

# THE SEDBERGH SCHOOL FOUNDATION

England & Wales · Charity number 1176189

## Details

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**Status** Registered

**Legal form** CIO

**Registered** 2017-12-08

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** Sedbergh School Foundation  
Malim Lodge  
Sedbergh  
Cumbria  
LA10 5RY

**Phone** 01524279217

**Email** [foundation@sedberghschool.org](mailto:foundation@sedberghschool.org)

**Website** [www.association.sedberghschool.org/foundation](http://www.association.sedberghschool.org/foundation)

## Activities

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**Objects:** TO PROMOTE AND SUPPORT THE EDUCATION OF YOUNG PEOPLE AND PARTICULARLY THE PUPILS AT SEDBERGH SCHOOL ("THE SCHOOL") THROUGH:(A) THE FINANCIAL SUPPORT AND ASSISTANCE OF THE SCHOOL AND/OR WIDER EDUCATIONAL INITIATIVES AND OTHER ASSOCIATED ACTIVITIES FOR THE BENEFIT OF THE COMMUNITY (IN SUCCESSION TO THE CHARITY KNOWN AS THE SEDBERGH SCHOOL FOUNDATION TRUST (NO: 529904)); (B) PROMOTING THE EDUCATION OF PUPILS EDUCATED AT THE SCHOOL ("THE BENEFICIARIES") WHO ARE IN NEED OF FINANCIAL ASSISTANCE BY AWARDING TO THE BENEFICIARIES SCHOLARSHIPS, EXHIBITIONS, BURSARIES, MAINTENANCE ALLOWANCES OR GRANTS TENABLE AT THE SCHOOL OR AT ANY UNIVERSITY, COLLEGE OF EDUCATION, OR OTHER INSTITUTION OF FURTHER EDUCATION.(C) THE FINANCIAL SUPPORT OF SCHOOL PROJECTS TO (I) IMPROVE BUILDINGS USED OR TO BE USED BY THE SCHOOL;(II) ACQUIRE LAND OR ERECT NEW BUILDINGS FOR THE USE OF THE SCHOOL OR WIDER EDUCATIONAL INITIATIVES; AND(III) MAINTAIN, REPAIR, EXTEND OR IMPROVE ANY PROPERTY OWNED BY THE CHARITY WHETHER IN THE OCCUPATION OF THE SCHOOL OR NOT.

**Activities:** TO PROMOTE AND SUPPORT THE EDUCATION OF YOUNG PEOPLE AND PARTICULARLY THE PUPILS AT SEDBERGH SCHOOL ("THE SCHOOL")

## Classification

- **How:** Makes Grants To Organisations, Provides Other Finance, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** Children/young People

## Geography

- Cumbria
- Lancashire
- North Yorkshire

## Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£1,429,746	£912,277	£7,496,147	0
2023-08-31	£2,315,090	£1,245,122	£6,975,656	0
2022-08-31	£2,066,985	£423,599	£5,942,000	2
2021-08-31	£3,349,795	£612,357	£4,284,626	2
2020-08-31	£385,826	£160,006	-	-

## Trustees

Name	Role	Appointed
ANTHONY WILLIAM SMITH		2017-12-08
Daniel Harrison		2021-09-01
Ian W Durrans		2020-10-09
MARCUS BAKER		2017-12-08
Richard Gledhill		2018-04-19

**THE SEDBERGH SCHOOL FOUNDATION**

England & Wales - Charity number 1176189

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# Accounts

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# The Sedbergh School Foundation

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 August 2024

# The Sedbergh School Foundation

## PROFESSIONAL ADVISORS

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### Bankers

Barclays Bank Plc  
1<sup>st</sup> Floor  
3 Hardman Street  
Spinningfields  
Manchester  
M3 3HF

National Westminster Bank Plc  
Commercial Banking  
1 Spinningfields Square  
Manchester  
M3 3AP

### Auditor

HaysMac LLP  
10 Queen Street Place  
London  
EC4R 1AG

### Investment Managers (up to September 2023)

Ruffer LLP  
31 Charlotte Square  
Edinburgh  
EH2 4ET

# The Sedbergh School Foundation

## TRUSTEES' REPORT

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The Trustees present their report for the year ended 31 August 2024.

### CONSTITUTION

The Sedbergh School Foundation is registered as a Charitable Incorporated Organisation (CIO), Registered Number 1176189. Formerly The Old Sedberghian Trust Fund (1953), it was then constituted by Deed of Trust established on 24 September 1953 as a registered charity, number 529904, until 28 June 2018 when it became the current CIO.

The grant making activities of the Trust are approved by the Trustees at full committee meetings. The principal office of the charity is at Sedbergh School, Sedbergh, LA10 5RY.

### TRUSTEES

Mr M C Baker

Mr D Berry (Chairman of the OS Club) ex officio member

Mr I Durrans (Governor of Sedbergh School) – Chairman

Mr R Gledhill (Chairman of the Governors of Sedbergh School and Chairman of the Executive Committee of Sedbergh School) ex officio member

Mr D J Harrison (Headmaster of Sedbergh School) ex officio member

Mr A W Smith

Mr J A Stott (resigned 1 March 2025)

Day to day management of the CIO is delegated to the Foundation Director.

### OBJECTIVES

To promote and support the education of young people and particularly the pupils at Sedbergh School (“the School”) through:

- (a) the financial support and assistance of the School and/or wider educational initiatives and other associated activities for the benefit of the community (in succession to the charity known as the Sedbergh School Foundation Trust (no: **529904**));
- (b) promoting the education of pupils educated at the School (“the Beneficiaries”) who are in need of financial assistance by awarding to the beneficiaries scholarships, exhibitions, bursaries, maintenance allowances or grants tenable at the School or at any university, college of education, or other institution of further education;
- (c) the financial support of School projects to:
  - i. improve buildings used or to be used by the School;
  - ii. acquire land or erect new buildings for the use of the School or wider educational initiatives; and
  - iii. maintain, repair, extend or improve any property owned by the charity whether in the occupation of the School or not.

# The Sedbergh School Foundation

## TRUSTEES' REPORT

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### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Organisational Structure

The Board of Trustees usually meets three times a year. The Board receive papers a week in advance of each meeting which include a report from the Foundation Director which incorporates the Finance Report including the management accounts.

#### Recruitment of Trustees

The CIO has three ex-officio posts, these being: the Headmaster of Sedbergh School, the Chairman of the Governors Executive Committee and the Chairman of the OS Club. The Chairman of the Foundation must also be a Governor of Sedbergh School and Governors have the authority to appoint one other Trustee.

Trustees are appointed for a three-year term and are expected to stand down after their second term unless there are specific reasons for not doing so. Recruitment of Trustees is carried out by asking for nominations from existing and retiring Trustees, the OS Club, the Headmaster and the School's Governors. Potential new Trustees are briefed by the Chairman and the Foundation Director; provided with the charity's statutory documents and recent papers, and relevant Charity Commission publications; and advised where to make further enquiries for formal training available through Directory of Social Change and other third parties. Training of new Trustees is administered through in-house events led by the School (particularly to fulfil required Child Protection training) and also through promoted online training.

#### Setting of Pay for Key Management

The pay structure of employees of the CIO follows the Non-Teaching Staff pay structure as set out by Sedbergh School.

#### Delegated Authority

The Foundation Director has certain powers of delegated authority to run the organisation on a day-to-day basis. These delegated powers are reviewed and set by the Board of Trustees under the Scheme of Delegation.

#### Statement on Public Benefit

The Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and have complied with the duty in section 17 of the Charities Act 2011. Trustees have studied the guidance issued by the Charity Commission and are satisfied that the charity continues to provide public benefit through its work with Sedbergh School, particularly in fundraising for bursaries and in the provision/refurbishment of key facilities, many of which are important for the local community as well as for the School. The Foundation also helps the pupils of the School to fundraise for other charitable causes as part of their education.

### REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS

The Trustees aim to provide selective, targeted, financial and other support for the work of the School in the communities it serves. In the period under review, the Foundation's principal activities included:

#### The Sedbergh Community

Sedbergh School exists because of its people, who through their philanthropy over the centuries, have enabled the School buildings to rise, or have provided opportunity for talented individuals to attend Sedbergh School irrespective of financial background. This is our strength, the importance of which cannot be overestimated.

It is in recognition of this that in the current year the Foundation worked in conjunction with the School and the Old Sedberghian Club to ensure that we continued to harness this goodwill by increasing our reach of engagement in the community.

This was done in three ways. Firstly, aware that parents are a cornerstone of Sedbergh life, the Sedbergh Association was created such that parents, friends and volunteers could have a greater sense of connection. The Association does not replace the Old Sedberghian Club, which continues to operate as before, but all those in the Sedbergh community, whether alumni, staff, parents, friends, and others, are now united under the banner of the Sedbergh Association.

We were also aware that we had, over the years, lost contact with many alumni whose records had become out of date through the natural course of moving or changing careers. We therefore created new software to assist in updating our records while at the same time using social media as a means of identifying and contacting lost Sedberghians.

# The Sedbergh School Foundation

## TRUSTEES' REPORT

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Lastly, we have been holding a number of age group reunions. The news of such events percolate through friendship groups and social media connections, re-engaging those who were lost to the School.

The increase in engagement in our community, and indeed the broadening of its bounds through the Sedbergh Association, were vital steps as we approached our 500<sup>th</sup> year. In all circa 1,000 records (16% of total records) were updated, and the parent body was recognised and given a sense of belonging. Sedbergh School has great ambitions, but not all its plans can be met by fee income alone. By broadening the base of support, we have extended the provision for philanthropy, removing barriers and creating opportunity.

### **The Roger Lupton Scholarship and Bursary Fund**

It is of particular merit that many in our community wish to support those who come from disadvantaged backgrounds. The Roger Lupton Scholarship Fund was established in 2012 to provide funded places for talented individuals irrespective of financial background. Such is the support for this appeal that during the year the Foundation was able to fund up to 100% of fees for 12 scholars who would otherwise not have had the opportunity of a Sedbergh education.

During the year, and in anticipation of the introduction of VAT in 2025, the Foundation extended the purpose of the Roger Lupton Scholarship Fund, renaming it the Roger Lupton Scholarship and Bursary Fund. This was in response to concerns that the additional costs of VAT would mean that some parents may be forced to withdraw their child from the School, interrupting the child's education and taking them away from their place of learning at a critical time. Therefore, provision has been made to support such families via a restricted, means-tested grant to Sedbergh School.

During the year the Foundation made grants from the Roger Lupton Scholarship and Bursary Fund amounting to £375,204 (2023: £241,917).

### **Other Major Activities**

In advance of the School's 500<sup>th</sup> Anniversary in 2025, the Foundation launched a quincentenary campaign to raise further funds for the Roger Lupton Scholarship and Bursary Fund and also funds for a number of School projects including a Technology Centre, and a Green Fund to focus on reducing carbon emissions across both the Senior and Prep Schools. At 31 August 2024, the restricted fund stands at £3.324m.

### **The 1525 Legacy Society**

Launched in 2002, The 1525 Society recognises those Sedberghians and Friends who wish to support the future development of the School (or individuals through the Roger Lupton programme), through their legacy. The 1525 Society has become one of the largest legacy societies of any independent school in the country. However, by its nature such income is unpredictable, in the current year legacy income amounted to £805,855 (£555,548 was unrestricted and £250,307 was restricted to bursaries and scholarships) compared to the prior year of £1,808,187 (£1,733,500 was unrestricted and £74,687 was restricted).

### **Investments**

During the year the Foundation disinvested balances held with Ruffer Investment Co and reinvested these into fixed rate UK treasury deposits to ensure the returns and security of investments are maximised. As at 31 August 2024, there were four active treasury deposits holding differing amounts with a range of maturity dates. All deposits are due to mature within the next 12 months. The UK treasury deposits hold the endowed fund for scholarships and bursaries where income generated is used to support pupils who would not otherwise be able to afford the fees, the endowed fund for Sedgwick Conservation, £1,078,423 of unrestricted funds and £3,760,578 of restricted funds.

### **Future Developments**

As the School approaches its Quincentenary in 2025, The Foundation has a series of events planned to raise funds in support of major projects previously identified by the School. This builds upon the launch of the 500<sup>th</sup> Anniversary Campaign held in the Summer of 2022, and indeed the broadening of engagement within the community.

We recognise that there are many demands on people's charitable donations and the Foundation must be inventive and entertaining in its appeals while conveying the important underlying message that supports the ask. In 2025 therefore we are holding major auctions at the May Gala Dinners where truly unique items and opportunities are being offered for the first time. We are also hosting a rally around Scotland, The Rally Roger, in support of the Roger Lupton Scholarship and Bursary Fund. On Midsummer's Day 2025 we are hosting the Summer Solstice Stride where the Headmaster and his cohort will run from York to

# The Sedbergh School Foundation

## TRUSTEES' REPORT

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Sedbergh, retracing the steps of our Founder, Roger Lupton. These are ambitious fundraising events to sit alongside our other work such as the 1525 Society.

In March 2025 the Foundation Launched the '500 for 500' Appeal whereby we ask people to donate £8.33 a month for 5 years, equating to £500. It is hoped that we can attract 1,000 subscribers to this appeal, which will provide fully funded place for one boy and one girl from disadvantaged backgrounds.

### **FINANCE AND ADMINISTRATION**

The Foundation employs the services of the Finance team at Sedbergh School to provide bookkeeping and accounting services including preparation of management accounts, budget setting, cash management, treasury management, preparation of annual accounts and managing the internal control environment. The School also provides other services including IT support, HR and office accommodation and utilities. The Investment Committee of the School provides advice to the Trustees of the Foundation on treasury and cash related matters.

#### **Financial**

Income for the year amounts to £1,429,746 (2023: £2,315,090). The fall in income was due to significant legacies which were paid to the Foundation during the prior year.

#### **Grants Payable**

The Foundation Trustees raise money to support the School by giving grants. These grants are made from unrestricted funds, except where donations have been made for a specified purpose. Grant requests are made by the Chief Operating Officer of the School to the Foundation. Where grants are to be made solely out of restricted funds, the Chairman of the Trustees has delegated authority to approve these. If the grant is to be made out of restricted and unrestricted or entirely unrestricted funds, the request is put to the Trustees at their next meeting or by email if the commitment is required in between meetings.

Grants totalling £601,538 were made during the year (2023: £967,784). See note 3 for details.

A number of restricted funds continue to be held by the Foundation for projects which had not been completed at the end of the financial period. These included the House Funds, Sports Funds, Capital Projects and funds for Scholarships and Bursaries.

#### **Endowments**

The Foundation holds one endowment of £7,500 from which grants are made for the support of environmental and conservation projects, particularly for the Sedgwick Society.

A second endowment of £179,605 holds scholarship and bursary donations which was established with £150,000 made up of a previous endowment of £25,000 and a donation of £125,000.

The value of the endowed funds at the end of August 2024 was £187,705 (2023: £187,105).

#### **Fundraising Activities**

Fundraising activities are undertaken in line with recommended best practice guidance from the Fundraising Regulator. The Trustees are responsible for overseeing all fundraising activities undertaken by the employees of the CIO. The Foundation Director reports annually on regulatory compliance to both the Trustees and the Governors of the School.

No complaints were received during the year about any aspect of the CIO's activities.

### **RISK MANAGEMENT POLICY**

The Trustees regularly examine the major risks that the Foundation faces and seek to ensure that adequate systems are in place to minimise such risks. The main risk identified would be a fall in donation income. This would be managed by a reduction in the number (or value) of grants paid out.

# The Sedbergh School Foundation

## TRUSTEES' REPORT

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### INVESTMENT AND RESERVES POLICY

During the current year, the Trustees made the decision to disinvest balances held with Ruffer Investment Co and reinvested these into fixed rate UK treasury deposits.

The Trustees' policy remains, however, to ensure that they can maintain a balanced budget to cover annual expenditure requirements and funding of specific projects, which are the subject of special appeals.

The Foundation carries out a periodic review of anticipated income from general or specific appeals and outgoings from planned donations. In the light of this review allocation of resources is made to:

- (a) ensure there is sufficient liquidity in current assets to meet planned donations and expenditure;
- (b) achieve an annual return on current assets and long-term investments equivalent to market averages for similar investments.

The investment strategy is one of long-term capital preservation. Investments were valued at £5,026,706 (2023: £3,250,248). Overall, managed funds gained £3,022 prior to disinvestment.

Long term investments include the ownership of Guldrey Lodge which was valued by Hackney & Leigh at £400,000 on 17 January 2020. The Trustees intend to hold this investment for the future benefit of the School and the current lease runs for 99 years. The Trustees estimate the market value at the year-end to be in line with the valuation and therefore have recognised this valuation as market value within these financial statements.

The total funds held by the Foundation at the year-end were £7,496,147 (2023: £6,975,656), including restricted and endowed funds of £3,948,283 (2023: £3,686,550). Total funds included cash balances of £309,784 (2023: £2,075,293) and investments (including property) of £5,426,706 (2023: £3,650,248).

The Trustees continue to monitor reserves closely should there be a reduction in the level of general fund donations to ensure that sufficient reserves are available to cover direct charitable expenditure, administration costs, fundraising costs, and support costs, without which the Foundation could not function. The reserves target is set at six months' unrestricted expenditure. The current level of free reserves at the year-end amounted to £3,139,080, which is in excess of the reserves policy.

# The Sedbergh School Foundation

## TRUSTEES' REPORT

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### AUDITOR

On 19 November 2024, the charity's auditor changed its name from Haysmacintyre LLP to HaysMac LLP. The auditor, HaysMac LLP has indicated a willingness to continue in office. A resolution to reappoint HaysMac LLP as auditor will be put to the members at the AGM.

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Trustees are aware:

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

This report was approved by the Board of Trustees and signed on its behalf by:



I W Durrans  
Chairman

Date: 23 June 2025

# The Sedbergh School Foundation

## AUDITOR'S REPORT TO THE TRUSTEES OF THE SEDBERGH SCHOOL FOUNDATION CHARITY

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### Opinion

We have audited the financial statements of the Sedbergh School Foundation for the year ended 31 August 2024 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2024 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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

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

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

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

### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. 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.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

# The Sedbergh School Foundation

## AUDITOR'S REPORT TO THE TRUSTEES OF THE SEDBERGH SCHOOL FOUNDATION CHARITY

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### Responsibilities of Trustees for the financial statements

As explained more fully in the trustees' responsibilities statement, the trustees 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.

### Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to trust law requirements over the use of restricted and endowed funds, fundraising regulations and charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to income and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals entries; and
- Challenging assumptions and judgements made by management in their accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Trustees 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 charity's Trustees as a body for our audit work, for this report, or for the opinions we have formed.



HaysMac LLP

Statutory Auditors

Date: 26 June 2025

10 Queen Street Place

London

EC4R 1AG

HaysMac LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# The Sedbergh School Foundation

## STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 August 2024

	Notes	Unrestricted Funds 2024	Restricted Funds 2024	Endowed Funds 2024	Total Funds 2024	Total Funds 2023
		£	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations, legacies & grants	1a	620,869	545,050	-	1,165,919	2,211,082
Investments	1b	107,003	156,824	-	263,827	104,008
<b>TOTAL INCOME</b>		<b>727,872</b>	<b>701,874</b>	<b>-</b>	<b>1,429,746</b>	<b>2,315,090</b>
<b>EXPENDITURE ON:</b>						
Raising funds	2	291,518	5,218	-	296,736	261,680
Charitable activities	3	163,593	437,945	-	601,538	967,784
Governance costs		14,003	-	-	14,003	15,658
<b>TOTAL EXPENDITURE</b>		<b>469,114</b>	<b>443,163</b>	<b>-</b>	<b>912,277</b>	<b>1,245,122</b>
<b>NET INCOME BEFORE GAINS ON INVESTMENTS</b>		<b>258,758</b>	<b>258,711</b>	<b>-</b>	<b>517,469</b>	<b>1,069,968</b>
Net gains/(loss) on investments	7	-	2,422	600	3,022	(36,312)
<b>NET MOVEMENT IN FUNDS</b>		<b>258,758</b>	<b>261,133</b>	<b>600</b>	<b>520,491</b>	<b>1,033,656</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		3,289,106	3,499,445	187,105	6,975,656	5,942,000
<b>Total funds carried forward</b>		<b>3,547,864</b>	<b>3,760,578</b>	<b>187,705</b>	<b>7,496,147</b>	<b>6,975,656</b>

The accounting policies and notes on pages 13 to 23 form part of these Financial Statements. The activities of the Foundation are classed as continuing.

# The Sedbergh School Foundation

## BALANCE SHEET

As at 31 August 2024

	Notes	2024 £	2023 (Restated) £
<b>FIXED ASSETS</b>			
Tangible fixed assets	4	5,034	-
Other intangible assets	5	3,750	-
Investment property	6	400,000	400,000
Investments	7	5,026,706	3,250,248
		-----	-----
		5,435,490	3,650,248
		-----	-----
<b>CURRENT ASSETS</b>			
Cash and bank	8	309,784	2,075,293
Debtors	9	1,990,433	1,505,548
		-----	-----
		2,300,217	3,580,841
		-----	-----
<b>CREDITORS:</b> amounts falling due within one year	10	(239,560)	(255,433)
		-----	-----
<b>NET CURRENT ASSETS</b>		2,060,657	3,325,408
		-----	-----
		-----	-----
<b>TOTAL NET ASSETS</b>	11	7,496,147	6,975,656
		=====	=====
<b>FUNDS</b>			
Unrestricted funds		3,547,864	3,289,106
Restricted funds		3,760,578	3,499,445
Endowed funds		187,705	187,105
		-----	-----
	12	7,496,147	6,975,656
		=====	=====

These financial statements were approved by the Trustees and signed on their behalf:



I W Durrans  
Trustee

Date: 23 June 2025

# The Sedbergh School Foundation

## STATEMENT OF CASH FLOWS

For the year ended 31 August 2024

	2024	2023	
	£	(Restated) £	
<b>OPERATING ACTIVITIES</b>			
Net income	517,469	1,069,968	
Depreciation	277	-	
Investment income received	(263,827)	(104,008)	
(Increase) in debtors	(484,885)	(1,468,077)	
(Decrease)/Increase in creditors	(15,873)	117,752	
	-----	-----	
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(246,839)</b>	<b>(384,365)</b>	
<b>INVESTING ACTIVITIES</b>			
Investment income	263,827	104,008	
Proceeds from disposal of investments	3,246,564	-	
Purchase of investments	(5,020,000)	(2,300,000)	
Purchase of fixed and intangible assets	(9,061)	-	
	-----	-----	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,518,670)</b>	<b>(2,195,992)</b>	
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>	<b>(1,765,509)</b>	<b>(2,580,357)</b>	
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>2,075,293</b>	<b>4,655,650</b>	
	-----	-----	
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>309,784</b>	<b>2,075,293</b>	
	-----	-----	
<b>REPRESENTED BY:</b>			
Cash at bank and in hand	309,784	2,075,293	
	-----	-----	
<b>ANALYSIS OF NET FUNDS</b>			
	<b>At 1 September</b>		<b>At 31 August</b>
	<b>2023</b>	<b>Cash flows</b>	<b>2024</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	2,075,293	(1,765,509)	309,784
	-----	-----	-----

# The Sedbergh School Foundation

## ACCOUNTING POLICIES

for the year ended 31 August 2024

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### BASIS OF PREPARATION

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Sedbergh School Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

### GOING CONCERN

The Trustees have considered the likely level of income and expenditure for the foreseeable future. There are no material uncertainties which would jeopardise the running of the CIO. As grants are only awarded to Sedbergh School when sufficient funds are available, this enables the Foundation to continue to be a going concern. The Trustees are satisfied that the charity can meet its obligations as and when they fall due. Accordingly, the going concern basis of preparation is appropriate for these financial statements.

