

ST BEES SCHOOL
(A company limited by guarantee)



DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

Registered charity number: 1129534

Registered company number: 06595861

robinson+co

CHARTERED ACCOUNTANTS

ST BEES SCHOOL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

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ST BEES SCHOOL

COMPANY INFORMATION

FOR THE YEAR ENDED 31 JULY 2022

Charity number: 1129534

Company number: 06595861

Directors:

The directors of the company are also Governors of the School and trustees for the purposes of Charity law.

Mrs S J Calvin

Mr M D George (Chairman)

Mr T Kelly

Mr R F Lacey

Mr P G Lever

Mr A D Lord

Mr M N Roberts

Dr A M Simper

Officers:

Company Secretary:

Mr T Kelly

The Clerk to the Governors:

Mr T Kelly

The organisational management is carried out by the trustees themselves, whilst the day to day operations are undertaken by a small team of staff being supported by nominated local trustees.

ST BEES SCHOOL**COMPANY INFORMATION**

(continued)

FOR THE YEAR ENDED 31 JULY 2022

**Principal Address and
Registered Office:**

Wood Lane
St Bees School
ST BEES
CA27 0DS

Advisers**Bankers:**

NatWest Bank plc
Chatham Customer Service Centre
Western Avenue
Waterside Court
Chatham Maritime
Chatham
Kent
ME4 4RT

Solicitors:

Nabarro LLP
1 The Avenue
Spinningfields
Manchester
M3 3AP

Auditors:

robinson+co
Chartered Accountants
Oxford Chambers
New Oxford Street
Workington
CA14 2LR

Insurance Brokers:

Marsh Limited
Capital House
1-5 Perrymount Road
Haywards Heath
West Sussex
RH16 3SY

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2022

The Directors of St Bees School Trust present their annual report for the year ended 31 July 2022, together with the audited accounts for the year, and confirm that they comply with the requirements of the Companies Act 2006 and the Charities Act 2011.

RE-OPENING OF THE SCHOOL

The New School entered its fourth academic year in September 2021. The Trustees continue to retain confidence in Full Circle Education Group to manage the school and provide an enhanced educational experience to all students.

The St Bees School Trust remained focused on managing the School estate and commercial business activities to provide ongoing financial support to the development of the school and improvement of school facilities.

REFERENCE AND ADMINISTRATIVE INFORMATION

St Bees School was founded in 1583. The charitable company was formed on 19 May 2008 and is registered with the Charity Commission as charity number 1129534. The words 'Charity', 'Company', 'Charitable Company', 'Charitable Trust', 'Trust' and 'School' are used interchangeably to refer to St Bees School. The Trustees are listed on page 1. The registered office address of the Charity and the particulars of the Charity's advisers are given on page 2.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Whilst the School was founded in 1583, the charitable company is governed by its Memorandum and Articles of Association as adopted on 19 May 2008 and altered by Special Resolutions dated 1 August 2009 and 15 January 2016.

Governing Body

The directors of the Company are also trustees for the purposes of Charity law.

Composition of Governing Body post 15 January 2016

The number of Governors shall be not less than 6 and not more than 12 competent persons, being any of 4 Governors appointed by the Old St Beghians' Club as set out in article 8.2, 4 being appointed from the local community as set out in article 8.3 and not more than 4 co-opted Governors appointed by the Board of Governors.

Recruitment and Training of Trustees

Attention is paid to ensure that the Board of Trustees maintains a balance of skills and diversity in order to function effectively.

Organisational Management

The organisational management of the Trust is carried out by the Trustees themselves, whilst day to day commercial activities are undertaken by a small administrative team based at the Trust's Business Management Centre.

The Trustees comprise the key management personnel of the organisation. All trustees give of their time freely and no trustee remuneration was paid in the year.

Group Structure and Relationships

In May 2019 Full Circle Education Group assumed full responsibility for the operation of the St Bees School Management Company Limited. The Management Company being responsible for the majority of the onsite facilities. Full Circle operate the School under an Agreement with the Charitable Trust. The Agreement is retractable by the charity if the agreed educational and operational objectives are not achieved. Annual review procedures are in place to enable the Charity to monitor the performance of Full Circle in the role of school operator.

The Charity has a wholly owned subsidiary, St Bees School Enterprises Limited (company number 03422777) which was incorporated in August 1997. This is the commercial arm of the School and manages the Whitelaw Management Centre.

The Directors of the St Bees Enterprises Limited have continued to operate the Business Management Centre profitably during 2021/22, with revenues recovering gradually from the effects of the COVID-19 pandemic.

St Bees School acts as trustee of two linked charities, St Bees School Trust and Bursary Fund. Although part of the School's permanent endowments are held by the company in trust for the charities, following the Charity Commission's order dated 10 July 2015 these endowments have been spent and replaced by appropriating expendable property as permanent endowment in their place.

The Old St Beghian Guarantee Trust Fund is closely linked with the St Beghian Society, the alumni organisation for the School, and provides financial support to the Charitable Trust. The financial assistance provided via the Old St Beghian Guarantee Trust Fund includes amounts loaned to the School in the sum of £179,274 as at 31 July 2021 (2021: £179,024). The management of the society is vested in a Committee of Alumni.

Risk management

The Directors examine the major risks that the Charity faces on an ongoing basis to control and mitigate potential impacts.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Objects

The objects of the charity are to advance the education of boys and girls by the provision of a day and/or boarding school in or near St Bees or elsewhere in Cumbria and by ancillary or incidental educational activities and other associated activities for the benefit of the community.

Strategies to Achieve the Objectives

Mission statement

The School was founded in 1583 by the then Archbishop of Canterbury, Edmund Grindal. The trustees' goal is to return an educational institution onto the St Bees campus in alignment with Edmund Grindal's principles. Our Mission is:

To re-establish St Bees School as a vibrant and sustainable centre for the outstanding education and all-round development of young people in accordance with Archbishop Grindal's legacy'.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (continued)

Strategies to Achieve the Objectives (continued)

Objectives

- To have effective and transparent trusteeship;
- To maintain the existing assets and infrastructure in good order;
- To identify the most appropriate operating model for St Bees School; and
- To secure the necessary investment and support to develop the existing assets and infrastructure to support the identified model.

Progress

Pupil numbers continue to rise in the year with the 150 pupil target becoming a reality. At this level the School will become financially stable. The financial pressures of the global pandemic were passing and international students were returning to the U.K. Despite the uncertainties of the past year Full Circle have remained committed to the redevelopment of the school and progress is evident in all areas of school activity.

Public Benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities, and how these planned activities will contribute to the aims and objectives they have set. In particular, the trustees have given careful consideration to the supplementary public benefit guidance on advancing education and on fee-charging.

ST BEES SCHOOL

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2022

STRATEGIC REPORT

The Strategic Report, as required by the Companies Act 2006, is included within this Directors' Report and comprises the sections on Policies through to Future Plans.

