MILLFIELD

England & Wales · Charity number 310283

Details

Other names	MILLFIELD SCHOOL LIMITED
Status	Registered
Legal form	Charitable company
Company number	00522385
Registered	1963-11-05
Register	View on the Charity Commission register

Contact

Address	Millfield Street Somerset BA16 0YD
Phone	01458444596
Email	shaw.m@millfieldschool.com
Website	www.millfieldschool.com

Activities

Objects: THE OBJECTS FOR WHICH THE CHARITY IS ESTABLISHED (THE "OBJECTS") ARE TO ESTABLISH AND MAINTAIN AT MILLFIELD IN THE COUNTY OF SOMERSET A SCHOOL OR SCHOOLS FOR THE EDUCATION OF BOYS AND GIRLSAND YOUNG MEN AND YOUNG WOMEN AND TO GIVE TO SUCH PUPILS GENERAL OR SPECIALISED INSTRUCTION OF THE HIGHEST CLASS BUT SO THAT EACH SUCH SCHOOL SHALL BE CARRIED ON AS AN EDUCATIONAL CHARITY AND AS AN INDEPENDENT OBJECT TO ESTABLISH OR ACQUIRE AS A GOING CONCERN, AND CARRY ON, SUPPORT OR MANAGE ELSEWHERE, ANY SUBSIDIARY OR AFFILIATED SCHOOLS.

Activities: The education of children and young people within Millfield School and Millfield Prep School (including Pre-Prep); the development of associated extra-curricular activites; the operation of educational and recreational courses.

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Classification

- **How:** Makes Grants To Individuals, Provides Services
- **What:** Education/training
- **Who:** Children/young People

Geography

- Somerset

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£70,659,000	£64,187,000	£74,473,000	1092
2024-08-31	£69,811,000	£62,035,000	£67,512,000	1079
2023-08-31	£64,058,000	£57,859,000	£60,769,000	647
2022-08-31	£57,879,000	£54,221,000	£50,414,000	617
2021-08-31	£47,586,000	£47,039,000	£42,283,000	632
2020-08-31	£43,869,000	£49,754,000	£40,279,000	667

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Trustees

Name	Role	Appointed
ROLAND DACRE RUDD	Chair	2016-03-18
Behdad Alizadeh		2022-06-17
DR Peter Marston Warner		2016-11-25
Douglas Bazil Anthony Pinto		2020-08-13
Dr Nicola Suzanne Della Valle		2019-11-23
Giles Alexander Hastings		2025-06-24
Helen Clare Donovan		2025-02-06
JOHN RENNIE MAUDSLAY		2016-06-17
Janet Elizabeth Mitchell		2020-03-20
Louise Alison Simpson		2025-05-15
Michael Gerald Brotherton		2025-06-24
Nicholas William Maddock		2023-02-03
Oliver Richard Welsby		2020-08-13
ROSIJI OLAKITAN SOLUADE		2021-03-19
Robert Mark Abernethy		2023-09-29
Robin Charles Fletcher		2025-06-24
Ross Westgate		2025-05-23
Samuel Alexander Bradley		2025-05-01
Sara Symington		2025-05-01
TIMOTHY PHILIP GRIFFITHS		2017-03-24

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MILLFIELD

England & Wales - Charity number 310283

Accounts



ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

for the year ended

31 August 2025

Company number: 00522385
Registered Charity Number: 310283

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The Governors present their Annual Report and Consolidated Financial Statements for the year ended 31 August 2025 and confirm that they comply with the requirements of the Charities Act 2011, the Companies Act 2006, and the Charities SORP FRS 102.

The Governing Body confirms that the financial statements comply with the charity's governing document, with current statutory requirements, with applicable accounting standards in the United Kingdom, and with the Charities Statement of Recommended Practice (FRS 102) – Second Edition. The Governors of Millfield ("the School") are the School's charity trustees under charity law and the directors of the charitable company. The School's Governors, advisors and key staff are set out on pages 52-53.

REVIEW OF THE YEAR

Principal Achievements and Performance

Educational Performance

Millfield is a large, independent school with around 1,300 students at the senior school site and 400 at the prep school site. Our students are a diverse cohort with over 300 international students from 75 different countries represented within the student body, and a further 150 or so British students living abroad. The scale of our community, combined with the resources and facilities we offer, means our scale brings educational opportunity. Our unique selling points are the wide range of sporting and other activities, coaching and facilities that students enjoy alongside their academic education and our full boarding mix. The capacity to engage children at many different levels is central to life at Millfield and we offer countless opportunities across many different learning contexts, both inside and outside the classroom. Talented and committed staff work with our children to achieve these ends.



With an average year group size of 250 students in Year 11 and 300 students in the Upper Sixth, Millfield has a much larger number of candidates sitting GCSEs and A levels. The results of our top 100 students for GCSE and A level, which is a number comparable with the size of other schools, compares extremely well with highly selective schools. Over 60 students gain funded scholarships in academics and sport to US universities. Every year we have students gaining places at Oxbridge, as well as many going on to the Russell Group Universities. Students also gain highly sought after places at universities to study subjects such as medicine, dentistry and veterinary.

Principal Achievements and Performance (continued)

	A level Results			GCSE Results	
	Top 100	Year Group		Top 100	Year Group
A* - A	61.7%	31.0%	9 – 7 or A* - A	77.0%	40.7%
A* - B	94.9%	61.6%	9 – 5 or A* - B	98.4%	78.5%
A* - C	100.0%	83.4%	9 – 4 or A* - C	99.9%	91.3%
A* - E	100.0%	98.8%	9 – 2 or A* - E	100.0%	97.7%

There were also strong results from students who took Advanced Vocational Qualifications. Upper Sixth students were offered A level equivalent (level 3) BTEC courses including the BTEC Extended Diploma in Art & Design, the BTEC National Diploma in Enterprise & Entrepreneurship and the BTEC Diploma in Sport. Students also had the options of a single A level equivalent qualification in the BTEC Extended Certificate in Music Performance or the Level 3 Diploma in Food & Nutrition.

	BTEC Results	
	BTEC Only	Incl. level 3 Food Science & Nutrition
Dist.* - Dist.	83.6%	78.8%
Dist.* - Merit	99.0%	99.1%
Dist.* - Pass	100.0%	100.0%

Millfield continues to develop unique programmes including, the "Year 9 Programme" and the "Sixth Form Programme". Moreover, we continue to innovate educationally, with the introduction of a Year 11 entry point to Millfield from September 2025 called "11@Millfield". Students are all able to partake in the Millfield Activities Programme offering and obtain a Millfield Diploma at the end of Year 9, 11 and Upper Sixth.

University Destinations

Millfield has a strong track record in supporting students in deciding which university or college is best for them. Our Futures Department is resourced to provide guidance to meet individual aspirations, whatever a student's ambitions, whether it is Oxbridge, Russell Group, specialist colleges, American and international universities, apprenticeships or gap years.



2025 Futures headlines

- 84% of cohort (255) secured Higher and Further Education places across the world.
- 154 students have been accepted by the UK's 'Top 30' universities.
- 42 students have places to overseas universities including six US Ivy League universities and Stanford. Switzerland, Spain and Dubai are popular destinations internationally.
- Four students accepted places at Oxbridge.
- Four students gained highly competitive places to study medicine.
- 15% opted for a Gap Year or Post-Results application

Popular university choices include Bath, Bristol, Cardiff, Exeter, Loughborough, Oxford Brookes, Surrey and University of the Arts, London (UAL).

Principal Achievements and Performance (continued)

There are a total of nine students taking up offers at other overseas universities. Destinations include: Canada, Republic of Ireland, Spain, The Netherlands, Switzerland, Dubai, Romania and China. Furthermore:

- Five students will be taking up professional sport.
- Four students will be either joining the military or taking up apprenticeships
- 44 students are intending on taking a gap year.

All students who do not have any career or HE plans are offered 1:1 specialist career advice before leaving Millfield and are supported by the Futures Department and the Old Millfieldian "OMs" Society after they leave.

US university applicants

North American application numbers continue to rise, Millfield supports students with SAT classes and is one of few SAT test centres in the UK which means that students do not need to leave the campus to take their SAT entry exam.

33 of our leavers and a further 16 OMs have accepted offers at US universities with a large number in receipt of significant academic and/or sports scholarships to a total value of $12M. Some notable acceptances include the following top 20 US ranked institutions: University of Chicago, Columbia University, Cornell University, Duke University, University of Pennsylvania, Princeton University, Stanford University and Yale University.



Students

A review of the students' principal achievements and performance in the year is available from the School's website in 'The Year at Millfield 2024/25' and 'The Year at Millfield Prep 2024/25' publications. Highlights include:

- Millfield was named Co-Educational School of the Year at the annual Independent School of the Year awards, recognised for their determinedly inclusive approach in every area of education.

Principal Achievements and Performance (continued)

- Four students received offers into Oxbridge and a further four were accepted onto competitive medicine courses.
- Thirty-three students secured places at prestigious US universities, earning scholarships worth $12 million. Destinations include the University of Pennsylvania (UPenn), Princeton and the University of Florida.
- Millfield and Millfield Prep School were named as the Best Sports School for the 11th time in 12 years by School Sport Magazine. The accolade comes during another year of outstanding sporting achievements.

The Year 9 Programme offer a curriculum, both inside and outside the classroom, stretching and challenging each young person to make learning even more inspiring and involving. The academic curriculum offers an exceptionally wide range of subjects, all tailored to each pupil's learning ability. This is combined with an outstanding sport and co-curricular programme with a focus on learning in the outdoors, making the most of Somerset's wonderful resources on our doorstep. The outdoor adventure aspect allows them the opportunity to try things they might otherwise not experience and to participate in the Duke of Edinburgh Bronze Award challenge should they wish. This delivers a dynamic and diverse programme that engages and connects our pupils with limitless academic, artistic and sporting outcomes by discovering and nurturing their talents and passions.



The Sixth Form Programme recognises the academic, sporting and co-curricular opportunities already in place and complements these with the Millfield Brilliance Award ("MBA") to assist the students' development as young adults across a range of areas. The MBA award continues to flourish, with a growing number of exciting projects which have seen our students become further involved in our local community.

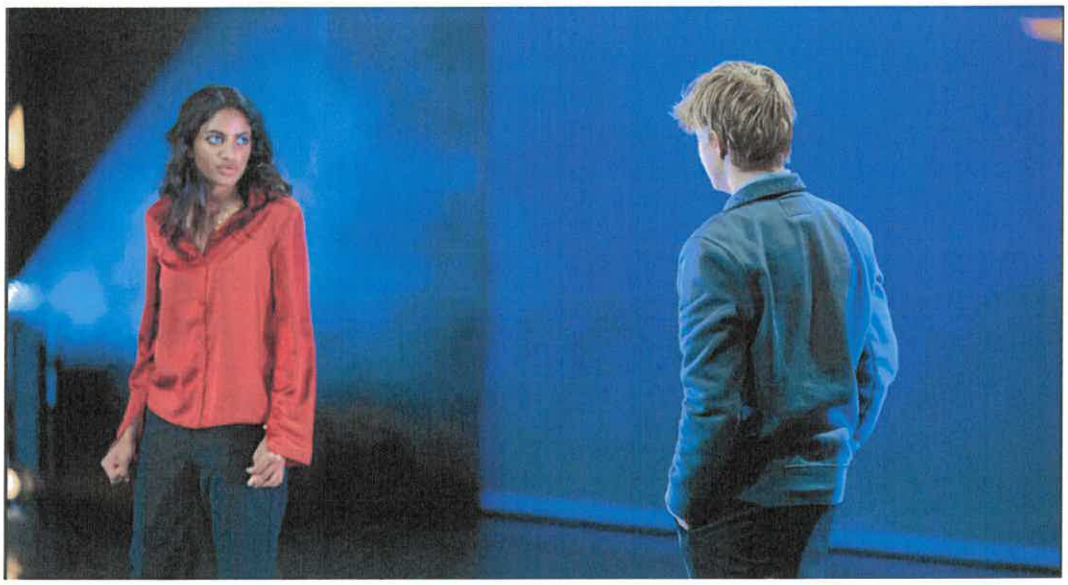
The 11@Millfield one year course offers GCSE Maths and English, with internal courses in science, humanities, computing and languages. Students also follow a research skills course, with the option of submitting a HPQ for external certification. Students are admitted to Sixth Form from this course on the same criteria.

In line with Millfield's philosophy of providing an excellent all-round education, the school runs the Millfield Activities Programme (MAP) for all year groups in the senior school. The purpose of MAP is for students to experience a range of activities and develop skills beyond those in the core curriculum or core games and sports programmes. Hence, whilst composition varies seasonally, and with interest from staff and students, suitable MAPs diversify the student learning experience and cater for all standards and abilities. Over 100 different activities are currently offered during the course over the year.

Principal Achievements and Performance (continued)



The Millfield Diploma was launched in September 2024 and draws together the wide variety of courses and activities on offer at Millfield. Students track their achievements in the categories of Academics, Academic Culture, Sports, Co-curricular, Community and Our World. Based on agreed criteria students obtain Bronze, Silver, Gold or Platinum Diplomas at the end of Year 9, Year 11 and Upper Sixth.



Staff

Despite some staff changes due to the implementation of VAT on fees the teacher ratio stands at 6.7:1. At the date of this report there were 1,107 employees on the payroll. The pupil roll is 87 pupils at Pre-Prep, 352 pupils at the Prep and 1,293 Students at the senior school. Recruitment of teachers fell in September 2025 with only 8 new teachers joining Millfield Senior in September 2025. The calibre of staff remains high across all areas of the school. We continue to commit to ensuring that Millfield provides equal opportunities in recruitment and employment. Staff across all areas of the school have the opportunity to access a variety of wellbeing opportunities and CPD initiatives.

Principal Achievements and Performance (continued)

Development of Facilities and Resources

The focus this year continues to be the maintenance of our existing facilities, infrastructure, and resources. Millfield invested £4.9 million (2024: £9.4 million) into facilities and infrastructure improvements during the year and some of the work included the following:

- Complete Phase 2 the external fabric improvement and internal improvement of ADT teaching block (£1.2m)
- Re-roofing including partial re-glazing and enhanced insulation to the Library building (£1.2m)
- Replacement of heating and hot water systems to various buildings, operational and boarding and installation of control systems (£0.45m)
- Fire alarm replacements (£0.15m)
- Infrastructure improvements including new pumped rising mains and pump station (£0.2m)
- Staff housing refurbishments – Gipsy & Edgarley Mews (£0.3m)
- Development of IT provision to enhance cyber-security
- Boarding house sanitary refurbishments (£0.2m)
- CCTV infrastructure upgrades

The School continuously reviews its long-term capital investment masterplan to ensure it retains best value academic, sports, boarding house, day house and welfare facilities.

Investments

Millfield does not hold any investments of its own. Millfield Foundation a subsidiary of Millfield holds two investment portfolios. Millfield Foundation continues to act custodian of these funds for Millfield. Donations received by the Foundation are invested directly through appropriately qualified investment managers with investment returns donated back to Millfield. This donation is used by Millfield to support its scholarships and bursaries provision.