### INVESTMENT PROPERTY

Investment properties are included in the balance sheet at market value. All movements in value arising from a change in value, in excess of the original cost of the properties, are shown in the Statement of Financial Activities as revaluation gains or losses. Any diminution in value below original cost is charged to the Statement of Financial Activities as an impairment.

### FIXED ASSETS

All fixed assets are measured at their cost or values at the time of acquisition, net of depreciation and any impairment losses. Capital items costing less than £1,000 are written off as an expense as acquired.

### DEPRECIATION

Depreciation is provided on tangible fixed assets at rates and bases calculated to write off the cost less estimated residual value, based on current market prices, of each asset over its expected useful life as follows:

Fixtures and fittings	- 5 – 20 years
Computer equipment	- 3 years

### INTANGIBLE ASSETS

All intangible assets are measured at their cost or values at the time of acquisition, net of depreciation and any impairment losses. Capital items costing less than £1,000 are written off as an expense as acquired.

### AMORTISATION

Depreciation is provided on tangible fixed assets at rates and bases calculated to write off the cost less estimated residual value, based on current market prices, of each asset over its expected useful life as follows:

Software	- 3 years
----------	-----------

### IMPAIRMENT OF FIXED AND INTANGIBLE ASSETS

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reserved. If such indications exist, the Trustees estimate the recoverable amount of that asset.

### VALUATION OF INVESTMENTS

#### a) Paintings & books

Paintings & books are included in investments at cost.

#### b) UK Listed Investments

All investments are valued at market value as follows:

# The Sedbergh School Foundation

## ACCOUNTING POLICIES

for the year ended 31 August 2024

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- i) Listed investments are valued at the bid value at the balance sheet date;
- ii) Fixed interest securities are valued at the bid value at the balance sheet date;

All realised and unrealised gains and losses at the period end are recognised within the Statement of Financial Activities.

### c) UK Treasury Deposits

UK treasury deposits are included at deposited amount on the balance sheet. Interest is accrued and recorded within debtors until maturity of the deposit.

## STATEMENT OF FINANCIAL ACTIVITIES

Income and expenditure are included as follows:

- a) Dividends receivable are included as income when receivable.
- b) Donations and legacies are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.
- c) Rental income receivable is recognised on a straight-line basis over the term of the lease.
- d) Expenditure is charged to the Statement of Financial Activities on an accruals basis, it is not set off against income.
- e) Costs of raising funds are those costs incurred in attracting voluntary income. Charitable activities include expenditure in the form of grants to Sedbergh School. Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- f) Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Foundation. Grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Foundation.

## FUND ACCOUNTING

The Fund has various types of funds for which it is responsible, and which require separate disclosure. These are as follows:

Unrestricted funds	Funds which may be used for the general purposes of the charity.
Restricted funds	Donations or legacies received which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the charity.
Endowed funds	Funds given to the Charity where the income may be used for general or restricted purposes, but the capital must be retained.

## LIABILITIES

Liabilities are recognised when the Foundation has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

## FINANCIAL INSTRUMENTS

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at cost and subsequently measured at their settlement value.

## JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

# The Sedbergh School Foundation

## ACCOUNTING POLICIES

for the year ended 31 August 2024

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### KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### INVESTMENT PROPERTIES

The Trustees have valued the investment property based on the latest valuation performed in January 2020 and have determined that this remains the most accurate valuation of the property at the year end.

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2024

### 1 INCOME

#### a) Donations and legacies:

	Unrestricted	Restricted	2024 Total	2023 Total
	£	£	£	£
General Fund & Grants	65,321	-	65,321	27,616
Legacies	555,548	-	555,548	1,733,500
Bursaries & Scholarships	-	423,390	423,390	121,486
Hart House	-	374	374	1,658
Powell House	-	362	362	419
School House	-	2,206	2,206	7,303
Sedgwick House	-	342	342	376
Evans House	-	8,441	8,441	607
Lupton House	-	289	289	524
Rugby	-	-	-	1,375
Cricket	-	1,750	1,750	-
Hockey	-	19,777	19,777	-
Netball	-	1,760	1,760	-
Chapel	-	1,806	1,806	2,076
Music	-	6,250	6,250	-
Friends of Prep School	-	9,450	9,450	3,912
Equestrian	-	541	541	518
Shooting	-	18,346	18,346	9,701
Sailing	-	-	-	1,106
Charity - Ukraine	-	-	-	40,493
Charity - Restart Africa	-	1,031	1,031	-
Archives	-	31	31	899
Hardship Fund	-	-	-	30
500 Campaign – Capital Projects at the Prep School	-	148	148	5,276
500 Campaign – Capital Projects at the Senior School	-	20,069	20,069	97,936
500 Campaign – Event	-	-	-	30,635
500 Campaign – Green Fund	-	25,000	25,000	55,215
500 Campaign – General	-	1,956	1,956	38,013
500 Campaign – Roger Lupton Scholarships and Bursary Fund	-	1,731	1,731	30,408
	-----	-----	-----	-----
	620,869	545,050	1,165,919	2,211,082
	-----	-----	-----	-----

#### b) Investment income is analysed as follows:

	Unrestricted	Restricted	2024 Total	2023 Total
	£	£	£	£
Bank interest	55,003	156,824	211,827	52,008
Rental income	52,000	-	52,000	52,000
	-----	-----	-----	-----
	107,003	156,824	263,827	104,008
	-----	-----	-----	-----

Of the donation income received in the prior year of £2,211,082, £1,761,116 was unrestricted income and £449,966 was restricted income.

All investment income received in the prior year was included within unrestricted income.

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2024

### 2 EXPENDITURE ON RAISING FUNDS

	2024	2023
	£	(Restated)
		£
Costs of raising voluntary income:		
Staff costs	-	67,853
Fundraising costs (restricted and unrestricted)	251,123	157,604
Other	45,613	36,223
	----	----
	296,736	261,680
	----	----

£68,777 of 2023 costs have been reclassified from Other to Fundraising Costs to more appropriately align with their nature. Of expenditure on raising funds of £296,736 (2023: £261,280), £291,518 (2023: £190,613) was unrestricted and £5,218 (2023: £71,067) was restricted.

No Trustees or any persons connected with them have received any remuneration during the period (2023: £nil). Expenses were paid to one Trustee of £208 relating to travel expenses (2023: £nil).

Sedbergh School Foundation has no employees (2023: 2 until 31 January 2023). From 1 February 2023, staff members were employed by Sedbergh School who make a charge to the Foundation in respect of time spent by its employees in respect of the Foundation's business. These charges are included within fundraising costs. Included within staff costs above are employer's national insurance contributions of £nil (2023: £2,245) and employer's pension contributions of £nil (2023: £2,703) and loss of office payments to the outgoing Foundation Director of £nil (2023: £28,106).

Governance costs include auditor's remuneration totalling £9,984 and other services totalling £1,768 (2023: auditor's remuneration £11,580 and other services totalling £3,880) and all are unrestricted expenditure.

#### **Staff Costs**

No employees received emoluments, including benefits in kind, which exceeded £60,000 (2023: none).

#### **Key Management Personnel**

The Foundation considered its key management personnel up until 31 January 2023 to be the Foundation Director. The total employment benefits including employer NIC and pension contributions of the key management personnel during this period were £58,159. This includes a loss of office payment of £28,106. Subsequent to 1 February 2023, the Foundation consider the key management personnel to be the Foundation Director, who is employed by Sedbergh School and whose costs are recharged from School. The total employment benefits including employer NIC and pension contributions recharged during this period were £101,939 (2023: £113,608, including £58,189 noted above).

### 3 EXPENDITURE ON CHARITABLE ACTIVITIES

The following grants totalling £601,538 were made during the year (2023: £967,784).

	School	Other	School	Other
	2024	2024	2023	2023
	£	£	(Restated)	(Restated)
			£	£
Scholarship & Bursary Funds	375,204	-	241,917	-
School Capital projects	169,462	-	639,268	-
House Funds	29,156	-	24,311	-
Sport Funds	24,052	-	18,624	-
Other individual Funds	3,664	-	8,339	-
Charity – Ukraine appeal	-	-	780	34,545
	601,538	-	933,239	34,545

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2024

### 3 EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

£16,680 of 2023 costs have been reclassified from Other to School for invoices paid by the Foundation on behalf of Sedbergh School. Of total grant payments of £601,538 (2023: £967,784), £163,593 (2023: £412,708) was unrestricted and £437,945 (2023: £555,076) was restricted expenditure.

### 4 FIXED ASSETS

	Fixtures & fittings	Computer hardware	Total
	£	£	£
<b>Cost</b>			
As at 1 Sept 2023	-	-	-
Additions	2,742	2,569	5,311
<b>As at 31 August 2024</b>	<u>2,742</u>	<u>2,569</u>	<u>5,311</u>
<b>Depreciation</b>			
At as 1 Sept 2023	-	-	-
Charge for the period	206	71	277
<b>As at 31 August 2024</b>	<u>206</u>	<u>71</u>	<u>277</u>
<b>Net book value</b>			
<b>As at 31 August 2024</b>	<u>2,536</u>	<u>2,498</u>	<u>5,034</u>
As at 31 August 2023	<u>-</u>	<u>-</u>	<u>-</u>

### 5 INTANGIBLE ASSETS

	Software – Under Construction
	£
<b>Cost</b>	
As at 1 Sept 2023	-
Under construction	3,750
<b>As at 31 August 2024</b>	<u>3,750</u>
<b>Depreciation</b>	
At as 1 Sept 2023	-
Charge for the period	-
<b>As at 31 August 2024</b>	<u>-</u>
<b>Net book value</b>	
<b>As at 31 August 2024</b>	<u>3,750</u>
As at 31 August 2023	<u>-</u>

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2024

### 6 INVESTMENT PROPERTY

	2024	2023
	£	£
<i>Land and Buildings – Guldrey Lodge</i>		
Market Value brought forward	400,000	400,000
	-----	-----
Market Value carried forward	400,000	400,000
	-----	-----

Investment property include the ownership of Guldrey Lodge. The Trustees intend to hold this investment for the future benefit of the School and the current lease runs for 99 years.

A formal valuation was carried out as at 17 January 2020 by Hackney & Leigh, Chartered Surveyors, on the basis of open market value based on the assumed tenancy of Sedbergh School and this value was incorporated into the 2019 accounts. The Trustees have agreed that the valuation of the survey conducted in January 2020 would represent the Market Value as at 31 August 2024.

### 7 INVESTMENTS

	UK Listed Investments	UK Treasury Deposits	Paintings & books	2024 Total
	£	£	£	£
Balance at 1 Sept 2023 (restated)	943,542	2,300,000	6,706	3,250,248
Additions	-	5,020,000	-	5,020,000
Disposal Proceeds	(946,564)	(2,300,000)	-	(3,246,564)
Increase in market value	3,022	-	-	3,022
	-----	-----	-----	-----
Balance at 31 Aug 2024	-	5,020,000	6,706	5,026,706
	-----	-----	-----	-----

The balance at 1 September 2023 has been restated to reclassify £2,300,000 of UK Treasury Deposits from Cash to Investments to more closely align with their nature. During the year, balances were disinvested from the Ruffer Absolute Return Fund and reinvested into UK treasury deposits.

	2024	2023
	£	£
Material investments within the portfolio consist of:		
Multi-Asset OEIC – Ruffer Absolute Return Fund	-	943,542
	-----	-----
	-	943,542
	-----	-----

### 8 AMOUNTS HELD AT BANKS

	2024	2023 (Restated)
	£	£
Cash at bank	309,784	2,075,293
	-----	-----
	309,784	2,075,293
	-----	-----

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2024

### 9 DEBTORS

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Gift aid on donations reclaimable	1,687	12,245
Prepayments and accrued income	1,988,600	1,493,182
Other debtors	146	121
	----	----
	<b>1,990,433</b>	<b>1,505,548</b>
	----	----

### 10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Trade creditors	20,311	3,535
Accruals and deferred income	190,860	240,343
Amounts owed to Sedbergh School (note 13)	27,855	11,514
Other creditors	534	41
	----	----
	<b>239,560</b>	<b>255,433</b>
	----	----

### 11 ALLOCATION OF THE CHARITY'S NET ASSETS

	<b>Fixed assets</b>	<b>Investment</b>	<b>Other</b>	<b>Net current</b>	<b>Total</b>
	<b>£</b>	<b>Property</b>	<b>Investments</b>	<b>assets</b>	<b>£</b>
At 31 August 2024:		<b>£</b>	<b>£</b>	<b>£</b>	
Unrestricted funds	8,784	400,000	1,078,423	2,060,657	3,547,864
Restricted funds	-	-	3,760,578	-	3,760,578
Endowed funds	-	-	187,705	-	187,705
	----	----	----	----	----
	<b>8,784</b>	<b>400,000</b>	<b>5,026,706</b>	<b>2,060,657</b>	<b>7,496,147</b>
	----	----	----	----	----

	<b>Fixed assets</b>	<b>Investment</b>	<b>Other</b>	<b>Net current</b>	<b>Total</b>
	<b>£</b>	<b>property</b>	<b>Investments</b>	<b>Assets</b>	<b>(Restated)</b>
At 31 August 2023:		<b>£</b>	<b>(Restated)</b>	<b>(Restated)</b>	<b>(Restated)</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted funds	-	400,000	6,706	2,882,400	3,289,106
Restricted funds	-	-	3,056,437	443,008	3,499,445
Endowed funds	-	-	187,105	-	187,105
	----	----	----	----	----
	<b>-</b>	<b>400,000</b>	<b>3,250,248</b>	<b>3,325,408</b>	<b>6,975,656</b>
	----	----	----	----	----

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2024

### 12 Funds

	Balances at				Balances at
	1 September	2023	Income	Expenditure	
Current Year Movements	2023	Income	Expenditure	Investment gains	2024
	£	£	£	£	£
Unrestricted funds	3,289,106	727,872	(469,114)	-	3,547,864
Restricted funds	3,499,445	701,874	(443,163)	2,422	3,760,578
Endowed funds	187,105	-	-	600	187,705
	-----	-----	-----	-----	-----
	6,975,656	1,429,746	(912,277)	3,022	7,496,147
	-----	-----	-----	-----	-----
	Balances at				Balances at
	1 September	2022	Income	Expenditure	
Prior Year Movements	2022	Income	Expenditure	Investment (loss)	2023
	£	£	£	£	£
Unrestricted funds	2,042,961	1,865,124	(618,979)	-	3,289,106
Restricted funds	3,704,733	449,966	(626,143)	(29,111)	3,499,445
Endowed funds	194,306	-	-	(7,201)	187,105
	-----	-----	-----	-----	-----
	5,942,000	2,315,090	(1,245,122)	(36,312)	6,975,656
	-----	-----	-----	-----	-----

The Sedbergh School Foundation has various types of restricted funds for which it is responsible, and which require separate disclosure. These are as follows:

Current Year Funds	2023	Income	Expenditure	Investment gain	2024
	£	£	£	£	£
<b>Restricted funds</b>					
i) Scholarship and Bursary Funds	220,239	438,231	(375,204)	2,422	285,688
ii) House Funds	69,850	15,078	(12,536)	-	72,392
iii) Cricket Appeal Funds	5,240	1,971	(1,750)	-	5,461
iv) Friends of Prep School	10,232	9,450	(11,087)	-	8,595
v) 500 <sup>th</sup> Campaign Funds	3,153,668	186,630	(16,620)	-	3,323,678
vi) Charity Funds	5,298	1,263	-	-	6,561
vii) Rugby 2020	10,390	-	-	-	10,390
viii) Hardship 2020	30	-	-	-	30
ix) Individual Funds	24,498	49,251	(25,966)	-	47,783
	-----	-----	-----	-----	-----
	3,499,445	701,874	(443,163)	2,422	3,760,578
	-----	-----	-----	-----	-----
Current Year Funds	2023	Income	Expenditure	Investment gain	2024
	£	£	£	£	£
<b>Permanent Endowed funds</b>					
i) Scholarship and Bursary Funds	179,605	-	-	600	180,205
x) Sedgwick Conservation	7,500	-	-	-	7,500
	-----	-----	-----	-----	-----
	187,105	-	-	600	187,705
	-----	-----	-----	-----	-----

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2024

### 12 Funds (continued)

Prior Year Funds	2022 £	Income £	Expenditure £	Transfer £	Investment (loss) £	2023 £
<b>Restricted funds</b>						
i) Scholarship and Bursary Funds	323,116	151,894	(241,917)	16,257	(29,111)	220,239
ii) House Funds	107,073	10,887	(26,488)	(21,622)	-	69,850
iii) Cricket Appeal Funds	6,143	-	(903)	-	-	5,240
iv) Friends of Prep School	9,569	3,912	(3,249)	-	-	10,232
v) 500 <sup>th</sup> Campaign Funds	3,219,118	229,150	(299,965)	5,365	-	3,153,668
vi) Charity Funds	860	40,493	(36,055)	-	-	5,298
vii) Rugby 2020	23,305	-	(12,915)	-	-	10,390
viii) Hardship 2020	-	30	-	-	-	30
ix) Individual Funds	15,549	13,600	(4,651)	-	-	24,498
	<u>3,704,733</u>	<u>449,966</u>	<u>(626,143)</u>	<u>-</u>	<u>(29,111)</u>	<u>3,499,445</u>

Prior Year Funds	2022 £	Income £	Expenditure £	Investment (loss) £	2023 £
<b>Endowed funds</b>					
i) Scholarship and Bursary Funds	186,806	-	-	(7,201)	179,605
x) Sedgwick Conservation	7,500	-	-	-	7,500
	<u>194,306</u>	<u>-</u>	<u>-</u>	<u>(7,201)</u>	<u>187,105</u>

The following make up restricted funds:

- i) The Scholarship and Bursary Funds are used to provide fee assistance for specific pupils at Sedbergh School.
- ii) The House Funds are used to support bursaries and improvements to boarding houses of Sedbergh School.
- iii) The Cricket Appeal Funds are used for specific projects associated with cricket.
- iv) The Friends of Prep School Fund is used to improve facilities, provide equipment and support activities at the Prep School.
- v) Ahead of the 500<sup>th</sup> anniversary celebrations at Sedbergh School, the 500<sup>th</sup> Campaign Fund was established for donations to develop the facilities and provide Roger Lupton scholarships and bursaries at the Schools.
- vi) Charity Funds are restricted for specific charities that are being supported by the School or individuals, namely Air Ambulance and Kenya Orphanage and will be disbursed when future School activities include these charities.
- vii) The Rugby 2020 Funds are used to support rugby activities at Sedbergh School.
- viii) The Hardship Funds are used to support Sedbergh families suffering from financial hardship as a result of the pandemic.
- ix) Other funds comprise various separate funds, all for the benefit of the School or pupils.
- x) The Sedgwick Conservation Society Fund is a permanent endowment and is used to fund environmental projects and school trips associated with the study of ecology.

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2024

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### **13 RELATED PARTY TRANSACTIONS**

During the year, grants amounting to £601,538 (2023: £933,239) were payable to Sedbergh School (“the School”). Sedbergh School is deemed a related party as the Headmaster of the School is also a trustee of the Foundation and there are two other common trustees between the School and the Foundation. Transactions with the School included expenditure of £196,425 (2023: £112,965). As at 31 August 2024, £27,855 was owed to the School (2023: £11,514).

The Foundation has a lease agreement with the School for the rental of Guldrey Lodge, at a current rent of £52,000 p.a. This has been invoiced and paid by the School during the period.

As set out in the Trustees Report and Note 2 to these accounts, Sedbergh School provides a number of services to the Foundation and, the Foundation Director and other staff are employed by Sedbergh School. Costs associated with this are recharged to the Foundation.

**THE SEDBERGH SCHOOL FOUNDATION**

England & Wales - Charity number 1176189

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# Accounts

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# The Sedbergh School Foundation

REPORT AND FINANCIAL STATEMENTS  
For the year ended 31 August 2023

Charity number: 1176189

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# The Sedbergh School Foundation

## PROFESSIONAL ADVISORS

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### Bankers

Barclays Bank Plc  
1<sup>st</sup> Floor  
3 Hardman Street  
Spinningfields  
Manchester  
M3 3HF

National Westminster Bank Plc  
Commercial Banking  
1 Spinningfields Square  
Manchester  
M3 3AP

### Auditors

Haysmacintyre LLP  
10 Queen Street Place  
London  
EC4R 1AG

### Property Advisors

Hackney & Leigh  
3 Market Square,  
Kirkby Lonsdale,  
Lancashire,  
LA6 2AN

### Investment Managers

Ruffer LLP  
31 Charlotte Square  
Edinburgh  
EH2 4ET

# The Sedbergh School Foundation

## TRUSTEES' REPORT

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The Trustees present their report for the year ended 31 August 2023.