Policies

As part of the School reopening the following policies will be developed:-

- Access policy
- Bursary Policy
- Scholarship policy
- Project support policy

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

Trust Commercial Activity

The Business Management Centre bookings bounced back post Covid and discussions are in hand to let the entire first floor of the building on a five year lease. This will provide a significant increase to Trust revenues.

The Trustees have continued to peruse sales of redundant assets within its estate releasing cash to support the school development while reducing its own costs.

As pupil numbers increase the future of the School becomes more certain however significant issues remain to be managed including the provision of additional boarding capacity and the refurbishment of teaching facilities.

Partnership with Full Circle

The Trust anticipates substantially reducing its indebtedness to Full Circle in the coming year with the sale of Grindal House. This will significantly improve the Trust's commercial decision-making ability.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

As explained in note 1.1 to the accounts, the Directors believe that, whilst there are material uncertainties related to events or conditions that may cast significant doubt upon the company's ability to continue to adopt the going concern basis of accounting in the future, the going concern presumption is nevertheless valid and they have not departed from this basis.

Although the School has been re-opened from September 2018, the material uncertainties relate to the viability, both financial and non-financial, of the re-establishing of the School on the St Bees campus.

The basis of preparation continues to include, where appropriate, the writing down of the company's assets to net realisable value. Provision has also been made for any onerous contractual commitments at the balance sheet date. The financial statements do not include any provision for the future costs of terminating any part of the business of the company except to the extent that such were committed at the balance sheet date.

The net consolidated income for the year amounted to £183,660 (2021: £163,436). Income increased by 12% from last year. Total consolidated expenditure, excluding exceptional items, increased by 22% from last year.

The Trust reported an operating deficit, excluding exceptional items, property depreciation, and covenant from subsidiary, on the General Fund of £76,472 for the year ended 31 July 2022, against an operating deficit of £61,578 for the year ended 31 July 2021. Profits of £16,296 (2021: £19,394) were transferred from the subsidiary company, St Bees Enterprises Limited, via deed of covenant.

During the year the Trust recognised donations amounting to £6,311 (2021: £6,513).

The Trust's freehold land and buildings were revalued at £4,842,353 on 31 July 2022 by the directors. The basis of valuation used was market value. The directors considered that this figure was an accurate valuation of the properties as at 31 July 2022. As a result there was a deficit on revaluation for the year ended 31 July 2022 of £85,147 (2021: surplus of £120,000).

Proceeds of £129,695 were received from the sale of land on Whitehaven Road during the year.

The directors continue to consider a lease liability due to Old St Beghians Guarantee Trust Fund of £1,600,000 as being appropriate, consisting of £408,250 in respect of both rent arrears and the unexpired term of the lease, £1,100,000 in respect of dilapidations and capital re-instatement, and £91,750 in respect of consequential costs. This resulted in an exceptional cost of £nil (2021: £101,333) in the year (see note 8).

The trading subsidiary ran the Business Management Centre throughout the year, with revenues recovering gradually from the effects of the COVID-19 pandemic.

The profit for St Bees Enterprises Limited for the year ended 31 July 2022 was £20,177 (2021: profit of £18,872), prior to calculation of taxable profits to be covenanted to the Trust of £16,296 (2021: £19,394).

The net movement in funds, as shown by the consolidated statement of financial activities, for the year ended 31 July 2022 was a deficit of £122,140 after allowing for a loss on revaluation of fixed assets of £85,147 (2021: Surplus of £1,640 after allowing for a gain on revaluation of fixed assets of £120,000 and exceptional costs of £101,333).

Reserves

Note 21 to the accounts shows the assets and liabilities attributable to the various funds by type. Notes 22 and 23 describe the various funds of the Charity and summarise the year's movements on each fund. Group unrestricted funds amounted to £1,230,312 (2021: £1,371,756) however there were no free reserves available in either year.

The School's general fund showed a deficit of £2,312,679 after a transfer of £130,000 from the revaluation reserve following the sale of land on Whitehaven Road (2021: Deficit of £2,381,504 after exceptional costs of £101,333).

The Trust's unrestricted reserves are primarily invested in tangible fixed assets which are used for its direct charitable activities. Current policy following the closure of the School in 2015 is to preserve funds as far as possible whilst alternative future possibilities are explored. This includes the maintenance of the existing assets and infrastructure and generation of income needed to sustain the necessary transitional activities.

The Trustees are taking steps to reduce the deficit on general funds in line with best practice.

Investment Policy and Objectives

Investment powers are governed by the Memorandum and Articles of Association. Investment decisions are made by the trustees with the assistance of professional investment advisers. The investment portfolio is no longer active and therefore the investment advisers have ceased in making monthly reports to the trustees and holding meetings to discuss the investment policy and portfolio performance. Consequently no investment performance is reported in the year.

Previously, investments were held to create income and capital growth pending utilisation, whilst preserving the value of endowment funds.

PRINCIPAL RISKS AND UNCERTAINTIES

As stated on page 4, the trustees examine the major risks that the charity faces each financial year. These are summarised as follows:

Financial risks and uncertainties

These risks and uncertainties include potential increases in costs, major fire/disaster, cash flow and loss of charitable status.

Personnel risks and uncertainties

These include loss and recruitment of key personnel and compliance with employment legislation.

Administrative risks and uncertainties

This risk has been identified as security of data held on IT systems.

Safety risks and uncertainties

Risks and uncertainties arise from safeguarding of staff and the public and compliance with health and safety and fire regulations.

Governance risks and uncertainties

These include insuring potential liability claims and the impact of inadequate insurance, and discharging statutory responsibilities.

Other risks and uncertainties

The principal other risk is from a loss of reputation. Further risks include unauthorised site access and dilapidation to buildings and facilities.

The Charity has developed systems to monitor and control the above risks, where possible, to mitigate any impact that they may have on it in the future.

FUTURE PLANS

The Trustees aim to increase financial support to the School. This will be achieved through the sales of further Trust assets superfluous to the requirements of the current school at the same time generating increased revenues from commercial activity and reducing costs associated with running the Trust.

DIRECTORS

The Directors who served during the year are set out on page 1.

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2022

STATEMENT OF DISCLOSURE TO AUDITOR

In so far as the Directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ACCOUNTING AND REPORTING RESPONSIBILITIES

The Charities Act 2011 and the Companies Act 2006 require the directors of the charitable company and group to prepare financial statements for each financial year which give a true and fair view of its financial activities during the year and its financial position at the end of the year.

In preparing the financial statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards and the Charities SORP, disclosing and explaining any departures in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

The Directors are responsible for keeping proper accounting records which are such as to disclose, with reasonable accuracy, the financial position of the Company at any time, and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

In approving the Directors' Report the trustees are also approving the Strategic Report in their capacity as company directors.

