

ST BEES SCHOOL
(A company limited by guarantee)



DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

Registered charity number: 1129534

Registered company number: 06595861

robinson+co

CHARTERED ACCOUNTANTS

ST BEES SCHOOL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

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ST BEES SCHOOL

COMPANY INFORMATION

FOR THE YEAR ENDED 31 JULY 2023

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 2023

**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

Accountants:

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

ST BEES SCHOOL

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2023

The Directors of St Bees School Trust present their annual report and financial statements for the year ended 31 July 2023, and confirm that they comply with the requirements of the Companies Act 2006 and the Charities Act 2011.

DEVELOPMENT OF THE SCHOOL

The Full Circle Group completed their fifth academic year as managers of the school. The Trust remains confident that the school is developing satisfactorily under their management and remain committed to supporting them to improve both the school facilities and the educational standards.

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 2022/23, 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 2023 (2022: £179,274). 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 have yet to reach the target of 150 however significant increased interest has been received from foreign students over the past year.

Development of the school remains challenging but dedicated staff and the commitment of Full Circle has ensured that 2022-23 was a progressive academic year.

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 2023

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

The Business Management Centre bookings continued to bounce back post Covid, providing a significant increase to Trust revenues.

The sale of the redundant Grindal Boarding house enabled the Trust to cut overheads and significantly reduce its indebtedness to the Full Circle Group. Further asset sales are being considered by the Trust to eradicate debt and develop the school facilities.

The Trust are actively engaged with professional advisers in negotiations with West Cumberland Mining. Should the Whitehaven project proceed the School Trust could derive significant financial benefit.

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 £213,981 (2022: £183,660). Income increased by 16.5% from last year. Total consolidated expenditure increased by 7.3% from last year.

The Trust reported an operating deficit, excluding covenant from the subsidiary, on the General Fund of £84,284 for the year ended 31 July 2023, against an operating deficit of £76,472 for the year ended 31 July 2022. Profits of £46,063 (2022: £16,296) were transferred from the subsidiary company, St Bees Enterprises Limited, via deed of covenant.

During the year the Trust recognised donations amounting to £5,541 (2022: £6,311).

The Trust's freehold land and buildings were revalued at £4,427,500 on 31 July 2023 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 2023. As a result there was no surplus or deficit on revaluation for the year ended 31 July 2023 (2022: deficit of £85,147).

Proceeds of £414,853 were received from the sale of Grindal House during the year (2022: £129,695 received from the sale of land on Whitehaven Road).

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.

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

The profit for St Bees Enterprises Limited for the year ended 31 July 2023 was £44,220 (2022: profit of £20,177), prior to calculation of taxable profits to be covenanted to the Trust of £46,063 (2022: £16,296).

The net movement in funds, as shown by the consolidated statement of financial activities, for the year ended 31 July 2023 was a deficit of £22,708 (2022: Deficit of £122,140 after allowing for a loss on revaluation of fixed assets of £85,147).

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 £1,190,253 (2022: £1,230,312) however there were no free reserves available in either year.

The School's general fund showed a deficit of £1,841,079 after transfers of £262,416 from the revaluation reserve and £152,437 from the capital fund following the sale of Grindal House (2022: Deficit of £2,312,679 after a transfer of £130,000 from the revaluation reserve following the sale of land on Whitehaven Road).

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 2023

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.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

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 16 October 2023
and signed on its behalf by:

P G Lever
Director

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES
ON THE UNAUDITED FINANCIAL STATEMENTS OF ST BEES SCHOOL
FOR THE YEAR ENDED 31 JULY 2023

I report on the accounts of St Bees School for the year ended 31 July 2023 set out on pages 12 to 35.