### CONSTITUTION

The Sedbergh School Foundation is registered as a Charitable Incorporated Organisation (CIO), Registered Number 1176189. Formerly The Old Sedberghian Trust Fund (1953), it was then constituted by Deed of Trust established on 24 September 1953 as a registered charity, number 529904, until 28 June 2018 when it became the current CIO.

The grant making activities of the Trust are approved by the Trustees at full committee meetings. The principal office of the charity is at Sedbergh School, Sedbergh, LA10 5RY

### TRUSTEES

Mr M C Baker.

Mr D Berry (Chairman of the OS Club) ex officio member [appointed 13 June 2023].

Mr I Durrans (Governor of Sedbergh School) – Chairman.

Mr R Gledhill (Chairman of the Governors of Sedbergh School and Chairman of the Executive Committee of Sedbergh School) ex officio member.

Mr D J Harrison (Headmaster of Sedbergh School) ex officio member.

Mr A W Smith.

Mr J A Stott.

Mr J C Van der Velde (Chairman of the OS Club) ex officio member (resigned as Chairman of the OS Club 30 January 2023 and Trustee 30 January 2023).

Day to day management of the CIO is delegated to the Foundation Director.

### OBJECTIVES

To promote and support the education of young people and particularly the pupils at Sedbergh School (“the School”) through:

- (a) the financial support and assistance of the School and/or wider educational initiatives and other associated activities for the benefit of the community (in succession to the charity known as the Sedbergh School Foundation Trust (no: **529904**));
- (b) promoting the education of pupils educated at the School (“the Beneficiaries”) who are in need of financial assistance by awarding to the beneficiaries scholarships, exhibitions, bursaries, maintenance allowances or grants tenable at the School or at any university, college of education, or other institution of further education;
- (c) the financial support of School projects to:
  - i. improve buildings used or to be used by the School;
  - ii. acquire land or erect new buildings for the use of the School or wider educational initiatives; and
  - iii. maintain, repair, extend or improve any property owned by the charity whether in the occupation of the School or not.

# The Sedbergh School Foundation

## TRUSTEES' REPORT

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### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Organisational Structure

The Board of Trustees usually meets three or four times a year. The Board receive papers a week in advance of each meeting which include a report from the Director which incorporates the Finance Report including the management accounts.

#### Recruitment of Trustees

The CIO has three ex-officio posts, these being: the Headmaster of Sedbergh School, the Chairman of the Governors Executive Committee and the Chairman of the OS Club. The Chairman of the Foundation must also be a Governor of Sedbergh School and Governors have the authority to appoint one other Trustee.

Trustees are appointed for a three-year term and are expected to stand down after their second term unless there are specific reasons for not doing so. Recruitment of Trustees is carried out by asking for nominations from existing and retiring Trustees, the OS Club, the Headmaster and the School's Governors. Potential new Trustees are briefed by the Chairman and the Director; provided with the charity's statutory documents and recent papers, and relevant Charity Commission publications; and advised where to make further enquiries for formal training available through Directory of Social Change and other third parties. Training of new Trustees is administered through in-house events led by the School (particularly to fulfil required Child Protection training) and also through promoted online training.

#### Setting of Pay for Key Management

The pay structure of employees of the CIO follows the Non-Teaching Staff pay structure as set out by Sedbergh School.

#### Delegated Authority

The Director has certain powers of delegated authority to run the organisation on a day-to-day basis. These delegated powers are reviewed and set by the Board of Trustees under the Scheme of Delegation.

#### Statement on Public Benefit

The Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and have complied with the duty in section 17 of the Charities Act 2011. Trustees have studied the guidance issued by the Charity Commission and are satisfied that the charity continues to provide public benefit through its work with Sedbergh School, particularly in fundraising for bursaries and in the provision/refurbishment of key facilities, many of which are important for the local community as well as for the School. The Foundation also helps the pupils of the School to fundraise for other charitable causes as part of their education.

### REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS

The Trustees aim to provide selective, targeted, financial and other support for the work of the School in the communities it serves. In the period under review, the Foundation's principal activities included:

#### The Roger Lupton Scholarship Appeal

The Foundation continued to raise funds for the Roger Lupton Scholarships providing up to 100% of the fees of pupils who would not otherwise be able to receive an education at Sedbergh. The appeal was launched in June 2012 and has raised over £1.2m to date. There were eight young people who were beneficiaries of Roger Lupton Scholarships present in the School during the period. This included three pupils who were previously educated at Settlebeck School, a state school located in Sedbergh providing education up to the age of 16 and also three Ukrainian pupils.

The Big Give Christmas Challenge again provided the opportunity to generate significant funds towards the scholarship programme in December 2022, raising £9,202. The December 2023 programme raised £75,000 thanks to the generous support of donors.

#### Other Major Activities

In advance of the School's 500<sup>th</sup> Anniversary in 2025, the Foundation has launched a quincentenary campaign to raise funds for a number of School projects including a Technology Centre, and a Green Fund to focus on reducing carbon emissions across both the Senior and Prep Schools. At 31 August 2023, the fund stands at £3.158m.

# The Sedbergh School Foundation

## TRUSTEES' REPORT

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### **Casterton Sedbergh Prep School**

The Friends of Casterton Prep School continue to raise funds for projects at Casterton Sedbergh Prep School.

In the summer of 2021, a £50,000 appeal for Outdoor Learning capital works was launched, entitled "The Play to Learn Fund". The fund raised £66,577 in total and was paid across as a grant to the Prep School on completion of the Outdoor Learning project.

### **The 1525 Legacy Society**

Launched in 2002, The 1525 Society recognises those Sedberghians and Friends who wish to support the future development of the School, (or individuals through the Roger Lupton programme), through their legacy. The 1525 Society has become one of the largest legacy societies of any independent school in the country. However, by its nature such income is unpredictable, in the current year legacy income amounted to £1,733,500 compared to the prior year of £35,546.

### **Investments**

During the year the Foundation continued to use the services of Ruffer Investment Co to maintain a mixed portfolio to ensure the returns and security of investments are maximised. There are two holdings in the fund: the first holds the endowed fund for scholarships and bursaries where income generated is used to support pupils who would not otherwise be able to afford the fees and a percentage is retained to maintain the level of the endowment compared to fees, the second holds the general investment fund.

The investment strategy is to preserve capital and the fund managers have taken a defensive strategy with turbulent economic and political conditions present in the markets over the last two years. Last year this strategy served the portfolio well but in the last twelve months has led to losses. The Trustees have therefore taken the decision post year end to disinvest the portfolio and place the funds in fixed interest rate cash deposits.

### **Future Developments**

As the School approaches its Quincentenary in 2025, The Foundation has a series of events planned to raise funds in support of major projects previously identified by the School. This builds upon the launch of the 500<sup>th</sup> Anniversary Campaign held in the Summer of 2022.

## **FINANCE AND ADMINISTRATION**

The Foundation employs the services of the Bursary team at Sedbergh School to provide bookkeeping and accounting services including preparation of management accounts, budget setting, cash management, treasury management, preparation of annual accounts and managing the internal control environment. The School also provides other services including IT support, HR and office accommodation and utilities. The Investment Committee of the School provides advice to the Trustees of the Foundation on treasury and cash related matters.

### **Financial**

Income for the second year running exceeded £2,000,000 totalling £2,315,090 (2022: £2,066,985). This was due to significant legacies which were paid to the Foundation during the year and the prior year and the success of the fundraising campaign for the 500<sup>th</sup> anniversary launched in 2022.

### **Grants Payable**

The Foundation Trustees raise money to support the School by giving grants. These grants are made from unrestricted funds, except where donations have been made for a specified purpose. Grant requests are made by the Chief Operating Officer of the School to the Foundation. Where grants are to be made solely out of restricted funds, the Chairman of the Trustees has delegated authority to approve these. If the grant is to be made out of restricted and unrestricted or entirely unrestricted funds, the request is put to the Trustees at their next meeting or by email if the commitment is required in between meetings.

Grants totalling £967,784 were made during the year (2022: £247,960). See note 3 for details.

A number of restricted funds continue to be held by the Foundation for projects which had not been completed at the end of the financial period. These included the House Funds, Sports Funds, Capital Projects and funds for Scholarships and Bursaries.

### **Endowments**

The Foundation holds one endowment of £7,500 from which grants are made for the support of environmental and conservation projects, particularly for the Sedgwick Society.

A separate investment account for endowments is now held which was established with £150,000 made up of the previous endowment of £25,000 and a donation of £125,000.

# The Sedbergh School Foundation

## TRUSTEES' REPORT

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The value of the endowed funds at the end of August 2023 was £187,105 (2022: £194,306).

### **Staff Changes**

During the year the Director of the Foundation Ms I Bennett resigned and was replaced by Mr J C van der Velde who stepped down as Trustee before taking up office.

### **Fundraising Activities**

Fundraising activities are undertaken in line with recommended best practice guidance from the Fundraising Regulator. The Trustees are responsible for overseeing all fundraising activities undertaken by the employees of the CIO. The Fundraising Director reports annually on regulatory compliance to both the Trustees and the Governors of the School.

No complaints were received during the year about any aspect of the CIO's activities.

### **RISK MANAGEMENT POLICY**

The Trustees regularly examine the major risks that the Foundation faces and seek to ensure that adequate systems are in place to minimise such risks. The main risk identified would be a fall in donation income. This would be managed by a reduction in the number (or value) of grants paid out.

### **INVESTMENT AND RESERVES POLICY**

The Trustees appointed Ruffer to manage the Foundation's investments. There are two holdings within the fund, one restricted for endowments and a general fund.

The Trustees' policy remains, however, to ensure that they can maintain a balanced budget to cover annual expenditure requirements and funding of specific projects, which are the subject of special appeals.

The Foundation carries out a periodic review of anticipated income from general or specific appeals and outgoings from planned donations. In the light of this review allocation of resources is made to:

- (a) ensure there is sufficient liquidity in current assets to meet planned donations and expenditure;
- (b) achieve an annual return on current assets and long-term investments equivalent to market averages for similar investments.

The investment strategy for the Foundation funds under management is one of long-term capital preservation. The Foundation funds under management were valued at £943,542 (2022: £979,854). Overall, managed funds lost £36,312 in value over the period.

Long term investments include the ownership of Guldrey Lodge which was valued by Hackney & Leigh at £400,000 on 17 January 2020. The Trustees intend to hold this investment for the future benefit of the School and the current lease runs for 99 years. The Trustees estimate the market value at the year-end to be in line with the valuation, and therefore have recognised this valuation as market value within these financial statements.

The total funds held by the Foundation at the year-end were £6,975,656 (2022: £5,942,000), including restricted and endowed funds of £3,686,550 (2022: £3,899,039). Total funds included cash balances of £4,375,293 (2022: £4,655,650) and investments (including property) of £1,350,248 (2022: £1,386,560).

The Trustees continue to monitor reserves closely should there be a reduction in the level of general fund donations to ensure that sufficient reserves are available to cover direct charitable expenditure, administration costs, fundraising costs, and support costs, without which the Foundation could not function. The reserves target is set at six months' unrestricted expenditure. The current level of free reserves at the year-end amounted to £2,889,106 which includes the value of the investment property income at £52,000 per annum, which is in excess of the reserves policy.

# The Sedbergh School Foundation

## TRUSTEES' REPORT

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### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.


The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Trustees are aware:

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

This report was approved by the Board of Trustees and signed on its behalf by:



I W Durrans  
Chairman

Date: 25<sup>th</sup> June 2024

# The Sedbergh School Foundation

## AUDITOR'S REPORT TO THE TRUSTEES OF THE SEDBERGH SCHOOL FOUNDATION CHARITY

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### Opinion

We have audited the financial statements of the Sedbergh School Foundation for the year ended 31 August 2023 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2023 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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

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

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

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

### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. 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.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

# The Sedbergh School Foundation

## AUDITOR'S REPORT TO THE TRUSTEES OF THE SEDBERGH SCHOOL FOUNDATION CHARITY

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### Responsibilities of Trustees for the financial statements

As explained more fully in the trustees' responsibilities statement, the trustees 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.

### Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to trust law requirements over the use of restricted and endowed funds, fundraising regulations and charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to income and management bias in accounting estimates. Audit procedures performed by the engagement team included:

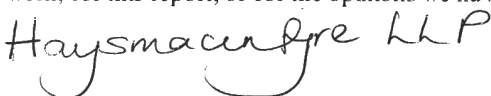
- Inspecting correspondence with regulators;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journal entries; and
- Challenging assumptions and judgements made by management in their accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Trustees 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 charity's Trustees as a body for our audit work, for this report, or for the opinions we have formed.



Haysmacintyre LLP  
Statutory Auditors  
Date: 28 June 2024

10 Queen Street Place  
London  
EC4R 1AG

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**The Sedbergh School Foundation**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
For the year ended 31 August 2023

	Notes	Unrestricted Funds 2023	Restricted Funds 2023	Endowed Funds 2023	Total Funds 2023	Total Funds 2022
		£	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations and legacies	1a	1,761,116	449,966	-	2,211,082	2,012,035
Investments	1b	104,008	-	-	104,008	54,950
<b>TOTAL INCOME</b>		<u>1,865,124</u>	<u>449,966</u>	<u>-</u>	<u>2,315,090</u>	<u>2,066,985</u>
<b>EXPENDITURE ON:</b>						
Raising funds	2	190,613	71,067	-	261,680	165,617
Charitable activities	3	412,708	555,076	-	967,784	247,960
Governance costs		15,658	-	-	15,658	10,022
<b>TOTAL EXPENDITURE</b>		<u>618,979</u>	<u>626,143</u>	<u>-</u>	<u>1,245,122</u>	<u>423,599</u>
<b>NET INCOME BEFORE GAINS ON INVESTMENTS</b>		<u>1,246,145</u>	<u>(176,177)</u>	<u>-</u>	<u>1,069,968</u>	<u>1,643,386</u>
Net (loss)/gains on investments	5	-	(29,111)	(7,201)	(36,312)	13,988
<b>NET MOVEMENT IN FUNDS</b>		<u>1,246,145</u>	<u>(205,288)</u>	<u>(7,201)</u>	<u>1,033,656</u>	<u>1,657,374</u>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		2,042,961	3,704,733	194,306	5,942,000	4,284,626
<b>Total funds carried forward</b>		<u>3,289,106</u>	<u>3,499,445</u>	<u>187,105</u>	<u>6,975,656</u>	<u>5,942,000</u>

The accounting policies and notes on pages 12 to 20 form part of these Financial Statements. The activities of the Foundation are classed as continuing.

# The Sedbergh School Foundation

## BALANCE SHEET

As at 31 August 2023

	Notes	2023 £	2022 £
<b>FIXED ASSETS</b>			
Investment property	4	400,000	400,000
Investments	5	950,248	986,560
		<u>1,350,248</u>	<u>1,386,560</u>
<b>CURRENT ASSETS</b>			
Cash and bank	6	4,375,293	4,655,650
Debtors	7	1,505,548	37,470
		<u>5,880,841</u>	<u>4,693,120</u>
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(255,433)</u>	<u>(137,680)</u>
<b>NET CURRENT ASSETS</b>		<u>5,625,408</u>	<u>4,555,440</u>
<b>TOTAL NET ASSETS</b>	9	<u>6,975,656</u>	<u>5,942,000</u>
<b>FUNDS</b>			
Unrestricted funds		3,289,106	2,042,961
Restricted funds		3,499,445	3,704,733
Endowed funds		187,105	194,306
	10	<u>6,975,656</u>	<u>5,942,000</u>

These financial statements were approved by the Trustees and signed on their behalf:



I W Durrans  
Trustee

Date: 25<sup>th</sup> June 2024

# The Sedbergh School Foundation

## STATEMENT OF CASH FLOWS

For the year ended 31 August 2023

	2023 £	2022 £	
<b>OPERATING ACTIVITIES</b>			
Net income	1,069,968	1,643,386	
Investment income received	(104,008)	(54,950)	
(Increase)/decrease in debtors	(1,468,077)	1,481,176	
Increase in creditors	117,752	82,181	
	<u>                    </u>	<u>                    </u>	
<b>NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES</b>	(384,365)	3,151,793	
<b>INVESTING ACTIVITIES</b>			
Investment income	104,008	54,950	
	<u>                    </u>	<u>                    </u>	
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	104,008	54,950	
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>	(280,357)	3,206,743	
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	4,655,650	1,448,907	
	<u>                    </u>	<u>                    </u>	
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	4,375,293	4,655,650	
	<u>                    </u>	<u>                    </u>	
<b>REPRESENTED BY:</b>			
Cash at bank and in hand	4,375,293	4,655,650	
	<u>                    </u>	<u>                    </u>	
<b>ANALYSIS OF NET FUNDS</b>	<b>At 1 September 2022 £</b>	<b>Cash flows £</b>	<b>At 31 August 2023 £</b>
Cash at bank and in hand	4,655,650	(280,357)	4,375,293
	<u>                    </u>	<u>                    </u>	<u>                    </u>

# The Sedbergh School Foundation

## ACCOUNTING POLICIES

for the year ended 31 August 2023

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### BASIS OF PREPARATION

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Sedbergh School Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The accounts have been prepared to give a "true and fair" view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair" view. This departure has involved following 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) (effective 1 January 2019) - (Charities SORP (FRS 102)) rather than the Accounting and Reporting Charities Statement of Recommended Practice effective from 1 April 2005, which has been withdrawn.

### GOING CONCERN

The Trustees have considered the likely level of income and expenditure for the foreseeable future. There are no material uncertainties which would jeopardise the running of the CIO. As grants are only awarded to Sedbergh School when sufficient funds are available, this enables the Foundation to continue to be a going concern. The Trustees are satisfied that the charity can meet its obligations as and when they fall due. Accordingly, the going concern basis of preparation is appropriate for these financial statements.

### INVESTMENT PROPERTY

Investment properties are included in the balance sheet at market value. All movements in value arising from a change in value, in excess of the original cost of the properties, are shown in the Statement of Financial Activities as revaluation gains or losses. Any diminution in value below original cost is charged to the Statement of Financial Activities as an impairment.

### IMPAIRMENT OF FIXED ASSETS

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reserved. If such indications exist, the Trustees estimate the recoverable amount of that asset.

### VALUATION OF INVESTMENTS

#### a) Paintings & books

Paintings & books are included in investments at cost.

#### b) UK Listed Investments

All investments are valued at market value as follows:

- i) Listed investments are valued at the bid value at the balance sheet date;
- ii) Fixed interest securities are valued at the bid value at the balance sheet date;

All realised and unrealised gains and losses at the period end are recognised within the Statement of Financial Activities.

# The Sedbergh School Foundation

## ACCOUNTING POLICIES

for the year ended 31 August 2023

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### STATEMENT OF FINANCIAL ACTIVITIES

Income and expenditure are included as follows:

- a) Dividends receivable are included as income when receivable.
- b) Donations and legacies are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.
- c) Rental income receivable is recognised on a straight-line basis over the term of the lease.
- d) Expenditure is charged to the Statement of Financial Activities on an accruals basis, it is not set off against income.
- e) Costs of raising funds are those costs incurred in attracting voluntary income. Charitable activities include expenditure in the form of grants to Sedbergh School. Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- f) Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Foundation. Grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Foundation.

### FUND ACCOUNTING

The Fund has various types of funds for which it is responsible, and which require separate disclosure. These are as follows:

Unrestricted funds	Funds which may be used for the general purposes of the charity.
Restricted funds	Donations or legacies received which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the charity.
Endowed funds	Funds given to the Charity where the income may be used for general or restricted purposes, but the capital must be retained.

### LIABILITIES

Liabilities are recognised when the Foundation has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### FINANCIAL INSTRUMENTS

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at cost and subsequently measured at their settlement value.

### JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

### KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

### INVESTMENT PROPERTIES

The Trustees have valued the investment property based on the latest valuation performed in January 2020 and have determined that this remains the most accurate valuation of the property at the year end.

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2023

### 1 INCOME

#### a) Donations and legacies:

	Unrestricted	Restricted	2023 Total	2022 Total
	£	£	£	£
General Fund	27,616	-	27,616	133,085
Legacies	1,733,500	-	1,733,500	35,546
Bursaries & Scholarships	-	121,486	121,486	76,515
Hart House	-	1,658	1,658	468
Powell House	-	419	419	325
School House	-	7,303	7,303	521
Sedgwick House	-	376	376	295
Evans House	-	607	607	567
Lupton House	-	524	524	395
Prep School	-	-	-	12,637
Rugby	-	1,375	1,375	2,000
Cricket	-	-	-	3
Chapel	-	2,076	2,076	1,581
Friends of Prep School	-	3,912	3,912	6,143
Equestrian	-	518	518	793
Shooting	-	9,701	9,701	691
Sailing	-	1,106	1,106	5,166
Charity - Ukraine	-	40,493	40,493	-
Archives	-	899	899	-
Hardship Fund	-	30	30	-
500 Campaign – Capital Projects at the Prep School	-	5,276	5,276	-
500 Campaign – Capital Projects at the Senior School	-	97,936	97,936	1,537,445
500 Campaign – Event	-	30,635	30,635	9,439
500 Campaign – Green Fund	-	55,215	55,215	159,461
500 Campaign – General	-	38,013	38,013	26,040
500 Campaign – Roger Lupton Scholarships	-	30,408	30,408	2,919
	1,761,116	449,966	2,211,082	2,012,035

#### b) Investment income is analysed as follows:

	Unrestricted	Restricted	2023 Total	2022 Total
	£	£	£	£
Bank interest	52,008	-	52,008	2,950
Rental income	52,000	-	52,000	52,000
	104,008	-	104,008	54,950

Of the donation income received in the prior year of £2,012,035, £168,351 was unrestricted income and £1,843,684 was restricted income.

All investment income received in the prior year was included within unrestricted income.

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2023

### 2 EXPENDITURE ON RAISING FUNDS

	2023	2022
	£	£
Costs of raising voluntary income:		
Staff costs	67,853	83,611
Fundraising costs (restricted and unrestricted)	88,827	55,359
Other	105,000	26,647
	<u>261,680</u>	<u>165,617</u>

Of expenditure on raising funds of £261,280 (2022: £165,617), £190,613 (2022: £127,321) was unrestricted and £71,067 (2022: £38,296) was restricted.