The Trustees aim to hold a balanced portfolio of assets that will achieve long-term growth from capital appreciation and income in excess of the Consumer Price Inflation index ("CPI") without exposing the Charity to undue risk. Investments held at year end were £6,545,100 (2024: £6,192,485). The investments generated income, including interest, of £124,757 (2024: £147,803) during the year and generated a net gain on revaluation at year end of £562,162 (2024: £773,507). The value and allocation of the Millfield Foundation Charity's investments as at 31 August 2025 and 2024 are:

Investment Manager	**2025**			**2024**	
	£	%		£	%
W1M Investment Management Limited	4,633,038	70.8%		4,485,184	72.4%
Vanguard Investments UK Limited	1,912,062	29.2%		1,707,301	27.6%
	6,545,100	100.0%		6,192,485	100.0%

The day-to-day management of the Foundation's investment portfolio has been delegated to W1M Wealth Management Limited (previously Waverton Investment Management Limited) and Vanguard Investments UK Limited, who the Trustees monitor on a regular basis via the Finance & Investment Committee.

The investments held with W1M remain in a bespoke, actively managed fund which excludes 'sin' stocks, including non-renewable energy companies. The Trustees noted that the ESG Index fund held with Vanguard provides further diversity. It has been agreed that W1M will report bi-annually to the Finance and Investment Committee and annually to the Millfield Foundation Board. The investment mandate and objectives were reviewed in the year and the Trustees continue to adopt a balanced approach.

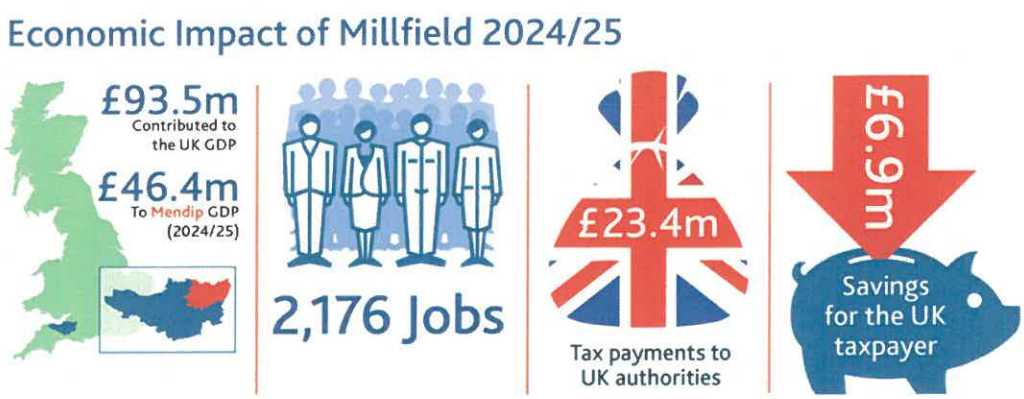
Public Benefit

At Millfield, we have committed to transforming lives through education. With Millfield's unique history we want to lead on effective partnerships with schools and other local education groups and this has been prioritised through our recently updated strategic objectives.

Our focus in 2024/25 has been to build relationships with local schools and the community through the broad range of opportunities on offer. A sample of the events and activities is included in the bullet points below.

Developing these links has led to establishing The Somerset Partnership, which will be formally announced in November 2025: The Somerset Partnership. For its inaugural year 24 state schools and 2 independent schools in Somerset have committed to working together to improve the lives and life chances of the children and families in their communities. Partner schools will collaborate on two key areas where schools have identified the need for support: professional development and student experience opportunities.

The partnership provides a mechanism to develop our strategic objective of leading on effective partnerships with schools and other local groups by delivering an offer which responds to local needs. By involving Millfield students in student experience activities we will also develop our strategic objective to provide our students with experience of entrepreneurship, resilience, service, inclusion and kindness and prioritise this as a central part of a Millfield education.



Professional Development Opportunities

- Geography Subject Leadership Day delivered subject specific guidance for 20 primary school teachers, including an external speaker. This was prepared and hosted by Millfield staff with no cost to participants. Subject specific training days will continue as part of The Somerset Partnership.
- 'TeachMeet' opportunities in Business, Careers, ELSA and PSHEE. An opportunity to discuss, share and network with teachers / professionals across Somerset.

Academic Enrichment

- Weekly Chinese lessons delivered in 3 primary schools, along with cultural workshops and an annual food festival.
- Weekly art activities delivered through our Millfield Brillance Award (MBA) programme, with Millfield students volunteering to work with local primary pupils.
- Annual History and Politics and Biology and Psychology Symposium, engaged hundreds of pupils from local schools.
- During science week we welcomed circa 500 pupils for events run by our staff. Our annual physics show was attended by 337 children from 5 primary schools, and 161 pupils from 4 primary/infant schools also attended a talk and animal greet session with keepers from Longleat.
- The science department regularly supports local schools with dissection lessons to enhance their learning experiences, covering circa 100 pupils this year.

Public Benefit (continued)

- For its second year, the Physics Olympics saw an increase in attendance to 96 pupils from 13 schools, with many schools returning with new cohorts, following the successful inaugural event. Millfield students play an active role in supporting the younger pupils with the challenges.
- The annual Millfield Maths Team Challenge saw 50 pupils from 8 schools take part in an event organised by our staff and supported by Millfield students.
- The maths department also hosted a Primary Maths Team Challenge event for Year 5/6 pupils from 5 local primary schools.
- Millfield's Computational Thinking Shield welcomed 114 students from across the South West of England for a competition aimed to inspire and challenge pupils in the fields of problem-solving, teamwork and logical thinking.

Careers and Work Experience

- The Futures Fair connected over 30 pupils from a local college and specialist school with representatives from universities, employers, and apprenticeship providers.
- Head of Futures and Old Millfieldian attended local primary school Careers Afternoon to share their guidance and experience.
- Through the Somerset Education Business Partnership, 5 members of the Enterprises team attended a Year 10 mock interview morning at a local secondary school and provided a highly beneficial interview experience for their pupils students.

Community Engagement and Support

We continue to advertise our 'What's On' brochure to welcome the local community to participate in a variety of events and talks. This will also be made available via the community calendar within The Somerset Partnership website, to broaden the invitation. Events include music concerts, academic talks, dance and drama productions, art exhibitions and sport showcases.

- Annual Community Day:
  - A key event in our calendar where the school opens its facilities for a day of activities for local residents, with ca. 900 guests welcomed in June 2025. The entire Millfield community supports and runs the event, including over 1,000 students and 150 staff. The staff costs for the day are covered by Millfield.
- Sport:
  - Over 11,000 visits from local clubs for training and competitions.
  - Hosted local club Tor RFC for training on our playing fields.
  - Eric Blackman rugby festival for state schools.
  - KS2 Inclusive Athletics Event with Panathlon, supported by our student sport leaders. This is our third year of hosting and running this event with Somerset Activity & Sports Partnership (SASP).
- Arts and Cultural Access:
  - The Atkinson Gallery hosted exhibitions promoting sustainability and creativity.
  - Our sculpture trail is regularly booked as a school trip option and members of staff run the tour.
  - Dance workshop delivered to 60 pupils in a local primary school to support their creative arts opportunities.
  - Millfield Community Choir runs weekly between September and March, involving ca. 60 Millfield students and 100 external participants, culminating in an annual performance with Millfield students at Wells Cathedral.
  - Special matinee performance of our production of Wendy & Peter Pan for 100 local primary pupils.

Public Benefit (continued)

- Millfield Brilliance Award (MBA) – student volunteer opportunities included:
  - Hosted and ran tea dances for local community.
  - Volunteered at local gardens and charity shops.
  - Christmas Shoe Box Appeal appeal run entirely by the student body, involving students collecting and distributing a range of gifts within the local community.
- Millfield Enterprises:
  - Through the Government's Holiday Activities and Food (HAF) programme, administered via Somerset Activity & Sports Partnership (SASP), we delivered 333 places across Easter and Summer on Performing Arts, Football Fusion, and Multi-Activity courses.
  - Provision of swimming pool space at cost to local primary schools to facilitate their aquatic PE lessons has continued to grow, now hosting four local schools.
  - Glastonbury and Street Lions Club sponsored swim took place, and the local Scout group use the climbing wall free of charge.
  - Hosted three local schools for their end-of-term programmes and this continues to be offered at cost price only.
  - The returning Somerset Youth Orchestra and Girls Regional Football Tournament organised by the Somerset FA attended by 30 under 10s, 12s, 14s and 16s teams from across the region, continues to be offered at cost price only.
  - Hosted the Lord's Taverners Wickets residential cricket initiative a camp of underprivileged children from inner city areas.
  - Provided 7 course vouchers (total value £1,627) as raffle prizes to local clubs and schools.
  - On top of the above we had hundreds of hires across the year for local groups for their weekly activities.

Section 172 (1) Companies Act 2006

The Governors comply with the requirements of section 172 (1)(a)-(f) using the proven organisational management approach included within the Structure, Governance and Management section of this report (see pages 14-17) as follows:

(a) "The likely consequences of any decision in the long term" – all strategic matters are considered by Governors in one or more of the four committee termly meetings with papers provided in advance by the Millfield Executive Group ("EG") after it has completed its own internal review. Once a matter has been considered and discussed, the relevant committee makes a formal recommendation to the Full Governing Body for it to consider at its meeting before a final decision can be made. This "three" tiered approach ensures strategic long-term decisions are rigorously considered before being implemented.

(b) "The interests of the company's employees" - as a leading independent school, Millfield's employees and facilities are the key variables for its community. The approach to employee interests is included under the Employee Involvement and Equal Opportunities section on page 16. The Head of HR is part of the Executive Group and employee matters are considered as appropriate at each of the four governor committee meetings as well as at full governing body meetings.

(c) "The need to foster the company's business relationships with suppliers, customers and others" – Millfield makes a significant contribution to the local economy as is evidenced from the data included under the "*Public Benefit*" section and the Governors in the "Building and Finance Committee" and "Audit, Compliance and Risk Committee" review processes and procedures in place to ensure consistency and fairness of approach in dealings with suppliers and customers.

(d) "The impact of the company's operations on the community and the environment" – as an independent school with charitable status, Governors appreciate the importance of our impact on the local community and the environment. Millfield takes this aspect very seriously as shown by the initiatives included within the "*Public Benefit*" section of this report.

(e) "The desirability of the company maintaining a reputation for high standards of business conduct" – the Governors rely on the Executive Group ("EG") and the Senior Leadership Teams ("SLT") at Millfield and Millfield Prep to both maintain and comply with internal policies and procedures approved by the governor committees to ensure high standards of business conduct are maintained.

(f) "The need to act fairly as between members of the company" – The Governors, as members, sign a "Code of Conduct for Governors of Millfield School" which includes a requirement to comply with the Nolan principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership and there are policies and procedures in place to support the adherence to this code of conduct.

Future Plans

The current purpose, vision and values previously set in 2019 remain valid and provide a totem pole from which to hold all members of the School community accountable. Millfield's founding philosophy and intake demand a unique approach. Most students choose Millfield because of our unique offer in the following key areas:

- Sport
- Full Boarding Provision
- Opportunities
- Facilities
- Additional Education Needs.

Our strategic objectives have been refined to focus on these areas and upon and be sector leading in these areas.

Our Purpose is to break the mould as an activist educator and provide an education and an experience that honours the individual.

Our Vision is to be the world leaders for the development of children.

Our Mission

- Discover brilliance in every child and transform lives through education.
- Be the world's best at immersing children in limitless academic, creative and sporting opportunities, in a full boarding environment.
- Create an environment which fosters disruptive leadership and wellbeing.

The School's 5 year Strategic Objectives have been updated and are:

1. **Millfield will discover sporting, academic and creative brilliance in every child**.
   Millfield's unique philosophy will facilitate a tailored approach for talented children and offer a transformational experience for all children to ensure they are supported and challenged. Millfield will be a beacon of excellence for children with Additional Educational Needs. We will design learning opportunities to elevate and challenge with high quality support from peers, teachers and coaches.

2. **Millfield will develop leaders and disruptors, prepared for the next stage of life.**
   Millfield's scale and structure offers unrivalled opportunities for all in experience of entrepreneurship, resilience, service, inclusion, kindness and achieving success through hard work.

3. **Millfield will champion physical and mental wellbeing**.
   Millfield's sector defining holistic approach places health, happiness, wellbeing and self-efficacy for children and staff, with a focus on children with neurodivergent traits, at the centre of all that we do. Millfield will lead the debate in this area.

4. **Millfield will lead on transforming lives through education**.
   Millfield's unique history prompts us to lead on effective partnerships with schools and other local education groups and on the provision of life-changing bursaries and contribution to the national debate on access to education and sport.

5. **Millfield will define the future of Full Boarding**.
   Millfield recognises the fundamental significance and benefits of the full boarding ethos and provision. Millfield will develop a global, sustainable, modern and welcoming full boarding experience that is an enabler for development.

Our focus for the year ahead will include:

- continuing to embed the Schools' Values;
- offering the highest standard of experience to pupils;

Future Plans (continued)

- focus on efforts to raise funds to support the Foundation in securing bursary funding;
- establishing a group of UK nurseries and exploring international expansion;
- development of the School's masterplan on a sustainable long-term basis.

Objects, Aims, Objectives and Activities

Charitable Objects

The School's principal activity is the education and pastoral care of its students, reflecting the objects set out in the Articles of Association, which are:

"to establish and maintain at Millfield in the County of Somerset, a School or Schools for the education of boys and girls, and young men and young women and to give to such students general or specialised instruction of the highest class but so that each such School shall be carried on as an educational charity and as an independent object to establish and acquire as a going concern, and carry on, support or manage elsewhere, any subsidiary or affiliated Schools".

In setting the School's objectives and planning activities the Governors have given due regard to the latest guidance on public benefit published by the Charity Commission.

Structure, Governance and Management

Governing Documents

Millfield ("the company" or "the School") is a company limited by guarantee, first incorporated as Millfield School Limited on 4 August 1953 and constituted under Memorandum and Articles of Association dated 9 November 1979 and last amended on 23 November 2019. It is also a registered charity, number 310283.

Group Structure and Relationships

The School provides independent (boarding and day) education for boys and girls between the ages of 2 and 7 years (Millfield Pre-Prep – day only), 7 and 13 years (Millfield Prep) and 13 and 18 years (Millfield).

In addition to its principal activity, the School also operates a wide variety of educational and recreational holiday courses, retail outlets and related activities, some of which are carried out through a trading subsidiary company, Millfield School Enterprises Limited. All surpluses from these activities are reinvested in the School for the benefit of its principal educational activity. The School also owns 100% of the share capital of Millfield Overseas Limited, a company incorporated on 21 December 2012 and Millfield Nurseries Limited (MNL), a company incorporated on 29 March 2024. Millfield Overseas Limited is dormant and has been so since incorporation. During this year, MNL acquired its first nursery on 4 April 2025, 'Dolphins Childcare Centre' in North Petherton, it commenced trading on 6 April 2025. Based on its acquisition cost and current forecasts, it is expected to payback in three years. Whilst non-Millfield branded, the School has leveraged its resources to raise standards of care and infrastructure. The Directors of MNL are regularly updated on further nursery acquisition opportunities.

On 23 August 2022 Millfield Foundation's (company number: 06370560) Articles of Association were amended by special resolution, effective from 1 September 2023. These Articles state that the majority of Trustees holding office at any one time are nominated by Millfield. Millfield is deemed to have effective control over Millfield Foundation board and therefore its balance sheet was transferred into the group effective 1 September 2023, and its results have been consolidated into Millfield's group accounts since then.

Investment Powers and Policy

There are no specific restrictions on the Governors' investment powers; where necessary Governors seek the advice of qualified investment advisors prior to making any investments.