Respective responsibilities of trustees and independent examiner

The charity's trustees (who are also the directors of the company for purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act), and that an independent examination is needed. It is my responsibility to examine the accounts under section 145 of the Charities Act, to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the Charities Act, and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(i) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep proper accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities
- have not been met; or

(ii) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Jason Spires BSc FCA DChA
robinson+co, Chartered Accountants
Oxford Chambers
New Oxford Street
Workington
CA14 2LR

Date: 16 October 2023

ST BEES SCHOOL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2023

	Notes	Unrestricted Trust £	Funds Other £	Restricted Funds £	Endowed Funds £	Total 2023 £	<i>Total 2022 £</i>
INCOME							
Donations and legacies							
Donations	3	5,541	-	-	-	5,541	<i>6,311</i>
Other trading activities							
Trading income	4	-	149,667	-	-	149,667	<i>110,318</i>
Rent receivable		31,537	-	-	-	31,537	<i>47,427</i>
Income from Charitable Activities							
Charitable activity income	5	325	-	-	17,351	17,676	<i>19,604</i>
Other Income							
Profit on disposal of fixed assets	6	9,560	-	-	-	9,560	<i>-</i>
Total income and endowments		46,963	149,667	-	17,351	213,981	<i>183,660</i>
EXPENDITURE							
Expenditure on Raising funds							
Trading expenditure		-	104,987	-	-	104,987	<i>89,556</i>
Interest	7	11,167	459	-	-	11,626	<i>17,691</i>
		11,167	105,446	-	-	116,613	<i>107,247</i>
Expenditure on Charitable activities							
Schools and grantmaking:							
Continuing activities	9	120,076	-	-	-	120,076	<i>113,406</i>
		120,076	-	-	-	120,076	<i>113,406</i>
Total expenditure	7-9	131,243	105,446	-	-	236,689	<i>220,653</i>
Net income/(expenditure) before transfers							
		(84,280)	44,221	-	17,351	(22,708)	<i>(36,993)</i>
Transfers between funds	22-23	46,267	(46,267)	-	-	-	<i>-</i>
		(38,013)	(2,046)				
NET INCOME/(EXPENDITURE)		(40,059)		-	17,351	(22,708)	<i>(36,993)</i>
Gains/(losses) on revaluation of fixed assets	11	-		-	-	-	<i>(85,147)</i>
NET MOVEMENT IN FUNDS		(40,059)		-	17,351	(22,708)	<i>(122,140)</i>
Balances brought forward at 1 August 2022		1,230,312		-	1,435,875	2,666,187	<i>2,788,327</i>
FUND BALANCES at 31 July 2023		1,190,253		-	1,453,226	2,643,479	<i>2,666,187</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 15 to 35 form part of these accounts

ST BEES SCHOOL

BALANCE SHEET

AS AT 31 JULY 2023

	Notes	Consolidated		Trust	
		2023	2022	2023	2022
		£	£	£	£
FIXED ASSETS					
School buildings and equipment	11	4,446,836	4,864,325	4,428,646	4,843,848
Investments	12	-	-	2	2
		<u>4,446,836</u>	<u>4,864,325</u>	<u>4,428,648</u>	<u>4,843,850</u>
CURRENT ASSETS					
Stocks	13	200	200	200	200
Debtors	14	88,006	82,468	106,449	76,036
Cash at bank and in hand		82,641	34,661	56,506	21,384
		<u>170,847</u>	<u>117,329</u>	<u>163,155</u>	<u>97,620</u>
CREDITORS: due within one year	15	(1,964,028)	(2,299,934)	(1,974,381)	(2,303,183)
NET CURRENT ASSETS/(LIABILITIES)		<u>(1,793,181)</u>	<u>(2,182,605)</u>	<u>(1,811,226)</u>	<u>(2,205,563)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,653,655</u>	<u>2,681,720</u>	<u>2,617,422</u>	<u>2,638,287</u>
CREDITORS: due after more than one year	16	(10,176)	(15,533)	-	-
TOTAL NET ASSETS		<u><u>2,643,479</u></u>	<u><u>2,666,187</u></u>	<u><u>2,617,422</u></u>	<u><u>2,638,287</u></u>
ENDOWED FUNDS	22	1,453,226	1,435,875	1,453,226	1,435,875
RESTRICTED FUNDS		-	-	-	-
UNRESTRICTED FUNDS					
Unrestricted income funds		(1,148,655)	(1,371,012)	(1,174,712)	(1,398,912)
Revaluation reserve		2,338,908	2,601,324	2,338,908	2,601,324
	23	<u>1,190,253</u>	<u>1,230,312</u>	<u>1,164,196</u>	<u>1,202,412</u>
TOTAL FUNDS		<u><u>2,643,479</u></u>	<u><u>2,666,187</u></u>	<u><u>2,617,422</u></u>	<u><u>2,638,287</u></u>