Approved by the Board of Directors on 05 April 2023
and signed on its behalf by:

P G Lever
Director

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF ST BEES SCHOOL
FOR THE YEAR ENDED 31 JULY 2022**

Opinion

We have audited the group and parent charitable company financial statements (the 'financial statements') of St Bees School for the year ended 31 July 2022, which comprise the consolidated statement of financial activities (including income and expenditure account), the consolidated and charitable company balance sheets, consolidated cash flow statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. These financial statements have been prepared under the accounting policies set out therein. As described in note 1.1, they have been prepared on a going concern basis.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 July 2022 and of their income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Emphasis of matter - material uncertainty relating to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.1 to the financial statements concerning the company's ability to continue as a going concern. The conditions mentioned in note 1.1 indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include any adjustments that would result from a failure to continue as a going concern. Details of the circumstances relating to this emphasis of matter are described in note 1.1 to the financial statements. Our opinion is not qualified in this respect.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

OF ST BEES SCHOOL (continued)

FOR THE YEAR ENDED 31 JULY 2022

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

- the information given in the Directors' Report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; 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 Directors' responsibilities statement on page 10, the trustees (who are also the directors of St Bees School 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

OF ST BEES SCHOOL (continued)

FOR THE YEAR ENDED 31 JULY 2022

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Jason Spires BSc FCA DChA (Senior Statutory Auditor)

For and on behalf of robinson+co.

Statutory Auditors and

Chartered Accountants

Oxford Chambers

New Oxford Street

Workington

CA14 2LR

Date: 05 April 2023

ST BEES SCHOOL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2022

| | Notes | Unrestricted Trust £ | Funds Other £ | Restricted Funds £ | Endowed Funds £ | Total 2022 £ | <i>Total 2021 £</i> |
|--|-------|----------------------------|---------------------|--------------------------|-----------------------|-----------------------------|-----------------------------|
| INCOME | | | | | | | |
| Donations and legacies | | | | | | | |
| Donations | 3 | 6,311 | - | - | - | 6,311 | <i>6,513</i> |
| Other trading activities | | | | | | | |
| Trading income | 4 | - | 110,318 | - | - | 110,318 | <i>84,459</i> |
| Rent receivable | | 47,427 | - | - | - | 47,427 | <i>46,078</i> |
| Income from Investments | | | | | | | |
| Bank and other interest | | - | - | - | - | - | - |
| Income from Charitable Activities | | | | | | | |
| Charitable activity income | 5 | 300 | - | - | 19,304 | 19,604 | <i>26,386</i> |
| Total income and endowments | | 54,038 | 110,318 | - | 19,304 | 183,660 | <i>163,436</i> |
| EXPENDITURE | | | | | | | |
| Expenditure on Raising funds | | | | | | | |
| Trading expenditure | | - | 89,556 | - | - | 89,556 | <i>64,922</i> |
| Interest | 6 | 17,103 | 588 | - | - | 17,691 | <i>18,281</i> |
| | | 17,103 | 90,144 | - | - | 107,247 | <i>83,203</i> |
| Expenditure on Charitable activities | | | | | | | |
| Schools and grantmaking: | | | | | | | |
| Continuing activities | 9 | 113,406 | - | - | - | 113,406 | <i>97,260</i> |
| Exceptional items | 8 | - | - | - | - | - | <i>101,333</i> |
| | | 113,406 | - | - | - | 113,406 | <i>198,593</i> |
| Total expenditure | 7-9 | 130,509 | 90,144 | - | - | 220,653 | <i>281,796</i> |
| Net income/(expenditure) before transfers | | (76,471) | 20,174 | - | 19,304 | (36,993) | <i>(118,360)</i> |
| Transfers between funds | 23-24 | 16,296 | (16,296) | - | - | - | - |
| | | (60,175) | 3,878 | | | | |
| NET INCOME/(EXPENDITURE) | | (56,297) | | - | 19,304 | (36,993) | <i>(118,360)</i> |
| Gains/(losses) on revaluation of fixed assets | 11 | (85,147) | | - | - | (85,147) | <i>120,000</i> |
| NET MOVEMENT IN FUNDS | | (141,444) | | - | 19,304 | (122,140) | <i>1,640</i> |
| Balances brought forward at 1 August 2021 | | 1,371,756 | | - | 1,416,571 | 2,788,327 | <i>2,786,687</i> |
| FUND BALANCES at 31 July 2022 | | 1,230,312 | | - | 1,435,875 | 2,666,187 | <i>2,788,327</i> |

All amounts derive from continuing activities, unless otherwise stated.

All gains and losses recognised in the the year are included in the Statement of Financial Activities.

The notes on pages 17 to 37 form part of these accounts

ST BEES SCHOOL

BALANCE SHEET

AS AT 31 JULY 2022

| | | Consolidated | | Trust | | |
|---|-------|--------------|-------------|-------------|-------------|-----------|
| | Notes | 2022 | 2021 | 2022 | 2021 | |
| | | £ | £ | £ | £ | |
| FIXED ASSETS | | | | | | |
| School buildings and equipment | 11 | 4,864,325 | 5,077,575 | 4,843,848 | 5,059,092 | |
| Investments | 12 | - | - | 2 | 2 | |
| | | 4,864,325 | 5,077,575 | 4,843,850 | 5,059,094 | |
| CURRENT ASSETS | | | | | | |
| Stocks | 13 | 200 | 200 | 200 | 200 | |
| Debtors | 14 | 82,468 | 148,785 | 76,036 | 151,548 | |
| Cash at bank and in hand | | 34,661 | 33,632 | 21,384 | 17,168 | |
| | | 117,329 | 182,617 | 97,620 | 168,916 | |
| CREDITORS: due within one year | 15 | (2,299,934) | (2,451,107) | (2,303,183) | (2,463,704) | |
| NET CURRENT ASSETS/(LIABILITIES) | | (2,182,605) | (2,268,490) | (2,205,563) | (2,294,788) | |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 2,681,720 | 2,809,085 | 2,638,287 | 2,764,306 | |
| CREDITORS: due after more than one year | 16 | (15,533) | (20,758) | - | - | |
| TOTAL NET ASSETS | | 2,666,187 | 2,788,327 | 2,638,287 | 2,764,306 | |
| ENDOWED FUNDS | | 22 | 1,435,875 | 1,416,571 | 1,435,875 | 1,416,571 |
| RESTRICTED FUNDS | | | - | - | - | - |
| UNRESTRICTED FUNDS | | | | | | |
| Unrestricted income funds | | (1,371,012) | (1,444,715) | (1,398,912) | (1,468,736) | |
| Revaluation reserve | | 2,601,324 | 2,816,471 | 2,601,324 | 2,816,471 | |
| | 23 | 1,230,312 | 1,371,756 | 1,202,412 | 1,347,735 | |
| TOTAL FUNDS | | 2,666,187 | 2,788,327 | 2,638,287 | 2,764,306 | |

The financial statements on pages 14 - 37 were approved by the Directors on 05 April 2023 and signed on their behalf by:

P G Lever
Director

Registered number 06595861
England and Wales

The notes on pages 17 to 37 form part of these accounts.

