

# 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:

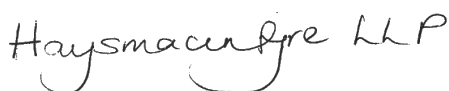
- Inspecting correspondence with regulators;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals 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  
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>		<b>1,599,226</b>	<b>1,750,569</b>	<b>-</b>	<b>3,349,795</b>	<b>438,164</b>
<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>		<b>129,817</b>	<b>482,540</b>	<b>-</b>	<b>612,357</b>	<b>341,756</b>
<b>NET INCOME BEFORE GAINS ON INVESTMENTS</b>		<b>1,469,409</b>	<b>1,268,029</b>	<b>-</b>	<b>2,737,438</b>	<b>96,408</b>
Net gains on investments	4	-	85,965	22,000	107,965	42,389
Revaluation of investment property		-	-	-	-	-
<b>NET INCOME</b>		<b>1,469,409</b>	<b>1,353,994</b>	<b>22,000</b>	<b>2,845,403</b>	<b>138,797</b>
Funds transfer		-	-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>1,469,409</b>	<b>1,353,994</b>	<b>22,000</b>	<b>2,845,403</b>	<b>138,797</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		499,087	770,604	169,532	1,439,223	1,300,426
<b>Total funds carried forward</b>		<b>1,968,496</b>	<b>2,124,598</b>	<b>191,532</b>	<b>4,284,626</b>	<b>1,439,223</b>

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 £
OPERATING ACTIVITIES		
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
	<hr/>	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,236,312	64,057
INVESTING ACTIVITIES		
Investment income	52,075	52,338
Purchases of investments	(62,150)	(10,950)
	<hr/>	<hr/>
NET CASH (USED)/PROVIDED BY INVESTING ACTIVITIES	(10,075)	41,388
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR	1,226,237	105,445
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	222,670	117,225
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,448,907	222,670
	<hr/>	<hr/>
REPRESENTED BY:		
Cash at bank and in hand	1,448,907	222,670
	<hr/>	<hr/>
ANALYSIS OF NET DEBT		
	At 1 September 2020 £	Cash flows £
Cash at bank and in hand	222,670	1,226,237
	<hr/>	<hr/>
		At 31 August 2021 £
		1,448,907
		<hr/>

# 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	-
	<u>1,547,151</u>	<u>1,750,569</u>	<u>3,297,720</u>	<u>385,826</u>

#### 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
	<u>52,075</u>	<u>-</u>	<u>52,075</u>	<u>52,338</u>

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>
Market Value at 31 August 2021	965,866	6,706	972,572	802,457
	<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

### 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

	Investment Property	Other Investments	Net current assets	Total
	£	£	£	£
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>

	Investment property	Other investments	Net current assets	Total
	£	£	£	£
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

	Balances at 1 September 2020	Income	Expenditure	Investment gains	Balances at 31 August 2021
	£	£	£	£	£
<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>

	Balances at 1 September 2019	Income	Expenditure	Investment gains	Balances at 31 August 2020
	£	£	£	£	£
<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.