The financial statements on pages 12 - 35 were approved by the Directors on 16 October 2023 and signed on their behalf by:

P G Lever
Director

Registered number 06595861
England and Wales

The notes on pages 15 to 35 form part of these accounts.

ST BEES SCHOOL**CONSOLIDATED CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 JULY 2023**

	Notes	2023 £	2022 £
Cash provided by/(used in) operating activities	24	(103,044)	<i>13,410</i>
Cash flows from investing activities			
Proceeds from the sale of property, plant and equipment		424,413	<i>129,695</i>
Purchase of property, plant and equipment		(2,222)	<i>(6,534)</i>
Cash provided by/(used in) investing activities		422,191	<i>123,161</i>
Cash flows from financing activities			
Repayment of borrowing		(288,518)	<i>(154,846)</i>
Receipt of endowment		17,351	<i>19,304</i>
Cash (used in)/provided by financing activities		(271,167)	<i>(135,542)</i>
Increase in cash and cash equivalents in the year		47,980	<i>1,029</i>
Cash and cash equivalents at the beginning of the year		34,661	<i>33,632</i>
Cash and cash equivalents at the end of the year		82,641	<i>34,661</i>

The notes on pages 15 to 35 form part of these accounts.

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

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 2023, 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 £5,541 (2022: £6,311). 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 2023

4	Trading income	Consolidated		Trust	
		2023	2022	2023	2022
		£	£	£	£
	Business Management Centre fees	149,667	107,325	-	-
	Sundry trading income	-	2,992	-	-
		<u>149,667</u>	<u>110,317</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 sports facility lettings and Holidayfests. 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 2023 St Bees Enterprises Limited received Government grants totalling £nil (2022: £2,992). This amount consists entirely of grants in respect of the Coronavirus Job Retention Scheme of £nil (2022: £2,992).

The trading results of St Bees Enterprises Limited, extracted from its audited accounts, are shown in note 12.

5	Charitable activity income	Consolidated and Trust	
		2023	2022
		£	£
	General funds		
	VAT reclaimed	321	300
	Sundry income	4	-
		<u>325</u>	<u>300</u>
	Endowment funds		
	Royalties received	17,351	19,304
		<u>17,676</u>	<u>19,604</u>

6	Other income	Consolidated and Trust	
		2023	2022
		£	£
	Profit on disposal of fixed assets - Charity	9,560	-
		<u>9,560</u>	<u>-</u>

All of the other income in year ended 31 July 2023 and year ended 31 July 2022 was attributable to unrestricted income funds.

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

7	Interest payable	2023	2022
		£	£
	Loan interest payable to Full Circle Education Limited	11,167	<i>17,081</i>
	Other interest	-	22
	Total for Charity	11,167	<i>17,103</i>
	Bank loan interest payable by subsidiary	459	588
	Total for Group	11,626	<i>17,691</i>

All of the interest payable in year ended 31 July 2023 and year ended 31 July 2022 was attributable to unrestricted funds.