No Trustees or any persons connected with them have received any remuneration during the period (2022: £nil). No expenses were paid to Trustees in the year (2022: £1,047 to one Trustee relating to travel expenses).

Staff costs relate to 2 (2022: 2) staff members up until 31 January 2023. From 1 February 2023, staff members were employed by Sedbergh School who make a charge to the Foundation in respect of time spent by its employees in respect of the Foundation's business. Included within staff costs above are employer's national insurance contributions of £2,245 (2022: £4,369) and employer's pension contributions of £2,703 (2022: £6,106) and a loss of office payment to the outgoing Foundation director of £28,106.

Governance costs include auditor's remuneration totalling £11,580 and other services totalling £3,880 (2022: auditor's remuneration £9,922) and all are unrestricted expenditure.

#### *Staff Costs*

No employees received emoluments, including benefits in kind, which exceeded £60,000 (2022: none).

#### *Key Management Personnel*

The Foundation considered its key management personnel up until 31 January 2023 to be the Foundation Director. The total employment benefits including employer NIC and pension contributions of the key management personnel during this period were £58,159 (2022: £63,733). This includes a loss of office payment of £28,106. Subsequent to 1 February 2023, the Foundation consider the key management personnel to be the new Foundation Director, who is employed by Sedbergh School and whose costs are recharged from School. The total employment benefits including employer NIC and pension contributions recharged during this period were £55,449.

### 3 EXPENDITURE ON CHARITABLE ACTIVITIES

The following grants totalling £967,784 were made during the year (2022: £247,960).

	School	Other	School	Other
	2023	2023	2022	2022
	£	£	£	£
Scholarship & Bursary Funds	241,917	-	130,444	-
Sports Funds	12,915	5,709	20,854	-
Hardship 2020	-	-	9,591	-
Orphanage	-	31	-	800
Casterton Sedbergh Prep School	66,577	7,409	9,199	-
Archives	369	531	600	-
House Funds	21,311	3,000	64,979	-
Energy-saving project	400,000	-	-	-
Astro project	169,469	-	-	-
Charity – Ukraine appeal	780	34,545	-	-
Other	3,221	-	11,493	-
	<u>916,559</u>	<u>51,225</u>	<u>247,160</u>	<u>800</u>

**The Sedbergh School Foundation**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2023

**3 EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)**

Of total grant payments of £967,784 (2022: £247,960), £412,708 (2022: £11,493) was unrestricted and £555,076 (2022: £236,467) was restricted expenditure.

**4 INVESTMENT PROPERTY**

<i>Land and Buildings – Guldrey Lodge</i>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Market Value at 1 September 2022	400,000	400,000
Market Value at 31 August 2023	400,000	400,000

Investment property include the ownership of Guldrey Lodge. The Trustees intend to hold this investment for the future benefit of the School and the current lease runs for 99 years.

A formal valuation was carried out as at 17 January 2020 by Hackney & Leigh, Chartered Surveyors, on the basis of open market value based on the assumed tenancy of Sedbergh School and this value was incorporated into the 2019 accounts. The Trustees have agreed that the valuation of the survey conducted in January 2020 would represent the Market Value as at 31 August 2023.

**5 INVESTMENTS**

	<b>UK Listed Investments</b>	<b>Paintings &amp; books</b>	<b>2023 Total</b>	<b>2022 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Market Value at 1 September 2022	979,854	6,706	986,560	972,572
Unrealised gain on investments	(36,312)	-	(36,312)	13,988
Market Value at 31 August 2023	943,542	6,706	950,248	986,560

Material investments within the portfolio consist of:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Multi-Asset OEIC – Ruffer Absolute Return Fund	943,542	979,854
	943,542	979,854

**6 AMOUNTS HELD AT BANKS**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Cash at bank	4,375,293	4,655,650
	4,375,293	4,655,650

**The Sedbergh School Foundation**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2023

**7 DEBTORS**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Gift aid on donations reclaimable	12,245	-
Prepayments and accrued income	1,493,182	37,470
Other debtors	121	-
	<u>1,505,548</u>	<u>37,470</u>

**8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade creditors	3,535	-
Accruals and deferred income	240,343	120,462
Amounts owed to Sedbergh School (note 11)	11,514	10,264
Other taxes and social security	-	5,626
Other creditors	41	1,328
	<u>255,433</u>	<u>137,680</u>

**9 ALLOCATION OF THE CHARITY'S NET ASSETS**

	<b>Investment Property</b>	<b>Other Investments</b>	<b>Net current assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 31 August 2023:				
Unrestricted funds	400,000	6,706	2,882,400	3,289,106
Restricted funds	-	756,437	2,743,008	3,499,445
Endowed funds	-	187,105	-	187,105
	<u>400,000</u>	<u>950,248</u>	<u>5,625,408</u>	<u>6,975,656</u>

	<b>Investment property</b>	<b>Other investments</b>	<b>Net current assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 31 August 2022:				
Unrestricted funds	400,000	6,706	1,636,255	2,042,961
Restricted funds	-	785,548	2,919,185	3,704,733
Endowed funds	-	194,306	-	194,306
	<u>400,000</u>	<u>986,560</u>	<u>4,555,440</u>	<u>5,942,000</u>

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2023

### 10 FUNDS

	Balances at 1 September 2022	Income	Expenditure	Investment (loss)	Balances at 31 August 2023
	£	£	£	£	£
<b>Current Year Movements</b>					
Unrestricted funds	2,042,961	1,865,124	(618,979)	-	3,289,106
Restricted funds	3,704,733	449,966	(626,143)	(29,111)	3,499,445
Endowed funds	194,306	-	-	(7,201)	187,105
	<u>5,942,000</u>	<u>2,315,090</u>	<u>(1,245,122)</u>	<u>(36,312)</u>	<u>6,975,656</u>
	Balances at 1 September 2021	Income	Expenditure	Investment gains	Balances at 31 August 2022
	£	£	£	£	£
<b>Prior Year Movements</b>					
Unrestricted funds	1,968,496	223,301	(148,836)	-	2,042,961
Restricted funds	2,124,598	1,843,684	(274,763)	11,214	3,704,733
Endowed funds	191,532	-	-	2,774	194,306
	<u>4,284,626</u>	<u>2,066,985</u>	<u>(423,599)</u>	<u>13,988</u>	<u>5,942,000</u>

The Sedbergh School Foundation has various types of restricted funds for which it is responsible, and which require separate disclosure. These are as follows:

Current Year Funds	2022	Income	Expenditure	Transfer	Investment loss	2023
	£	£	£	£	£	£
<b>Restricted funds</b>						
i) Scholarship and Bursary Funds	323,116	151,894	(241,917)	16,257	(29,111)	220,239
ii) House Funds	107,073	10,887	(26,488)	(21,622)	-	69,850
iii) Cricket Appeal Funds	6,143	-	(903)	-	-	5,240
iv) Friends of Prep School	9,569	3,912	(3,249)	-	-	10,232
v) 500 <sup>th</sup> Campaign Funds	3,219,118	229,150	(299,965)	5,365	-	3,153,668
vi) Charity Funds	860	40,493	(36,055)	-	-	5,298
vii) Rugby 2020	23,305	-	(12,915)	-	-	10,390
viii) Hardship 2020	-	30	-	-	-	30
ix) Individual Funds	15,549	13,600	(4,651)	-	-	24,498
	<u>3,704,733</u>	<u>449,966</u>	<u>(626,143)</u>	<u>-</u>	<u>(29,111)</u>	<u>3,499,445</u>

Current Year Funds	2022	Income	Expenditure	Investment loss	2023
	£	£	£	£	£
<b>Permanent Endowed funds</b>					
i) Scholarship and Bursary Funds	186,806	-	-	(7,201)	179,605
x) Sedgwick Conservation	7,500	-	-	-	7,500
	<u>194,306</u>	<u>-</u>	<u>-</u>	<u>(7,201)</u>	<u>187,105</u>

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2023

### 10 FUNDS (CONTINUED)

Prior Year Funds	2021 £	Income £	Expenditure £	Investment gains £	2022 £
<b>Restricted funds</b>					
i) Scholarship and Bursary Funds	370,142	76,515	(134,755)	11,214	323,116
ii) House Funds	162,813	15,209	(70,949)	-	107,073
iii) Cricket Appeal Funds	6,141	2	-	-	6,143
iv) Friends of Prep School	6,653	6,143	(3,227)	-	9,569
v) 500 <sup>th</sup> Campaign Funds	1,516,218	1,736,885	(33,985)	-	3,219,118
vi) Charity Funds	1,380	280	(800)	-	860
vii) Rugby 2020	38,783	-	(15,478)	-	23,305
viii) Hardship 2020	9,592	-	(9,592)	-	-
ix) Individual Funds	12,876	8,650	(5,977)	-	15,549
	<u>2,124,598</u>	<u>1,843,684</u>	<u>(274,763)</u>	<u>11,214</u>	<u>3,704,733</u>

Prior Year Funds	2021 £	Income £	Expenditure £	Investment gains £	2022 £
<b>Endowed funds</b>					
i) Scholarship and Bursary Funds	184,032	-	-	2,774	186,806
x) Sedgwick Conservation	7,500	-	-	-	7,500
	<u>191,532</u>	<u>-</u>	<u>-</u>	<u>2,774</u>	<u>194,306</u>

The following make up restricted funds:

- i) The Scholarship and Bursary Funds are used to provide fee assistance for specific pupils at Sedbergh School.
- ii) The House Funds are used to support bursaries and improvements to boarding houses of Sedbergh School.
- iii) The Cricket Appeal Funds are used for specific projects associated with cricket.
- iv) The Friends of Prep School Fund is used to improve facilities, provide equipment and support activities at the Prep School.
- v) The Capital Funds represent donations to develop the facilities at the Schools. Where projects are completed the balance of funds are transferred to appropriate active funds which bear a similar objective. This period shows significant growth in income due to the continuation of major gift fundraising for the upcoming 500<sup>th</sup> Anniversary Campaign which was publicly launched in 2022.
- vi) Charity Funds are restricted for specific charities that are being supported by the School or individuals, namely Air Ambulance and Kenya Orphanage and will be disbursed when future School activities include these charities.
- vii) The Rugby 2020 Funds are used to support rugby activities at Sedbergh School.
- viii) The Hardship Funds are used to support Sedbergh families suffering from financial hardship as a result of the pandemic.
- ix) Other funds comprise various separate funds, all for the benefit of the School or pupils.
- x) The Sedgwick Conservation Society Fund is a permanent endowment and is used to fund environmental projects and school trips associated with the study of ecology.

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2023

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### 11 RELATED PARTY TRANSACTIONS

During the year, grants amounting to £916,559 (2022: £247,160) were payable to Sedbergh School (“the School”), an entity which is related by virtue of five common trustees. Transactions with Sedbergh School included expenditure of £112,965 (2022: £11,776). As at 31 August 2023, £11,514 was owed to the School (2022: £10,264 was owed to the School).

The Foundation has a lease agreement with the School for the rental of Guldrey Lodge, at a current rent of £52,000 p.a. This has been invoiced and paid by the School during the period.

As set out in the Trustees Report and Note 2 to these accounts the School provides a number of services to the Foundation. In addition, the Foundation Director and staff are employed by Sedbergh School and their costs are recharged to the Foundation.

**THE SEDBERGH SCHOOL FOUNDATION**

England & Wales - Charity number 1176189

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# Accounts

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# The Sedbergh School Foundation

REPORT AND FINANCIAL STATEMENTS  
For the year ended 31 August 2022

# The Sedbergh School Foundation

## PROFESSIONAL ADVISORS

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Bankers	Barclays Bank Plc 1 <sup>st</sup> Floor 3 Hardman Street Spinningfields Manchester M3 3HF
Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Property Advisors	Hackney & Leigh 3 Market Square, Kirkby Lonsdale, Lancashire, LA6 2AN
Investment Managers	Ruffer LLP 31 Charlotte Square Edinburgh EH2 4ET

# The Sedbergh School Foundation

## TRUSTEES' REPORT

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The Trustees present their report for the year ended 31 August 2022.

### CONSTITUTION

The Sedbergh School Foundation is registered as a Charitable Incorporated Organisation (CIO), Registered Number 1176189. Formerly The Old Sedberghian Trust Fund (1953), it was then constituted by Deed of Trust established on 24 September 1953 as a registered charity, number 529904, until 28 June 2018 when it became the current CIO.

The grant making activities of the Trust are approved by the Trustees at full committee meetings. The principal office of the charity is at Sedbergh School, Sedbergh, LA10 5HG.

### TRUSTEES

Mr M C Baker (member of Audit Committee).

Mr D Berry (Chairman of the OS Club) ex officio member [appointed 13 June 2023].

Mr I Durrans (Governor of Sedbergh School) – Chairman.

Mr R Gledhill (Chairman of the Governors of Sedbergh School and Chairman of the Executive Committee of Sedbergh School) ex officio member.

Mr D J Harrison (Headmaster of Sedbergh School) ex officio member [appointed 1 September 2021].

Mr A W Smith (member of Audit Committee).

Mr J A Stott [appointed 7 March 2022].

Mr J C Van der Velde (Chairman of the OS Club) ex officio member (resigned as Chairman of the OS Club 30 January 2023 and Trustee 30 January 2023).

Day to day management of the CIO is delegated to the Foundation Director.

### OBJECTIVES

To promote and support the education of young people and particularly the pupils at Sedbergh School (“the School”) through:

- (a) the financial support and assistance of the School and/or wider educational initiatives and other associated activities for the benefit of the community (in succession to the charity known as the Sedbergh School Foundation Trust (no: **529904**));
- (b) promoting the education of pupils educated at the School (“the Beneficiaries”) who are in need of financial assistance by awarding to the Beneficiaries scholarships, exhibitions, bursaries, maintenance allowances or grants tenable at the School or at any university, college of education, or other institution of further education;
- (c) the financial support of School projects to:
  - i. improve buildings used or to be used by the School;
  - ii. acquire land or erect new buildings for the use of the School or wider educational initiatives; and
  - iii. maintain, repair, extend or improve any property owned by the charity whether in the occupation of the School or not.

# The Sedbergh School Foundation

## TRUSTEES' REPORT

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### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Organisational Structure

The Board of Trustees usually meets three or four times a year with meetings. The Board receive papers a week in advance of each meeting which include a report from the Director which incorporates the Finance Report including the management accounts.

#### Sub Committees

The Audit Sub-Committee considers items including investments, annual accounts and governance issues and makes recommendations to the full board of Trustees.

#### Recruitment of Trustees

The CIO has three ex-officio posts, these being: the Headmaster of Sedbergh School, the Chairman of the Governors Executive Committee and the Chairman of the OS Club. The Chairman of the Foundation must also be a Governor of Sedbergh School and Governors have the authority to appoint one other Trustee.

Trustees are appointed for a three-year term and are expected to stand down after their second term unless there are specific reasons for not doing so. Recruitment of Trustees is carried out by asking for nominations from existing and retiring Trustees, the OS Club, the Headmaster and the School's Governors. Potential new Trustees are briefed by the Chairman and the Director; provided with the charity's statutory documents and recent papers, and relevant Charity Commission publications; and advised where to make further enquiries for formal training available through DSC and other third parties. Training of new Trustees is administered through in-house events led by the School (particularly to fulfil required Child Protection training) and also through promoted online training.

#### Setting of Pay for Key Management

The pay structure of employees of the CIO follows the Non-Teaching Staff pay structure as set out by Sedbergh School.

#### Delegated Authority

The Director has certain powers of delegated authority to run the organisation on a day-to-day basis. These delegated powers are reviewed and set by the Audit Committee under the Scheme of Delegation.

#### Statement on Public Benefit

The Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and have complied with the duty in section 17 of the Charities Act 2011. Trustees have studied the guidance issued by the Charity Commission and are satisfied that the charity continues to provide public benefit through its work with Sedbergh School, particularly in fundraising for bursaries and in the provision/refurbishment of key facilities, many of which are important for the local community as well as for the School. The Foundation also helps the pupils of the School to fundraise for other charitable causes as part of their education.

### REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS

The Trustees aim to provide selective, targeted, financial and other support for the work of the School in the communities it serves. In the period under review, the Foundation's principal activities included:

#### The Roger Lupton Scholarship Appeal

The Foundation continued to raise funds for the Roger Lupton Scholarships providing up to 100% of the fees of pupils who would not otherwise be able to receive an education at Sedbergh. The appeal was launched in June 2012 and has raised over £1m to date. There were four young people who were beneficiaries of Roger Lupton Scholarships present in the School during the period.

The Big Give Christmas Challenge again provided the opportunity to generate significant funds towards the scholarship programme in December, raising £27,000 thanks to the generous support of donors.

#### Other Major Activities

In advance of the School's 500<sup>th</sup> Anniversary in 2025, the Foundation has launched a quincentenary campaign to raise funds for a number of School projects including a Technology Centre, a Green Fund to focus on reducing carbon emissions across both the Senior and Prep Schools. The fund currently stands at £3.35m.

# The Sedbergh School Foundation

## TRUSTEES' REPORT

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### **Casterton Sedbergh Prep School**

The Friends of Casterton Prep School continue to raise funds for projects at Casterton Sedbergh Prep School, though few events were held during the year and no significant grants were disbursed.

In the summer of 2021, a £50,000 appeal for Outdoor Learning capital works was launched, entitled "The Play to Learn Fund". Funds continued to be raised and presently stand at £33,000.

### **The 1525 Legacy Society**

Launched in 2002, The 1525 Society recognises those Sedberghians and Friends who wish to support the future development of the School, (or individuals through the Roger Lupton programme), through their legacy. The 1525 Society has become one of the largest legacy societies of any independent school in the country. However, by its nature such income is unpredictable, in the current year legacy income amounted to £35,546 compared to the prior year of £1.755m.

### **Investments**

The Foundation continues to use the services of Ruffer Investment Co to maintain a mixed portfolio to ensure the returns and security of investments are maximised. There are two holdings in the fund: the first holds the endowed fund for scholarships and bursaries where income generated is used to support pupils who would not otherwise be able to afford the fees and a percentage is retained to maintain the level of the endowment compared to fees, the second holds the general investment fund.

Performance of the fund has been satisfactory, with a 30% increase since inception, and an annualised return of 5.4%.

No withdrawals were made during the year.

### **Future Developments**

As the School approaches its Quincentenary in 2025, The Foundation has a series of events planned to raise funds in support of major projects previously identified by the School. This builds upon the launch of the 500<sup>th</sup> Anniversary Campaign held in the Summer of 2022.

## **FINANCE AND ADMINISTRATION**

The Foundation employs the services of the Bursary team at Sedbergh School to provide bookkeeping and accounting services.

### **Financial**

The income for the period totalled £2,066,985 which was significantly lower than the previous year (2021: £3,349,795). This was due to two significant legacies which were paid to the Foundation during the prior period.

### **Grants Payable**

The Foundation Trustees raise money to support the School by giving grants. These grants are made from unrestricted funds, except where donations have been made for a specified purpose. Grant requests are made by the Chief Operating Officer of the School to the Foundation. Where grants are to be made solely out of restricted funds, the Chairman of the Trustees has delegated authority to approve these. If the grant is to be made out of restricted and unrestricted or entirely unrestricted funds, the request is put to the Trustees at their next meeting or by email if the commitment is required in between meetings.

Grants totalling £247,960 were made during the year (2021: £447,586). See note 3 for details.

A number of restricted funds continue to be held by the Foundation for projects which had not been completed at the end of the financial period. These included the House Funds, Sports Funds, Capital Projects and funds for Scholarships and Bursaries.

### **Endowments**

The Foundation holds one endowment of £7,500 from which grants are made for the support of environmental and conservation projects, particularly for the Sedgwick Society.

A separate investment account for endowments is now held by Ruffer which was established with £150,000 made up of the previous endowment of £25,000 and a donation of £125,000.

The value of the endowed funds at the end of August 2022 was £194,306.

# The Sedbergh School Foundation

## TRUSTEES' REPORT

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### **Staff Changes**

There were no staffing changes during the period.

### **Fundraising Activities**

Fundraising activities are undertaken in line with recommended best practice guidance from the Fundraising Regulator. The Trustees are responsible for overseeing all fundraising activities undertaken by the employees of the CIO. The Fundraising Director reports annually on regulatory compliance to both the Trustees and the Governors of the School.

No complaints were received during the year about any aspect of the CIO's activities.

### **RISK MANAGEMENT POLICY**

The Trustees regularly examine the major risks that the Foundation faces and seek to ensure that adequate systems are in place to minimise such risks. The main risk identified would be a fall in donation income. This would be managed by a reduction in the number (or value) of grants paid out.

### **INVESTMENT AND RESERVES POLICY**

The Investment Committee appointed Ruffer to manage the Foundation's investments. There are two holdings within the fund, one restricted for endowments and a general fund.

The Trustees' policy remains, however, to ensure that they can maintain a balanced budget to cover annual expenditure requirements and funding of specific projects, which are the subject of special appeals.

The Foundation carries out a periodic review of anticipated income from general or specific appeals and outgoings from planned donations. In the light of this review allocation of resources is made to:

- (a) ensure there is sufficient liquidity in current assets to meet planned donations and expenditure;
- (b) achieve an annual return on current assets and long-term investments equivalent to market averages for similar investments.

The investment strategy for the Foundation funds under management is one of long-term capital preservation. The role of the Audit Sub-Committee is to monitor performance and make recommendations to the Trustees. The Foundation funds under management were valued at £986,560. Overall, managed funds gained £13,988 in value over the period.

Long Term investments include the ownership of Guldrey Lodge which was valued by Hackney & Leigh at £400,000 on 17 January 2020. The Trustees intend to hold this investment for the future benefit of the School and the current lease runs for 99 years. The Trustees estimate the market value at the year-end to be in line with the valuation, and therefore have recognised this valuation as market value within these financial statements. The Trustees have agreed that they will get new valuations every 5 years as the figure does not materially affect the accounts or the running of the organisation. The next valuation will take place in 2024/5.

The total funds held by the Foundation at the year-end were £5,942,000 (2021: £4,284,626), including restricted and endowed funds of £3,899,039 (2021: £2,316,130). Total funds included cash balances of £4,655,650 (2021: £1,448,907) and investments (including property) of £1,386,560 (2021: £1,372,572).