Structure, Governance and Management (continued)

Governing Body

The Governing Body is self-appointing. Governors are appointed for a three-year term of office. Retiring Governors are eligible for re-appointment. New Governors are appointed by the Governing Body on the recommendation of the Appointments Committee. Candidates may be proposed by existing Governors on the basis of the expertise and experience they can offer the School, taking into consideration the termly skills audit by the Appointments Committee against the categories of skills deemed necessary by the Governing Body for providing proper strategic management oversight and control. Searches for governors with specific acumen may also be conducted by board level recruitment consultants. The Governing Body seeks to have an appropriate balance of age, gender and ethnicity and has set itself medium term targets to reflect the diversity of its student cohort.

Governor training

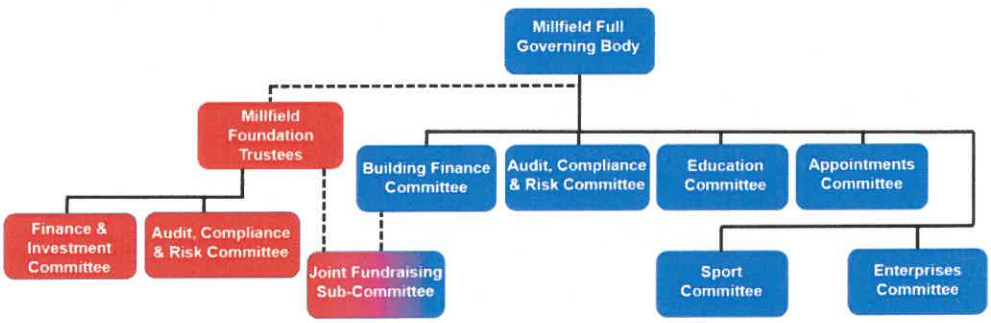
Appropriate information and training, including safeguarding training, is provided to new Governors. They are provided with induction information, which sets out responsibilities as a charity trustee and company director. This is complemented by a visit to the School to meet members of the EG, staff and students. The Governing Body recognises that new governors must feel confident that they are equipped to meet their statutory and wider legal responsibilities and appropriately tailored courses and further information are made available to them through the Clerk to the Governors. Where appropriate, members of the Governing Body attend external trustee training and courses designed to keep them informed and updated on current issues in the sector and regulatory requirements.

All Governors receive safeguarding training as part of their induction and receive annual updates which is audited for effectiveness. There is an annual cycle of face-to-face governor training. This year Governors received training on their role in the revised ISI Inspection process. Indemnity insurance is in place for Governors. During the year, Millfield paid £672 (2024: £465) in respect of indemnity insurance for its Governors.

Organisational management

The members of the Governing Body, as the charity trustees, are legally responsible for the overall management and control of the School, including policy setting and strategic planning. The detailed work of the Governors is delegated to six committees, each of which operates under terms of reference which are approved by the Governing Body, and which are required to report to the full Governing Body on a regular basis.

- Education Committee
- Audit, Compliance and Risk Committee
- Building and Finance Committee
- Appointments Committee
- Sport Committee
- Enterprises, including Millfield Nurseries Limited, Committee



Structure, Governance and Management (continued)

In addition to the committees, certain members of the Governing Body also act as trustees for Millfield Retirement Benefits Scheme and as directors of Millfield School Enterprises Limited, Millfield Foundation Limited, Millfield Nurseries Limited and Millfield Overseas Limited. Individual Governors also hold special responsibility for specific areas such as Safeguarding, Early Years Foundation Stage and Staff Liaison.

Millfield School Enterprises Limited and Millfield Nurseries Limited hold directors' meetings termly.

Millfield Foundation has a separate Board, a maximum of up to ten trustees, comprised of Appointed Trustees nominated by Millfield and Co-opted Trustees appointed by the Trustee Board. The detailed work of the Millfield Foundation Trustees is delegated to the four committees:

- Audit, Compliance and Risk Committee
- Finance & Investment Committee
- Nominations Committee
- Joint Fundraising Sub-Committee (with Millfield)

The day to day running of the School is delegated to the Executive Group (EG), which is comprised of: Headmaster of Millfield; the Headmaster of Millfield Prep School (MPS); and the Finance Director of Millfield Schools. They are supported by Senior Leadership Teams (Senior School) and Senior Management Team (MPS). The Head of HR of Millfield Schools regularly attends Executive Group meetings and advises on matters related to staffing. The Heads and Finance Director attend all meetings of the Governing Body's Committees.

Employee involvement and equal opportunities

The Governors are committed to ensuring that Millfield provides equal opportunity in recruitment and employment. Potential and existing employees are treated by reference to their aptitudes, abilities and relevant qualifications and receive equal treatment as provided for by law regardless of sex (gender), sexual orientation, gender reassignment, marital status or partnership, race, religions or belief, age, disability or pregnancy/maternity.

The School aims to recruit, develop and retain high quality teaching and support staff who identify with the School's values and objectives. Delivery of the School's charitable vision and purpose is primarily dependent on its key management personnel and staff; staff costs are the largest single element of the School's charitable expenditure. Specific consideration is given to ensuring staff interests are considered by offering competitive:

- Remuneration packages which are reviewed annually: including salary and allowances.
- Benefits: holiday and sickness entitlement, life insurance, subsidised canteen and gym facilities, employee assistance program and free car parking. For support staff there is long service award of up to five additional days annual leave.
- Working environment: staff benefit from working in one of Millfield's two picturesque school campuses with the senior school based just outside Street and MPS outside Glastonbury in Somerset.
- Professional Development: provided through support to attend relevant courses and seminars.

The Governors welcome and encourage employee engagement and regularly attend meetings where current issues are discussed with staff. In addition, both teaching and support staff have a termly forum to raise issues with the School leadership. Millfield recognises several teaching unions including the National Education Union (NEU), the National Association of Schoolmasters Union of Women Teachers (NASUWT) on issues around pay, holiday and hours. Formal meetings take place each term between union representatives, the Executive and Staff Liaison Governor. The School also welcomes feedback from staff through regular wellbeing surveys.

Millfield recognises that disabled persons may have special requirements and makes reasonable adjustments to interview procedures, work arrangements, premises, equipment, job design, training and retraining to remove potential barriers in the working environment.

Structure, Governance and Management (continued)

Business relationships with suppliers, customers and others

Millfield is committing to providing its educational and sporting services to pupils at the standard promoted to their parents. Millfield work closely with suppliers and other external parties to ensure this happens. Millfield continues to expand contractual relationships with preferred suppliers after conducting due diligence for quality and continuity of supply.

Financial Review

For the financial year ended 31 August 2025 Millfield generated a surplus of £6.4million (2024: £7.8 million surplus) after charging £6.1 million for depreciation (2024: £6.1 million). Income increased by £0.8m offset by a growth in our cost base of £2.2 million (mainly driven by an increase in staff costs). Furthermore, Investments provided a gain on revaluation of £0.6 million (2024: £0.8 million).

Millfield remains committed to maintaining broad access for talented students who would benefit from an education at its Prep and Senior schools, by offering financial support to families who are otherwise unable to afford fees. Scholarships, bursaries and other concessions totalling £8.6 million (2024: £8.8 million) were provided to students. Millfield's operating activities generated a negative cash flow of £0.9 million (2024: positive cash flow of £2.2 million) as set out in note 25.

There is a pension liability of £Nil (2024: £Nil) as reported in accordance with Financial Reporting Standard Number 102 ("FRS 102") in respect of the Millfield Retirement Benefit Scheme (the Scheme) for some support staff as set out in note 24. The Scheme was closed to future benefit accrual and salary linkage on 31 December 2014. A new Schedule of Contributions was signed on 12 August 2024. Under this arrangement the school settled all remaining deficit payment under the Schedule of Contributions. Per the FRS102 report the scheme is now in a pension asset position. However, this surplus has not been recognised as Millfield is unlikely to be able to recover the surplus via reduced future contributions or refunds from the scheme, as all contributions have now been paid.

The School's trading subsidiary, Millfield School Enterprises Limited, contributed turnover of £1.9 million (2024: £1.9 million), a profit of £0.4 million (2024: £0.3 million) and retained net assets of £0.7 million (2024: £0.6 million). Millfield Foundation generated income of £0.2 million (2024: £0.4 million), a surplus of £0.6 million (2024: £1.0 million) due to investment gains recorded of £0.6m (2024: £0.8 million) and retained net assets of £7.0 million (2024: £6.4 million). The performance of the investment portfolios held within Millfield Foundation are summarised within the Investments section in the Principal Achievements and Performance section of this Report. Millfield Nurseries Limited commenced trading on 6 April 2025. For the 5-month period it generated income of £0.3m.

Fundraising

Millfield Foundation Charity does not directly undertake fundraising activities but actively supports the School cultivating and to developing relationships with supporters and donors. Liaison between the Foundation and the School is facilitated by the School's Joint Fundraising Sub-Committee. The committee is comprised of Millfield Foundation Trustees and Millfield (School) Governors and was established in 2022 to provide advice guidance and support to the fundraising activities of the School's Development Office.

Community engagement, fundraising and donor stewardship are conducted through the School's Development Office supporting the goals of Millfield School, the Old Millfieldians Society and Millfield Foundation.

The School's fundraising activities are mission driven and donor centred. Its primary aim is to the advancement of the school's mission, vision and strategic priorities through philanthropy.

Financial Review (continued)

Millfield's fundraising strategy is focused on supporting the advancement of the following three strategic pillars for Millfield through philanthropy.

- **Millfield Mix** – our commitment to the founder's mission to provide access to exceptional education to talented students irrespective of their economic, social and cultural backgrounds.
- **Millfield Way** – our unique approach student-centred learning - academic, creative and sporting – and well-being.
- **Millfield Place** – our campus of 500 acres with exceptional boarding, an inspirational teaching and learning environment, a creative hub for the performing and visual arts, and world-leading sports facilities.

Over the past year the Foundation and School have sought to deepen and strengthen engagement with the School community through Millfield's 90th anniversary celebrations, events and reunions. The anniversary has provided the opportunity to recognise and steward the School's major supporters and benefactors, galvanising their commitment to the vision for Millfield and our fundraising goals over the next 3-5 years.

In August 2024 the incumbent Director of Development left the school and the successor commenced in February 2025. The new Director has delivered the 90th anniversary programme, established relationships with several of the School's major benefactors and supporters, and completed an operational review of the Development Office. In the coming year our goal is to reset and repurpose the Development Office to ensure that we can sustainably deliver a comprehensive fundraising programme - regular giving, major and principal gifts and legacies – that will achieve year on year growth in donations. A primary focus will also be the ongoing development of engagement programmes for alumni and parents, ensuring that they are aligned with and support our fundraising strategies.

The metrics for engagement and fundraising have and will continue to evolve in line with the implementation of new fundraising strategies and plans. Ignoring intercompany donations, the group received donation income of £175,615 (2024: £329,127), which comprises of net donations of £164,520 (2024: £314,867) and associated gift aid income of £11,095 (2024: £14,260). The decrease in donation income reflects the departure of key staff, namely the Director of Development, and a primary focus on community engagement through the 90th anniversary events programme.

Millfield Foundation will continue to support engagement, fundraising and stewardship initiatives developed by the Director of Development and the Development team at Millfield.

Reserves

*The Go*vernors' policy is to examine the needs, risks and challenges faced by the School in both the short and medium terms along with relevant financial plans and forecasts and to establish reserves sufficient to meet these requirements including the School's longer-term capital expenditure commitments and any longer-term financial obligations. This policy is reviewed on a regular basis and monitored in line with the buildings development programme, which is funded from operating surpluses.

Reserves as at 31 August:	Note	2025 £ million	2024 £ million
Total Funds	21	74.5	67.5
Less: Restricted Funds	21	(7.7)	(7.0)
Unrestricted Funds	21	66.8	60.5
Less: unrestricted tangible fixed assets	12	(57.6)	(60.0)
Free Reserves		**9.2**	**0.5**

Free Reserves:

Free reserves and growing and Governors are satisfied with this position given that there was also "Cash at bank and in hand" of £43.3 million at 31 August 2025 (2024: £44.3 million). Millfield have settled all required pension deficit payments under the repayment plan.

Financial Review (continued)

Restricted Funds:

The restricted funds comprise donations earmarked by the donors, or the terms of an appeal, for specific purposes. Restrictions are legally binding on the Governors. The Governors expect the present level of activities to be sustained at broadly the same level for the current year despite the challenging environment and the financial position. The Governors do not envisage there being any difficulty in meeting current and/or future obligations of the Charity and note there is no financial dependence on key donors.

Streamlined Energy and Carbon Reporting (SECR)

Millfield is committed to reducing its carbon footprint and investing in more energy efficient infrastructure. The School has continued its partnership with a third party to assist in achieving 'net zero'.

Energy efficiency measures

Millfield completed several projects to improve the efficiency and thermal performance of building and facilities during this year. A sample of the most significant are provided below.

1. Library: Re-roofing all areas including the replacement of single glazed Georgian wired roof and ridge lights with new thermally broken double glazed, aluminium framed windows. Insulation of flat roof areas and pitched roofs have been significantly improved with energy efficient materials. Heating plant (circa 55 years old) has been replaced with an energy efficient system with Building Management Systems (BMS).

2. Art, Design and Technology Centre: Additional overlay insulation has been complemented with the replacement of all single glazed timber windows with new double glazed aluminium framed units. Single glazed atrium and roof windows have been replaced with new thermally insulated and double-glazed windows incorporating thermostatically controlled opening vents.

3. Energy efficient heating and hot water plant systems with 25 year life cycle have been replaced in Abbey, Portway, Holmcroft and Martins boarding houses. These new systems also incorporate BMS to increase control.

4. Grange boarding house: Old, poorly fitting, timber, single glazed sash windows have been replaced with new double glazed PVCu sash windows, including insulation to perimeters and sealing.

5. Music department: Failing halogen light fittings have been replaced with new LED modules throughout.

6. Wellbeing cottage: The roof has been replaced with considerably enhanced insulation.

7. Electric and Gas sub-metering: All buildings across the Senior School campus have a new sub-metering system alongside a Synapsis cloud-based energy monitoring platform. The sub-metering and monitoring will produce accurate data to analyse and better focus resources to optimise energy efficiency.

8. Electric Vehicles charging points have been installed to the main car park and visitor parking bays at MPS.

Summary of data

All figures have been quoted in terms of Carbon dioxide equivalent. CO2e is a term for describing different greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO2e signifies the amount of CO2 which would have the equivalent global warming impact.

Streamlined Energy and Carbon Reporting (SECR) (Continued)

*Energy use kWh includes heating, lighting, mileage, and fuel (not water and refrigerant gases) across the group of Millfield Schools.

Associated Tonnes CO2 does include water and refrigerant gases in its total.

Associated Greenhouse gases have been calculated using the GHG Reporting Protocol – Corporate Standard with the DEFRA conversion factors issued in June 2025. The details of which can be found at the link below:
Greenhouse gas reporting: conversion factors 2025 - GOV.UK

Breakdown of energy between utilities and transport & other (including comparison with previous year)

UK Greenhouse gas emissions and energy use data for the period	1 September 2023 to 31 August 2024	1 September 2024 to 31 August 2025
Energy consumption used to calculate emissions (kWh)	**19,954,089** kWh	**19,895,299** kWh
Scope 1 emissions in metric tonnes CO2e Gas consumption	**1,970** tonnes CO2e	**2,044** tonnes CO2e
Oil consumption	**562** tonnes CO2e	**513** tonnes CO2e
LPG consumption	**251** tonnes CO2e	**215** tonnes CO2e
Owned transport	**244** tonnes CO2e	**223** tonnes CO2e
Total scope 1	**3,027** tonnes CO2e	**2,995** tonnes CO2e
Scope 2 emissions in metric tonnes CO2e Purchased electricity	**936** tonnes CO2e	**823** tonnes CO2e
Scope 3 emissions in metric tonnes CO2e Business travel in employee-owned vehicles	**16** tonnes CO2e	**19** tonnes CO2e
Total gross emissions in metric tonnes CO2e	**3,979** tonnes CO2e	**3,837** tonnes **CO2e**
Intensity ratio Tonnes CO2e per capita (Staff and Pupils)	**1.56** tonnes CO2e	**1.54** tonnes **CO2e**

Gas, oil and LPG CO2e directly correlate to year-on-year consumption variance with negligible changes to the conversion factors. The UK electricity factor is prone to fluctuate from year to year as the fuel mix consumed in UK power stations (and auto-generators) and the proportion of net imported electricity changes. These annual changes can be large as the factor depends very heavily on the relative prices of coal and natural gas as well as fluctuations in peak demand and renewables. In the 2025 update, the UK Electricity CO_2e factor has reduced by approximately 15% since 2024. The decrease is due to less natural gas use in power stations, an increase in renewable energy, and an increase in net imports of relatively low carbon electricity.