8	Expenditure	Consolidated		Trust	
		2023	2022	2023	2022
		£	£	£	£
	Charitable Activity expenditure includes:				
	Staff costs (note 10)	79,958	<i>68,716</i>	37,341	<i>32,090</i>
	Loss on disposal of tangible fixed assets	-	305	-	305
	Depreciation of tangible fixed assets (note 11) owned assets	4,858	<i>4,637</i>	349	<i>349</i>
	Audit fee	-	3,475	-	2,660
	Independent Examiner's fee	1,020	-	1,020	-

9	Analysis of total resources expended	Staff costs	Other	Depreciation and impairment	Total 2023	Total 2022
		£	£	£	£	£
	Expenditure on Raising funds:					
	Interest	-	11,167	-	11,167	17,103
	Total for charity	-	11,167	-	11,167	17,103
	Trading costs of the subsidiary	42,617	57,861	4,509	104,987	89,556
	Interest costs of the subsidiary	-	459	-	459	588
	Total for group	42,617	69,487	4,509	116,613	107,247
	Expenditure on Charitable activities:					
	Continuing activities:					
	Grants payable	-	3,520	-	3,520	-
	Establishment costs	37,341	63,412	-	100,753	114,205
	Administration	-	15,454	349	15,803	(799)
	Total for charity and group	37,341	82,386	349	120,076	113,406
	Total expenditure - Group	79,958	151,873	4,858	236,689	220,653
	Total expenditure - Charity	37,341	93,553	349	131,243	130,509

During the year ended 31 July 2023 the total group expenditure of £236,689 was entirely attributable to unrestricted funds. During the year ended 31 July 2022 the total group expenditure of £220,653 was entirely attributable to unrestricted funds.

ST BEES SCHOOL**NOTES ON FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 JULY 2023**

10 Staff costs	2023	2022
	£	£
Wages and salaries	74,324	61,993
Social security costs	2,848	2,527
Pension costs	2,786	4,196
	79,958	68,716
The average number of employees in the year was:	Number	Number
Domestic, maintenance and other staff	4	4
Administration	3	3
	7	7

The trustees are not remunerated, and no expenses were paid during the year (2022: £nil).

There were no higher paid employees during the year (2022: 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 £2,786 (2022: £4,196). Contributions amounting to £nil (2022: £176) 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 2022	106,071	4,842,353	4,948,424
Additions	2,222	-	2,222
Disposals	-	(414,853)	(414,853)
Revaluations	-	-	-
31st July 2023	108,293	4,427,500	4,535,793
Depreciation			
1st August 2022	84,099	-	84,099
Charge for year	4,858	-	4,858
Disposals	-	-	-
Revaluations	-	-	-
31st July 2023	88,957	-	88,957
Impairment			
1st August 2022	-	-	-
Charge for year	-	-	-
Disposals	-	-	-
31st July 2023	-	-	-
Net book values			
31st July 2023	19,336	4,427,500	4,446,836
<i>31st July 2022</i>	<i>21,972</i>	<i>4,842,353</i>	<i>4,864,325</i>

11 Tangible fixed assets (continued)

Trust	Fixtures Fittings and Equipment £	Freehold Land and Buildings £	Total £
Cost or valuation			
1st August 2022	35,609	4,842,353	4,877,962
Additions	-	-	-
Disposals	-	(414,853)	(414,853)
Revaluations	-	-	-
31st July 2023	35,609	4,427,500	4,463,109
Depreciation			
1st August 2022	34,114	-	34,114
Charge for year	349	-	349
Disposals	-	-	-
Revaluations	-	-	-
31st July 2023	34,463	-	34,463
Impairment			
1st August 2022	-	-	-
Charge for year	-	-	-
Disposals	-	-	-
31st July 2023	-	-	-
Net book values			
31st July 2023	1,146	4,427,500	4,428,646
<i>31st July 2022</i>	<i>1,495</i>	<i>4,842,353</i>	<i>4,843,848</i>

11 Tangible fixed assets (continued)

The Trust's freehold land and buildings were valued at £4,427,500 on 31 July 2023 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 2023. As a result there was no surplus or deficit on revaluation for the year ended 31 July 2023 (2022: Deficit of £85,147).