The Trustees continue to monitor reserves closely should there be a reduction in the level of general fund donations to ensure that sufficient reserves are available to cover direct charitable expenditure, administration costs, fundraising costs, and support costs, without which the Foundation could not function. The reserves target is set at six months' unrestricted expenditure. The current level of free reserves at the year-end amounted to £1,642,961 which includes the value of the investment property income at £52,000 per annum, which is in excess of the reserves policy.

# The Sedbergh School Foundation

## TRUSTEES' REPORT

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### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Trustees are aware:

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

This report was approved by the Board of Trustees and signed on its behalf by:

*i w durrans*

I W Durrans  
Chairman

Date: 26 June 2023

# The Sedbergh School Foundation

## AUDITOR'S REPORT TO THE TRUSTEES OF THE SEDBERGH SCHOOL FOUNDATION CHARITY

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### Opinion

We have audited the financial statements of the Sedbergh School Foundation for the year ended 31 August 2022 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2022 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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

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

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

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

### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. 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.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

# The Sedbergh School Foundation

## AUDITOR'S REPORT TO THE TRUSTEES OF THE SEDBERGH SCHOOL FOUNDATION CHARITY

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### Responsibilities of Trustees for the financial statements

As explained more fully in the trustees' responsibilities statement, the trustees 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.

### Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to trust law requirements over the use of restricted and endowed funds, fundraising regulations and charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to income and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals entries; and
- Challenging assumptions and judgements made by management in their accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Trustees 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 charity's Trustees as a body for our audit work, for this report, or for the opinions we have formed.

*Haysmacintyre LLP*

Haysmacintyre LLP  
Statutory Auditors  
Date: 29 June 2023

10 Queen Street Place  
London  
EC4R 1AG

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# The Sedbergh School Foundation

## STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 August 2022

	Notes	Unrestricted Funds 2022	Restricted Funds 2022	Endowed Funds 2022	Total Funds 2022	Total Funds 2021
		£	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations and legacies	1a	168,351	1,843,684	-	<b>2,012,035</b>	3,297,720
Investments	1b	54,950	-	-	<b>54,950</b>	52,075
<b>TOTAL INCOME</b>		<u>223,301</u>	<u>1,843,684</u>	<u>-</u>	<u><b>2,066,985</b></u>	<u>3,349,795</u>
<b>EXPENDITURE ON:</b>						
Raising funds	2	127,321	38,296	-	<b>165,617</b>	155,231
Charitable activities	3	11,493	236,467	-	<b>247,960</b>	447,586
Governance costs		10,022	-	-	<b>10,022</b>	9,540
<b>TOTAL EXPENDITURE</b>		<u>148,836</u>	<u>274,763</u>	<u>-</u>	<u><b>423,599</b></u>	<u>612,357</u>
<b>NET INCOME BEFORE GAINS ON INVESTMENTS</b>		<u>74,465</u>	<u>1,568,921</u>	<u>-</u>	<u><b>1,643,386</b></u>	<u>2,737,438</u>
Net gains on investments	5	-	11,214	2,774	<b>13,988</b>	107,965
<b>NET MOVEMENT IN FUNDS</b>		<u>74,465</u>	<u>1,580,135</u>	<u>2,774</u>	<u><b>1,657,374</b></u>	<u>2,845,403</u>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		<u>1,968,496</u>	<u>2,124,598</u>	<u>191,532</u>	<u><b>4,284,626</b></u>	<u>1,439,223</u>
<b>Total funds carried forward</b>		<u>2,042,961</u>	<u>3,704,733</u>	<u>194,306</u>	<u><b>5,942,000</b></u>	<u>4,284,626</u>

The accounting policies and notes on pages 12 to 20 form part of these Financial Statements. The activities of the Foundation are classed as continuing.

# The Sedbergh School Foundation

## BALANCE SHEET

As at 31 August 2022

	Notes	2022 £	2021 £
<b>FIXED ASSETS</b>			
Investment property	4	400,000	400,000
Investments	5	986,560	972,572
		<u>1,386,560</u>	<u>1,372,572</u>
<b>CURRENT ASSETS</b>			
Cash and bank	6	4,655,650	1,448,907
Debtors	7	37,470	1,518,646
		<u>4,693,120</u>	<u>2,967,553</u>
<b>CREDITORS:</b> amounts falling due within one year	8	(137,680)	(55,499)
<b>NET CURRENT ASSETS</b>		<u>4,555,440</u>	<u>2,912,054</u>
<b>TOTAL NET ASSETS</b>	9	<u>5,942,000</u>	<u>4,284,626</u>
<b>FUNDS</b>			
Unrestricted funds		2,042,961	1,968,496
Restricted funds		3,704,733	2,124,598
Endowed Funds		194,306	191,532
	10	<u>5,942,000</u>	<u>4,284,626</u>

These financial statements were approved by the Trustees and signed on their behalf:

*i w durrans*

I W Durrans  
Trustee

Date: 26 June 2023

# The Sedbergh School Foundation

## STATEMENT OF CASH FLOWS

For the year ended 31 August 2022

	2022 £	2021 £	
<b>OPERATING ACTIVITIES</b>			
Net income	1,643,386	2,737,438	
Investment income received	(54,950)	(52,075)	
Decrease/(increase) in debtors	1,481,176	(1,483,648)	
Increase in creditors	82,181	34,597	
	<u>3,151,793</u>	<u>1,236,312</u>	
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
<b>INVESTING ACTIVITIES</b>			
Investment income	54,950	52,075	
Purchases of investments	-	(62,150)	
	<u>54,950</u>	<u>(10,075)</u>	
<b>NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES</b>			
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>			
	3,206,743	1,226,237	
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>			
	<u>1,448,907</u>	<u>222,670</u>	
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>			
	<u>4,655,650</u>	<u>1,448,907</u>	
<b>REPRESENTED BY:</b>			
Cash at bank and in hand	<u>4,655,650</u>	<u>1,448,907</u>	
 <b>ANALYSIS OF NET FUNDS/(DEBT)</b>			
	<b>At 1 September 2021 £</b>	<b>Cash flows £</b>	<b>At 31 August 2022 £</b>
Cash at bank and in hand	<u>1,448,907</u>	<u>3,206,743</u>	<u>4,655,650</u>

# The Sedbergh School Foundation

## ACCOUNTING POLICIES

for the year ended 31 August 2022

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### BASIS OF PREPARATION

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Sedbergh School Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The accounts have been prepared to give a “true and fair” view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a “true and fair” view. This departure has involved following 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) (effective 1 January 2019) - (Charities SORP (FRS 102)) rather than the Accounting and Reporting Charities Statement of Recommended Practice effective from 1 April 2005, which has been withdrawn.

### GOING CONCERN

The Trustees have considered the likely level of income and expenditure for the foreseeable future. There are no material uncertainties which would jeopardise the running of the CIO. As grants are only awarded to Sedbergh School when sufficient funds are available, this enables the Foundation to continue to be a going concern. The Trustees are satisfied that the charity can meet its obligations as and when they fall due. Accordingly, the going concern basis of preparation is appropriate for these financial statements.

### INVESTMENT PROPERTY

Investment properties are included in the balance sheet at market value. All movements in value arising from a change in value, in excess of the original cost of the properties, are shown in the Statement of Financial Activities as revaluation gains or losses. Any diminution in value below original cost is charged to the Statement of Financial Activities as an impairment.

### IMPAIRMENT OF FIXED ASSETS

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reserved. If such indications exist, the Trustees estimate the recoverable amount of that asset.

### VALUATION OF INVESTMENTS

#### a) Paintings & books

Paintings & books are included in investments at cost.

#### b) UK Listed Investments

All investments are valued at market value as follows:

- i) Listed investments are valued at the bid value at the balance sheet date;
- ii) Fixed interest securities are valued at the bid value at the balance sheet date;

All realised and unrealised gains and losses at the period end are recognised within the Statement of Financial Activities.

# The Sedbergh School Foundation

## ACCOUNTING POLICIES

for the year ended 31 August 2022

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### STATEMENT OF FINANCIAL ACTIVITIES

Income and expenditure are included as follows:

- a) Dividends receivable are included as income when receivable.
- b) Donations and legacies are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.
- c) Rental income receivable is recognised on a straight-line basis over the term of the lease.
- d) Expenditure is charged to the Statement of Financial Activities on an accruals basis, it is not set off against income.
- e) Costs of raising funds are those costs incurred in attracting voluntary income. Charitable activities include expenditure in the form of grants to Sedbergh School. Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- f) Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Foundation. Grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Foundation.

### FUND ACCOUNTING

The Fund has various types of funds for which it is responsible, and which require separate disclosure. These are as follows:

Unrestricted funds	Funds which may be used for the general purposes of the charity.
Restricted funds	Donations or legacies received which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the charity.
Endowed funds	Funds given to the Charity where the income may be used for general or restricted purposes, but the capital must be retained.

### LIABILITIES

Liabilities are recognised when the Foundation has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### FINANCIAL INSTRUMENTS

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at cost and subsequently measured at their settlement value.

### JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

### KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

### INVESTMENT PROPERTIES

The Trustees have valued the investment property based on the latest valuation performed in January 2020 and have determined that this remains the most accurate valuation of the property at the year end.

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2022

### 1 INCOME

#### a) Donations and legacies:

	Unrestricted	Restricted	2022 Total	2021 Total
	£	£	£	£
General Fund	132,805	280	133,085	42,151
Legacies	35,546	-	35,546	1,755,000
Bursaries & Scholarships	-	76,515	76,515	83,029
Hart House	-	468	468	8,635
Powell House	-	325	325	375
School House	-	521	521	1,623
Robertson House	-	-	-	3,322
Sedgwick House	-	295	295	2,725
Evans House	-	567	567	1,294
Winder House	-	-	-	1,228
Lupton House	-	395	395	225
Prep School	-	12,637	12,637	16,381
Rugby	-	2,000	2,000	2,500
Cricket	-	3	3	32
Chapel	-	1,581	1,581	2,828
General Capital Projects	-	-	-	780
Friends of Prep School	-	6,143	6,143	4,596
Equestrian	-	793	793	580
Shooting	-	691	691	850
Sailing	-	5,166	5,166	-
Hirst Centre	-	-	-	31,998
Rugby 2020	-	-	-	4,026
Hardship Fund	-	-	-	7,585
500 Campaign – Capital Projects at the Prep School	-	-	-	37,150
500 Campaign – Capital Projects at the Senior School	-	1,537,445	1,537,445	1,275,469
500 Campaign – Event	-	9,439	9,439	-
500 Campaign – Green Fund	-	159,461	159,461	-
500 Campaign – General	-	26,040	26,040	-
500 Campaign – Roger Lupton Scholarships	-	2,919	2,919	13,338
	168,351	1,843,684	2,012,035	3,297,720

#### b) Investment income is analysed as follows:

	Unrestricted	Restricted	2022 Total	2021 Total
	£	£	£	£
Bank interest	2,950	-	2,950	75
Rental income	52,000	-	52,000	52,000
	54,950	-	54,950	52,075

Of the donation income received in the prior year of £3,297,720, £1,547,151 was unrestricted income and £1,750,569 was restricted income.

All investment income received in the prior year was included within unrestricted income.

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2022

### 2 EXPENDITURE ON RAISING FUNDS

	2022	2021
	£	£
Costs of generating voluntary income:		
Staff costs	83,611	83,300
Fundraising costs (restricted and unrestricted)	55,359	36,187
Other	26,647	35,744
	<u>165,617</u>	<u>155,231</u>

Of expenditure on raising funds of £165,617 (2021: £155,231), £127,321 (2021: £119,902) was unrestricted and £38,296 (2021: £35,329) was restricted.

No Trustees or any persons connected with them have received any remuneration during the period (2021: £nil). Total expenses of £1,047 were paid to one Trustee in the year relating to travel expenses (2021: £nil).

Staff costs relate to 2 (2021: 2) staff members. Also included within staff costs above are employer's national insurance contributions of £4,369 (2021: £4,431) and employer's pension contributions of £6,106 (2021: £5,987).

Governance costs include auditor's remuneration totalling £ 9,922 (2021: auditor's remuneration £9,540) and all are unrestricted expenditure.

#### *Staff Costs*

No employees received emoluments, including benefits in kind, which exceeded £60,000 (2021: none).

#### *Key Management Personnel*

The Foundation considered its key management personnel during the period to be the Foundation Director. The total employment benefits including employer NIC and pension contributions of the key management personnel were £63,733 (2021: £65,809).

### 3 EXPENDITURE ON CHARITABLE ACTIVITIES

The following grants totalling £247,960 were made during the year (2021: £447,586).

	School	Other	School	Other
	2022	2022	2021	2021
	£	£	£	£
Scholarship & Bursary Funds	130,444	-	96,844	-
Sports Funds	20,854	-	994	20,000
Hardship 2020	9,591	-	78,544	-
Orphanage	-	800	-	-
Casterton Sedbergh Prep School	9,199	-	-	-
Archives	600	-	-	-
House Funds	64,979	-	829	-
Other	11,493	-	375	-
Chapel	-	-	50,000	-
6 <sup>th</sup> Form Centre	-	-	200,000	-
	<u>247,160</u>	<u>800</u>	<u>427,586</u>	<u>20,000</u>

Of total grant payments of £247,960 (2021: £447,586), £11,493 (2021: £375) was unrestricted and £236,467 (2021: £447,211) was restricted expenditure.

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2022

### 4 INVESTMENT PROPERTY

<i>Land and Buildings – Guldrey Lodge</i>	<b>2022</b>	<b>2021</b>
	£	£
Market Value at 1 September 2021	400,000	400,000
Market Value at 31 August 2022	400,000	400,000

Investment property include the ownership of Guldrey Lodge. The Trustees intend to hold this investment for the future benefit of the School and the current lease runs for 99 years.

A formal valuation was carried out as at 17 January 2020 by Hackney & Leigh, Chartered Surveyors, on the basis of open market value based on the assumed tenancy of Sedbergh School and this value was incorporated into the 2019 accounts. The Trustees have agreed that the valuation of the survey conducted in January 2020 would represent the Market Value as at 31 August 2022.

### 5 INVESTMENTS

	<b>UK Listed Investments</b>	<b>Paintings &amp; books</b>	<b>2022 Total</b>	<b>2021 Total</b>
	£	£	£	£
Market Value at 1 September 2021	965,866	6,706	972,572	802,457
Additions in period	-	-	-	62,150
Unrealised gain on investments	13,988	-	13,988	107,965
Market Value at 31 August 2022	979,854	6,706	986,560	972,572

Material investments within the portfolio consist of:

	<b>2022</b>	<b>2021</b>
	£	£
Multi-Asset OEIC – Ruffer Absolute Return Fund	979,854	965,866
	979,854	965,866

### 6 AMOUNTS HELD AT BANKS

	<b>2022</b>	<b>2021</b>
	£	£
Cash at bank	4,655,650	1,448,907
	4,655,650	1,448,907

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2022

### 7 DEBTORS

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Gift aid on donations reclaimable	-	18,646
Prepayments and accrued income	37,470	1,500,000
	<u>37,470</u>	<u>1,518,646</u>

### 8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Accruals and deferred income	120,462	44,181
Amounts owed to Sedbergh School (note 11)	10,264	9,978
Other taxes and social security	5,626	1,340
Other creditors	1,328	-
	<u>137,680</u>	<u>55,499</u>

### 9 ALLOCATION OF THE CHARITY'S NET ASSETS

	<b>Investment Property</b>	<b>Other Investments</b>	<b>Net current assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 31 August 2022:				
Unrestricted funds	400,000	6,706	1,636,255	2,042,961
Restricted funds	-	785,548	2,919,185	3,704,733
Restricted Endowed funds	-	194,306	-	194,306
	<u>400,000</u>	<u>986,560</u>	<u>4,555,440</u>	<u>5,942,000</u>

	<b>Investment property</b>	<b>Other investments</b>	<b>Net current assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 31 August 2021:				
Unrestricted funds	400,000	6,706	1,561,790	1,968,496
Restricted funds	-	774,334	1,350,264	2,124,598
Endowed funds	-	191,532	-	191,532
	<u>400,000</u>	<u>972,572</u>	<u>2,912,054</u>	<u>4,284,626</u>

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2022

### 10 FUNDS

	Balances at 1 September 2021 £	Income £	Expenditure £	Investment gains £	Balances at 31 August 2022 £
<b>Current Year Movements</b>					
Unrestricted funds	1,968,496	223,301	(148,836)	-	2,042,961
Restricted funds	2,124,598	1,843,684	(274,763)	11,214	3,704,733
Endowed funds	191,532	-	-	2,774	194,306
	<u>4,284,626</u>	<u>2,066,985</u>	<u>(423,599)</u>	<u>13,988</u>	<u>5,942,000</u>
	Balances at 1 September 2020 £	Income £	Expenditure £	Investment gains £	Balances at 31 August 2021 £
<b>Prior Year Movements</b>					
Unrestricted funds	499,087	1,599,226	(129,817)	-	1,968,496
Restricted funds	770,604	1,750,569	(482,540)	85,965	2,124,598
Endowed funds	169,532	-	-	22,000	191,532
	<u>1,439,223</u>	<u>3,349,795</u>	<u>(612,357)</u>	<u>107,965</u>	<u>4,284,626</u>

The Sedbergh School Foundation has various types of restricted funds for which it is responsible, and which require separate disclosure. These are as follows:

Current Year Funds	2021 £	Income £	Expenditure £	Investment gains £	2022 £
<b>Restricted funds</b>					
i) Scholarship and Bursary Funds	370,142	76,515	(134,755)	11,214	323,116
ii) House Funds	162,813	15,209	(70,949)	-	107,073
iii) Cricket Appeal Funds	6,141	2	-	-	6,143
iv) Friends of Prep School	6,653	6,143	(3,227)	-	9,569
v) 500 <sup>th</sup> Campaign Funds	1,516,218	1,736,885	(33,985)	-	3,219,118
vi) Charity Funds	1,380	280	(800)	-	860
vii) Rugby 2020	38,783	-	(15,478)	-	23,305
viii) Hardship 2020	9,592	-	(9,592)	-	-
ix) Individual Funds	12,876	8,650	(5,977)	-	15,549
	<u>2,124,598</u>	<u>1,843,684</u>	<u>(274,763)</u>	<u>11,214</u>	<u>3,704,733</u>
Current Year Funds	2021 £	Income £	Expenditure £	Investment gains £	2022 £
<b>Permanent Endowed funds</b>					
i) Scholarship and Bursary Funds	184,032	-	-	2,774	186,806
x) Sedgwick Conservation	7,500	-	-	-	7,500
	<u>191,532</u>	<u>-</u>	<u>-</u>	<u>2,774</u>	<u>194,306</u>

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2022

### 10 FUNDS (CONTINUED)

Prior Year Funds	2020 £	Income £	Expenditure £	Investment gains £	2021 £
<b>Restricted funds</b>					
i) Scholarship and Bursary Funds	301,501	83,029	(100,353)	85,965	370,142
ii) House Funds	132,038	35,808	(5,033)	-	162,813
iii) Cricket Appeal Funds	6,109	32	-	-	6,141
iv) Friends of Prep School	3,155	4,596	(1,098)	-	6,653
v) Capital Funds	167,763	1,617,997	(269,542)	-	1,516,218
vi) Charity Funds	1,380	-	-	-	1,380
vii) Rugby 2020	55,751	4,026	(20,994)	-	38,783
viii) Hardship 2020	87,527	7,585	(85,520)	-	9,592
ix) Individual Funds	15,380	(2,504)	-	-	12,876
	<u>770,604</u>	<u>1,750,569</u>	<u>(482,540)</u>	<u>85,965</u>	<u>2,124,598</u>

Prior Year Funds	2020 £	Income £	Expenditure £	Investment gains £	2021 £
<b>Endowed funds</b>					
i) Scholarship and Bursary Funds	162,032	-	-	22,000	184,032
x) Sedgwick Conservation	7,500	-	-	-	7,500
	<u>169,532</u>	<u>-</u>	<u>-</u>	<u>22,000</u>	<u>191,532</u>

The following make up restricted funds:

- i) The Scholarship and Bursary Funds are used to provide fee assistance for specific pupils at Sedbergh School.
- ii) The House Funds are used to support bursaries and improvements to boarding houses of Sedbergh School.
- iii) The Cricket Appeal Funds are used for specific projects associated with cricket.
- iv) The Friends of Casterton SPS Fund is used to improve facilities, provide equipment and support activities at the Prep School.
- v) The Capital Funds represent donations to develop the facilities at the Schools. Where projects are completed the balance of funds are transferred to appropriate active funds which bear a similar objective. This period shows significant growth in income due to the commencement of major gift fundraising for the upcoming 500<sup>th</sup> Anniversary Campaign which was publicly launched in 2022.
- vi) Charity Funds are restricted for specific charities that are being supported by the School or individuals, namely Air Ambulance and Kenya Orphanage and will be disbursed when future School activities include these charities.
- vii) The Rugby 2020 Funds are used to support rugby activities at Sedbergh School.
- viii) The Hardship Funds are used to support Sedbergh families suffering from financial hardship as a result of the pandemic.
- ix) Other funds comprise various separate funds, all for the benefit of the School or pupils.
- x) The Sedgwick Conservation Society Fund is a permanent endowment and is used to fund environmental projects and school trips associated with the study of ecology.

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2022

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### 11 RELATED PARTY TRANSACTIONS

During the year, grants amounting to £247,160 (2021: £427,586) were payable to Sedbergh School (“the School”), an entity which is related by virtue of five common trustees. As at 31 August 2022, £10,264 was owed to the School (2021: £9,978 was owed to the School).

The Foundation has a lease agreement with the School for the rental of Guldrey Lodge, at a current rent of £52,000 p.a. This has been invoiced and paid by the School during the period.