ST BEES SCHOOL**CONSOLIDATED CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 JULY 2022**

| | Notes | 2022 £ | 2021 £ |
|---|-------|------------------|-----------|
| Cash provided by/(used in) operating activities | 24 | 13,410 | (20,382) |
| Cash flows from investing activities | | | |
| Dividends and interest from investments | | - | - |
| Proceeds from the sale of property, plant and equipment | | 129,695 | - |
| Purchase of property, plant and equipment | | (6,534) | (2,045) |
| Proceeds from the sale of investments | | - | 0 |
| Purchase of investments | | - | - |
| Cash provided by/(used in) investing activities | | 123,161 | (2,045) |
| Cash flows from financing activities | | | |
| Increase in borrowing | | - | - |
| Repayment of borrowing | | (154,846) | (837) |
| Receipt of endowment | | 19,304 | 25,680 |
| Cash (used in)/provided by financing activities | | (135,542) | 24,843 |
| Increase in cash and cash equivalents in the year | | 1,029 | 2,416 |
| Cash and cash equivalents at the beginning of the year | | 33,632 | 31,216 |
| Cash and cash equivalents at the end of the year | | 34,661 | 33,632 |

The notes on pages 17 to 37 form part of these accounts.

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are summarised below.

1.1 Basis of accounting

The financial statements are prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The Directors believe that, whilst there are material uncertainties related to events or conditions that may cast significant doubt upon the company's ability to continue to adopt the going concern basis of accounting in the future, the going concern presumption is nevertheless valid and they have not departed from this basis.

Although the School has been re-opened from September 2018, the material uncertainties relate to the viability, both financial and non-financial, of the re-establishing of the School on the St Bees campus.

The basis of preparation continues to include, where appropriate, the writing down of the company's assets to net realisable value. Provision has also been made for any onerous contractual commitments at the balance sheet date. The financial statements do not include any provision for the future costs of terminating any part of the business of the company except to the extent that such were committed at the balance sheet date.

The charity's presentational currency is UK sterling, rounded to the nearest £1.

The charity constitutes a public benefit entity as defined by FRS 102.

1.2 Group accounts

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary, St Bees Enterprises Limited, on a line by line basis. A separate statement of financial activities for the charitable company itself is not presented because it has taken advantage of the exemptions afforded by paragraph 408 of the Companies Act 2006.

1.3 Donations and fund accounting

Donations receivable for the general purposes of the Charity are credited to unrestricted funds. Donations for purposes restricted by the wishes of the donor are taken to restricted funds where these wishes are legally binding on the trustees, except that donations required to be retained as capital in accordance with the donor's wishes are accounted for as endowments - permanent or expendable according to the nature of the restriction.

1 Accounting policies (continued)

1.4 Income

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The following specific policies are applied to particular categories of income:

Amounts receivable for services and use of premises are accounted for in the period in which the service is provided.

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Legacies are included when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

Income from investments is included in the year in which it is receivable.

1.5 Expenditure

Expenditure is accounted for on an accruals basis. Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the period, either by reference to staff time or space occupied, as appropriate. Expenditure is stated inclusive of irrecoverable or non-attributable VAT, with any partially recoverable element being credited to the Statement of Financial Activities separately.

Costs of raising funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

Expenditure on charitable activities comprises those costs incurred in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and

Governance costs comprise the costs of running the charity, including strategic planning for its future development, also internal and external audit, any legal advice for the trustees, and all the costs of complying with constitutional and statutory requirements, such as the cost of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability. These costs are included in support costs within expenditure on charitable activities.

1.6 Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals payable under operating leases are charged to the SOFA on a straight line basis over the lease term.

1 Accounting policies (continued)

1.7 Pension schemes

Contributions are made in respect of defined contribution pension schemes of certain employees.

Contributions are charged in the SOFA as they become payable in accordance with the rules of the schemes.

1.8 Tangible fixed assets and depreciation

The School's freehold land and buildings are included in the accounts at valuation.

Freehold land is not depreciated. Freehold buildings are depreciated at 2% on a reducing balance basis. As the School's properties were revalued as at 31 July 2022, no depreciation has been provided for on these during the year.

Short leasehold buildings improvements are depreciated on a straight line basis over the remaining period of the lease.

Assets costing less than £2,000 are not capitalised.

Other fixed assets are included at cost and depreciation is calculated to write off their cost or valuation less any residual value on a straight line basis over their estimated useful lives as follows:

| | |
|--------------------|-----------------|
| Computer Equipment | - over 3 years |
| Other Equipment | - over 10 years |

An impairment review was carried out on fixed assets and where it was considered that their carrying amount exceeded the higher of their recoverable amount or value in use the assets were written down as necessary.

1.9 Investments

Fixed asset investments are included in the accounts at the mid-market value of each investment as at the balance sheet date. A note is also shown of the cost of each investment at that date. Gains and losses on disposal or revaluation of investments are charged or credited to the SOFA.

Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost. The carrying amount is then adjusted for the post-acquisition change in the Trust's share of net assets in the joint venture entity. The carrying amount of the investment in the joint venture is subsequently adjusted through the SOFA to reflect the Trust's share of the its results.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.11 Financial instruments

The company only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at amortised cost.

1 Accounting policies (continued)

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

2 Statutory information

St Bees School is a private company, limited by guarantee, domiciled in England and Wales, registration number 06595861. The registered office is Wood Lane, St Bees School, St Bees, Cumbria, CA27 0DS. The company is a registered charity, number 1129534.

3 Donations

During the year the Trust received donations amounting to £6,311 (2021: £6,513). All of these donations, for both years, are attributable to unrestricted income funds.

ST BEES SCHOOL

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

| 4 Trading income | Consolidated | | Trust | |
|---------------------------------|----------------|---------------|----------|----------|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Business Management Centre fees | 107,325 | 46,915 | - | - |
| Sundry trading income | 2,992 | 37,545 | - | - |
| | <u>110,317</u> | <u>84,460</u> | <u>-</u> | <u>-</u> |

All of the above income is attributable to unrestricted income funds.

The Trust's wholly-owned subsidiary, St Bees Enterprises Limited, initially took over the trading aspects of the charity's activities, including the running of the Business Management Centre and Golf Course, from 1 September 1997. After the closure of the School on 3 July 2015 the subsidiary took over the running of additional activities, including Springfest and Summerfest. From 1 September 2017 all activities, save for the running of the Business Management Centre, were taken over by St Bees School Management Company Limited, the Trust's joint venture company.