Intensity ratio

At September each year	**2023/4**	**2024/5**
Staff (Full time & Part time*)	780	749
Pupils	1781	1752
TOTAL	**2561**	**2501**

*Part time staff counted at ½ a full-time member of staff

Streamlined Energy and Carbon Reporting (SECR) (Continued)

Source of information

Activity	Source
Electricity use	Total kWh from electricity bills
Natural Gas use	Total kWh from gas bills
Oil use (kerosene)	Total litres/kWh from oil delivery invoices
LPG use	Total litres/kWh from LPG delivery invoices
Fuel (purchased and reimbursed through expenses)	Total litres/kWh from diesel delivery invoices plus purchases made on fuel cards, and mileage claimed on expenses for journeys made on school business.
Refrigerant gases	From documentation supplied by the contractor undertaking the servicing of the units
Water	Cubic meters taken from water invoices
Pupil and staff numbers	Internal HR department/iSAMS

Risk Management

The Board of Governors is responsible for the management of risks faced by Millfield and Millfield Prep (including Pre-Prep). An ongoing process has been established for identifying, evaluating and managing these and a risk management policy is in place. The key controls used include:

- The Governing Body has responsibility for overseeing risk management within the school and delegates oversight of this to the Audit, Compliance and Risk Committee;
- Formal terms of reference are in place for all Governor Committees and all Committee and Governing Body meeting have clear agendas and minutes are recorded;
- Governors may recommend external audits are carried out under agreed terms of reference. This year external audits were carried out on risk management systems at both Equestrian Centres and safeguarding systems at both the Senior School and MPS.
- The Governing Body meet at least four times a year and is supported by six committees which meet termly. These include: Education; Audit, Compliance and Risk; Building and Finance; Appointments; Sport and Enterprises Committees;
- Clearly defined organisational responsibilities for the Executive Group and senior leadership teams and a schedule of delegated authority containing authorisation and approval levels, which are all reviewed regularly;
- The Executive Group review key strategic risks and the actions that are in place to mitigate these monthly, and provide a report on these to the Governing Body;
- A comprehensive risk register is compiled by the Executive Group and formally reviewed by the Governing Body annually, to identify, assess and monitor all major risks to which the school is exposed;
- Members of the Senior Leadership/Management Teams are encouraged to ensure that significant risks in their area are identified, assessed and monitored through each department's risk management systems and procedures;
- Comprehensive strategic planning, revenue and capital budgeting, cash flow and management accounting is in place, and the Building and Finance Committee receive a termly finance report on the financial position and results;
- Formal written policies are in place for all significant areas of operation and are approved by the Governing Body through its Committees and implemented and communicated by the Executive Group to staff, parents and pupils. Minor policies are monitored by the Executive Group;
- Compliance with statutory requirements and external guidelines is monitored by means of reports by senior leaders to the Governing Body and its Committees, and through Governor visits to the school to meet staff and pupils;

Risk Management (continued)

- The external audit of the financial statements provides feedback to the Governing Body on the operation of the internal financial controls reviewed as part of the annual audit. Other external audits (ISI inspection reports) are also the subject of periodic reports to the Governing Body;
- Safeguarding procedures, as required by law, are in place for the protection of children and are reviewed by the Governing Body annually. A Designated Safeguarding Lead is nominated for each school and they meet Governors together on a termly basis. There is a Safeguarding Governor.

The Audit, Compliance and Risk Committee, assisted by the Executive Group, has identified and prioritised the key risks and a strategy for dealing with them has been approved by the Board of Governors. Through the above risk management procedures the Governors are satisfied that the principal risks identified below have been adequately addressed where necessary. It is recognised, however, that systems can only provide reasonable but not absolute assurance that major risks have been appropriately managed.

Millfield has identified seven key strategic risks as follows:

1. **Government policy**. The independent school sector anticipates a significant number of students leaving as a result of VAT being applied to school fees and educational supplies. This is likely to influence the demand for places, and therefore on the charity's income. Millfield is mitigating this risk through: honest communication with parents; rigorous short- and medium-term planning, based on closer scrutiny of indicators as likely pupil numbers (such as attendance at open days and registrations across the year groups); regular review of its reserves policy; regular structural and cost base review; arranging a revolving credit facility; and greater scrutiny of debtors.

2. **Inflation and financial viability.** There is an increasing inflationary pressure on the operational running costs of the School, including staffing, facilities and utilities. Millfield balances the investment it makes in its staff and facilities through its funding, the key source of which is fee income. To ensure all its commitments are met, Millfield has robust management processes. These include forecasting pupil numbers, detailed budgeting and cash flow projections which are prepared by the Executive Group and subject to detailed scrutiny by Governors. Progress against this plan is monitored continually by the Executive Group and termly by Governors.

3. **Affordability.** Millfield operates in a very competitive market and is conscious that the cost of private education is increasingly beyond the financial means of many families. In addition, affordability of fees and therefore pupil numbers could be affected by macro-economic factors. Recognising this, Millfield retains its focus on achieving value for money in every area of its operations and is committed to building funds to safeguard its scholarship and bursary support for families who otherwise would not be able to access a Millfield education.

4. **Safety and security of pupils, staff and premises.** Millfield aims to provide a safe and secure environment. To do this it has in place detailed policies and procedures, including in the areas of safeguarding children, anti-bullying, health and safety, physical security, cyber-security, wellbeing, data protection and critical incident management. These are regularly reviewed by Governors. Staff and pupils are provided with detailed training, as appropriate, to ensure these policies are adhered to across Millfield.

5. **Recruitment and retention of key staff.** Millfield relies on its ability to recruit and retain high quality staff to carry out its charitable activities and achieve its objectives. To achieve this, Millfield provides a comprehensive range of financial and non-financial benefits to staff, including competitive salaries, fee concessions, staff housing, training and development opportunities, use of school facilities and a regularly reviewed wellbeing programme.

6. **Effectiveness of governance.** The Governors recognise that strong governance is essential to Millfield's success. To ensure that governance is effective Millfield recruits Governors based upon a skills requirements basis. Comprehensive induction and refresher training is provided to Governors. Committee structures are in place supported by clear terms of reference. Governors actively monitor implementation of policies and compliance within the School through regular visits. A biennial process of self-evaluation is undertaken by the Board of Governors.

Risk Management (continued)

7. **Cyber-security & AI.** In common with other schools, individuals at Millfield are the target of multiple phishing attacks and the risk of a co-ordinated wider attack on the school system is significant. The School is engaged with an external cyber security company which conducts regular testing and learnings from the results determine actions to address vulnerabilities and training requirements. Artificial intelligence (AI) is proving to be a threat and an opportunity at all levels of society and Millfield has several workstreams underway to establish the potential impacts for the School, including research on use of AI in the classroom to enhance teaching and learning and the potential risks and benefits of ChatGPT on current education practice, including the ethical use of AI in assessments.

Statement of Governors' Responsibilities

The Governors (who are also directors of Millfield for the purposes of Company law) are responsible for preparing the Report of the Governing Body (incorporating the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Governors 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing the School's aims and objectives and in planning the School's future activities. In particular, the Governors have considered how planned activities will contribute to the aims and objectives they have set.

In so far as the Governors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Governors 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.

The Report (incorporating the Strategic Report) was approved by the Board of Governors of Millfield on 13 March 2026 and signed on its behalf by:



Roland Rudd
Chair of Governors

Opinion

We have audited the financial statements of Millfield for the year ended 31 August 2025 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement 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 group's and of the parent charitable company's affairs as at 31 August 2025 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group'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 in the Report of the Governing Body. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governing Body (which incorporates the strategic report and the directors' report).

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 24, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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 group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to The Education (Independent School Standards) 2014, safeguarding regulations, health and safety laws, GDPR, employment law, charity law and company 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 Companies Act 2006 and the Charities Act 2011, and considered other factors such as payroll taxes and VAT.

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 improper recognition of revenue and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- 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 a selection of journals; 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. This description forms part of our auditor's report.

Use of our report

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

Tracey Young

Tracey Young (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditors
Date: 10/04/2026

10 Queen Street Place
London
EC4R 1A

CONSOLIDATED STATEMENTS OF FINANCIAL ACTIVITIES
for the year ended 31 August 2025

	Note	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2025 £'000**	**Total 2024 £'000**
Income from:					
Charitable Activities:					
- Fees receivable	3	59,437	-	**59,437**	**58,619**
- Other educational income	4	5,139	-	**5,139**	**4,667**
Other Trading Activities:					
- Other fees and external hiring		2,244	-	**2,244**	**3,227**
- Investments	6	1,878	125	**2,003**	**1,748**
- Subsidiaries trading income		1,523	-	**1,523**	**1,097**
Donations, grants and legacies	5	1	174	**175**	**328**
Other income	7	138	-	**138**	**125**
Total Income		70,360	299	**70,659**	**69,811**
Expenditure on:					
Charitable Activities		(59,508)	(12)	**(59,520)**	**(57,296)**
Raising Funds:					
- Other fees and external hiring		(2,621)	-	**(2,621)**	**(3,059)**
- Subsidiaries trading expenditure		(1,161)	-	**(1,161)**	**(855)**
- Fundraising		(373)	(43)	**(416)**	**(352)**
Finance and Other Costs		(469)	-	**(469)**	**(473)**
Total Expenditure	8	(64,132)	(55)	**(64,187)**	**(62,035)**
Net income		6,228	244	**6,472**	**7,776**
Other Recognised Gains:					
Movement in net defined benefit pension liability	24	(73)	-	**(73)**	**(1,807)**
Gain on investment assets	13	-	562	**562**	**774**
Net Movement in Funds		6,155	806	**6,961**	**6,743**
Total Funds Brought Forward		60,574	6,938	**67,512**	**60,769**
Total Funds Carried Forward	21	66,729	7,744	**74,473**	**67,512**

All amounts relate to continuing operations. Comparative table included on page 51, note 28.

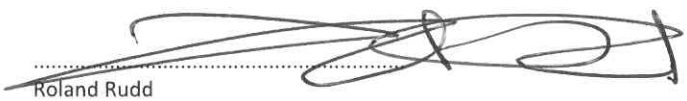
The notes on pages 31-51 form part of these financial statements.

BALANCE SHEETS
for the year ended 31 August 2025

	Note	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Fixed Assets					
Intangible fixed assets	11	315	-	-	-
Tangible fixed assets	12	57,636	59,935	57,431	59,931
Investments	13	6,545	6,193	325	325
		64,496	66,128	57,756	60,256
Current Assets					
Stocks	14	473	391	-	-
Debtors	15	14,050	2,373	14,309	2,226
Cash at bank and in hand		43,348	44,320	42,653	43,986
		57,871	47,084	56,962	46,212
Creditors: amounts falling due within one year	16	(35,819)	(28,730)	(35,595)	(28,706)
Net Current Assets		22,052	18,354	21,367	17,506
Total Assets add Current Assets		86,548	84,482	79,123	77,762
Debtors: due after more than one year	17	991	-	958	-
Creditors: amounts falling due after more than one year	18	(13,020)	(16,970)	(13,020)	(16,970)
Provisions for liabilities	20	(46)	-	-	-
Net Assets Excluding Pension Liability		74,473	67,512	67,061	60,792
Defined benefit pension liability	24	-	-	-	-
Net Assets		74,473	67,512	67,061	60,792
Funds					
Unrestricted funds - General		66,729	60,574	66,304	60,078
- Pension reserve	24	-	-	-	-
	21	66,729	60,574	66,304	60,078
Restricted funds	21	7,744	6,938	757	714
Total Funds		74,473	67,512	67,061	60,792

The parent company's net income for the year, before movement in the pension reserve was £6,269,000 (2024: net income £6,799,000).

The financial statements were approved and authorised for issue by the Board of Governors of Millfield on 13 March 2026 and signed on its behalf by:



Roland Rudd
Chair of Governors

The notes on pages 31-51 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 August 2025

	Note	2025 £'000	2024 £'000
Operating Activities			
Cash generated from operations	25	(877)	2,193
Investing Activities			
Investment income	6	2,003	1,748
Payments to acquire investments	13	(505)	(1,475)
Receipts from sale of investments	13	679	1,012
Purchase on intangible assets	11	(329)	-
Purchase of tangible fixed assets	12	(5,088)	(9,409)
Proceeds on sale of tangible fixed assets		19	123
Net cash used in Investing Activities		(3,221)	(8,001)
Financing Activities			
Interest paid	2	(303)	(156)
Receipts from new advance fee contracts	19	3,705	21,964
Advanced fees repaid	19	(276)	(1,277)
Net cash generated from Financing Activities		3,126	20,531
Change in cash and cash equivalents in year		(972)	14,723
Cash and cash equivalents at beginning of the year		44,320	29,597
Cash and cash equivalents at end of the year		43,348	44,320
Relating to:			
Bank balances included in cash at bank and in hand		43,348	44,320

Analysis of movements in net cash	**2024**	**Net Cash from Fees in Advance**	**Other Cash flows**	**2025**
	£'000	£'000	£'000	£'000
Cash at bank and in hand	44,320	3,427	(4,399)	43,348
Total cash and cash equivalents	44,320	3,427	(4,399)	43,348
Total	44,320	3,427	(4,399)	43,348

The notes on pages 31-51 form part of these financial statements.

1. General Information & Principal Accounting Policies

Millfield Limited ("the company") is a company limited by guarantee domiciled and incorporated in England. The address of the company's registered office and principal place of business is Millfield, Street, Somerset, BA16 0YD.

The School consolidated accounts consist of the company and all of its subsidiaries detailed in note 13. A summary of the more important accounting policies, including those affecting the most significant items in these financial statements, is set out below:

a) *Basis of accounting*

The accounts have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice and FRS 102 – Second Edition. The School is considered to be a Public Benefit Entity under FRS102. The accounts are drawn up on the historical cost basis of accounting. Monetary amounts in these accounts are rounded to the nearest £'000 except where otherwise indicated.

b) *Basis of consolidation*

The group consolidates on a line by line basis the financial statements of the charity and its subsidiary undertakings made up to 31 August 2025. All intragroup transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

The consolidated financial statements are presented in sterling which is also the functional currency of the company and its subsidiaries. As permitted by Section 408 of the Companies Act 2006, the parent company's income and expenditure account has not been included in these financial statements.

c) *Going concern*

The group had net current assets of £22.1 million (2024: net current assets of £18.4 million) at the balance sheet date. In considering whether the going concern basis is appropriate, the Governors have considered surplus and cash-flow projections prepared for the period to 31 August 2027. These projections indicate that the School will be able to meet its liabilities as they fall due and together with current arrangements with the School's bankers and other lenders, forecast that the School will be able to operate within the facilities currently available. In light of the above the Governors have concluded that it is appropriate to use the going concern basis in the preparation of these financial statements.

d) *Fund Accounting*

Unrestricted funds are expendable at the discretion of the Governors in furtherance of the objects or administration of the charity. Designated funds comprise unrestricted funds, which are earmarked for particular purposes by the Governors.