**THE SEDBERGH SCHOOL FOUNDATION**

England & Wales - Charity number 1176189

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# Accounts

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# The Sedbergh School Foundation

REPORT AND FINANCIAL STATEMENTS  
For the year ended 31 August 2021

# The Sedbergh School Foundation

## PROFESSIONAL ADVISORS

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Bankers	Barclays Bank Plc 1 <sup>st</sup> Floor 3 Hardman Street Spinningfields Manchester M3 3HF
Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Property Advisors	Hackney & Leigh 3 Market Square, Kirkby Lonsdale, Lancashire, LA6 2AN
Investment Managers	Ruffer LLP 31 Charlotte Square Edinburgh EH2 4ET

# The Sedbergh School Foundation

## TRUSTEES' REPORT

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The Trustees present their report for the year ended 31 August 2021.

### CONSTITUTION

The Sedbergh School Foundation is registered as a Charitable Incorporated Organisation (CIO), Registered Number 1176189. Formerly The Old Sedberghian Trust Fund (1953), it was then constituted by Deed of Trust established on 24 September 1953 as a registered charity, number 529904, until 28 June 2018 when it became the current CIO.

The grant making activities of the Trust are approved by the Trustees at full committee meetings. The principal office of the charity is at Sedbergh School, Sedbergh, LA10 5HG.

### TRUSTEES

The Trustees serving during the year ended 31 August 2021 were:

Mr A J N Bedford (Chairman and Governor of Sedbergh School). Resigned as Chairman and Trustee on 27 January 2021.

Mr J C Van der Velde (Chairman of the OS Club) ex officio member.

Mr A W Smith (member of Audit Committee).

Mr M C Baker (member of Audit Committee).

Mrs L Bates (Governor of Sedbergh School).

Mr H Bagot. Did not stand for re-election as Trustee after the completion of his term of office and therefore resigned on 27 January 2021.

Mr A Fleck (Principal of Sedbergh School) ex officio member. Resigned on 30 August 2021 as his term as Principal ended.

Mr R Gledhill (Chairman of the Governors of Sedbergh School and Chairman of the Executive Committee of Sedbergh School) ex officio member.

Mr I Durrans (Governor of Sedbergh School) was elected Chairman of the Foundation on 27 January 2021.

Mr D J Harrison (Headmaster of Sedbergh School) ex officio member. He was appointed a Trustee on 1 September 2021 following the retirement of Mr A Fleck as Principal of Sedbergh School.

Day to day management of the CIO is delegated to the Foundation Director, Isabella Bennett, who assumed this position in September 2018.

### OBJECTIVES

To promote and support the education of young people and particularly the pupils at Sedbergh School ("the School") through:

- (a) the financial support and assistance of the School and/or wider educational initiatives and other associated activities for the benefit of the community (in succession to the charity known as the Sedbergh School Foundation Trust (no: **529904**));
- (b) promoting the education of pupils educated at the School ("the Beneficiaries") who are in need of financial assistance by awarding to the Beneficiaries scholarships, exhibitions, bursaries, maintenance allowances or grants tenable at the School or at any university, college of education, or other institution of further education;
- (c) the financial support of School projects to:
  - (i) improve buildings used or to be used by the School;
  - (ii) acquire land or erect new buildings for the use of the School or wider educational initiatives; and
  - (iii) maintain, repair, extend or improve any property owned by the charity whether in the occupation of the School or not.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Organisational Structure

The Board of Trustees usually meets three or four times a year with meetings held in London and virtually via Zoom during 2020 and 2021 because of the COVID-19 pandemic. The Board receive papers a week in advance of each meeting which include a report from the Director which incorporates the Finance Report including the management accounts.

# The Sedbergh School Foundation

## TRUSTEES' REPORT

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### **Sub Committees**

The Audit Sub-Committee considers items including investments, annual accounts and governance issues and makes recommendations to the full board of Trustees.

### **Recruitment of Trustees**

The CIO has three ex-officio posts, these being: the Principal/Headmaster of Sedbergh School, the Chairman of the Governors Executive Committee and the Chairman of the OS Club. The Chairman of the Foundation must also be a Governor of Sedbergh School and Governors have the authority to appoint one other Trustee.

Trustees are appointed for a three-year term and are expected to stand down after their second term unless there are specific reasons for not doing so. Recruitment of Trustees is carried out by asking for nominations from existing and retiring Trustees, the OS Club, the Principal and the School's Governors. Potential new Trustees are briefed by the Chairman and the Director; provided with the charity's statutory documents and recent papers, and relevant Charity Commission publications; and advised where to make further enquiries for formal training available through DSC and other third parties. Training of new Trustees is administered through in-house events led by the School (particularly to fulfil required Child Protection training) and also through promoted online training.

### **Setting of Pay for Key Management**

The pay structure of employees of the CIO follows the Non-Teaching Staff pay structure as set out by Sedbergh School.

### **Delegated Authority**

The Director has certain powers of delegated authority to run the organisation on a day-to-day basis. These delegated powers are reviewed and set by the Audit Committee under the Scheme of Delegation.

All cheques and internet banking payments require two signatures, the Director and The Foundation Accounts Manager. For amounts over £30,000 the Chairman must give approval if the transaction has not been pre-approved at a meeting of the Trustees.

### **Statement on Public Benefit**

The Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and have complied with the duty in section 17 of the Charities Act 2011. Trustees have studied the guidance issued by the Charity Commission and are satisfied that the charity continues to provide public benefit through its work with Sedbergh School, particularly in fundraising for bursaries and in the provision/refurbishment of key facilities, many of which are important for the local community as well as for the School. The Foundation also helps the pupils of the School to fundraise for other charitable causes as part of their education.

## **REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS**

The Trustees aim to provide selective, targeted, financial and other support for the work of the School in the communities it serves. In the period under review, the Foundation's principal activities included:

### **The Roger Lupton Scholarship Appeal**

The Foundation continued to raise funds for the Roger Lupton Scholarships providing up to 100% of the fees of pupils who would not otherwise be able to receive an education at Sedbergh. The appeal was launched in June 2012 and has raised over £1m to date. There were four young people who were beneficiaries of Roger Lupton Scholarships present in the School during the period.

The Big Give Christmas Challenge again provided the opportunity to generate significant funds towards the scholarship programme in December, thanks to the support of donors pledging the initial matching funds in collaboration with the Reed Educational Trust. In total, with additional donations made towards the appeal after it had finished, over £30,000 was raised.

### **The Hardship Fund**

In response to the pandemic, an emergency appeal to provide bursary support and financial relief to individuals linked to the School was established in the Spring of 2020. Fundraising continued into the Michaelmas Term of 2020-2021 and raised £103,000 in total. These funds were disbursed during the period with grants made to the School to support pupils' fees.

### **Other Major Activities**

In advance of the School's 500<sup>th</sup> Anniversary in 2025, the Foundation is planning a quincentenary campaign which will raise funds for a number of School projects including a Technology Centre, a Green Fund to focus on reducing carbon emissions across both the Senior and Prep Schools, and Roger Lupton Scholarships.

# The Sedbergh School Foundation

## TRUSTEES' REPORT

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### Casterton Sedbergh Prep School

The Friends of Casterton Prep School continue to raise funds for projects at Casterton Sedbergh Prep School, though few events were held during the year and no significant grants were disbursed.

In the summer of 2021, a £50,000 appeal for Outdoor Learning capital works was launched, entitled "The Play to Learn Fund". Funds continued to be raised into the following accounting period.

### The 1525 Legacy Society

The 1525 Society had to cancel its planned annual lunches this year owing to the pandemic. Significant legacies were received during the period from members who had passed away in the previous accounting period.

### Investments

The Foundation continues to use the services of Ruffer Investment Co to maintain a mixed portfolio to ensure the returns and security of investments are maximised. There are two holdings in the fund: the first holds the endowed fund for scholarships and bursaries where income generated is used to support pupils who would not otherwise be able to afford the fees and a percentage is retained to maintain the level of the endowment compared to fees, the second holds the general investment fund.

Performance of the fund has been satisfactory, with a 25% increase since inception, and an annualised return of 4.7%.

No withdrawals were made during the year.

### Future Developments

The Foundation has received detailed plans from the School relating to identified projects for the 500<sup>th</sup> Anniversary campaign and it is anticipated this major campaign will begin in the Summer of 2022.

## FINANCE AND ADMINISTRATION

The Foundation employs an external accountant to administer financial activities on a day-to-day basis, with additional resources administered by the Bursary team at Sedbergh School, particularly with regards to security of delegated powers for online banking.

### Financial

The income for the period totalled £3,349,795 which was significantly higher than the previous year (2020: £438,164). This was due to two significant legacies which were paid to the Foundation during the period.

### Grants Payable

The Foundation Trustees raise money to support the School by giving grants. These grants are made from unrestricted funds, except where donations have been made for a specified purpose. Grant requests are made by the Principal of the School to the Foundation. Where grants are to be made solely out of restricted funds, the Chairman of the Trustees has delegated authority to approve these. If the grant is to be made out of restricted and unrestricted or entirely unrestricted funds, the request is put to the Trustees at their next meeting or by email if the commitment is required in between meetings.

The following grants totalling £447,586 were made during the year (2020: £174,950).

	School £	Other £
Scholarship & Bursary Funds	96,844	-
Sports Funds	994	20,000
Hardship 2020	78,544	-
Chapel	50,000	-
6 <sup>th</sup> Form Centre	200,000	-
Books for Houses	375	-
House Funds	829	-
	<u>427,586</u>	<u>20,000</u>

Of total grant payments of £447,586 (2020: £174,950), £375 (2020: £nil) is unrestricted and £447,211 (2020: £174,950) is restricted expenditure.

# The Sedbergh School Foundation

## TRUSTEES' REPORT

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The £20,000 grant made from Sports Funds related to Rugby Tour fundraising activities whereby funds were raised for Connect Sports Academy in Cape Town, South Africa. This is a charity supported by Sedbergh School.

A number of restricted funds continue to be held by the Foundation for projects which had not been completed at the end of the financial period. These included the House Funds, Capital Projects, the emergency Hardship Appeal, the Rugby fundraising project and funds for Scholarships and Bursaries.

### **Endowments**

The Foundation holds one endowment of £7,500 from which grants are made for the support of environmental and conservation projects, particularly for the Sedgwick Society.

A separate investment account for endowments is now held by Ruffer which was established with £150,000 made up of the previous endowment of £25,000 and a donation of £125,000.

The value of the endowed funds at the end of August 2021 was £191,532.

### **Staff Changes**

There were no staffing changes during the period.

### **Fundraising Activities**

Fundraising activities are undertaken in line with recommended best practice guidance from the Fundraising Regulator. The Trustees are responsible for overseeing all fundraising activities undertaken by the employees of the CIO. The Fundraising Director reports annually on regulatory compliance to both the Trustees and the Governors of the School.

No complaints were received during the year about any aspect of the CIO's activities.

### **RISK MANAGEMENT POLICY**

The Trustees regularly examine the major risks that the Foundation faces and seek to ensure that adequate systems are in place to minimise such risks. The main risk identified would be a fall in donation income. This would be managed by a reduction in the number (or value) of grants paid out. The Trustees have considered the effect of the COVID-19 pandemic on income and are satisfied that current risk management policies and procedures in place will suffice.

### **INVESTMENT AND RESERVES POLICY**

The Investment Committee appointed Ruffer to manage the Foundation's investments. There are two holdings within the fund, one restricted for endowments and a general fund.

The Trustees' policy remains, however, to ensure that they can maintain a balanced budget to cover annual expenditure requirements and funding of specific projects, which are the subject of special appeals.

The Foundation carries out a periodic review of anticipated income from general or specific appeals and outgoings from planned donations. In the light of this review allocation of resources is made to:

- (a) ensure there is sufficient liquidity in current assets to meet planned donations and expenditure;
- (b) achieve an annual return on current assets and long-term investments equivalent to market averages for similar investments.

The investment strategy for the Foundation funds under management is one of long-term capital preservation. The role of the Audit Sub-Committee is to monitor performance and make recommendations to the Trustees. The Foundation funds under management were valued at £965,866. Overall, managed funds gained £107,965 in value over the period.

Long Term investments include the ownership of Guldrey Lodge which was valued by Hackney & Leigh at £400,000 on 17 January 2020 (2019: £400,000). The Trustees intend to hold this investment for the future benefit of the School and the current lease runs for 99 years. The Trustees estimate the market value at the year-end to be in line with the valuation, and therefore have recognised this valuation as market value within these financial statements. The Trustees have agreed that they will get new valuations every 5 years as the figure does not materially affect the accounts or the running of the organisation. The next valuation will take place in 2024/5.

# The Sedbergh School Foundation

## TRUSTEES' REPORT

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The total funds held by the Foundation at the year-end were £4,284,626 (2020: £1,439,223), including restricted and endowed funds of £2,316,130 (2020: £940,136). Total funds included cash balances of £1,448,907 (2020: £222,670) and investments (including property) of £1,372,572 (2020: £1,202,457).

The Trustees continue to monitor reserves closely should there be a reduction in the level of general fund donations to ensure that sufficient reserves are available to cover direct charitable expenditure, administration costs, fundraising costs, and support costs, without which the Foundation could not function. The reserves target is set at six months' unrestricted expenditure. The current level of free reserves at the year-end amounted to £1,568,496 which includes the value of the investment property income at £52,000 per annum which is in excess of the reserves policy.

Approved by the Board of Trustees on 29 June 2022 and signed on its behalf by:



I W Durrans  
Chairman

# The Sedbergh School Foundation

## STATEMENT OF THE TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Disclosure of information to auditors**

So far as the Trustees are aware:

- a) there is no relevant audit information of which the charity's auditors are unaware, and
- b) we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

# The Sedbergh School Foundation

## AUDITOR'S REPORT TO THE TRUSTEES OF THE SEDBERGH SCHOOL FOUNDATION CHARITY

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### Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2021 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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.

### Other matters

The financial statements prepared for the prior year were not subject to an audit, therefore the comparative figures presented in these financial statements are unaudited.

### Conclusions relating to going concern

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

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

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

### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. 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.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

# The Sedbergh School Foundation

## AUDITOR'S REPORT TO THE TRUSTEES OF THE SEDBERGH SCHOOL FOUNDATION CHARITY

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### Responsibilities of Trustees for the financial statements

As explained more fully in the trustees' responsibilities statement, the trustees 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.

### Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to trust law requirements over the use of restricted and endowed funds, fundraising regulations and charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to income and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals entries; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

*Haysmacintyre LLP*

Haysmacintyre LLP  
Statutory Auditors

Date: 30 June 2022

10 Queen Street Place  
London  
EC4R 1AG

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# The Sedbergh School Foundation

## STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 August 2021

	Notes	Unrestricted Funds 2021	Restricted Funds 2021	Endowed Funds 2021	Total Funds 2021	Total Funds 2020
		£	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations and legacies	1a	1,547,151	1,750,569	-	3,297,720	385,826
Investments	1b	52,075	-	-	52,075	52,338
<b>TOTAL INCOME</b>		<u>1,599,226</u>	<u>1,750,569</u>	<u>-</u>	<u>3,349,795</u>	<u>438,164</u>
<b>EXPENDITURE ON:</b>						
Raising funds	2	119,902	35,329	-	155,231	160,006
Charitable activities	3	375	447,211	-	447,586	174,950
Governance costs		9,540	-	-	9,540	6,800
<b>TOTAL EXPENDITURE</b>		<u>129,817</u>	<u>482,540</u>	<u>-</u>	<u>612,357</u>	<u>341,756</u>
<b>NET INCOME BEFORE GAINS ON INVESTMENTS</b>		<u>1,469,409</u>	<u>1,268,029</u>	<u>-</u>	<u>2,737,438</u>	<u>96,408</u>
Net gains on investments	4	-	85,965	22,000	107,965	42,389
Revaluation of investment property		-	-	-	-	-
<b>NET INCOME</b>		<u>1,469,409</u>	<u>1,353,994</u>	<u>22,000</u>	<u>2,845,403</u>	<u>138,797</u>
Funds transfer		-	-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<u>1,469,409</u>	<u>1,353,994</u>	<u>22,000</u>	<u>2,845,403</u>	<u>138,797</u>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		<u>499,087</u>	<u>770,604</u>	<u>169,532</u>	<u>1,439,223</u>	<u>1,300,426</u>
<b>Total funds carried forward</b>		<u>1,968,496</u>	<u>2,124,598</u>	<u>191,532</u>	<u>4,284,626</u>	<u>1,439,223</u>

The accounting policies and notes on pages 13 to 20 form part of these Financial Statements. The activities of the Foundation are classed as continuing.

# The Sedbergh School Foundation

## BALANCE SHEET

As at 31 August 2021

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Investment Property	5	400,000	400,000
Investments	4	972,572	802,457
		<u>1,372,572</u>	<u>1,202,457</u>
<b>CURRENT ASSETS</b>			
Cash and bank	6	1,448,907	222,670
Debtors	7	1,518,646	34,998
		<u>2,967,553</u>	<u>257,668</u>
<b>CREDITORS:</b> amounts falling due within one year	8	(55,499)	(20,902)
<b>NET CURRENT ASSETS</b>		<u>2,912,054</u>	<u>236,766</u>
<b>TOTAL NET ASSETS</b>	9	<u>4,284,626</u>	<u>1,439,223</u>
<b>FUNDS</b>			
Unrestricted funds		1,968,496	499,087
Restricted funds		2,124,598	770,604
Endowed Funds		191,532	169,532
	10	<u>4,284,626</u>	<u>1,439,223</u>

These financial statements were approved by the Trustees on 29 June 2022 and signed on their behalf:



I W Durrans  
Trustee

# The Sedbergh School Foundation

## STATEMENT OF CASH FLOWS

For the year ended 31 August 2021

	2021 £	2020 £	
<b>OPERATING ACTIVITIES</b>			
Net income	2,845,403	138,797	
Gains on investments	(107,965)	(42,389)	
Investment income received	(52,075)	(52,338)	
(Increase)/decrease in debtors	(1,483,648)	9,147	
Increase in creditors	34,597	10,840	
	<u>1,236,312</u>	<u>64,057</u>	
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
<b>INVESTING ACTIVITIES</b>			
Investment income	52,075	52,338	
Purchases of investments	(62,150)	(10,950)	
	<u>(10,075)</u>	<u>41,388</u>	
<b>NET CASH (USED)/PROVIDED BY INVESTING ACTIVITIES</b>			
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>	1,226,237	105,445	
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	222,670	117,225	
	<u>1,448,907</u>	<u>222,670</u>	
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>			
<b>REPRESENTED BY:</b>			
Cash at bank and in hand	1,448,907	222,670	
	<u>1,448,907</u>	<u>222,670</u>	
<b>ANALYSIS OF NET DEBT</b>			
	<b>At 1 September 2020 £</b>	<b>Cash flows £</b>	<b>At 31 August 2021 £</b>
Cash at bank and in hand	222,670	1,226,237	1,448,907
	<u>222,670</u>	<u>1,226,237</u>	<u>1,448,907</u>

# The Sedbergh School Foundation

## ACCOUNTING POLICIES

for the year ended 31 August 2021

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### BASIS OF PREPARATION

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Sedbergh School Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The accounts have been prepared to give a “true and fair” view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a “true and fair” view. This departure has involved following 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) (effective 1 January 2019) - (Charities SORP (FRS 102)) rather than the Accounting and Reporting Charities Statement of Recommended Practice effective from 1 April 2005, which has been withdrawn.

### GOING CONCERN

The Trustees have considered the likely level of income and expenditure for the foreseeable future, and the immediate impact of the COVID-19 pandemic. There are no material uncertainties which would jeopardise the running of the CIO. As grants are only awarded to Sedbergh School when sufficient funds are available, this enables the Foundation to continue to be a going concern despite any lasting impact of the COVID-19 pandemic. The Trustees are satisfied that the charity can meet its obligations as and when they fall due. Accordingly, the going concern basis of preparation is appropriate for these financial statements.

### INVESTMENT PROPERTY

Investment properties are included in the balance sheet at market value. All movements in value arising from a change in value, in excess of the original cost of the properties, are shown in the Statement of Financial Activities as revaluation gains or losses. Any diminution in value below original cost is charged to the Statement of Financial Activities as an impairment.

### IMPAIRMENT OF FIXED ASSETS

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reserved. If such indications exist, the Trustees estimate the recoverable amount of that asset.

### VALUATION OF INVESTMENTS

a) Paintings & books

Paintings & books are included in investments at cost.

b) UK Listed Investments

All investments are valued at market value as follows:

- i) Listed investments are valued at the bid value at the balance sheet date;
- ii) Fixed Interest securities are valued at the bid value at the balance sheet date;

All realised and unrealised gains and losses at the period end are recognised within the Statement of Financial Activities.

# The Sedbergh School Foundation

## ACCOUNTING POLICIES

for the year ended 31 August 2021

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### STATEMENT OF FINANCIAL ACTIVITIES

Income and expenditure are included as follows:

- a) Dividends receivable are included as income when received.
- b) Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.
- c) Rental income receivable is recognised on a straight-line basis over the term of the lease.
- d) Expenditure is charged to the Statement of Financial Activities on an accruals basis, it is not set off against income.
- e) Costs of raising funds are those costs incurred in attracting voluntary income. Charitable activities include expenditure in the form of grants to Sedbergh School. Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- f) Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Foundation. Grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Foundation.

### FUND ACCOUNTING

The Fund has various types of funds for which it is responsible, and which require separate disclosure. These are as follows:

Unrestricted funds	Funds which may be used for the general purposes of the charity.
Restricted funds	Donations or legacies received which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the charity.
Endowed funds	Funds given to the Charity where the income may be used for general or restricted purposes, but the capital must be retained.

### LIABILITIES

Liabilities are recognised when the Foundation has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### FINANCIAL INSTRUMENTS

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at cost and subsequently measured at their settlement value.

### JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

### KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

### INVESTMENT PROPERTIES

The Trustees have valued the investment property based on the latest valuation performed in January 2020 and have determined that this remains the most accurate valuation of the property at the year end.