Sundry trading income pertains to other income received by the trading subsidiary. During the year ended 31 July 2022 St Bees Enterprises Limited received Government grants totalling £2,992 (2021: £37,545). This amount consists of grants in respect of the Coronavirus Job Retention Scheme of £2,992 (2021: £28,503), Local Authority grants of £nil (2021: £8,486) and Bounce Back loan interest payable by the Government of £nil (2021: £556).

The trading results of St Bees Enterprises Limited, extracted from its audited accounts, are shown in note 14.

| 5 Charitable activity income | Consolidated and Trust | |
|------------------------------|------------------------|---------------|
| | 2022 | 2021 |
| | £ | £ |
| General funds | | |
| VAT reclaimed | 300 | 705 |
| Sundry income | - | - |
| | <u>300</u> | <u>705</u> |
| Endowment funds | | |
| Royalties received | 19,304 | 25,680 |
| | <u>19,604</u> | <u>26,385</u> |

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

| 6 | Interest payable | 2022 | 2021 |
|----------|--|---------------|-------------|
| | | £ | £ |
| | Loan interest payable to Full Circle Education Limited | 17,081 | 17,080 |
| | Other interest | 22 | 535 |
| | Total for Charity | 17,103 | 17,615 |
| | Bank loan interest payable by subsidiary | 588 | 666 |
| | Total for Group | 17,691 | 18,281 |

All of the interest payable in year ended 31 July 2022 and year ended 31 July 2021 was attributable to unrestricted funds.

| 7 | Expenditure | Consolidated | | Trust | |
|----------|---|---------------------|-------------|---------------|-------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | | £ | £ | £ | £ |
| | Charitable Activity expenditure includes: | | | | |
| | Exceptional items (note 8) | - | 101,333 | - | 101,333 |
| | Staff costs (note 10) | 68,716 | 48,715 | 32,090 | 3,393 |
| | Depreciation of tangible fixed assets (note 11) owned assets | 4,637 | 3,686 | 349 | 349 |
| | Auditors' remuneration: | | | | |
| | for audit services | 3,475 | 3,350 | 2,660 | 2,500 |
| | for accountancy and other services | 9,468 | 8,390 | 3,631 | 3,022 |

| 8 | Exceptional expenditure items | 2022 | 2021 |
|----------|---|-------------|-------------|
| | | £ | £ |
| | Other provisions for onerous contractual commitments (note 15) | - | 101,333 |
| | Total for Trust and Group | - | 101,333 |

| 9 | Analysis of total resources expended | Staff costs £ | Other £ | Depreciation and impairment £ | Total 2022 £ | Total 2021 £ |
|---|--|------------------|----------------|-------------------------------------|--------------------|--------------------|
| | Expenditure on Raising funds: | | | | | |
| | Interest | - | 17,103 | - | 17,103 | 17,615 |
| | Total for charity | - | 17,103 | - | 17,103 | 17,615 |
| | Trading costs of the subsidiary | 36,626 | 48,642 | 4,288 | 89,556 | 64,922 |
| | Interest costs of the subsidiary | - | 588 | - | 588 | 666 |
| | Total for group | 36,626 | 66,333 | 4,288 | 107,247 | 83,203 |
| | Expenditure on Charitable activities: | | | | | |
| | Continuing activities: | | | | | |
| | Establishment costs | 32,090 | 82,115 | - | 114,205 | 83,844 |
| | Administration | - | (1,453) | 654 | (799) | 13,416 |
| | | 32,090 | 80,662 | 654 | 113,406 | 97,260 |
| | Share of net expenditure in Joint Venture | - | - | - | - | - |
| | Exceptional items | - | - | - | - | 101,333 |
| | Total for charity and group | 32,090 | 80,662 | 654 | 113,406 | 198,593 |
| | Total expenditure - Group | 68,716 | 146,995 | 4,942 | 220,653 | 281,796 |
| | Total expenditure - Charity | 32,090 | 97,765 | 654 | 130,509 | 216,208 |

During the year ended 31 July 2022 the total group expenditure of £220,653 was entirely attributable to unrestricted funds. During the year ended 31 July 2021 the total group expenditure of £281,796 was entirely attributable to unrestricted funds.

ST BEES SCHOOL**NOTES ON FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 JULY 2022**

| 10 Staff costs | 2022 | 2021 |
|--|---------------|---------------|
| | £ | £ |
| Wages and salaries | 61,993 | 47,921 |
| Social security costs | 2,527 | - |
| Pension costs | 4,196 | 794 |
| | 68,716 | 48,715 |
| | | |
| The average number of employees in the year was: | Number | Number |
| Domestic, maintenance and other staff | 4 | 2 |
| Administration | 3 | 3 |
| | 7 | 5 |

The trustees are not remunerated, and no expenses were paid during the year (2021: £nil).

There were no higher paid employees during the year (2021: None).

Defined contribution pension schemes

Pension contributions are made in respect of the defined contribution pension schemes of certain employees. The pension cost charge represents contributions payable by the group to the funds and amounted to £4,196 (2021: £794). Contributions amounting to £176 (2021: £nil) are included in creditors at the year end.

11 Tangible fixed assets

| Consolidated | Fixtures Fittings and Equipment £ | Freehold Land and Buildings £ | Total £ |
|--------------------------|--|--|--------------------|
| Cost or valuation | | | |
| 1st August 2021 | 99,537 | 5,057,500 | 5,157,037 |
| Additions | 6,534 | - | 6,534 |
| Disposals | - | (130,000) | (130,000) |
| Revaluations | - | (85,147) | (85,147) |
| 31st July 2022 | 106,071 | 4,842,353 | 4,948,424 |
| Depreciation | | | |
| 1st August 2021 | 79,462 | - | 79,462 |
| Charge for year | 4,637 | - | 4,637 |
| Disposals | - | - | - |
| Revaluations | - | - | - |
| 31st July 2022 | 84,099 | - | 84,099 |
| Impairment | | | |
| 1st August 2021 | - | - | - |
| Charge for year | - | - | - |
| Disposals | - | - | - |
| 31st July 2022 | - | - | - |
| Net book values | | | |
| 31st July 2022 | 21,972 | 4,842,353 | 4,864,325 |
| <i>31st July 2021</i> | <i>20,075</i> | <i>5,057,500</i> | <i>5,077,575</i> |

11 Tangible fixed assets (continued)

| Trust | Fixtures Fittings and Equipment £ | Freehold Land and Buildings £ | Total £ |
|--------------------------|--|--|--------------------|
| Cost or valuation | | | |
| 1st August 2021 | 35,359 | 5,057,500 | 5,092,859 |
| Additions | 250 | - | 250 |
| Disposals | - | (130,000) | (130,000) |
| Revaluations | - | (85,147) | (85,147) |
| 31st July 2022 | 35,609 | 4,842,353 | 4,877,962 |
| Depreciation | | | |
| 1st August 2021 | 33,765 | - | 33,765 |
| Charge for year | 349 | - | 349 |
| Disposals | - | - | - |
| Revaluations | - | - | - |
| 31st July 2022 | 34,114 | - | 34,114 |
| Impairment | | | |
| 1st August 2021 | - | - | - |
| Charge for year | - | - | - |
| Disposals | - | - | - |
| 31st July 2022 | - | - | - |
| Net book values | | | |
| 31st July 2022 | 1,495 | 4,842,353 | 4,843,848 |
| <i>31st July 2021</i> | <i>1,594</i> | <i>5,057,500</i> | <i>5,059,094</i> |

11 Tangible fixed assets (continued)

The Trust's freehold land and buildings were revalued at £4,842,353 on 31 July 2022 by the directors. The basis of valuation used was market value. The directors considered that this figure was an accurate valuation of the properties as at 31 July 2022. As a result there was a deficit on revaluation for the year ended 31 July 2022 of £85,147 (2021: Surplus of £120,000).