The restricted funds comprise donations earmarked by the donors, or the terms of an appeal, for specific purposes. The costs of raising and administering such funds are charge to the specific fund. Investment income, gain and losses are allocated to the appropriate fund.

e) *Fees and similar income*

Fees receivable, charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School.

Fees for education to be provided in future years are carried forward as deferred income in the balance sheet. These fees are released to the Statement of Financial Activities over the period in which the School provides the services in future years. Fee receivable under the School's Advanced Fee scheme attract

interest, which is charged to the Statement of Financial Activities, in the period over which the advance fee creditor is released to fee income.

f) *Government Grants*

Income from Government grants is recognised when the company has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Where entitlements occur before income is received, the income is accrued. Where income is received in advance of the company having entitlement to the funds, the income is deferred.

g) *Donations*

Donations receivable for the general purpose of the School are credited to unrestricted funds. Donations for purposes restricted by the wishes of the donor are taken to restricted funds where these wishes are legally binding on the Governors. All donations are recognised when the economic benefit is considered probable and can be measured reliably.

h) *Expenditure*

Expenditure is accrued as soon as a liability is considered probable. Expenditure is allocated to expense headings on a direct cost basis, with staff costs being allocated according to the estimated time spent by staff working in relevant departments. The irrecoverable element of VAT is included within the item of expense to which it relates.

i) *Operating leases*

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

j) *Stocks*

Stocks are stated at the lower of cost and estimated selling price less cost to complete and sell. In general, cost is determined on a weighted average cost basis. At each reporting date the School assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell, is recognised as an impairment in profit or loss. Reversal of impairment losses are also recognised in profit or loss.

k) *Investments*

The School has elected to hold investments in subsidiary undertakings at cost less impairment. Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversal of impairment losses are recognised immediately in the SOFA.

Fixed assets investments in quoted shares, traded bonds and similar investments are initially measured at cost and subsequently at fair value at the reporting date. Investment gains and losses, whether realised or unrealised, are combined and reported within the Statement of Financial Activities.

l) *Cash at bank and in hand*

Cash at bank and in hand includes cash and short-term high liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

m) *Intangible assets*

Goodwill arising on the acquisition of Dolphins Childcare Centre has been capitalised. It is the difference between the amount paid to acquire the business and the fair value of the identifiable assets and

liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis over its useful economic life.

Goodwill	10%	Straight line

n) *Tangible fixed assets*

Expenditure on fixed assets is capitalised except for expenditure incurred on the replacement of assets of low value with a short life. Subsequent costs of repair, renovation and replacement expenditure are written off as incurred in the Consolidated Statement of Financial Activities ("SOFA"), unless it is probable that such costs will generate future economic benefits.

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	Straight Line Basis %
Freehold land	-
Leasehold improvements	4
Freehold property	2 – 4
Extensions and improvements to buildings	10
Fixtures, fittings and equipment	15
Computers	33 1/3
Motorised plant and vehicles	15
Assets under construction	-

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired, and if such conditions exist, the School estimates the recoverable value of the asset. Any shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairment losses.

o) *Taxation*

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to extent that such income or gains are applied exclusively to charitable purposes.

p) *Financial Instruments*

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument, and are offset only when the group has a legal enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise and settle the liability simultaneously.

Financial assets

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairments losses.

Financial liabilities

Financial instruments are classified as liabilities according to the substance of the contractual arrangements entered into. Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

q) *Retirement benefits*

Retirement benefits to employees of the group are provided through two pension schemes, one defined benefit, and one defined contribution:

i. The Millfield Retirement Benefit Scheme (a defined benefit scheme) was closed to new members on 1 September 2005, and closed to future accrual and salary linkage on 31 December 2014. This scheme is accounted for as a defined benefit scheme, with the annually calculated notional surplus or deficit on the funding of the Scheme shown in the financial statements.

ii. The Millfield School Work Save Pension Plan is a defined contribution scheme administered by Legal & General Investment Management ("LGIM"). Following consultation with the teaching staff, Millfield School left the Teachers' Pension Scheme (a defined benefit scheme) on 31 August 2021. Teachers were enrolled into the Millfield School Pension Plan on 1 September 2021 alongside other staff already in that plan.

Defined contribution plans

For defined contribution schemes the amount charged to expenditure is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method.

Scheme Liability or Surplus

Any net liability represents the present value of the defined benefit obligation minus the fair value of the plan assets, of which obligations are to be settled.

The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Where the scheme is determined to be in a surplus position, a surplus is recognised as an asset only to the extent that this can be recovered in future years through reductions in employer contributions or through a specific refund/reimbursement from the scheme.

Gains or losses

Gains or losses recognised in the statement of financial activities:

- The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost.

- The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.
- Net interest on the net defined liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligations.
- Actuarial gains and losses are differences between the interest income on the plan assets and the actual return on the plan assets

r) ***Critical accounting estimates and areas of judgement***

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Defined Benefit Scheme Valuation

In valuing the deficit on the School's defined benefit pension scheme judgements need to be made by management as to what are the most appropriate assumptions to use in the valuation. The closing deficit was £Nil (2024: £Nil) as there was an unrecognised surplus of £1.145 million (2024: £1.472 million).

Goodwill

Management have estimated the fair value of trade and identifiable assets at acquisition and the useful life of goodwill. External valuation reports and available information aided management with these estimates.

Reinstatement Provision

Management have considered the costs of returning the site back to its original condition on expiry of the lease. The value recognised in the accounts is managements best estimate based upon available information.

s) ***Provisions for liabilities***

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable, and a reliable estimate can be made. Provisions are measured as the best estimate of the amount required to settle the obligation, considering the related risks and uncertainties, and the related increases are generally charged as an expense to profit or loss. Provisions relating to the estimated cost of removing leasehold improvements are included as part of the cost of the asset.

2. Net Income

	2025 £'000	2024 £'000
Net Income is stated after charging:		
Auditor's remuneration for:		
- External Audit	64	63
- Taxation - compliance services to the company and its subsidiaries	10	5
Amortisation of intangible assets	14	-
Depreciation of tangible fixed assets	6,106	6,068
Operating lease costs	170	163
Profit on disposal of tangible fixed assets	(11)	(121)
Stock		
- Amounts expensed to cost of sales	515	498
Interest payable		
- Net interest on the net defined benefit pension liability	73	17
- Interest on fees in advance	303	156

3. Fees Receivable

	2025 £'000	2024 £'000
School fees	68,044	67,398
Less: Scholarships	(1,961)	(2,298)
Bursaries	(4,287)	(4,090)
Other concessions	(2,359)	(2,391)
	59,437	58,619

4. Other Educational Income

	2025 £'000	2024 £'000
Registration and acceptance fees	334	359
Travel, school trips, examination fees and other charges to students	4,805	4,308
	5,139	4,667

5. Donations, Grants and Legacies

	2025 £'000	2024 £'000
Donation income	175	328

6. Investment Income

	2025 £'000	2024 £'000
Bank interest	1,878	1,612
Income from investments	125	136
	2,003	1,748

7. Other Income

	2025 £'000	2024 £'000
Interest on overdue fees	52	47
Rents received	86	78
	138	125

8. Analysis of Expenditure

	Staff costs £'000	Other £'000	Depreciation & Amortisation £'000	2025 Total £'000	2024 Total £'000
Charitable Activities:					
Teaching costs	26,433	3,534	612	30,579	29,820
Welfare	4,096	6,423	121	10,640	10,858
Premises	2,059	4,979	4,856	11,894	10,696
Support costs of schooling	3,706	2,129	510	6,345	5,849
Governance costs	-	62	-	62	73
Total Charitable Activities	36,294	17,127	6,099	59,520	57,296
Raising Funds:					
Ancillary fees and external hiring	1,381	1,240	-	2,621	3,059
Subsidiary trading expenditure	428	712	21	1,161	855
Fundraising	202	214	-	416	352
Finance and other costs	-	469	-	469	473
Total Expenditure	38,305	19,762	6,120	64,187	62,035

Prior year Analysis of Expenditure

	Staff costs £'000	Other £'000	Depreciation & Amortisation £'000	2024 Total £'000	2023 Total £'000
Charitable Activities:					
Teaching costs	25,246	3,930	644	29,820	27,646
Welfare	3,947	6,792	119	10,858	9,803
Premises	2,006	3,903	4,787	10,696	10,199
Support costs of Schooling	3,460	1,873	516	5,849	5,586
Governance costs	-	73	-	73	76
Total Charitable Activities	34,659	16,571	6,066	57,296	53,310
Raising Funds:					
Ancillary fees and external hiring	1,386	1,673	-	3,059	2,916
Subsidiary trading	229	624	2	855	851
Fundraising	201	151	-	352	305
Finance and other costs	-	473	-	473	477
Total Expenditure	36,475	19,492	6,068	62,035	57,859

9. Employee Information

	2025 Group Number	2024 Group Number	2025 Company Number	2024 Company Number
The average number of persons (full-time equivalent) employed during the year was:				
Teaching and coaching	259	255	259	255
Administration and support	446	431	423	426
	705	686	682	681
The average number of persons employed by the group during the year was:	1,092	1,079	1,048	1,058
Staff costs (for the above persons)	£'000	£'000	£'000	£'000
Wages and salaries	31,634	30,337	31,253	30,133
Social security costs	3,121	2,711	3,088	2,697
Defined contribution pension costs	3,550	3,427	3,537	3,416
	38,305	36,475	37,878	36,246
Aggregate employee costs of key management personnel (including salary, benefits, pension contributions and national insurance)	850	762	850	762

The total amount relating to termination payments during the year was £71,000 (2024: £96,000). These amounts relate to agreements made with employees to end employment contracts.

The number of employees whose emoluments (excluding pension contributions) exceeded £60,000 were:

	2025 Number	2024 Number
£60,001 - £70,000	65	57
£70,001 - £80,000	39	38
£80,001 - £90,000	21	9
£90,001 - £100,000	6	7
£100,001 - £110,000	1	-
£110,001 - £120,000	-	1
£120,001 - £130,000	2	2
£130,001 - £140,000	1	-
£180,001 - £190,000	-	1
£210,001 - £220,000	1	-
£310,001 - £320,000	-	1
£340,001 - £350,000	1	-

No emoluments were paid to the Governors in respect of their services to Millfield during the year, nor have they received any other form of disclosable trustee benefit (2024: Nil). During the year, 15 (2024: 11) Governors were reimbursed expenses totalling £10,740 (2024: £10,930) for travel and subsistence and the School paid £672 (2024: £465) for Governors indemnity insurance.

10. Taxation

The company is a registered charity, and as such is entitled to tax exemptions on income and gains, properly applied for its charitable purposes.

11. Intangible Fixed Assets

	2025 Group Goodwill £'000	2025 Company Goodwill £'000
Cost		
Additions	329	-
At 31 August 2025	329	-
Amortisation		
Charge for the period on owned assets	(14)	-
At 31 August 2025	(14)	-
Net Book Value		
At 31 August 2025	315	-

12. Tangible Fixed Assets (Group)

	Freehold Property £'000	Leasehold Improve-ments £'000	Assets under construct-ion £'000	Extensions and improve-ments to buildings £'000	Fixtures Fittings and Equipment £'000	Computers £'000	Motorised Plant and Vehicles £'000	Total £'000
Cost								
At 1 Sept 2024	79,310	-	3,292	34,067	7,848	2,838	780	128,135
Additions	-	151	1,670	1,684	1,161	348	74	5,088
Transfers	-	-	(2,413)	2,089	325	(1)	-	-
Disposals	-	-	-	(765)	(782)	(353)	(41)	(1,941)
Adjustment	(384)	-	(124)	(766)	-	-	-	(1,274)
At 31 Aug 2025	78,926	151	2,425	36,309	8,552	2,832	813	130,008
Depreciation								
At 1 Sept 2024	37,553	-	-	22,750	5,031	2,216	650	68,200
Charge for year	1,583	3	-	2,993	955	527	45	6,106
Disposals	-	-	-	(766)	(774)	(353)	(41)	(1,934)
At 31 Aug 2025	39,136	3	-	24,977	5,212	2,390	654	72,372
Net book value								
At 31 Aug 2025	39,790	148	2,425	11,332	3,340	442	159	57,636
At 1 Sept 2024	41,757	-	3,292	11,317	2,817	622	130	59,935

Tangible Fixed Assets (Company)

	Freehold Property £'000	Assets under construct-ion £'000	Extensions and improve-ments to buildings £'000	Fixtures Fittings and Equipment £'000	Computers £'000	Motorised Plant and Vehicles £'000	Total £'000
Cost							
At 1 Sept 2024	79,310	3,292	34,067	7,843	2,782	774	128,068
Additions	-	1,670	1,684	1,127	346	50	4,877
Transfers	-	(2,413)	2,088	325	-	-	-
Disposals	-	-	(765)	(779)	(353)	(41)	(1,938)
Adjustment	(384)	(124)	(766)	-	-	-	(1,274)
At 31 Aug 2025	78,926	2,425	36,308	8,516	2,775	783	129,733
Depreciation							
At 1 Sept 2024	37,553	-	22,750	5,026	2,164	644	68,137
Charge for year	1,583	-	2,993	954	526	43	6,099
Disposals	-	-	(766)	(774)	(353)	(41)	(1,934)
At 31 Aug 2025	39,136	-	24,977	5,206	2,337	646	72,302
Net book value							
At 31 Aug 2025	39,790	2,425	11,331	3,310	438	137	57,431
At 1 Sept 2024	41,757	3,292	11,317	2,817	618	130	59,931

The net book value of the Group and Company tangible fixed assets includes an amount of £6,241,381 (2024: £6,241,381) in respect of freehold land which is not depreciated. Included within the Group and Company's freehold property are assets which are licenced to the subsidiary under operating leases, where Millfield acts as the lessor, with a net book value of £185,611 (2024: £178,982).

13. Fixed Asset Investments

	Group		Company	
	2025	2024	2025	2024
Investment Portfolio	£'000	£'000	£'000	£'000
Market value at 1 September	6,193	5,138	-	-
Additions at cost	505	1,475	-	-
Disposals at market value	(679)	(1,012)	-	-
Net gain on revaluation	562	774	-	-
Losses on foreign exchange differences	(1)	(44)	-	-
Net decrease in cash deposits	(35)	(138)	-	-
Market value at 31 August	6,545	6,193	-	-
Group Undertakings				
Interest in group undertakings at cost	-	-	325	325
Total Investments	6,545	6,193	325	325

The company had the following subsidiary undertakings, at the year-end, all with the common registered office on page 53:

	Millfield Overseas Limited	Millfield Overseas Limited	Millfield School Enterprises Limited	Millfield School Enterprises Limited
	2025	2024	2025	2024
Nature of business	Dormant	Dormant	Service	Service
Company number	08339295	08339295	01553104	01553104
Proportion of nominal value of issued shares held by the company	100%	100%	100%	100%
Country of incorporation	England	England	England	England
Results for Subsidiaries as at the 31 August				
	£'000	£'000	£'000	£'000
Net assets	-	-	691	604
Turnover	-	-	1,918	1,871
Expenses	-	-	(1,521)	(1,562)
Profit	-	-	397	309
Distribution	-	-	(310)	(302)
Net Profit for financial year	-	-	87	7

	Millfield Foundation	Millfield Foundation	Millfield Nurseries Limited	Millfield Nurseries Limited
	2025	2024	2025	2024
Nature of business	Service	Service	Nursery Education	Dormant
Company number	08339295	08339295	15603261	15603261
Proportion of nominal value of issued shares held by the company	100%	100%	100%	100%
Country of incorporation	England	England	England	England
Results for Subsidiaries as at the 31 August				
	£'000	£'000	£'000	£'000
Net assets	7,040	6,440	6	-
Turnover	244	414	293	-
Expenses	(206)	(181)	(287)	-
Other Gains/ (Loss)	562	774	-	
Profit	600	1,007	6	-
Distribution	(-)	(-)	-	-
Net Profit for financial year	600	1,007	6	-

The results of the subsidiary entities have been included in these consolidated financial statements. Millfield Overseas Limited has been dormant since incorporation and Millfield Nurseries Limited began trading on 6 April 2025.