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2021

### 1 INCOME

#### a) Donations and legacies:

	Unrestricted	Restricted	2021 Total	2020 Total
	£	£	£	£
General Fund	42,151	-	42,151	56,522
Events & Merchandise	-	-	-	5,574
Legacies	1,505,000	250,000	1,755,000	19,653
Bursaries & Scholarships	-	83,029	83,029	104,059
Hart House	-	8,635	8,635	381
Powell House	-	375	375	11,185
School House	-	1,623	1,623	2,708
Robertson House	-	3,322	3,322	1,382
Sedgwick House	-	2,725	2,725	3,344
Evans House	-	1,294	1,294	2,245
Winder House	-	1,228	1,228	-
Lupton House	-	225	225	336
Prep School	-	16,381	16,381	-
Rugby	-	2,500	2,500	-
Cricket	-	32	32	-
Chapel	-	2,828	2,828	7,008
General Capital Projects	-	780	780	780
Technology	-	-	-	4,125
Archive	-	-	-	20
Friends of Prep School	-	4,596	4,596	3,670
Equestrian	-	580	580	522
Shooting	-	850	850	945
Sailing	-	-	-	15
Hirst Centre	-	31,998	31,998	2,270
Rugby 2020	-	4,026	4,026	63,183
Hardship Fund	-	7,585	7,585	95,899
500 Campaign – Capital Projects at the Prep School	-	37,150	37,150	-
500 Campaign – Capital Projects at the Senior School	-	1,275,469	1,275,469	-
500 Campaign – Roger Lupton Scholarships	-	13,338	13,338	-
	1,547,151	1,750,569	3,297,720	385,826

#### b) Investment income is analysed as follows:

	Unrestricted	Restricted	2021 Total	2020 Total
	£	£	£	£
Bank interest	75	-	75	338
Rental income	52,000	-	52,000	52,000
	52,075	-	52,075	52,338

Of the donation income received in the prior year of £385,826, £81,749 was unrestricted income and £304,077 was restricted income.

All investment income received in the prior year was included within unrestricted income.

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2021

### 2 EXPENDITURE

	2021	2020
	£	£
Costs of generating voluntary income:		
Staff costs	83,300	86,972
Fundraising costs (restricted and unrestricted)	36,187	19,726
Other	35,744	53,308
	<u>155,231</u>	<u>160,006</u>

Of expenditure on raising funds of £155,231 (2020: £160,006), £119,902 (2020: £143,317) was unrestricted and £35,329 (2020: £16,689) was restricted.

No Trustees or any persons connected with them have received any remuneration during the period (2020: £nil). Total expenses of £nil were paid to Trustees in the year (2020: £148 to one trustee).

Staff costs relate to 2 (2020: 3) staff members. Also included within staff costs above are employer's national insurance contributions of £4,431 (2020: £4,487) and employer's pension contributions of £5,987 (2020: £7,279).

Governance costs include auditor's remuneration totalling £9,540 (2020: independent examiners remuneration £6,800) and all are unrestricted expenditure.

#### *Staff Costs*

No employees received emoluments, including benefits in kind, which exceeded £60,000 (2020: none).

#### *Key Management Personnel*

The Foundation considered its key management personnel during the period to be the Foundation Director. The total employment benefits including employer NIC and pension contributions of the key management personnel were £65,809 (2020: £64,835).

### 3 GRANTS

Details of grants payable are disclosed within the Trustees' report on page 4.

### 4 INVESTMENTS

	UK Listed Investment s £	Paintings & books £	2021 Total £	2020 Total £
Market Value at 1 September 2020	795,751	6,706	802,457	749,118
Additions in period	62,150	-	62,150	10,950
Disposals at opening market value	-	-	-	-
Unrealised gain / (loss) on investments	107,965	-	107,965	42,389
	<u>965,866</u>	<u>6,706</u>	<u>972,572</u>	<u>802,457</u>

Material investments within the portfolio consist of:

	2021	2020
	£	£
Multi-Asset OEIC – Ruffer Absolute Return Fund	965,866	795,751
	<u>965,866</u>	<u>795,751</u>

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2021

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### 5 INVESTMENT PROPERTY

<i>Land and Buildings – Guldrey Lodge</i>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Market Value at 1 September 2020	400,000	400,000
Revaluation	-	-
	<hr/>	<hr/>
Market Value at 31 August 2021	400,000	400,000
	<hr/>	<hr/>

Investment property include the ownership of Guldrey Lodge. The Trustees intend to hold this investment for the future benefit of the School and the current lease runs for 99 years.

A formal valuation was carried out as at 17 January 2020 by Hackney & Leigh, Chartered Surveyors, on the basis of open market value based on the assumed tenancy of Sedbergh School and this value was incorporated into the 2019 accounts. The Trustees have agreed that the valuation of the survey conducted in January 2020 would represent the Market Value as at 31 August 2021.

### 6 AMOUNTS HELD AT BANKS

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Cash at bank	1,448,907	222,670
	<hr/>	<hr/>
	1,448,907	222,670
	<hr/>	<hr/>

### 7 DEBTORS

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Gift aid on donations reclaimable	18,646	18,641
Prepayments and accrued income	1,500,000	16,357
	<hr/>	<hr/>
	1,518,646	34,998
	<hr/>	<hr/>

### 8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Accruals and deferred income	44,181	6,587
Amounts owed to Sedbergh School (note 11)	9,978	13,005
Other taxes and social security	1,340	1,310
	<hr/>	<hr/>
	55,499	20,902
	<hr/>	<hr/>

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2021

### 9 ALLOCATION OF THE CHARITY'S NET ASSETS

	<b>Investment Property</b>	<b>Other Investments</b>	<b>Net current assets</b>	<b>Total</b>
	£	£	£	£
At 31 August 2021:				
Unrestricted funds	400,000	6,706	1,561,790	1,968,496
Restricted funds	-	774,334	1,350,264	2,124,598
Restricted Endowed funds	-	191,532	-	191,532
	<u>400,000</u>	<u>972,572</u>	<u>2,912,054</u>	<u>4,284,626</u>

	<b>Investment property</b>	<b>Other investments</b>	<b>Net current assets</b>	<b>Total</b>
	£	£	£	£
At 31 August 2020:				
Unrestricted funds	400,000	6,706	92,381	499,087
Restricted funds	-	626,219	144,385	770,604
Endowed funds	-	169,532	-	169,532
	<u>400,000</u>	<u>802,457</u>	<u>236,766</u>	<u>1,439,223</u>

### 10 FUNDS

	<b>Balances at 1 September 2020</b>	<b>Income</b>	<b>Expenditure</b>	<b>Investment gains</b>	<b>Balances at 31 August 2021</b>
	£	£	£	£	£
<b>Current Year Movements</b>					
Unrestricted funds	499,087	1,599,226	(129,817)	-	1,968,496
Restricted funds	770,604	1,750,569	(482,540)	85,965	2,124,598
Endowed funds	169,532	-	-	22,000	191,532
	<u>1,439,223</u>	<u>3,349,795</u>	<u>(612,357)</u>	<u>107,965</u>	<u>4,284,626</u>

	<b>Balances at 1 September 2019</b>	<b>Income</b>	<b>Expenditure</b>	<b>Investment gains</b>	<b>Balances at 31 August 2020</b>
	£	£	£	£	£
<b>Prior Year Movements</b>					
Unrestricted funds	515,117	134,087	(150,117)	-	499,087
Restricted funds	625,047	304,077	(191,639)	33,119	770,604
Endowed funds	160,262	-	-	9,270	169,532
	<u>1,300,426</u>	<u>438,164</u>	<u>(341,756)</u>	<u>42,389</u>	<u>1,439,223</u>

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2021

### 10 FUNDS (CONTINUED)

The Sedbergh School Foundation has various types of restricted funds for which it is responsible, and which require separate disclosure. These are as follows:

Current Year Funds	2020 £	Income £	Expenditure £	Investment gains £	2021 £
<b>Restricted funds</b>					
i) Scholarship and Bursary Funds	301,501	83,029	(100,353)	85,965	370,142
ii) House Funds	132,038	35,808	(5,033)	-	162,813
iii) Cricket Appeal Funds	6,109	32	-	-	6,141
iv) Friends of Prep School	3,155	4,596	(1,098)	-	6,653
v) Capital Funds	167,763	1,617,997	(269,542)	-	1,516,218
vi) Charity Funds	1,380	-	-	-	1,380
vii) Rugby 2020	55,751	4,026	(20,994)	-	38,783
viii) Hardship 2020	87,527	7,585	(85,520)	-	9,592
ix) Individual Funds	15,380	(2,504)	-	-	12,876
	<u>770,604</u>	<u>1,750,569</u>	<u>(482,540)</u>	<u>85,965</u>	<u>2,124,598</u>

Current Year Funds	2020 £	Income £	Expenditure £	Investment gains £	2021 £
<b>Permanent Endowed funds</b>					
i) Scholarship and Bursary Funds	162,032	-	-	22,000	184,032
x) Sedgwick Conservation	7,500	-	-	-	7,500
	<u>169,532</u>	<u>-</u>	<u>-</u>	<u>22,000</u>	<u>191,532</u>

Prior Year Funds	2019 £	Income £	Expenditure £	Investment gains £	2020 £
<b>Restricted funds</b>					
i) Scholarship and Bursary Funds	316,978	104,059	(152,655)	33,119	301,501
ii) House Funds	117,334	21,581	(6,877)	-	132,038
iii) Cricket Appeal Funds	9,002	-	(2,893)	-	6,109
iv) Friends of Prep School	144	3,670	(659)	-	3,155
v) Capital Funds	155,142	14,183	(1,562)	-	167,763
vi) Charity Funds	1,380	-	-	-	1,380
vii) Rugby 2020	-	63,183	(7,432)	-	55,751
viii) Hardship 2020	-	95,899	(8,372)	-	87,527
ix) Other Funds	25,067	1,502	(11,189)	-	15,380
	<u>625,047</u>	<u>304,077</u>	<u>(191,639)</u>	<u>33,119</u>	<u>770,604</u>

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2021

### 10 FUNDS (CONTINUED)

Prior Year Funds	2019 £	Income £	Expenditure £	Investment gains £	2020 £
<b>Endowed funds</b>					
i) Scholarship and Bursary Funds	152,762	-	-	9,270	162,032
x) Sedgwick Conservation	7,500	-	-	-	7,500
	<u>160,262</u>	<u>-</u>	<u>-</u>	<u>9,270</u>	<u>169,532</u>

The following make up restricted funds:

- i) The Scholarship and Bursary Funds are used to provide fee assistance for specific pupils at Sedbergh School.
- ii) The House Funds are used to support bursaries and improvements to boarding houses of Sedbergh School.
- iii) The Cricket Appeal Funds are used for specific projects associated with cricket.
- iv) The Friends of Casterton SPS Fund is used to improve facilities, provide equipment and support activities at the Prep School.
- v) The Capital Funds represent donations to develop the Hirst Sports Centre and other small capital projects across the Schools. Where projects are completed the balance of funds are transferred to appropriate active funds which bear a similar objective. This period shows significant growth in income due to the commencement of major gift fundraising for the upcoming 500<sup>th</sup> Anniversary Campaign which will publicly launch in 2022.
- vi) Charity Funds are restricted for specific charities that are being supported by the School or individuals, namely Air Ambulance and Kenya Orphanage and will be disbursed when future School activities include these charities.
- vii) The Rugby 2020 Funds are used to support Rugby activities at Sedbergh School.
- viii) The Hardship Funds are used to support Sedbergh families suffering from financial hardship as a result of the pandemic.
- ix) Other funds comprise various separate funds, all for the benefit of the School or pupils.
- x) The Sedgwick Conservation Society Fund is a permanent endowment and is used to fund environmental projects and school trips associated with the study of ecology.

### 11 RELATED PARTY TRANSACTIONS

During the year, grants amounting to £427,586 (2020: £169,428) were payable to Sedbergh School (“the School”), an entity which is related by virtue of five common trustees. As at 31 August 2021, £9,978 was owed to the School (2020: £13,005 was owed to the School).

The Foundation has a lease agreement with the School for the rental of Guldrey Lodge, at a current rent of £52,000 p.a. This has been invoiced and paid by the School during the period.

**THE SEDBERGH SCHOOL FOUNDATION**

England & Wales - Charity number 1176189

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# Accounts

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# The Sedbergh School Foundation

REPORT AND FINANCIAL STATEMENTS  
For the year ended 31 August 2020

# The Sedbergh School Foundation

## PROFESSIONAL ADVISORS

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### Bankers

Barclays Bank Plc  
1<sup>st</sup> Floor  
3 Hardman Street  
Spinningfields  
Manchester  
M3 3HF

### Independent Examiner

RSM Tax and Accounting Limited  
Chartered Accountants  
3 Hardman Street  
Manchester  
M3 3HF

### Property Advisors

Hackney & Leigh  
3 Market Square,  
Kirkby Lonsdale,  
Lancashire,  
LA6 2AN

### Investment Managers

Ruffer LLP  
31 Charlotte Square  
Edinburgh  
EH2 4ET

# The Sedbergh School Foundation

## TRUSTEES' REPORT

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The Trustees present their report for the accounting year ending 31 August 2020.

### CONSTITUTION

The Sedbergh School Foundation is registered as a Charitable Incorporated Organisation (CIO), Registered Number 1176189. Formerly The Old Sedberghian Trust Fund (1953), it was then constituted by Deed of Trust established on 24 September 1953 as a registered charity, number 529904, until 28 June 2018 when it became the current CIO.

The grant making activities of the Trust are approved by the Trustees at full committee meetings. The principal office of the charity is at Sedbergh School, Sedbergh, LA10 5HG.

### TRUSTEES

The Trustees serving during the period ended 31 August 2020 were:

Mr A J N Bedford (Chairman and Governor of Sedbergh School)

Mr J C Van der Velde (Chairman of the OS Club) ex officio member

Mr A W Smith (member of Audit Committee)

Mr M C Baker (member of Audit Committee)

Mrs L Bates (Governor of Sedbergh School)

Mr M W Stephenson (resigned 13 January 2020)

Mr H Bagot

Mr A Fleck (Principal of Sedbergh School) ex officio member

Mr R Gledhill (Chairman of the Governors Executive Committee of Sedbergh School) ex officio member

Mr I Durrans (Governor of Sedbergh School) was appointed as a Trustee on 09 October 2020.

### OBJECTIVE

The purpose of the Foundation CIO is to promote and/or improve the education given at Sedbergh School, or the facilities thereof, or the amenities thereof, or the well-being of the pupils educated there, in relation to their education either at the school or at some other place of education, after leaving the school, and wider educational initiatives which benefit young people.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Organisational Structure

The Board of Trustees usually meets three or four times a year with meetings held in London and virtually via Zoom in the Summer of 2020 because of the COVID-19 pandemic. The Board receive papers a week in advance of each meeting which include a report from the Director which incorporates the Finance Report including the management accounts.

#### Sub Committees

The Audit Committee considers items including investments, annual accounts and governance issues and makes recommendations to the full board of Trustees.

#### Recruitment of Trustees

The CIO has three ex-officio posts, these being: the Principal, the Chairman of the Governors Executive Committee and the Chairman of the OS Club. The Chairman of the Foundation must also be a Governor of Sedbergh school and Governors have the authority to appoint one other Trustee.

Trustees are appointed for a three-year term and are expected to stand down after their second term unless there are specific reasons for not doing so. Recruitment of Trustees is carried out by asking for nominations from existing and retiring Trustees, the OS Club, the Principal and the School's Governors. Potential new Trustees are briefed by the Chairman and the Director; provided with the charity's statutory documents and recent papers, and relevant Charity Commission publications; and advised where to make further enquiries.

#### Delegated Authority

The Director has certain powers of delegated authority to run the organisation on a day to day basis. These delegated powers are reviewed and set by the Audit Committee under the Scheme of Delegation.

All cheques and internet banking payments require two signatures, the Director and The Foundation Accounts Manager. For amounts over £30,000 the Chairman must give approval.

# The Sedbergh School Foundation

## TRUSTEES' REPORT

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### **Statement on Public Benefit**

The Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and have complied with the duty in section 17 of the Charities Act 2011. Trustees have studied the guidance issued by the Charity Commission and are satisfied that the charity continues to provide public benefit through its work with Sedbergh School, particularly in fundraising for bursaries and in the provision/refurbishment of key facilities, many of which are important for the local community as well as for the School. The Foundation also helps the pupils of the School to fundraise for other charitable causes as part of their education.

The constitution of the Foundation as a Charitable Incorporated Organisation has broadened the objects to allow the Foundation to support "wider educational initiatives" to encompass schemes such as CECATS (Cumbria Education Centre for Advanced Technology and Science).

### **REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS**

The Trustees aim to provide selective, targeted, financial and other support for the work of the School in the communities it serves. In the period under review, the Foundation's principal activities included:

#### **The Roger Lupton Scholarship Appeal**

The Foundation continued to raise funds for the Roger Lupton Scholarships providing up to 100% of the fees of pupils who would not otherwise be able to receive an education at Sedbergh. The appeal was launched in June 2012 and has raised over £1m to date. There were seven young people who were beneficiaries of Roger Lupton Scholarships present in the School during the period.

The Big Give Christmas Challenge again provided the opportunity to generate significant funds towards the scholarship programme in December, thanks to the support of donors pledging the initial matching funds in collaboration with the Reed Educational Trust. In total, with additional donations made towards the appeal after it had finished, over £40,000 was raised.

Owing to the Covid-19 pandemic, we were unable to run a Challenge Week initiative (which in the previous financial year raised £41,000 in cash and pledges). We hope to run this initiative again in future years.

#### **The Chapel Appeal**

The Foundation continued to collect pledged funds towards this appeal during the year, which has raised over £53,000 in total. Works on this project were delayed owing to the pandemic, but have since taken place in 2020.

#### **Other Major Activities**

In advance of the School's 500<sup>th</sup> Anniversary in 2025, the Foundation is planning a £5m quinquenary campaign which will encompass 3 major projects: A Design & Technology Centre, a Green Fund to focus on reducing carbon emissions across the School site and Roger Lupton Scholarships.

An emergency response appeal was launched in April 2020, to raise funds for Sedbergh School families and members of the local community who had found themselves in financial difficulty because of the pandemic. Over £90,000 was raised inclusive of Gift Aid. Funds raised have provided emergency bursary support to families and £5,000 was donated towards the community for hardship alleviation activities coordinated by the town.

At the start of the year, a small fundraising appeal for Rugby was launched with a target of £40,000 to be split between a chosen educational rugby charity in South Africa with whom the School has valued links and Rugby at Sedbergh School. £63,000 was raised during the year.

#### **Casterton Sedbergh Prep School**

The Friends of Casterton Prep School continue to raise funds for projects at Casterton Sedbergh Prep School, though few events were held during the year and no significant grants were disbursed.

The Foundation received donations towards technology outreach projects being run at Casterton during the year.

#### **The 1525 Legacy Society**

The 1525 Society had to cancel its planned annual lunches this year owing to the pandemic. Towards the end of the year, 2 members passed away who have pledged significant legacies to the Foundation.

# The Sedbergh School Foundation

## TRUSTEES' REPORT

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### Investments

The Foundation continues to use the services of Ruffer Investment Co. to maintain a mixed portfolio to ensure the returns and security of the investments are maximised. There are two funds held by Ruffer. One is specifically an endowed fund for scholarships and bursaries where income generated is used for supporting pupils who would not otherwise be able to afford the fees and a percentage is retained to maintain the level of the endowment compared to fees. The second one is a general investment fund.

There was one additional share transfer received into the investment accounts during the year of £10,950 of Scottish Mortgage Investment Trust shares. No withdrawals were made during the year.

### Future Developments

The Foundation has received detailed plans from the School relating to identified projects for the 500<sup>th</sup> Anniversary campaign and it is anticipated this major campaign will begin in 20/21.

For FY 20/21, the following targets have been set:

To raise a minimum of £150,000 towards Scholarships and Bursaries, namely the Roger Lupton Scholarship Appeal.

To raise a minimum of £100,000 towards the 500<sup>th</sup> campaign, with pledges of a value close to £1m.

### FINANCE AND ADMINISTRATION

The Foundation employs an external Accountant to administer financial activities on a day to day basis, with additional resources administered by the Bursary team at Sedbergh School, particularly with regards to security of delegated powers for online banking.

### Financial

The income for the period totalled £438,164 (2019: £528,202), which was lower than the previous year. This reduction was due to a sudden reduction in event income and lower donation values because of the financial impact of the pandemic on our donors.

### Grants Payable

The Foundation Trustees raise money to support the School by giving grants. These grants are made from unrestricted funds, except where donations have been made for a specified purpose. Grant requests are made by the Principal of the School to the Foundation. Where grants are to be made solely out of restricted funds, the Chairman of the Trustees has delegated authority to approve these. If the grant is to be made out of restricted and unrestricted or entirely unrestricted funds, the request is put to the Trustees at their next meeting or by email if the commitment is required in between meetings.

The following grants totalling £174,950 were made to the School and other charitable organisations during the period (2019: £236,313).

	School £	Other £
Scholarship & Bursary Funds	149,407	-
Sports Funds	3,197	522
Hardship 2020	-	5,000
Library	10,667	-
House Funds	6,157	-
	<u>169,428</u>	<u>5,522</u>

Of total grant payments of £174,950 (2019: £236,313), £nil (2019: £8,750) is unrestricted and £174,950 (2019: £227,563) is restricted expenditure.

A number of restricted funds continue to be held by the Foundation for projects which had not been completed at the end of the financial period. These included the House Funds, Capital Projects, the emergency Hardship Appeal, the Rugby fundraising project and funds for Scholarships and Bursaries.

### Endowments

The Foundation holds one endowment of £7,500 from which grants are made for the support of environmental and conservation projects, particularly for the Sedgwick Society.

A separate investment account for endowments is now held by Ruffer which was established with £150,000 made up of the previous endowment of £25,000 and a donation of £125,000.

The value of the endowed funds at the end of August 2020 was £169,532.

# The Sedbergh School Foundation

## TRUSTEES' REPORT

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### **Staff Changes**

A Development Intern was recruited in August 2018 for an initial period of 6 months to work with the Foundation and the OS Club on data quality and communications. His contract was made permanent after the 6 month period. He resigned this post in April 2020, and owing to budget cuts related to revised forecasted income for the final quarter of the year, he was not replaced.

### **RISK MANAGEMENT POLICY**

The Trustees regularly examine the major risks that the Foundation faces and seek to ensure that adequate systems are in place to minimise such risks. The Main risk identified would be a fall in donation income. This would be managed by a reduction in the number (or value) of grants paid out. The Audit committee have reviewed the previous policy and have updated this. The trustees have considered the effect of the COVID-19 pandemic on income and are satisfied that current risk management policies and procedures in place will suffice .