It should be noted that the valuation above is based on the Trust's properties being marketed in an orderly way, which the directors believe presents a true and fair view. Should the properties be sold to one individual as a single lot the valuation would be lower.

An impairment review was carried out on fixed assets at the year end and it was concluded that there was no impairment.

Tangible fixed assets included at a valuation would have been included on a historical cost basis at:

| | Consolidated and School | |
|----------------|--------------------------------|-------------|
| | 2022 | 2021 |
| | £ | £ |
| Cost | 2,297,195 | 2,426,890 |
| Depreciation | (517,782) | (481,468) |
| Net book value | 1,779,413 | 1,945,422 |

The figures stated above for cost or valuation include valuations as follows:

| | Consolidated | | School | |
|--------------|---------------------|-------------|------------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| At cost | - | - | - | - |
| At valuation | 4,842,353 | 5,057,500 | 4,842,353 | 5,057,500 |
| | 4,842,353 | 5,057,500 | 4,842,353 | 5,057,500 |

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

| 12 Fixed asset investments | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Consolidated market value as above | | - |
| Share of net assets in joint ventures - valued on equity method | | |
| Investment in St Bees School Management Company Ltd - 25% of net assets. | - | - |
| Group undertakings - valued at fair value | | |
| Investment in St Bees Enterprises Ltd - Ordinary £1 shares | 2 | 2 |
| Total for Trust | 2 | 2 |
| <u>Less: Eliminated on consolidation</u> | (2) | (2) |
| Total for Group | - | - |

Investment in St Bees School Management Company Limited:

In June 2017 a joint venture company, St Bees School Management Company Limited (company number 10812320), was established. This company has taken on the responsibility for re-opening the School and all its operational activity and its support activities. The joint venture is a limited company registered in England and Wales which is wholly owned by Full Circle Education Group and St Bees School Trust.

Until 31 May 2019 the Trust was responsible for 25% of the investment in the joint venture company, with Full Circle being responsible for 75%. Thereafter Full Circle assumed full responsibility for the operation of St Bees School Management Company Limited.

Investment in St Bees Enterprises Ltd:

The Trust owns 100% of the ordinary shares in St Bees Enterprises Limited, which initially took over the trading aspects of the charity's activities, including the running of the Business Management Centre and the Golf Course, from 1st September, 1997. After the closure of the School on 3 July 2015, the subsidiary took over the running of additional activities, including sports facility lettings, Springfest and Summerfest. From 1 September 2017 all activities, save for the running of the Business Management Centre, were taken over by St Bees School Management Company Limited, the Trust's joint venture company. St Bees Enterprises Ltd, which was incorporated on 20th August 1997, covenants its taxable profits to the Trust. The company registration number is 0342277.

ST BEES SCHOOL**NOTES ON FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 JULY 2022****12 Fixed asset investments (continued)****Investment in St Bees Enterprises Ltd (continued):**

The trading results of St Bees Enterprises Limited, extracted from its audited accounts were:-

| | 2022 | 2021 |
|---|-----------------|-------------|
| | £ | £ |
| Turnover | 107,325 | 46,915 |
| Cost of sales | (15,759) | (4,968) |
| Gross profit | 91,566 | 41,947 |
| Administration | (73,793) | (59,954) |
| Other operating income | 2,992 | 37,545 |
| Operating (loss)/profit for the year: | 20,765 | 19,538 |
| Interest received | - | - |
| Interest payable | (588) | (666) |
| Net (loss)/profit before taxation | 20,177 | 18,872 |
| Taxation | - | - |
| Net (loss)/profit after taxation | 20,177 | 18,872 |
| Covenant - gross | (16,296) | (19,394) |
| Retained (loss)/profit | 3,881 | (522) |
| The assets and liabilities of St Bees Enterprises Ltd were: | | |
| | 2022 | 2021 |
| | £ | £ |
| Tangible fixed assets | 20,478 | 18,482 |
| Current assets | 55,389 | 56,775 |
| | 75,867 | 75,257 |
| Creditors: amounts falling due within one year | (32,433) | (30,479) |
| Creditors: amounts falling due after one year | (15,533) | (20,758) |
| | 27,901 | 24,020 |
| Represented by: | | |
| Share capital | 2 | 2 |
| Profit and loss account | 27,899 | 24,018 |
| | 27,901 | 24,020 |

There were no amounts invoiced by the Trust or the subsidiary company to the other party for goods and services provided in either the current or prior year.

13 Stocks

| | Consolidated and Trust | |
|-------------|-------------------------------|-------------|
| | 2022 | 2021 |
| | £ | £ |
| Heating oil | 200 | 200 |
| | 200 | 200 |

14 Debtors

| | Consolidated | | Trust | |
|--------------------------------|---------------------|----------------|---------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Trade debtors | 27,531 | 27,280 | 6,523 | 13,625 |
| Loan to joint venture company | 35,652 | 106,952 | 35,652 | 106,952 |
| Covenanted profits | | | | |
| due from trading company | - | - | 16,296 | 19,394 |
| Other debtors | 2,923 | 2,138 | 1,203 | 1,565 |
| Prepayments and accrued income | 16,362 | 12,415 | 16,362 | 10,012 |
| | 82,468 | 148,785 | 76,036 | 151,548 |

The purpose of the loan to the joint venture company is to provide school equipment and stock. There are no formal repayment terms, and the loan is unsecured and interest-free. The Trust withdrew as a joint venturer on 31 May 2019 however the loan remains in place.