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	
	2023	2022
	£	£
Cost	2,122,368	2,297,195
Depreciation	(515,006)	(517,782)
Net book value	1,607,362	1,779,413

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

	Consolidated		School	
	2023	2022	2023	2022
	£	£	£	£
At cost	-	-	-	-
At valuation	4,427,500	4,842,353	4,427,500	4,842,353
	4,427,500	4,842,353	4,427,500	4,842,353

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

12 Fixed asset investments	2023 £	2022 £
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 and Holidayfests. 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 2023****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:-

	2023	2022
	£	£
Turnover	149,667	107,325
Cost of sales	(26,243)	(15,759)
Gross profit	123,424	91,566
Administration	(78,745)	(73,793)
Other operating income	-	2,992
Operating (loss)/profit for the year:	44,679	20,765
Interest received	-	-
Interest payable	(459)	(588)
Net (loss)/profit before taxation	44,220	20,177
Taxation	-	-
Net (loss)/profit after taxation	44,220	20,177
Covenant - gross	(46,063)	(16,296)
Retained (loss)/profit	(1,843)	3,881
The assets and liabilities of St Bees Enterprises Ltd were:		
	2023	2022
	£	£
Tangible fixed assets	18,190	20,478
Current assets	80,343	55,389
	98,533	75,867
Creditors: amounts falling due within one year	(62,302)	(32,433)
Creditors: amounts falling due after one year	(10,176)	(15,533)
	26,055	27,901
Represented by:		
Share capital	2	2
Profit and loss account	26,053	27,899
	26,055	27,901

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.

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

13 Stocks

	Consolidated and Trust	
	2023	2022
	£	£
Heating oil	200	200
	200	200

14 Debtors

	Consolidated		Trust	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	35,354	27,531	10,297	6,523
Loan to joint venture company	38,692	35,652	38,692	35,652
Covenanted profits				
due from trading company	-	-	46,063	16,296
Other debtors	3,353	2,923	789	1,203
Prepayments and accrued income	10,606	16,362	10,606	16,362
	88,005	82,468	106,447	76,036

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 2023

15 Creditors	Consolidated		Trust	
	2023	2022	2023	2022
Amounts falling due within one year	£	£	£	£
Bank loan	5,357	5,225	-	-
Trade creditors	9,622	17,612	6,610	14,872
Other taxation and social security	6,241	5,751	-	-
Other creditors	-	176	-	-
Accruals and deferred income	19,799	64,870	18,171	62,623
Loan - St Bees Enterprises Ltd	-	-	26,592	19,388
Loans - Full Circle Education Group (unsecured) - see below	143,733	427,026	143,733	427,026
Loans - Old St Beghians Guarantee Trust Fund (unsecured) - see below	179,274	179,274	179,274	179,274
Lease liability - Old St Beghians Guarantee Trust Fund (unsecured) - see below	1,600,000	1,600,000	1,600,000	1,600,000
	1,964,026	2,299,934	1,974,380	2,303,183

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 7 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 2023 and 31 July 2022 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. 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.

Bank loan

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

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

16 Creditors	Consolidated		School	
Amounts falling due after more than one year	2023 £	2022 £	2023 £	2022 £
Bank loan	10,176	15,533	-	-
	<u>10,176</u>	<u>15,533</u>	<u>-</u>	<u>-</u>
Bank loan		2023 £		2021 £
This is repayable as follows:				
In the next year - see note 15		5,357		5,225
In the second to fifth years		10,176		15,533
After five years		-		-
		<u>15,533</u>		<u>20,758</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 2023 the Group and Trust had no operating lease commitments (2022: £nil).

(b) At 31 July 2023 the Group and Trust had no capital commitments (2022: £nil).

(c) At 31 July 2023 the Group and Trust had financial commitments of £nil (2022: £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.

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

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 2023 the charity owed loans of £179,274 (2022: £179,274) 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 2023 the charity owed £1,600,000 (2022: £1,600,000) to the Old St Beghian Guarantee Trust Fund in respect of lease liabilities. Further details regarding this liability are included in note 15 to the accounts.