### **INVESTMENT AND RESERVES POLICY**

The Investment Committee appointed Ruffer to manage the Foundation's investments. There were two funds established one restricted for endowments and a general fund.

The Trustees' policy remains, however, to ensure that they can maintain a balanced budget to cover annual expenditure requirements and funding of specific projects, which are the subject of special appeals.

The Foundation carries out a periodic review of anticipated income from general or specific appeals and outgoings from planned donations. In the light of this review allocation of resources is made to:

- (a) ensure there is sufficient liquidity in current assets to meet planned donations and expenditure;
- (b) achieve an annual return on current assets and long term investments equivalent to market averages for similar investments.

Total current assets were £257,668 as at 31 August 2020 (2019: £161,370) mainly held in short term liquid investments, namely bank deposits.

The investment strategy for the Foundation funds under management is one of long term capital preservation. The role of the Audit Sub-Committee is to monitor performance and make recommendations to the Trustees. The Foundation funds under management were valued at £795,751. Overall, managed funds gained £42,000 in value over the period.

Long Term investments include the ownership of Guldrey Lodge which was valued by Hackney & Leigh at £400,000 on 17 January 2020 (2019: £400,000). The Trustees intend to hold this investment for the future benefit of the School and the current lease runs for 99 years. The Trustees estimate the market value at the year-end to be in line with the valuation, and therefore have recognised this valuation as market value within these financial statements. The trustees have agreed that they will get new valuations every 5 years as the figure does not materially affect the accounts or the running of the organisation. The next valuation will take place in 2024/5.

The total funds held by the Foundation at the year end were £1,439,223 (2019: £1,300,426), including restricted and endowed funds of £940,136 (2019: £785,309). These included cash balances of £222,670 (2019: £117,225) and investments, including property, of £1,202,457 (2019: £1,149,118).

The Trustees continue to monitor reserves closely should there be a reduction in the level of general fund donations to ensure that sufficient reserves are available to cover direct charitable expenditure, administration costs, fundraising costs, and support costs, without which the Foundation could not function. The reserves target is set at six months' day to day operating expenditure, which is assessed every quarter. The current level of unrestricted reserves at the year end amounted to £499,087 which is over 6 times the amount required.

Approved by the Board of Trustees on 27 January 2021 and signed on its behalf by:

AJN Bedford  
Chairman

# The Sedbergh School Foundation

## STATEMENT OF THE TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# The Sedbergh School Foundation

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE SEDBERGH SCHOOL FOUNDATION CHARITY

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I report to the Trustees on my examination of the accounts of The Sedbergh School Foundation ('the charity') for the year ended 31 August 2020, which are set out on pages 7 to 17.

### **Responsibilities and basis of report**

As the Trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the accounts present a 'true and fair view' and my report is limited to those specific matters set out in the independent examiner's statement.

### **Independent examiner's statement**

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me reasonable cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed

Name: John Guest

Name of applicable listed body: The Institute of Chartered Accountants in England and Wales

Relevant professional qualification or membership of professional body: Chartered Accountant

ON BEHALF OF RSM UK TAX AND ACCOUNTING LIMITED

Chartered Accountants  
3 Hardman Street  
Manchester  
M3 3HF

Date:

# The Sedbergh School Foundation

## STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 August 2020

	Notes	Unrestricted Funds 2020	Restricted Funds 2020	Endowed Funds 2020	Total Funds 2020	Total Funds 2019
		£	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations and legacies	1a	81,749	304,077	-	385,826	463,063
Investments	1b	52,338	-	-	52,338	65,139
<b>TOTAL</b>		<b>134,087</b>	<b>304,077</b>	<b>-</b>	<b>438,164</b>	<b>528,202</b>
<b>EXPENDITURE ON:</b>						
Raising funds	2	143,317	16,689	-	160,006	205,928
Charitable activities	3	-	174,950	-	174,950	236,313
Governance costs		6,800	-	-	6,800	5,120
<b>TOTAL</b>		<b>150,117</b>	<b>191,639</b>	<b>-</b>	<b>341,756</b>	<b>447,361</b>
Net gains / (losses) on investments	4	-	33,119	9,270	42,389	11,433
Revaluation of investment property	5	-	-	-	-	4,665
<b>NET (EXPENDITURE) / INCOME</b>		<b>(16,030)</b>	<b>145,557</b>	<b>9,270</b>	<b>138,797</b>	<b>96,939</b>
Funds transfer	10	-	-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>(16,030)</b>	<b>145,557</b>	<b>9,270</b>	<b>138,797</b>	<b>96,939</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		515,117	625,047	160,262	1,300,426	1,203,487
Total funds carried forward		499,087	770,604	169,532	1,439,223	1,300,426

The accounting policies and notes on pages 9 to 17 form part of these Financial Statements. The activities of the Foundation are classed as continuing.

# The Sedbergh School Foundation

## BALANCE SHEET

As at 31 August 2020

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	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Investment Property - Guldrey Lodge	5	400,000	400,000
Investments	4	802,457	749,118
		<u>1,202,457</u>	<u>1,149,118</u>
<b>CURRENT ASSETS</b>			
Cash and bank	6	222,670	117,225
Debtors	7	34,998	44,145
		<u>257,668</u>	<u>161,370</u>
CREDITORS: amounts falling due within one year	8	(20,902)	(10,062)
NET CURRENT ASSETS / (LIABILITIES)		<u>236,766</u>	<u>151,308</u>
TOTAL NET ASSETS	9	<u>1,439,223</u>	<u>1,300,426</u>
<b>FUNDS</b>			
Unrestricted funds		499,087	515,117
Restricted funds		770,604	625,047
Endowed Funds		169,532	160,262
	10	<u>1,439,223</u>	<u>1,300,426</u>

These financial statements were approved by the Trustees on 27 January 2021 and signed on their behalf:

A J N Bedford  
Trustee

AW Smith  
Trustee

# The Sedbergh School Foundation

## STATEMENT OF CASH FLOWS

For the year ended 31 August 2020

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	2020	2019
	£	£
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	138,797	92,274
(Gains) on investments	(42,389)	(11,433)
Investment income received	(52,338)	(65,139)
Decrease / (Increase) in debtors	9,147	(19,618)
Increase in creditors	10,840	3,438
	<hr/>	<hr/>
<b>NET CASH (USED IN) OPERATING ACTIVITIES</b>	64,057	(478)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	52,338	65,139
Proceeds from sale of investments	-	70,000
Purchases of investments	(10,950)	(38,118)
	<hr/>	<hr/>
<b>NET CASH FROM INVESTING ACTIVITIES</b>	41,388	97,021
 <b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR / PERIOD</b>	105,445	96,543
 <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR / PERIOD</b>	117,225	20,682
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR / PERIOD</b>	222,670	117,225
	<hr/>	<hr/>
 <b>REPRESENTED BY:</b>		
Cash at bank and in hand	222,670	117,225
	<hr/>	<hr/>

# The Sedbergh School Foundation

## ACCOUNTING POLICIES

for the year ended 31 August 2020

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### BASIS OF PREPARATION

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Sedbergh School Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The accounts have been prepared to give a “true and fair” view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a “true and fair” view. This departure has involved following 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 rather than the Accounting and Reporting Charities Statement of Recommended Practice effective from 1 April 2005 which has been withdrawn.

### GOING CONCERN

The Trustees have considered the likely level of income and expenditure for the foreseeable future, and the immediate impact of the COVID-19 pandemic. As grants are only awarded to Sedbergh School when sufficient funds are available, this enables the Foundation to continue to be a going concern despite any potential impact of the COVID-19 pandemic. The Trustees are satisfied that the charity can meet its obligations as and when they fall due. Accordingly, the going concern basis of preparation is appropriate for these financial statements.

### INVESTMENT PROPERTY

Investment properties are included in the balance sheet at market value or the trustees’ best estimate of market value.

Long Term investments include the ownership of Guldrey Lodge. The Trustees intend to hold this investment for the future benefit of the School and the current lease runs for 99 years. The trustees have agreed that they will get new valuations every 5 years as the figure does not materially affect the accounts or the running of the organisation.

### VALUATION OF INVESTMENTS

#### a) Paintings & books

Paintings & books are included in investments at cost.

#### b) UK Listed Investments

All investments are valued at market value as follows:

- i) Listed investments are valued at the mid-market value at the balance sheet date;
- ii) Fixed Interest securities are valued at the mid-market value at the balance sheet date;
- iii) All realised and unrealised gains and losses at the period end are recognised within the statement of financial activities.

# The Sedbergh School Foundation

## ACCOUNTING POLICIES

for the year ended 31 August 2020

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### STATEMENT OF FINANCIAL ACTIVITIES

Incoming resources and application of resources are included as follows:

- i) Dividends receivable are included as income when received.
- ii) Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.
- iii) Rental income receivable is recognised over the term of the lease.
- iv) Expenditure is charged to the Statement of Financial Activities on an accruals basis, it is not set off against income.
- v) Costs of generating funds are those costs incurred in attracting voluntary income. Charitable activities include expenditure in the form of grants to Sedbergh School. Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- vi) Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Foundation. Grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Foundation.

### FUND ACCOUNTING

The Fund has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

Unrestricted funds	Funds which may be used for the general purposes of the charity.
Restricted funds	Donations or legacies received which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the charity.
Endowed funds	Funds given to the Charity where the income may be used for general purpose but the capital must be retained.

### LIABILITIES

Liabilities are recognised when the Foundation has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### FINANCIAL INSTRUMENTS

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at cost and subsequently measured at their settlement value.

### JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, the trustee's are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

### KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

### INVESTMENT PROPERTIES

The trustees have valued the investment property based on the latest valuation performed in January 2020 and have determined that this remains the most accurate valuation of the property at the year end.

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

### 1 INCOMING RESOURCES

#### 1 a) Voluntary income and donations:

	Unrestricted	Restricted	2020 Total	2019 Total
	£	£	£	£
General Fund	56,522	-	56,522	61,950
Events & Merchandise	5,574	-	5,574	14,193
Legacies	19,653	-	19,653	31,206
Bursaries & Scholarships	-	104,059	104,059	153,055
Carus House	-	-	-	1,620
Hart House	-	381	381	2,498
Powell House	-	11,185	11,185	1,266
School House	-	2,708	2,708	1,454
Robertson House	-	1,382	1,382	1,921
Sedgwick House	-	3,344	3,344	2,565
Evans House	-	2,245	2,245	8,287
Winder House	-	-	-	1,342
Lupton House	-	336	336	2,008
Casterton SPS House	-	-	-	4,093
Casterton SPS School	-	-	-	2,958
Rugby	-	-	-	6,480
Cricket	-	-	-	7
Netball / Hockey	-	-	-	1,089
Chapel	-	7,008	7,008	36,751
General Capital	-	780	780	801
CECATS Centre	-	4,125	4,125	28,100
Archive	-	20	20	(820)
Friends of Casterton SPS	-	3,670	3,670	14,399
Charity	-	-	-	60
Library	-	-	-	16,000
Equestrian	-	522	522	-
Shooting	-	945	945	1,260
Sailing	-	15	15	-
Sports Centre	-	2,270	2,270	68,520
Rugby 2020	-	63,183	63,183	-
Hardship 2020	-	95,899	95,899	-
	<u>81,749</u>	<u>304,077</u>	<u>385,826</u>	<u>463,063</u>

#### 1 b) Investment income is analysed as follows:

	Unrestricted	Restricted	2020 Total	2019 Total
	£	£	£	£
Bank and building society interest	338	-	338	139
Rental income	52,000	-	52,000	65,000
	<u>52,338</u>	<u>-</u>	<u>52,338</u>	<u>65,139</u>

Of the donation income received in the prior year of £463,063, £107,349 was unrestricted income and £355,714 was restricted income.

All investment income received in the prior year was included within unrestricted income.

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

### 2 TOTAL RESOURCES EXPENDED

	2020	2019
	£	£
Costs of generating voluntary income:		
Staff costs	86,972	106,234
Fundraising costs (restricted and unrestricted)	19,726	36,746
Other	53,308	62,948
	160,006	205,928

Of expenditure on raising funds of £160,006 (2019: £205,928) £143,317 (2019: £193,379) was unrestricted and £16,689 (2019: £12,549) was restricted.

No Trustees or any persons connected with them have received any remuneration during the period. Total expenses of £148 (2019: £nil) were paid to 1 (2019: 0) Trustee. No depreciation provisions were charged during either period. Staff costs relate to 3 (2019: 3) staff members. Also included within staff costs above are employer's national insurance contributions of £4,487 (2019: £5,732) and employer's pension contributions of £7,279 (2019: £6,338). Governance costs include independent examiners remuneration totalling £6,800 (2019: £5,000) and all are unrestricted expenditure.

#### Staff Costs

No employees received emoluments, including benefits in kind, which exceeded £60,000.

#### Key Management Personnel

The foundation considered its key management personnel during the period to be the Foundation Director. The total employment benefits including employer NIC and pension contributions of the key management personnel were £64,835 (2019: £69,515).

### 3 GRANTS

Details of grants payable are disclosed within the Trustees' report on page 3.

### 4 INVESTMENTS

	UK Listed Investments	Paintings & books	2020 Total	2019 Total
	£	£	£	£
Market Value at 1 August 2019	742,412	6,706	749,118	769,567
Additions in period	10,950	-	10,950	38,118
Disposals at opening market value	-	-	-	(70,000)
Unrealised gain / (loss) on investments	42,389	-	42,389	11,433
	795,751	6,706	802,457	749,118

Material investments within the portfolio consist of:

	2020	2019
	£	£
Multi-Asset OEIC – Ruffer Absolute Return Fund	795,751	742,412
	795,751	742,412

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

### 5 INVESTMENT PROPERTY

Land and Buildings – Guldrey Lodge

	2020	2019
	£	£
Market Value at 1 August 2019	400,000	395,335
Revaluation	-	4,665
	<u>400,000</u>	<u>400,000</u>

A formal valuation was carried out as at 17 January 2020 by Hackney & Leigh, Chartered Surveyors, on the basis of open market value based on the assumed tenancy of Sedbergh School and this value was incorporated into the 2019 accounts. The Trustees have agreed that the valuation of the survey conducted in January 2020 would represent the Market Value rate for the period ending 31 August 2019.

### 6 AMOUNTS HELD AT BANKS

	2020	2019
	£	£
Cash at bank	222,670	117,225
	<u>222,670</u>	<u>117,225</u>

### 7 DEBTORS

	2020	2019
	£	£
Gift aid on donations reclaimable	18,641	41,613
Prepayments and accrued income	16,357	2,532
	<u>34,998</u>	<u>44,145</u>

### 8 CREDITORS: amounts falling due within one year

	2020	2019
	£	£
Accruals and deferred income	6,587	6,462
Amounts owed to Sedbergh School (note 11)	13,005	2,040
Other tax and social security	1,310	1,560
	<u>20,902</u>	<u>10,062</u>

### 9 ALLOCATION OF THE CHARITY'S NET ASSETS

At 31 August 2020:	Investment Property £	Other Investments £	Net current assets £	Total £
Unrestricted funds	400,000	6,706	92,381	499,087
Restricted funds	-	626,219	144,385	770,604
Restricted Endowed funds	-	169,532	-	169,532
	<u>400,000</u>	<u>802,457</u>	<u>236,766</u>	<u>1,439,223</u>

**The Sedbergh School Foundation**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2020

9 ALLOCATION OF THE CHARITY'S NET ASSETS (CONTINUED)

At 31 August 2019:	Investment Property £	Other Investments £	Net current (liabilities) / assets £	Total £
Unrestricted funds	400,000	55,464	59,653	515,117
Restricted funds	-	533,392	91,655	625,047
Restricted Endowed funds	-	160,262	-	160,262
	<u>400,000</u>	<u>749,118</u>	<u>151,308</u>	<u>1,300,426</u>

10 FUNDS

	Balances at 1 September 2019 £	Incoming resources £	Resources expended £	Funds transfer £	Revaluation/ Investment Gains £	Balances at 31 August 2020 £
<b>Current Year Movements</b>						
Unrestricted funds	515,117	134,087	(150,117)	-	-	499,087
Restricted funds	625,047	304,077	(191,639)	-	33,119	770,604
Restricted Endowed funds	160,262	-	-	-	9,270	169,532
	<u>1,300,426</u>	<u>438,164</u>	<u>(341,756)</u>	<u>-</u>	<u>42,389</u>	<u>1,439,223</u>
<b>Prior Year Movements</b>						
	Balances at 1 August 2018 £	Incoming resources £	Resources expended £	Funds transfer £	Investment (Losses) £	Balances at 31 August 2019 £
Unrestricted funds	545,228	172,488	(207,249)	-	4,650	515,117
Restricted funds	500,480	355,714	(240,112)	-	8,965	625,047
Restricted Endowed funds	157,779	-	-	-	2,483	160,262
	<u>1,203,487</u>	<u>528,202</u>	<u>(447,361)</u>	<u>-</u>	<u>16,098</u>	<u>1,300,426</u>

The Sedbergh School Foundation has various types of restricted funds for which it is responsible and which require separate disclosure. These are as follows:

	Current Year Funds Restricted funds	2019 £	Incoming resources £	Resources expended £	Funds transfer £	Investment gains £	2020 £
i)	Scholarship and Bursary Funds	316,978	104,059	(152,655)	-	33,119	301,501
ii)	House Funds	117,334	21,581	(6,877)	-	-	132,038
iii)	Cricket Appeal Funds	9,002	-	(2,893)	-	-	6,109
iv)	Friends of Casterton SPS	144	3,670	(659)	-	-	3,155
v)	Cyclosporitive	-	-	-	-	-	-
vi)	Capital Funds	155,142	14,183	(1,562)	-	-	167,763
vii)	Charity Funds	1,380	-	-	-	-	1,380
viii)	Lord Mayor's Year	-	-	-	-	-	-
ix)	Rugby 2020	-	63,183	(7,432)	-	-	55,751
x)	Hardship 2020	-	95,899	(8,372)	-	-	87,527
xi)	Other Funds	25,067	1,502	(11,189)	-	-	15,380
		<u>625,047</u>	<u>304,077</u>	<u>(191,639)</u>	<u>-</u>	<u>33,119</u>	<u>770,604</u>

**The Sedbergh School Foundation**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2020

10 FUNDS (CONTINUED)

<b>Current Year Funds</b>		2019	Incoming resources	Resources expended	Funds transfer	Investment gains	2020
Restricted Endowed funds		£	£	£	£	£	£
i)	Scholarship and Bursary Funds	152,762	-	-	-	9,270	162,032
xii)	Sedgwick Conservation	7,500	-	-	-	-	7,500
		<u>160,262</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,270</u>	<u>169,532</u>
<b>Prior Year Funds</b>		2018	Incoming resources	Resources expended	Funds transfer	Investment gains	2019
Restricted funds		£	£	£	£	£	£
i)	Scholarship and Bursary Funds	309,331	153,055	(154,373)	-	8,965	316,978
ii)	House Funds	103,643	30,012	(16,321)	-	-	117,334
iii)	Cricket Appeal Funds	9,114	7	(119)	-	-	9,002
iv)	Friends of Casterton SPS	4,206	14,399	(18,461)	-	-	144
v)	Cyclosporptive	-	-	-	-	-	-
vi)	Capital Funds	56,081	134,172	(35,111)	-	-	155,142
vii)	Charity Funds	1,520	60	(200)	-	-	1,380
viii)	Lord Mayor's Year	-	-	-	-	-	-
xi)	Other Funds	16,585	24,009	(15,527)	-	-	25,067
		<u>500,480</u>	<u>355,714</u>	<u>(240,112)</u>	<u>-</u>	<u>8,965</u>	<u>625,047</u>
<b>Prior Year Funds</b>		2018	Incoming resources	Resources expended	Funds transfer	Investment gains	2019
Restricted Endowed funds		£	£	£	£	£	£
i)	Scholarship and Bursary Funds	150,279	-	-	-	2,483	152,762
xii)	Sedgwick Conservation	7,500	-	-	-	-	7,500
		<u>157,779</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,483</u>	<u>160,262</u>

The following make up restricted funds:

- i) The Scholarship and Bursary Funds are used to provide fee assistance for specific pupils at Sedbergh School. The endowed element is held to earn interest which is used to fund the assistance.
- ii) The House Funds are used to support bursaries and improvements to boarding houses of Sedbergh School.
- iii) The Cricket Appeal Funds are used for specific projects associated with cricket.
- iv) The Friends of Casterton SPS Fund is used to improve facilities, provide equipment and support activities at the Prep School.
- v) The Cyclosporptive Fund is no longer active.
- vi) The Capital Funds represent donations to develop the Hirst Sports Centre and other small capital projects across the Schools. Where projects are completed the balance on funds have been transferred to a Capital General Fund.
- vii) Charity Funds are restricted for specific charities that are being supported by the school or individuals namely Air Ambulance and Kenya Orphanage.
- viii) Lord Mayor's Year, these funds were generated from the events which took place during Sir Roger Gifford's year in office. During the prior period these funds were transferred to the Roger Lupton Scholarship fund.
- ix) The Rugby 2020 Funds are used to support Rugby activities relating to the 2020 Tour to South Africa
- x) The Hardship 2020 Funds are used to support Sedbergh families suffering from financial hardship as a result of the pandemic.
- xi) Other funds comprise various separate funds, all for the benefit of the School or pupils.
- xii) The Sedgwick Conservation Society Fund is an endowment and is used to fund environmental projects and school trips associated with the study of ecology.

# The Sedbergh School Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

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### 11 RELATED PARTY TRANSACTIONS

During the year, grants amounting to £169,428 (2019: £234,672) were payable to Sedbergh School (“the School”), an entity which is related by virtue of four common trustees. As at 31 August 2020, £13,005 was owed to the School (2019: £2,040 was owed to the School).

The Foundation has a lease agreement with the School for the rental of Guldrey Lodge, at a current rent of £52,000 p.a. This has been invoiced and paid by the school during the period. The rent is reviewed annually in accordance with the specific terms of the lease agreement.

### 12 FINANCIAL INSTRUMENTS

	2020	2019
	£	£
Financial assets held at amortised cost	34,998	44,415
Financial liabilities held at amortised cost	20,902	10,062
Equity Instruments held at market value	802,457	749,118