - | 18 |
| <i>IDEA/IDEA Beta</i> | 1 | - | - | - | - | 1 |
| <i>Science Week</i> | 2 | - | - | - | - | 2 |
| <i>Outreach</i> | - | 4 | - | - | - | 4 |
| <i>ITL</i> | - | 93 | - | (93) | - | - |
| <i>Kent Academies Network</i> | - | 11 | - | (11) | - | - |
| <i>Science Equipment fund</i> | 61 | - | - | (22) | - | 39 |
| <i>Chiesman Trust</i> | 107 | 4 | - | (4) | - | 107 |
| <i>Total Restricted</i> | 1,299 | 616 | (477) | (131) | (24) | 1,284 |
| <i>Total Funds</i> | 31,522 | 32,924 | (35,028) | - | (2,707) | 26,712 |

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

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. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following the public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism revision is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

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 2021, £9,000 was accrued in respect of pension contributions to this scheme (2020: £9,000).

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

22. PENSION SCHEMES (CONTINUED)

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

| | 2021 | 2020 |
|-------------------------------------|-------------------|-------------------|
| | £'000 | £'000 |
| Present value of funded obligations | (24,933) | (23,744) |
| Fair value of scheme assets | 20,176 | 17,535 |
| | <u> </u> | <u> </u> |
| Net liability | <u>(4,757)</u> | <u>(6,209)</u> |

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

| | 2021 | 2020 |
|--|-------------------|-------------------|
| | £'000 | £'000 |
| Opening defined benefit obligation | 23,744 | 20,500 |
| Current service cost | 906 | 511 |
| Interest cost | 306 | 416 |
| Change in financial assumptions | 1,103 | 2,180 |
| Change in demographic assumptions | (308) | (272) |
| Experience (gain) / loss on defined benefit obligation | (397) | 778 |
| Estimated benefits paid net of transfers in | (501) | (464) |
| Contributions by scheme participants and other employers | 80 | 95 |
| | <u> </u> | <u> </u> |
| Closing defined benefit obligation | <u>24,933</u> | <u>23,744</u> |

c. Changes in the fair value of the scheme assets

| | 2021 | 2020 |
|--|-------------------|-------------------|
| | £'000 | £'000 |
| Opening fair value of scheme assets | 17,535 | 17,180 |
| Interest on assets | 228 | 352 |
| Return on assets less interest | 2,419 | 90 |
| Other actuarial gains / (losses) | - | (14) |
| Administration expenses | (12) | (9) |
| Contributions by employer, including unfunded | 427 | 305 |
| Contributions by scheme participants and other employers | 80 | 95 |
| Benefits paid plus unfunded net of transfers in | (501) | (464) |
| | <u> </u> | <u> </u> |
| Closing fair value of scheme assets | <u>20,176</u> | <u>17,535</u> |

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

d. The amounts included within the Statement of Financial Activities

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Service cost | 906 | 511 |
| Net interest on the defined liability | 78 | 64 |
| Administration expenses | 12 | 9 |
| Total amount charged within net incoming resources | 996 | 584 |
| Net actuarial losses / recognised in the year | 1,931 | 2,683 |

The School expects to contribute £427,000 in 2021/22.

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

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Net liability at beginning of year | 6,209 | 3,320 |
| Movements in the year: | | |
| Employer's current service cost | 906 | 511 |
| Employer's contribution | (427) | (305) |
| Expected net interest on plan assets | (77) | (64) |
| Actual net interest less expected net interest on plan assets | (2,252) | 47 |
| Changes in assumptions underlying the plan liabilities | 398 | 2,700 |
| Net liability at end of the year | 4,757 | 6,209 |

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

| | 2021 | 2020 |
|----------------------|-------------|-------------|
| Equities | 65% | 64% |
| Gilts | 1% | 1% |
| Other bonds | 14% | 13% |
| Property | 10% | 11% |
| Cash | 3% | 3% |
| Absolute return fund | 7% | 8% |
| Total | 100% | 100% |

The actual return on scheme assets is estimated to be 15.09%.