14. Stocks

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Goods for resale	473	391	-	-

15. Debtors: amounts falling due within one year

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Trade debtors	12,639	654	12,462	654
Other debtors	576	339	535	268
Amounts owed from subsidiary	-	-	517	-
Prepayments	835	1,380	795	1,304
	14,050	2,373	14,309	2,226

16. Creditors: amounts falling due within one year

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Amounts received under advance fee scheme (see note 19)	7,944	13,654	7,944	13,654
Amount due to subsidiary	-	-	-	106
Trade creditors	1,395	1,051	1,263	971
Taxation and social security costs	3,612	784	3,606	784
Other creditors	496	1,124	496	1,103
Accruals and deferred income	2,716	3,433	2,630	3,404
School fees invoiced in advance	18,637	-	18,637	-
School fees paid in advance	-	7,646	-	7,646
School fee deposits held	1,019	1,038	1,019	1,038
	35,819	28,730	35,595	28,706

17. Debtors: amounts falling due after more than one year

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Other debtors	958		958	
Prepayments	33	-	-	-
	991	-	958	-

18. Creditors: amounts falling due after more than one year

	Group		Company	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Amounts received under advance fee scheme (see note 19)	4,286	9,090	4,286	9,090
School fees deposits held	7,704	6,506	7,704	6,506
Accruals and deferred income	1,030	1,374	1,030	1,374
	13,020	16,970	13,020	16,970

19. Advance Fee Payments – Group and Company

Parents sometimes deposit a lump sum with the School as an advance on future fees. Each arrangement is in respect of an agreed amount to be credited against future fee bills for an agreed number of terms. The unused balance of the advance is repayable upon request. It is intended that the advance fees will be applied as follows:

	2025 £'000	2024 £'000
Over one year:		
Within 1 to 2 years	2,545	4,912
Within 3 – 5 years	1,428	3,469
After 5 years	313	709
	4,286	9,090
Within one year	7,944	13,654
	12,230	22,744

Figures for advanced fee payments are included within the balance for School fees paid in advance (note 16 & 18). The balance represents the accrued liability under these arrangements. The movements during the year were:

	2025 £'000	2024 £'000
Balance at 1 September	22,744	11,220
New contracts	3,705	21,964
Amount accrued to contracts	303	156
	26,752	33,340
Amounts utilised in the payment of fees to the School	(14,246)	(9,319)
Refunds of fees paid in advance	(276)	(1,277)
Balance at 31 August	12,230	22,744

20. Provisions

	Group Reinstate-ment £'000	Company Reinstate-ment £'000
Additions	46	-
At 31 August 2025	46	-

The reinstatement provision solely relates to Millfield Nurseries Limited and reflects the costs of rectification under the terms of the lease of its Nursery site. The amount recognised is the best estimate of the costs to return the site back to its original condition. The provision is expected to be utilised when the lease terminates.

21. Funds – Group

	Balance 1 September 2024 £'000	Income £'000	Expenditure £'000	Other recognised gains/(losses) £'000	Balance 31 August 2025 £'000
Unrestricted Funds:					
- General	60,574	70,360	(64,205)	-	66,729
- Pension reserve	-	-	73	(73)	-
	60,574	70,360	(64,132)	(73)	66,729
Restricted Funds:					
- Foundation	6,049	244	(43)	562	6,812
- Sports Equipment Fund	106	15	(9)	-	112
- Other Funds	783	40	(3)	-	820
	6,938	299	(55)	562	7,744
Total Group	67,512	70,659	(64,187)	489	74,473

Funds – Group Prior Year

	Balance 1 September 2023 £'000	Income £'000	Expenditure £'000	Other recognised gains/(losses) £'000	Balance 31 August 2024 £'000
Unrestricted Funds:					
- General	55,984	69,336	(64,746)	-	60,574
- Pension reserve	(1,071)	-	2,878	(1,807)	-
	54,913	69,336	(61,868)	(1,807)	60,574
Restricted Funds:					
- Foundation	4,944	414	(83)	774	6,049
- Sports Equipment Fund	107	26	(27)	-	106
- Other Funds	805	35	(57)	-	783
	5,856	475	(167)	774	6,938
Total Group	60,769	69,811	(62,035)	(1,033)	67,512

Funds – Company

	Balance 1 September 2024 £'000	Income £'000	Expenditure £'000	Other recognised gains/(losses) £'000	Balance at 31 August 2025 £'000
Unrestricted Funds:					
- General	60,078	69,013	(63,130)	343	66,304
- Pension reserve	-	-	73	(73)	-
	60,078	69,013	(63,057)	270	66,304
Restricted Funds:					
- Sports Equipment Fund	106	15	(9)	-	112
- Other Funds	608	254	(217)	-	645
	714	269	(226)	-	757
Total Company	60,792	69,282	(63,283)	270	67,061

Funds – Company Prior Year

	Balance 1 September 2023 £'000	Income £'000	Expenditure £'000	Other recognised gains/(losses) £'000	Balance at 31 August 2024 £'000
Unrestricted Funds:					
- General	55,398	68,335	(63,990)	335	60,078
- Pension reserve	(1,071)	-	2,878	(1,807)	-
	54,327	68,335	(61,112)	(1,472)	60,078
Restricted Funds:					
- Sports Equipment Fund	107	26	(27)	-	106
- Other Funds	630	97	(119)	-	608
	737	123	(146)	-	714
Total Company	55,064	68,458	(61,258)	(1,472)	60,792

Restricted Funds

- Foundation - The majority of these funds are restricted to enable Millfield to support current and prospective pupils of any school operated by or otherwise associated with Millfield. Incorporated are a number of other funds which have separate restrictions applied.
- Sport Equipment – These funds are restricted to specific department for initiatives or equipment
- Other Funds – These funds are restricted for the purchase of other items or services specified by the donors.

22. Allocation of Net Assets

Group – Current Year

	Fixed assets and investments £'000	Net current assets/ (liabilities) £'000	Long term assets/ liabilities £'000	Pension reserve £'000	At 31 August 2025 £'000
Unrestricted funds:					
- General	57,951	20,853	(12,075)	-	66,729
- Pension reserve	-	-	-	-	-
Restricted funds					
- Foundation	6,545	267	-	-	6,812
- Sports Equipment Fund	-	112	-	-	112
- Other Funds	-	820	-	-	820
Total Group as at 31 August 2025	64,496	22,052	(12,075)	-	74,473

Group – Prior Year

	Fixed assets and investments £'000	Net current assets/ (liabilities) £'000	Long term assets/ liabilities £'000	Pension reserve £'000	At 31 August 2024 £'000
Unrestricted funds:					
- General	59,935	17,609	(16,970)	-	60,574
- Pension reserve	-	-	-	-	-
Restricted funds					
- Foundation	6,193	(144)	-	-	6,049
- Sports Equipment Fund	-	106	-	-	106
- Other Funds	-	783	-	-	783
Total Group as at 31 August 2024	66,128	18,354	(16,970)	-	67,512

Company – Current Year

	Fixed assets and investments £'000	Net current assets/ (liabilities) £'000	Long term assets/ liabilities £'000	Pension reserve £'000	At 31 August 2025 £'000
Unrestricted funds:					
- General	57,756	20,610	(12,062)	-	66,304
- Pension reserve	-	-	-	-	-
Restricted funds					
- Sports Equipment Fund	-	112	-	-	112
- Other Funds	-	645	-	-	645
Total Group as at 31 August 2025	57,756	21,367	(12,062)	-	67,061

Company – Prior Year

	Fixed assets and investments £'000	Net current assets/ (liabilities) £'000	Long term assets/ liabilities £'000	Pension reserve £'000	At 31 August 2024 £'000
Unrestricted funds:					
- General	60,256	16,792	(16,970)	-	60,078
- Pension reserve	-	-	-	-	-
Restricted funds					
- Sports Equipment Fund	-	106	-	-	106
- Other Funds	-	608	-	-	608
Total Group as at 31 August 2024	60,256	17,506	(16,970)	-	60,792

23. Capital Commitments

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Contracted but not provided as at 31 August	1,283	801	1,283	801

24. Pension Obligations

The total group pension contributions were £3,549,865 (2024: £6,288,715) of which £Nil (2024: £2,861,000) related to the closed Millfield final salary scheme for support staff (the Millfield Retirement Benefit Scheme) and £3,549,865 (2024: £3,427,715) was paid into defined contribution schemes for teachers and support staff.

Final Salary Scheme (Millfield Retirement Benefit Scheme – "MRBS")

For some of its support staff, the School operates a funded final salary scheme, whose assets are held in separate trustee-administered funds.

From 1 September 2005, the final salary scheme was closed to new members. On 31 December 2014, after consultation with the Trustees and active members, the Scheme was closed to future accrual and salary linkage. Qualifying new staff are automatically enrolled into a defined contribution scheme with contribution rates equivalent to the minimum rates set out by the Government in respect of auto enrolment schemes.

The final salary scheme is subject to triennial valuations by independent actuaries, the last full actuarial valuation was carried out as at 31 August 2024, using the Defined Accrued Benefit Method. At the valuation, the market value of the assets held was £15,075,000 and this value was sufficient to cover 101% of the benefits accrued to members after allowing for expected future increases in earnings, giving a surplus of £162,000 as at 31 August 2024.

A new Schedule of Contributions was agreed on 12 August 2024. Under this arrangement the school settled all remaining deficit payment under the Schedule of Contributions. Per the FRS102 report the scheme is now in a surplus position. This surplus has not been recognised as Millfield is unlikely to be able to recover this via reduced future contributions or refunds from the plan, as all contributions have now been paid.

The school will continue to pay any insurance premiums, PPF levies and any costs relating to managing the scheme separately when due, except for investment management expenses. The Scheme's next triennial valuation is 31 August 2027.

These financial statements reflect the requirements of FRS 102. The expense for the year as calculated by the actuary together with the re-measurement of the surplus are recognised in the Consolidated Statement of Financial Activities as shown below:

	2025 £'000	**2024** £'000
Statement of financial position		
Fair value of scheme assets	13,602	15,139
Present value of defined benefit obligation	(12,457)	(13,667)
Unrecognised surplus	(1,145)	(1,472)
Net deficit in scheme	-	-

Changes in the defined benefit obligation		
Defined benefit obligation at start of period	13,667	13,265
Interest cost on defined benefit obligation	648	674
Benefit paid	(848)	(894)
Actuarial (gain)/loss	(1,010)	622
Defined benefit obligation at end of period	(12,457)	(13,667)
Changes in the fair value of scheme assets		
Fair value of scheme assets at start of period	15,139	12,194
Interest income on scheme assets	721	691
Return less interest income on scheme assets	(1,410)	287
Contributions by the employer	-	2861
Benefits paid	(848)	(894)
Fair value of scheme assets at end of period	13,602	15,139
Total expense recognised in expenditure		
Net interest on net defined benefit liability	(73)	(17)
Expenditure charged in year	(73)	(17)
Total amount recognised in the statement of financial activities		
Return less interest income on scheme assets	(1,410)	287
Actuarial (loss) on liabilities	(467)	(238)
Change in assumptions	1,477	(384)
Movement in unrecognised surplus	327	(1,472)
Re-measurement (loss) recognised in the SOFA	(73)	(1,807)
Assets		
Insurance annuities	42	50
Cash and net current assets	505	534
Investment grade bonds/ Gilts	13,055	14,555
Fair value of scheme assets	13,602	15,139
Actual return on scheme assets over period	(689)	978
Movement in net defined pension liability		
Reconciliation of funded status		
Opening deficit	-	(1,071)
Employer contribution	-	2,861
Charge recorded in SOFA	73	17
(Loss) recorded in statement of financial activities	(73)	(335)
Unrecognised surplus	-	(1,472)
Closing deficit	-	-

	2025	2024
Main financial assumptions	% pa	% pa
Discount rate	5.65	4.9
Price inflation:		
- RPI	2.95	3.15
- CPI	2.6	2.5
Deferred pension increases:		
- Pensions accrued to 5/4/09	2.15	2.5
- Pensions accrued from 6/4/09	2.15	2.5
Pension increases in payment:		
- GMPs accrued from 6/4/88	2.9	3.1
- Non-GMPs accrued to 31/8/05	2.9	3.0
- Pension accrued from 1/9/05	2.2	2.3

	2025	2024
Mortality assumptions and life expectancies	Years	Years
Expected future lifetime from age 65:		
- Male currently aged 65	21.5	22
- Female currently aged 65	23.7	24.4
- Male currently aged 45	22.4	23
- Female currently aged 45	24.8	25.5

25. Reconciliation of Net Income to net cash generated from operations

	2025	2024
	£'000	£'000
Net Income	6,472	7,776
Adjustments for:		
Amortisation on intangible assets	14	-
Depreciation of tangible fixed assets	6,106	6,068
Defined benefit pension scheme contributions	-	(2,861)
Net interest on the net defined pension benefit liability	(73)	(17)
Effects of changes in foreign exchange on investments	-	44
Net decrease in cash deposits within investments	35	138
Interest receivable	(2,003)	(1,748)
Interest payable	303	156
Profit on sale of tangible fixed assets	(11)	(121)
Operating cash flows before movements in working capital	10,843	9,435
(Decrease)/increase in stocks	(82)	88
(Increase)/decrease in debtors	(11,394)	(1,078)
Increase in creditors	13,653	2,911
Increase in provision	46	-
Advance fees applied	(13,943)	(9,163)
	(11,720)	(7,242)
Cash generated from operations	(877)	2,193

26. Financial Commitments

At 31 August 2025 the group had total future minimum lease payments under non-cancellable operating leases, as follows:

	Other		Motor Vehicles	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Amounts due within one year	17	20	113	117
Amounts due in two to five years	31	42	127	83

27. Related Party Transactions

Transactions between the School and its subsidiary, Millfield School Enterprises Limited, Millfield Foundation and Millfield Nurseries Limited are disclosed below:

	2025	2024
Millfield Enterprises Limited	£'000	£'000
Purchases of goods in year	689	775
Rents received	33	33
Amounts owed to Millfield at year end	-	106
Amounts owed from Millfield at year end	44	-
Gift Aid received	310	302
Millfield Foundation		
Contribution from Millfield Foundation for Bursaries	163	98
Donations collected by Millfield on Millfield Foundations behalf	51	62
Millfield Nurseries Limited		
Interest paid to Millfield	12	-
Amounts owed to Millfield at year end	473	-

The School has a limited number of students who are family members of governors. Fees are payable at the same level as other students, and entitlement to fee remission is considered in line with the School's stated policy.