ST BEES SCHOOL

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

| 15 Creditors | Consolidated | | Trust | |
|--|------------------|------------------|------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Amounts falling due within one year | £ | £ | £ | £ |
| Bank loan | 5,225 | 5,096 | - | - |
| Trade creditors | 17,612 | 11,109 | 14,872 | 8,975 |
| Other taxation and social security | 5,751 | 1,636 | - | - |
| Other creditors | 176 | - | - | - |
| Accruals and deferred income | 64,870 | 77,216 | 62,623 | 74,997 |
| Loan - St Bees Enterprises Ltd | - | - | 19,388 | 23,682 |
| Loans - Full Circle Education Group (unsecured) - see below | 427,026 | 577,026 | 427,026 | 577,026 |
| Loans - Old St Beghians Guarantee Trust Fund (unsecured) - see below | 179,274 | 179,024 | 179,274 | 179,024 |
| Lease liability - Old St Beghians Guarantee Trust Fund (unsecured) - see note 17 | 1,600,000 | 1,600,000 | 1,600,000 | 1,600,000 |
| | 2,299,934 | 2,451,107 | 2,303,183 | 2,463,704 |

Loans - Full Circle Education Group

Full Circle Education Group is the Trust's co-venturer in St Bees School Management Company Limited, the joint venture company responsible for re-establishing the School. The loans from Full Circle were to assist with the Trust's financial commitments to invest in the joint venture. The loans are unsecured and interest is charged at a commercial rate as detailed in note 6 to the accounts.

Loans - Old St Beghian Guarantee Trust Fund

The Old St Beghian Guarantee Trust Fund (OSBGTF) is part of the alumni organisation for the School. OSBGTF owns a number of properties used by St Bees School for which a rental charge is made. Funds have also been loaned to St Bees School, unsecured and interest free. There is no formal loan agreement in place. Following the announcement in March 2015 that the School would close at the end of Summer Term 2015 the loan was reclassified as falling due within one year and has been reflected as such in the accounts from the 31 July 2014 onwards. The Trust has received a letter of comfort from the OSBGTF stating that it is not, currently, their intention to demand repayment of all or any part of the loan.

Lease liability - Old St Beghian Guarantee Trust Fund

The lease liability at 31 July 2022 and 31 July 2021 consisted of £1,600,000 in respect of the lease of Lonsdale Terrace and land at Wood Lane from the Old St Beghians Guarantee Trust Fund. Provision has been made for rent relating to both arrears and the unexpired term of the lease, together with a liability in respect of re-instatement works in connection with the terms of the lease, having given due consideration to professional dilapidation survey reports and the subsequent deterioration of the properties. In view of ongoing negotiations with the Old St Beghians Guarantee Trust Fund during year ended 31 July 2021, the directors considered it prudent to reclassify the indebtedness as a current liability at the balance sheet date. The directors consider a liability of £1,600,000 as being appropriate, consisting of £408,250 in respect of unpaid rental, £1,100,000 in respect of dilapidations and capital re-instatement, and £91,750 in respect of consequential costs. This resulted in an exceptional cost of £101,333 in the year ended 31 July 2021 (see note 8).

Bank loan

The bank loan consists of a Bounce Back loan taken out by St Bees Enterprises Limited in May 2020.

ST BEES SCHOOL

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

| 16 Creditors | Consolidated | | School | |
|---|---------------|-------------------|-----------|-------------------|
| Amounts falling due after more than one year | 2022 £ | 2021 £ | 2022 £ | 2021 £ |
| Bank loan | 15,533 | 20,758 | - | - |
| | <u>15,533</u> | <u>20,758</u> | <u>-</u> | <u>-</u> |
| Bank loan | | 2022 £ | | 2021 £ |
| This is repayable as follows: | | | | |
| In the next year - see note 15 | | 5,225 | | 5,096 |
| In the second to fifth years | | 15,533 | | 20,758 |
| After five years | | - | | - |
| | | <u>20,758</u> | | <u>25,854</u> |

Bank loan

The bank loan consists of a Bounce Back loan taken out by St Bees Enterprises Limited in May 2020.

17 Commitments

(a) At 31 July 2022 the Group and Trust had no operating lease commitments (2021: £nil).

(b) At 31 July 2022 the Group and Trust had no capital commitments (2021: £nil).

(c) At 31 July 2022 the Group and Trust had financial commitments of £nil (2021: £nil).

18 Going concern

St Bees School ceased to be operated by the charity on its closure at the end of the Summer Term 2015. Full details regarding the effect on going concern are given in note 1.1 to the accounts.

19 Taxation

The Trust is a registered charity and is exempt from corporation tax under the provision of Section 478 of the Corporation Tax Act 2010.

St Bees Enterprises Limited is a trading subsidiary of the Trust and is liable to corporation tax on its taxable profits at the applicable rate.

20 Related party transactions

At 31 July 2022 the charity owed loans of £179,274 (2021: £179,024) to the Old St Beghian Guarantee Trust Fund, which is closely connected to the St Beghian Society, the alumni organisation for the School. Mr R Calvin, the spouse of Mrs S Calvin, a director of St Bees School, is a trustee of the Old St Beghian Guarantee Trust Fund. Further details regarding the loans are included in note 15 to the accounts.

At 31 July 2022 the charity owed £1,600,000 (2021: £1,600,000) to the Old St Beghian Guarantee Trust Fund. Further details regarding this liability are included in note 15 to the accounts.

At 31 July 2022 the charity owed loans of £427,026 (2021: £577,026) to Full Circle Education Group, the Trust's co-venturer in St Bees School Management Company Limited. Additionally, accrued interest of £56,707 (2021: £67,626) was outstanding on these loans at the balance sheet date. Further details regarding the loans are included in note 15 to the accounts.

During the year the Trust invoiced its joint venture company, St Bees School Management Company Limited, for goods and services provided amounting to £nil (2021: £10,852). These items are offset within administration expenses.

During the year St Bees School Management Company Limited invoiced the Trust for goods and services provided amounting to £35,888 (2021: £4,584). These items are included within administration expenses.

Under a deed of covenant dated 25 August 1998 the subsidiary company, St Bees Enterprises Limited, has covenanted to pay the parent charity, St Bees School, an annual sum not exceeding its taxable profits for the accounting year. For the year ended 31 July 2022 this amounted to £16,296 (2021: £19,394).

During the year St Bees Enterprises Limited invoiced St Bees School Management Company Limited for goods and services provided amounting to £160 (2021: £120). These items are included within income.

During the year St Bees School Management Company Limited invoiced St Bees Enterprises Limited for goods and services provided amounting to £38 (2021: £nil). These items are included within administration expenses.