At 31 July 2023 the charity owed loans of £143,733 (2022: £427,026) to Full Circle Education Group, the Trust's co-venturer in St Bees School Management Company Limited. Additionally, accrued interest of £11,167 (2022: £56,707) 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 St Bees School Management Company Limited, the Trust's joint venture company, invoiced the Trust for goods and services provided amounting to £37,865 (2022: £35,888). 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 2023 this amounted to £46,063 (2022: £16,296).

During the year St Bees Enterprises Limited invoiced St Bees School Management Company Limited for goods and services provided amounting to £42 (2022: £160). 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 £210 (2022: £38). These items are included within administration expenses.

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

21 Allocation of the group net assets

Fund balances at 31 July 2023 as represented by:

	Fixed Assets	Current Assets	Current Liabilities	Provisions/ Long term Liabilities	Total
	£	£	£	£	£
Endowment funds	1,451,985	1,241	-	-	1,453,226
Restricted funds	-	-	-	-	-
Unrestricted funds	2,994,851	169,606	(1,964,028)	(10,176)	1,190,253
Total for group	4,446,836	170,847	(1,964,028)	(10,176)	2,643,479

Allocation of the group net assets - previous year

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

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

22 Analysis of movements in endowment funds

	Balance 1 August 2022 £	Incoming Resources £	Resources Expended £	Transfers and Gains/ (Losses) £	Balance 31 July 2023 £
<i>Permanent Funds:</i>					
Capital	1,000	-	-	-	1,000
Royalties	740,875	17,351	-	-	758,226
Capital replacement fund	694,000	-	-	-	694,000
Group and Trust	1,435,875	17,351	-	-	1,453,226

Analysis of movements in endowment funds - previous year

	Balance 1 August 2021 £	Incoming Resources £	Resources Expended £	Transfers and 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

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 2023

23 Analysis of movements in unrestricted funds

	Balance 1 August 2022	Incoming Resources	Resources Expended	Transfers and Gains/ (Losses)	Balance 31 July 2023
	£	£	£	£	£
Designated:					
Extraordinary repair fund	30,000	-	-	1,000	31,000
Property revaluation reserve	2,601,324	-	-	(262,416)	2,338,908
Capital fund	883,563	-	-	(248,197)	635,366
Trust general fund	(2,312,679)	46,963	(131,243)	555,880	(1,841,079)
Sub-total - Trust	1,202,208	46,963	(131,243)	46,267	1,164,195
Reserves - St Bees Enterprises Limited	28,104	149,667	(105,446)	(46,267)	26,058
Consolidated funds	1,230,312	196,630	(236,689)	-	1,190,253

Analysis of movements in unrestricted funds - previous year

	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

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. Disposal of property during the year resulted in a transfer of £262,416 (2022: £130,000) from the revaluation reserve to unrestricted general funds. The charity's properties were revalued during the year ended 31 July 2023 with no surplus or deficit arising (2022: Deficit of £85,147).

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

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.

Disposal of property during the year resulted in a transfer of £152,437 (2022: £nil) from the capital fund to unrestricted general funds, with a further transfer of £95,761 (2022: £nil) being made from the capital fund to unrestricted general funds to ensure that the balances on the property revaluation reserve, unrestricted capital fund, and endowment funds equate to the current balance sheet total for 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 £1,841,079 at 31 July 2023 (2022: Deficit of £2,312,679).

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

24 Gross cash flows

	Group 2023 £	<i>Group 2022 £</i>
Reconciliation of net movement in funds to net cash inflow/(outflow) from operating activities		
Net movement in funds	(22,708)	(122,140)
Endowment donations	(17,351)	(19,304)
Depreciation	4,858	4,637
(Profit)/loss on sale of fixed assets	(9,560)	305
(Gains)/losses on revaluations	-	85,147
(Increase)/decrease in debtors	(5,537)	66,317
Increase/(decrease) in creditors	(52,746)	(1,552)
Net cash (used in)/provided by group operating activities	(103,044)	<i>13,410</i>