The Governors made aggregate donations of £26,969 (2024: £1,400) during the year to Millfield. In addition, there was a transaction made on an arm's length basis with one related party during the prior year for services provided to Millfield: O Welsby is a director of Brightcore Limited which charged the School £Nil (2024: £780) of which £Nil (2024: £780) was outstanding and included within the accruals and deferred income line within current creditors. There have been no other related party transactions other than those listed in note 9.

28. Prior year Consolidated Statement of Financial Activities by Fund

	Note	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2023 £'000**
Income from:				
Charitable Activities:				
- Fees receivable	3	58,619	-	**58,619**
- Other educational income	4	4,667	-	**4,667**
Other Trading Activities:				
- Other fees and external hiring		3,227	-	**3,227**
- Investments	6	1,600	148	**1,748**
- Subsidiary trading income		1,097	-	**1,097**
Donations and legacies	5	1	327	**328**
Other Income	7	125	-	**125**
Total Income		69,336	475	**69,811**
Expenditure on:				
Charitable Activities		(57,212)	(84)	**(57,296)**
Raising Funds:				
- Other fees and external hiring		(3,059)	-	**(3,059)**
- Subsidiary trading expenditure		(855)	-	**(855)**
- Fundraising		(269)	(83)	**(352)**
Finance and Other Costs		(473)	-	**(473)**
Total Expenditure	8	(61,868)	(167)	**(62,035)**
Net income		7,468	308	**7,776**
Other recognised Gains:				
Re-measurement of the net defined benefit liability	24	(1,807)	-	**(1,807)**
Gain on investment assets	13	-	774	**774**
Net Movement in Funds		5,661	1,082	**6,745**
Total Funds Brought Forward		54,913	5,856	**60,769**
Total Funds Carried Forward	21	60,574	6,938	**67,512**

29. Capital

The company is limited by guarantee and does not have a share capital.

GOVENORS, ADVISORS AND KEY STAFF
for the year ended 31 August 2025

The Governors of Millfield ("the School") are the School's charity trustees under charity law and the directors of the charitable company. During the year the activities of the Governing Body were carried out through six committees. In addition to the committees some members of the Governing Body also act as trustees for Millfield Retirement Benefits Scheme and as directors of subsidiary companies (Millfield School Enterprises Limited and Millfield Overseas Limited). The members of the Governing Body who served in office as Governors during the year and subsequently are detailed below.

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Roland Rudd	**Chair**									
Rob Abernethy		*c	*	*						
Behdad Alizadeh	**Deputy Chair**		*							
Sam Bradley	Appointed 1 May 2025					*				
Michael Brotherton	Appointed 30 June 2025	*	*							
Wim Bushell	Resigned 31 March 2025			*c				*c		
Nicola Della Valle	**Deputy Chair**			*c						
Frances Dickens	Resigned 31 March 2025		*							
Helen Donovan	Appointed 10 October 2024				*			*		*
Robin Fletcher	Appointed 30 June 2025				*					
Tim Griffiths			*			*c		*	*	
Giles Hastings	Appointed 30 June 2025				*					
Christopher Hirst	Resigned 31 March 2025			*	*					
Nick Maddock		*	*c					*c		*
John Maudslay		*					*c			
Janet Mitchell				*	*c					
Douglas Pinto		*	*				*			
Louise Simpson	Appointed 15 May 2025				*					
Rosiji Soluade				*	*					
Sara Symington	Appointed 1 May 2025					*				
Peter Warner		*			*					
Oliver Welsby		*			*					
Ross Westgate	Appointed 23 May 2025									

*c denotes the current Chair of a committee or board.

1. Audit, Compliance and Risk Committee
2. Building and Finance Committee
3. Appointments Committee
4. Education Committee
5. Sport Committee
6. Trustee, Millfield Retirement Benefits Scheme
7. Director, Millfield School Enterprises Limited
8. Director, Millfield Overseas Limited
9. Director, Millfield Nurseries Limited

OFFICERS - (key management personnel currently and throughout the year)

Gavin Horgan	Headmaster of Millfield Schools
Melissa Johnson	Finance Director of Millfield Schools
Dan Thornburn	Headmaster of Millfield Prep School

COMPANY SECRETARY AND CLERK TO THE GOVERNORS
Matthew Shaw

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BANKERS
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SOLICITORS
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MILLFIELD

England & Wales - Charity number 310283

Accounts

MILLFIELD

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

for the year ended

31 August 2024

Company number: 00522385
Registered Charity Number: 310283

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The Governors present their Annual Report and Consolidated Financial Statements for the year ended 31 August 2024 and confirm that they comply with the requirements of the Charities Act 2011, the Companies Act 2006, and the Charities SORP FRS 102.

The Governing Body confirms that the financial statements comply with the charity's governing document, with current statutory requirements, with applicable accounting standards in the United Kingdom, and with the Charities Statement of Recommended Practice (FRS 102) – Second Edition. The Governors of Millfield ("the School") are the School's charity trustees under charity law and the directors of the charitable company. The School's Governors, advisors and key staff are set out on pages 48-49.

REVIEW OF THE YEAR

Principal Achievements and Performance

Educational performance

Millfield is a large, independent school with around 1,307 students at the senior school site and 378 at the prep school site. Our students are a diverse cohort with over 300 international students from 75 different countries represented within the student body, and a further 150 or so British students living abroad. The scale of our community, combined with the resources and facilities we offer means our scale brings educational opportunity. Our unique selling points are the wide range of sporting and other activities, coaching and facilities that students enjoy alongside their academic education and our full boarding mix. The capacity to engage children at many different levels is central to life at Millfield and we offer countless opportunities across many different learning contexts both inside and outside the classroom. Talented and committed staff work with our children to achieve these ends.

With an average year group size of 230 students in Year 11 and 308 students in the Upper Sixth, Millfield has a much larger number of candidates sitting GCSEs and A levels. The results of our top 100 students for GCSE and A level, which is a number comparable with the size of other schools, compares extremely well with highly selective schools. 60+ students gain funded scholarships in academics and sport to US universities. Every year we have students gaining places at Oxford and Cambridge Universities, as well as many going on to the Russell Group Universities. Students also gain highly sought after places at universities to study subjects such as medicine, dentistry and veterinary. For that reason, we publish results that reflect both the whole student group as well as our Top 100 highest achieving candidates. The Top 100 results show that this group regularly achieve grades which compare well with academically selective independent schools.

A level or equivalent results	Top 100	Year Group	GCSE results	Top 100	Year Group
A* - A grades	69.3%	31.1%	9 - 7 or A* - A grades	80.5%	47.5%
A* - B grades	96.7%	61.1%	9 - 5 or A* - B grades	98.8%	85.6%
A* - C grades	100.0%	84.3%	9 - 4 or A* - C grades	99.8%	95.1%
A* - E grades	100.0%	99.9%	9 - 2 or A* - E grades	100.0%	99.6%

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Principal Achievements and Performance (continued)

There were also strong results from students who took Advanced Vocational Qualifications. Upper Sixth students were offered A level equivalent (level 3) BTEC courses including the BTEC Extended Diploma in Art & Design; the BTEC Diploma in Business; the BTEC National Diploma in Enterprise & Entrepreneurship and the BTEC Diploma in Sport. Students also had the options of a single A level equivalent qualification in the BTEC Extended Certificate in Music Performance or the Level 3 Diploma in Food & Nutrition.

BTEC results	BTEC Only	Inc. level 3 Food Science & Nutrition
% Dist.* - Dist.	68.1%	65.3%
% Dist.* - Merits	95.7%	94.4%
% Dist.* - Pass	100.0%	100.0%

University Destinations

Millfield has a strong track record in supporting students in their decision-making on which university or college is best for them. Our Futures Department is resourced to provide guidance to meet individual aspirations, whatever a student's ambitions, whether it is Oxbridge, Russell Group, specialist colleges, American and international universities, apprenticeships or gap years.



2024 Futures headlines

- 84% of cohort (308) secured Higher and Further Education places across the world.
- Forty-four students heading to overseas universities including six US Ivy League universities and Stanford. Switzerland, Spain and France being popular destinations in Europe.
- Three students accepted places at Oxbridge.
- Four gained highly competitive places to study medicine.
- 13% opted for a Gap Year or Post-Results application
- Five students are heading straight into professional sport.

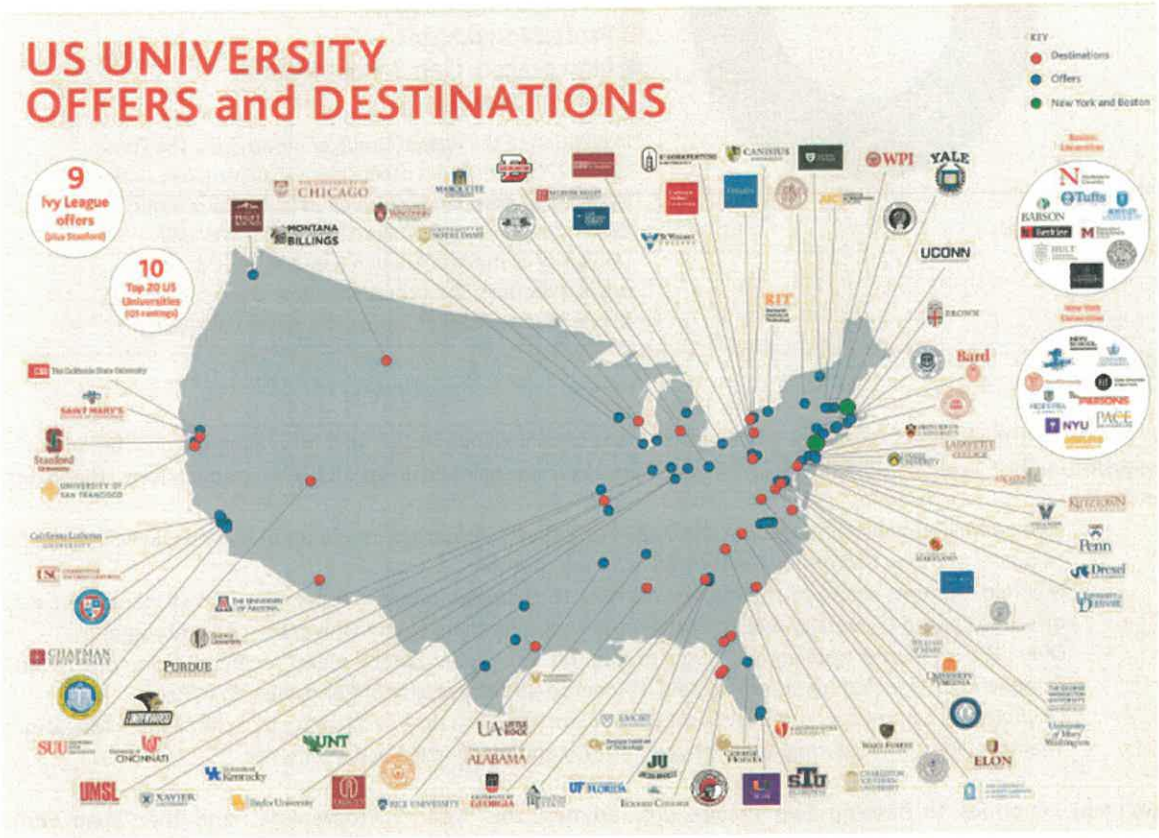
Popular university choices include Bath, Bristol, Cardiff, Exeter, Loughborough, Oxford Brookes, Surrey and University of the Arts, London (UAL).

North American application numbers continue to rise, Millfield supports students with SAT classes and is one of few SAT test centres in the UK which means that students do not need to leave the campus to take their SAT entry exam.

Principal Achievements and Performance (continued)

US university applicants

36 of our leavers and a further 16 OMs have accepted offers at US universities with a large number in receipt of significant academic and/or sports scholarships. Some notable acceptances include the following top 20 US ranked institutions: University of Chicago, Columbia University, Cornell University, Duke University, University of Pennsylvania, Princeton University, Stanford University and Yale University.



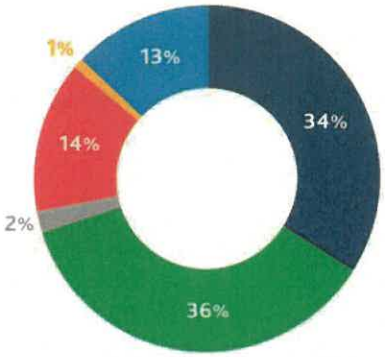
Other applicants

There are a total of 8 students taking up offers at other overseas universities. Countries of which these university reside are Canada, Cayman Islands, Italy, Spain, Switzerland and Thailand. Furthermore:

- 1 student gained a place at Hult International Business School;
- 1 student has gained a place on a conservatoire;
- 3 students have gained places on creative courses such as fashion, music and film, 6 students plan to take up apprenticeships;
- 4 students will be taking up sport professionally and a pupil will be joining the military; and
- 29 students are intending on taking a gap year.

All students who do not have any career or HE plans are offered 1:1 specialist career advice before leaving Millfield and are supported by the Futures Department and the Old Millfieldian "OMs" Society after they leave.

Principal Achievements and Performance (continued)



Where Millfield leavers go

- Russell Group and Times Top 30*
- Other UK HE Institutions
- Military and Apprenticeship
- Overseas universities
- Professional Sport
- Non placed, Gap & Post Results (UK & Overseas

*In addition to the Russell Group of universities, The Times top 30 (2024) includes other selective universities. In the UK, popular destinations include Bath, Bristol, Cardiff, Exeter, Loughborough, Oxford Brookes, Surrey and University of the Arts, London (UAL). In the US, popular destinations include New York University (NYU), Rhode Island School of Design and Boston University.

Students

A review of the students' principal achievements and performance in the year is available from the School's website in 'The Year at Millfield 2023/24' and 'The Year at Millfield Prep 2023/24' publications. Highlights include:

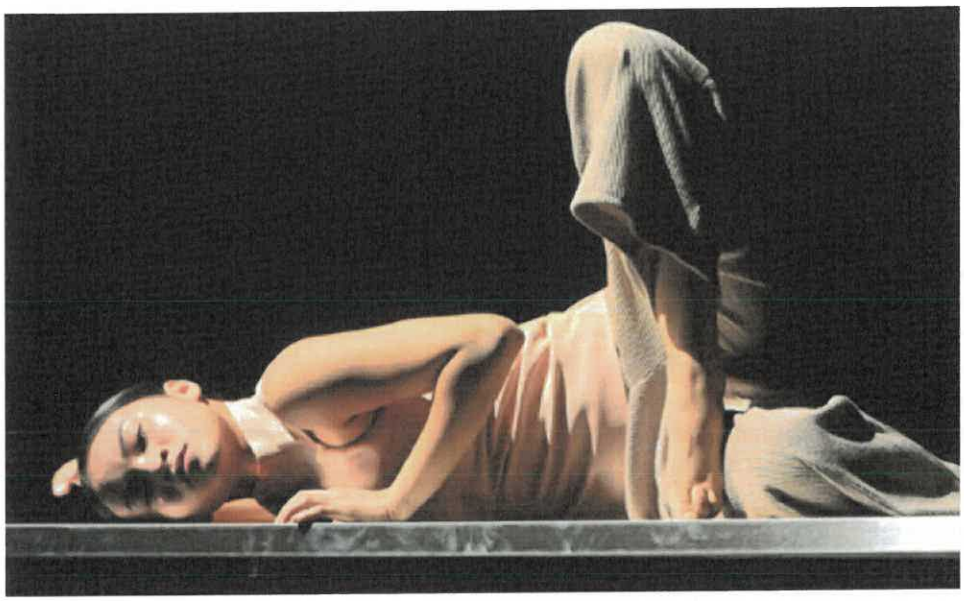
- Twelve Millfieldians competed at the 2024 Paris Olympics Games, made up of eleven Old Millfieldians, two staff and one Swimming Performance Squad member.
- Millfield students received the highest number of Oxbridge offers in a decade. Two students received offers to Oxford University whilst a further three are heading to the University of Cambridge.
- Over 100 students applied to study in the US this year. Offers were received from prestigious establishments including Stanford, Yale, Princeton and University of Pennsylvania (UPenn).
- Millfield were named as the Best Sports School for the 10th time in 11 years by School Sport Magazine. The accolade comes during another year of outstanding sporting achievements.