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

21 Allocation of the group net assets

Fund balances at 31 July 2022 as represented by:

| | Fixed Assets £ | Current Assets £ | Current Liabilities £ | Provisions/ Long term Liabilities £ | Total £ |
|--------------------|-------------------------------|---------------------------------|--------------------------------------|--|--------------------|
| Endowment funds | 1,433,312 | 2,563 | - | - | 1,435,875 |
| Restricted funds | - | - | - | - | - |
| Unrestricted funds | 3,431,013 | 114,766 | (2,299,934) | (15,533) | 1,230,312 |
| Total for group | 4,864,325 | 117,329 | (2,299,934) | (15,533) | 2,666,187 |

Allocation of the group net assets - previous year

Fund balances at 31 July 2021 as represented by:

| | Fixed Assets £ | Current Assets £ | Current Liabilities £ | Provisions/ Long term Liabilities £ | Total £ |
|--------------------|-------------------------------|---------------------------------|--------------------------------------|--|--------------------|
| Endowment funds | 1,416,144 | 427 | - | - | 1,416,571 |
| Restricted funds | - | - | - | - | - |
| Unrestricted funds | 3,661,431 | 182,190 | (2,451,107) | (20,758) | 1,371,756 |
| Total for group | 5,077,575 | 182,617 | (2,451,107) | (20,758) | 2,788,327 |

22 Analysis of movements in endowment funds

| | Balance 1 August 2021 £ | Incoming Resources £ | Resources Expended £ | Transfers and Investment Gains/ (Losses) £ | Balance 31 July 2022 £ |
|--------------------------------|----------------------------------|----------------------------|----------------------------|--|---------------------------------|
| <i>Permanent Funds:</i> | | | | | |
| Capital | 1,000 | - | - | - | 1,000 |
| Royalties | 721,571 | 19,304 | - | - | 740,875 |
| Capital replacement fund | 694,000 | - | - | - | 694,000 |
| Group and Trust | 1,416,571 | 19,304 | - | - | 1,435,875 |

Analysis of movements in endowment funds - previous year

| | Balance 1 August 2020 £ | Incoming Resources £ | Resources Expended £ | Transfers and Investment Gains/ (Losses) £ | Balance 31 July 2021 £ |
|--------------------------------|----------------------------------|----------------------------|----------------------------|--|---------------------------------|
| <i>Permanent Funds:</i> | | | | | |
| Capital | 1,000 | - | - | - | 1,000 |
| Royalties | 695,891 | 25,680 | - | - | 721,571 |
| Capital replacement fund | 694,000 | - | - | - | 694,000 |
| Group and Trust | 1,390,891 | 25,680 | - | - | 1,416,571 |

The capital fund represents a nominal amount relating to the original endowment of the School land and buildings.

The royalties fund has been created to provide for the loss of the permanent endowment on Birkham's Quarry, a sandstone quarry which was part of the original asset base of the Trust. As the sandstone is quarried, the asset is eroded and the royalties received replace the diminution in value of the asset. The income from royalties arises from land held on permanent endowment and is subsequently utilised on improvements to the Trust's land and buildings. The credit balance on the royalties fund is thus not represented by cash but by tangible fixed assets.

The direction by an order of the Charity Commission dated 10 July 2015 approved the expenditure of a total of £694,000 of endowment funds to expedite the winding down of the School's affairs following closure on 3 July 2015, under the power given in section 105 of the Charities Act 2011.

This expenditure is subject to the creation of a Capital replacement fund by appropriating expendable property to the value of £694,000 as permanent endowment in the records of the charity.

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

23 Analysis of movements in unrestricted funds

| | Balance 1 August 2021 | Incoming Resources | Resources Expended | Transfers and Gains/ (Losses) | Balance 31 July 2022 |
|---|--------------------------------------|-------------------------------|-------------------------------|--|-------------------------------------|
| | £ | £ | £ | £ | £ |
| Designated: | | | | | |
| Extraordinary repair fund | 29,000 | - | - | 1,000 | 30,000 |
| Property revaluation reserve | 2,816,471 | - | - | (215,147) | 2,601,324 |
| Capital fund | 883,563 | - | - | - | 883,563 |
| Trust general fund | (2,381,504) | 54,038 | (130,509) | 145,296 | (2,312,679) |
| Sub-total - Trust | 1,347,530 | 54,038 | (130,509) | (68,851) | 1,202,208 |
| Reserves - St Bees Enterprises Limited | 24,226 | 110,318 | (90,144) | (16,296) | 28,104 |
| Consolidated funds | 1,371,756 | 164,356 | (220,653) | (85,147) | 1,230,312 |

Analysis of movements in unrestricted funds - previous year

| | Balance 1 August 2020 | Incoming Resources | Resources Expended | Transfers and Gains/ (Losses) | Balance 31 July 2021 |
|---|--------------------------------------|-------------------------------|-------------------------------|--|-------------------------------------|
| | £ | £ | £ | £ | £ |
| Designated: | | | | | |
| Extraordinary repair fund | 28,000 | - | - | 1,000 | 29,000 |
| Property revaluation reserve | 2,696,471 | - | - | 120,000 | 2,816,471 |
| Capital fund | 883,563 | - | - | - | 883,563 |
| Trust general fund | (2,236,987) | 53,297 | (216,208) | 18,394 | (2,381,504) |
| Sub-total - Trust | 1,371,047 | 53,297 | (216,208) | 139,394 | 1,347,530 |
| Reserves - St Bees Enterprises Limited | 24,749 | 84,459 | (65,588) | (19,394) | 24,226 |
| Consolidated funds | 1,395,796 | 137,756 | (281,796) | 120,000 | 1,371,756 |

The Charity Commission have directed that a yearly sum of not less than £1,000 shall be invested for the purpose of providing for the extraordinary repair, improvement or rebuilding of property belonging to the Trust.

The property revaluation reserve represents the surplus on revaluation of the charity's properties. The charity's properties were revalued during the year ended 31 July 2022 with a decrease of £85,147 (2021: increase of £120,000). In addition, disposal of property during the year resulted in a transfer of £130,000 from the revaluation reserve to unrestricted general funds.

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

23 Analysis of movements in unrestricted funds (continued)

The capital fund represents amounts invested in land and buildings, which were previously funded by loans from The Friends of St Bees School General Charitable Trust. The Friends converted all loans into a donation on 31 July 2017, £883,563 of which pertained to capital fund investment. Depreciation on the charity's property is charged to this fund. The capital fund is represented entirely by land and buildings.

The Trust's general fund is retained to provide working capital and may be used for the charity's general purposes. The Trust's general fund showed a deficit of £2,312,679 at 31 July 2022 (2021: Deficit of £2,381,504).

The Trustees are taking steps to reduce the deficit on general funds in line with best practice.

24 Gross cash flows

| | Group 2022 £ | <i>Group 2021 £</i> |
|---|-----------------------------|-----------------------------|
| Reconciliation of net movement in funds to net cash inflow/(outflow) from operating activities | | |
| Net movement in funds | (122,140) | 1,640 |
| Endowment donations | (19,304) | (25,680) |
| Depreciation | 4,637 | 3,530 |
| (Profit)/loss on sale of fixed assets | 305 | - |
| (Gains)/losses on investments | - | - |
| (Gains)/losses on revaluations | 85,147 | (120,000) |
| (Increase)/decrease in debtors | 66,317 | 84,721 |
| Increase/(decrease) in creditors | (1,552) | 1,534,074 |
| Increase/(decrease) in provisions | - | (1,498,667) |
| Net cash (used in)/provided by group operating activities | 13,410 | <i>(20,382)</i> |