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

g. Principal actuarial assumptions at the balance sheet date

| | 2021 | 2020 |
|---|--------------|--------------|
| Financial assumptions | | |
| Discount rate | 1.55% | 1.30% |
| Rate of increase in salaries | 3.80% | 3.25% |
| Rate of increase in payment of pensions | 2.80% | 2.25% |
| Inflation assumption (CPI) | <u>2.80%</u> | <u>2.25%</u> |
| Assumed life expectancy in years at age 65: | | |
| Non pensioners | | |
| Females | 25.1 | 25.2 |
| Males | 22.9 | 23.2 |
| Pensioners | | |
| Females | 23.6 | 23.8 |
| Males | <u>21.6</u> | <u>21.8</u> |

h. History of experience gains and losses

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Defined benefit obligation | (24,933) | (23,744) | (20,500) | (18,780) | (19,066) | (18,165) |
| Plan assets | <u>20,176</u> | <u>17,535</u> | <u>17,180</u> | <u>16,613</u> | <u>15,422</u> | <u>13,159</u> |
| Deficit | (4,757) | (6,209) | (3,320) | (2,167) | (3,644) | (5,006) |
| Experience adjustments on plan liabilities | 397 | (778) | - | - | 365 | - |
| Experience adjustments on scheme assets | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>237</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 £178,000 (2020: £172,000). At 31 July 2021 there were £16,000 accrued pension contributions for this scheme (2020: £16,000).

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

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:

| | 2021 £ | 2021 £ |
|---|------------------|------------------|
| PROFIT AND LOSS ACCOUNT | | |
| Turnover | 113,078 | 425,041 |
| Operating costs | <u>(92,509)</u> | <u>(418,839)</u> |
| Profit from continuing activities | 20,569 | 6,202 |
| Deposit interest received | - | - |
| | <u>20,569</u> | <u>6,202</u> |
| Gift aided donation – (Gross) | <u>(20,569)</u> | <u>(6,202)</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> |
| | | |
| | 2021 £ | 2020 £ |
| BALANCE SHEET | | |
| Tangible fixed assets | - | - |
| CURRENT ASSETS | | |
| Debtors | 174,552 | 26,551 |
| Cash at bank and in hand | <u>26,678</u> | <u>15,050</u> |
| | 201,230 | 41,601 |
| CREDITORS: amounts falling due within one year | <u>(186,228)</u> | <u>(26,599)</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 (2020: Nil). At 31 July 2021 a balance of £20,569 (2020: Nil) was owed to the School.

24. RELATED PARTY TRANSACTIONS

Sevenoaks School is the educational sponsor of Knole Academy. The Headmaster and the Senior Deputy Head of Sevenoaks School are also Governors of Knole Academy. The outgoing Senior Deputy Head is chair of Governors at Knole Academy.

The Trustees of the C P Johnson Will Trust made an interest free loan of £200,000 to Sevenoaks School in November 2015 for an initial period of five years. This was extended for a further year during the year ended 31 July 2021. There was a balance outstanding of £200,000 at 31 July 2021 (2020: £200,000).

SEVENOAKS SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

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 | 28,823 | - | 28,823 |
| Ancillary trading income | 2,033 | - | 2,033 |
| Other trading activities | | | |
| Charitable trading income | 557 | - | 557 |
| Investments | | | |
| Investment income | - | 40 | 40 |
| Bank and other interest | 195 | - | 195 |
| Voluntary sources | | | |
| Grants and donations | 8 | 576 | 584 |
| Other | | | |
| Other Income | 692 | - | 692 |
| Total incoming resources | <u>32,308</u> | <u>616</u> | <u>32,924</u> |
| Expenditure on: | | | |
| Raising funds | | | |
| Charitable trading costs | (842) | - | (842) |
| Financing costs | (55) | - | (55) |
| Total deductible costs | <u>(897)</u> | <u>-</u> | <u>(897)</u> |
| Charitable activities | | | |
| Education and grant making | (33,654) | (476) | (34,130) |
| Total expenditure | <u>(34,551)</u> | <u>(476)</u> | <u>(35,027)</u> |
| Net (outgoing) / incoming funds from operations before transfers and investment gains | <u>(2,243)</u> | <u>140</u> | <u>(2,103)</u> |
| Gains on investments | - | (24) | (24) |
| Transfers between funds | 131 | (131) | - |
| Net expenditure and gains | <u>(2,112)</u> | <u>(15)</u> | <u>(2,127)</u> |
| Pension scheme actuarial (losses) | (2,683) | - | (2,683) |
| Net movement in funds for the year | <u>(4,795)</u> | <u>(15)</u> | <u>(4,810)</u> |
| Fund balances brought forward at 1 Aug 2020 | <u>30,223</u> | <u>1,299</u> | <u>31,522</u> |
| Fund balances brought forward at 31 July 2021 | <u>25,428</u> | <u>1,284</u> | <u>26,712</u> |