Millfield continues to develop two unique programmes, the "Year 9 Programme" and the "Sixth Form Programme". The Year 9 Programme offer a curriculum, both inside and outside the classroom, stretching and challenging each young person to make learning even more inspiring and involving. The academic curriculum offers an exceptionally wide range of subjects, all tailored to each pupil's learning ability. This is combined with an outstanding sport and co-curricular programme with a focus on learning in the outdoors, making the most of Somerset's wonderful resources on our doorstep.

The outdoor adventure aspect allows them the opportunity to try things they might otherwise not experience and to participate in the Duke of Edinburgh Bronze Award challenge should they wish. This delivers a dynamic and diverse programme that engages and connects our pupils with limitless academic, artistic and sporting outcomes by discovering and nurturing their talents and passions.

Principal Achievements and Performance (continued)

The Sixth Form Programme recognises the academic, sporting and co-curricular opportunities already in place and complements these with the Millfield Brilliance Award ("MBA") to assist the students' development as young adults across a range of areas.



The MBA award continues to flourish, with a growing number of exciting projects which have seen our students become further involved in our local community.



In line with Millfield's philosophy of providing an excellent all-round education, the school runs the Millfield Activities Programme (MAP) for all year groups in the senior school. The purpose of MAP is for students to experience a range of activities and develop skills beyond those in the core curriculum or core games and sports programmes. Hence, whilst composition varies seasonally, and with interest from staff and students, suitable MAPs diversify the student learning experience and cater for all standards and abilities. Over 100 different activities are currently offered during the course over the year.

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Principal Achievements and Performance (continued)

Staff

The student: teacher ratio stands at 6.8:1 (2023: 6.9:1). Millfield has over 1,000 staff across the Pre-Prep, Prep and Senior Schools. Millfield continues to strive to recruit dynamic, high-quality staff across all areas, including teaching, sports coaches, welfare and support and invests significant amounts of its income to recruit, retain and motivate staff. The diversity of the people and the range of skills that combine together to run our highly successful schools make the Millfield Community so unique. Boarding schools are 24/7 communities, and our dedicated staff make it an extraordinary place on a daily basis.

Development of Facilities and Resources

The focus this year has been to maintain our existing facilities and resources and to finish the major refurbishment of teaching B block. Millfield also acquired the freehold of Eastmead land which adjoins the Senior School campus from Butleigh Road. Millfield invested £9.4 million (2023: £5.4 million) into facilities during the year and some of the work included the following:

- Strategic purchase of freehold of Eastmead Land (£2.4m)
- Complete phase two refurbishment of teaching B block (£1.7m)
- External fabric improvement of ADT teaching block (£0.9m)
- IT infrastructure (£0.6m)
- Boarding house refurbishments (£0.5m)
- Staff housing refurbishments including heating and hot water services (£0.4m)
- Refurbishment of the Gatehouse and visitor reception (£0.3m)
- CCTV infrastructure upgrades (£0.1m)

The School continuously reviews its long-term capital investment masterplan to ensure it retains best value academic, sports, boarding house, day house and welfare facilities.

Investments

Millfield does not hold any investments of its own. Millfield Foundation, a subsidiary of Millfield, holds two investment portfolios. Millfield Foundation continues to act as custodian of these funds for Millfield. Donations received by the Foundation are invested directly through appropriately qualified investment managers with investment returns donated back to Millfield. This donation is used by Millfield to support its scholarships and bursaries provision.

The Trustees aim to hold a balanced portfolio of assets that will achieve long-term growth from capital appreciation and income in excess of the Consumer Price Inflation index ("CPI") without exposing the Charity to undue risk. Investments held at year end were £6,192,485 (2023: £5,137,679). The investments generated income, including interest, of £147,803 (2023: £105,578) during the year and generated a net gain on revaluation at year end of £773,507 (2023: £115,749 loss). The value and allocation of the Millfield Foundation Charity's investments as at 31 August 2024 and 2023 are:

Investment Manager	2024			2023	
	£	%		£	%
Rathbone Investment Management Limited	-	-		14,520	0.3%
Waverton Investment Management Limited	4,485,184	72.4%		4,131,297	80.4%
Vanguard Investments UK Limited	1,707,301	27.6%		991,862	19.3%
	6,192,485	100.0%		5,137,679	100.0%

During the year, the Foundation Board agreed to invest a further £500,000 into equities, to increase the proportion of the portfolio invested into equities to 70%, to derive higher returns. To achieve this, assets were restructured and some further funds introduced.

Principal Achievements and Performance (continued)

The day-to-day management of the Foundation's investment portfolio has been delegated to Waverton Investment Management Limited and Vanguard Investments UK Limited, who the Trustees monitor on a regular basis via the Finance & Investment Committee.

The investments held with Waverton remain in a bespoke, actively managed fund which excludes 'sin' stocks, including non-renewable energy companies. The Trustees noted that the ESG Index fund held with Vanguard provides further diversity. It has been agreed that Waverton will report bi-annually to the Finance and Investment Committee and annually to the Millfield Foundation Board. The investment mandate and objectives were reviewed in the year and the Trustees continue to adopt a balanced approach.

Public Benefit

At Millfield, we are committed to fostering meaningful relationships within our local community, ensuring that our students and staff contribute positively to society. As one of the largest employers in the region, we recognize our social responsibility and seek to widen access to academic, sporting, and creative enrichment opportunities through scholarships, bursaries, and cross-sector partnerships.



Educational Partnerships and Professional Development

A core focus this year has been developing strong, authentic relationships with local maintained schools, with a particular emphasis on professional development and knowledge-sharing.

- Collaboration with The Blue School in Wells led to over 650 pupils attending activity days, as well as ongoing teacher training initiatives.
- A newly established professional development network has facilitated knowledge exchange:
  - 39 participants from 24 schools attended an AI Conference at Millfield.
  - IT expertise was shared through online advisory sessions with 8 local schools.
  - Millfield's Director of IT has taken a leadership role in national education technology initiatives, providing support to approximately 5,000 schools.
  - Science-focused training days for primary school teachers have bolstered confidence in delivering practical sessions.
  - A Coach Education Programme, in partnership with the England and Wales Cricket Board, provided free training to regional cricket coaches.
  - Conferences and networking events have helped local educators support neurodivergent learners more effectively.

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Public Benefit (continued)

Enhancing Access to Education and Learning

Millfield continues to expand its outreach, offering direct support and enrichment opportunities to local maintained schools:

- **Languages:** Weekly Chinese lessons delivered in three primary schools, along with cultural workshops and an annual food festival.
- **Academic Enrichment:**
  - Millfield hosted history, politics, and STEM conferences, engaging hundreds of pupils from local schools.
  - The Physics Show welcomed 570 children from 8 primary schools, making science accessible and engaging.
  - The inaugural Physics Olympics saw 76 pupils from 10 schools compete in a variety of scientific challenges.
- **Careers and Work Experience:**
  - The Futures Fair connected over 50 pupils from 3 local schools with representatives from universities, employers, and apprenticeship providers.
  - Millfield supported placements for local students and provided opportunities for young people with disabilities through Project Search.

Community Engagement and Support
Millfield actively invites the community to participate in a variety of events, ensuring our resources benefit a broad audience.

- **Annual Community Day:** Opened school facilities to local residents, fostering connections and shared experiences.
- **Social Initiatives:**
  - Elderly residents engaged in social activities through Millfield's Tea and Dance event.
  - Pupils from local special schools participated in weekly equine therapy sessions.
- **Charitable Efforts:**
  - Over £1,750 raised for CALM through a charity swim event.
  - Donations of food, bedding, and books to local and international charities.
  - Macmillan Coffee Morning raised £1,164.

Promoting Sport, Arts, and Culture
Millfield's outstanding facilities enable thousands of young people to participate in sport and the arts each year:

- **Sporting Outreach:**
  - Over 11,000 visits from local clubs for training and competitions.
  - Millfield coaches supported county-wide hockey, rugby, and athletics events.
  - A partnership with Somerset Disabled Cricket Team encouraged inclusivity in sport.
- **Arts and Cultural Access:**
  - The Atkinson Gallery hosted exhibitions promoting sustainability and creativity.
  - Millfield's theatre supported local school productions, accommodating nearly 2,000 audience members.
  - Sixth form students ran a weekly school choir for 40 local children, culminating in a Christmas performance.

Through these initiatives, Millfield continues to provide substantial public benefit, enhancing educational opportunities and supporting the local community across multiple sectors.

Section 172 (1) Companies Act 2006

The Governors comply with the requirements of section 172 (1)(a)-(f) using the proven organisational management approach included within the Structure, Governance and Management section of this report (see pages 13-15) as follows:

(a) "The likely consequences of any decision in the long term" – all strategic matters are considered by Governors in one or more of the four committee termly meetings with papers provided in advance by the Millfield Executive Group ("EG") after it has completed its own internal review. Once a matter has been considered and discussed, the relevant committee makes a formal recommendation to the Full Governing Body for it to consider at its meeting before a final decision can be made. This "three" tiered approach ensures strategic long-term decisions are rigorously considered before being implemented.

(b) "The interests of the company's employees" - as a leading independent school, Millfield's employees and facilities are the key variables for its community. The approach to employee interests is included under the Employee Involvement and Equal Opportunities section on pages 14-15. The Head of HR is part of the Executive Group and employee matters are considered as appropriate at each of the four governor committee meetings as well as at full governing body meetings.

(c) "The need to foster the company's business relationships with suppliers, customers and others" – Millfield makes a significant contribution to the local economy as is evidenced from the data included under the "*Public Benefit*" section and the Governors in the "Building and Finance Committee" and "Audit, Compliance and Risk Committee" review processes and procedures in place to ensure consistency and fairness of approach in dealings with suppliers and customers.

(d) "The impact of the company's operations on the community and the environment" – as an independent school with charitable status, Governors appreciate the importance of our impact on the local community and the environment. Millfield takes this aspect very seriously as shown by the initiatives included within the "*Public Benefit*" section of this report.

(e) "The desirability of the company maintaining a reputation for high standards of business conduct" – the Governors rely on the Executive Group ("EG") and the Senior Leadership Teams ("SLT") at Millfield and Millfield Prep to both maintain and comply with internal policies and procedures approved by the governor committees to ensure high standards of business conduct are maintained.

(f) "The need to act fairly as between members of the company" – The Governors, as members, sign a "Code of Conduct for Governors of Millfield School" which includes a requirement to comply with the Nolan principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership and there are policies and procedures in place to support the adherence to this code of conduct.

Future Plans

The current purpose, vision and values previously set in 2019 remain valid and provide a totem pole from which to hold all members of the School community accountable. Millfield's founding philosophy and intake demand a unique approach. Most students choose Millfield because of our unique offer in the following key areas:

- Sport
- Full Boarding Provision
- Opportunities
- Facilities
- Additional Education Needs.

Our strategic objectives have been refined to focus on these areas and upon and be sector leading in these areas.

Our Purpose is to break the mould as an activist educator and provide an education and an experience that honours the individual.

Our Vision is to be the world leaders for the development of children.

Our Mission

- Discover brilliance in every child and transform lives through education.

The School's 5 year Strategic Objectives have been updated and are:

1. **Millfield will discover sporting, academic and creative brilliance in every child.**
   Millfield's unique philosophy will facilitate a tailored approach for talented children and offer a transformational experience for all children to ensure they are supported and challenged. Millfield will be a beacon of excellence for children with Additional Educational Needs.

2. **Millfield will develop leaders and disruptors, prepared for the next stage of life.**
   Millfield's scale and structure offers unrivalled opportunities for all in experience of entrepreneurship, resilience, service, inclusion, kindness and achieving success through hard work.

3. **Millfield will champion physical and mental wellbeing.**
   Millfield's sector defining holistic approach places health, happiness, wellbeing and self-efficacy for children and staff, with a focus on children with neurodivergent traits, at the centre of all that we do. Millfield will lead the debate in this area.

4. **Millfield will define the future full boarding experience.**
   Millfield recognises the fundamental significance and benefits of the full boarding ethos and provision. Millfield will develop a global, sustainable, modern and welcoming full boarding experience that is an enabler for development.

5. **Millfield will lead on transforming lives through education.**
   Millfield's unique history prompts us to lead on effective partnerships with schools and other local groups and on the provision of life-changing bursaries and contribution to the national debate on access to education and sport.

Our focus for the year ahead will include:

- continuing to embed the Schools' Values;
- offering the highest standard of experience to pupils;
- focus on efforts to raise funds to support the Foundation in securing bursary funding;
- establishing a group of UK nurseries and exploring international expansion;
- development of the School's masterplan on a sustainable long-term basis.

Structure, Governance and Management

Governing Documents

Millfield ("the company" or "the School") is a company limited by guarantee, first incorporated as Millfield School Limited on 4 August 1953 and constituted under Memorandum and Articles of Association dated 9 November 1979 and last amended on 21 March 2014. It is also a registered charity, number 310283.

Group Structure and Relationships

The School provides independent (boarding and day) education for boys and girls between the ages of 2 and 7 years (Millfield Pre-Prep – day only), 7 and 13 years (Millfield Prep) and 13 and 18 years (Millfield).

In addition to its principal activity, the School also operates a wide variety of educational and recreational holiday courses, retail outlets and related activities, some of which are carried out through a trading subsidiary company, Millfield School Enterprises Limited. All surpluses from these activities are reinvested in the School for the benefit of its principal educational activity. The School also owns 100% of the share capital of Millfield Overseas Limited, a company incorporated on 21 December 2012 and Millfield Nurseries Limited, a company incorporated on 29 March 2024. Both companies are dormant and have been so since incorporation.

On 23 August 2022 Millfield Foundation's (company number: 06370560) Articles of Association were amended by special resolution, effective from 1 September 2023. These Articles state that the majority of Trustees holding office at any one time are nominated by Millfield. Millfield is deemed to have effective control over Millfield Foundation board and therefore its balance sheet was transferred into the group effective 1 September 2023, and its results have been consolidated into Millfield's group accounts since then.

Investment Powers and Policy

There are no specific restrictions on the Governors' investment powers; where necessary Governors seek the advice of qualified investment advisors prior to making any investments.

Governing Body

The Governing Body is self-appointing. Governors are appointed for a three-year term of office. Retiring Governors are eligible for re-appointment. New Governors are appointed by the Governing Body on the recommendation of the Appointments Committee. Candidates are proposed by existing Governors on the basis of the expertise and experience they can offer the School, taking into consideration the termly skills audit by the Appointments Committee against the categories of skills deemed necessary by the Governing Body for providing proper strategic management oversight and control. Searches for governors with specific acumen may be conducted by board level recruitment consultants. The Governing Body seeks to have an appropriate balance of age, gender and ethnicity and has set itself medium term targets to reflect the diversity of its student cohort.

Governor training

Appropriate information and training, including safeguarding training, is provided to new Governors. They are provided with induction information, a Governors' Handbook and information on their responsibilities as a charity trustee. They meet for individual briefings with the members of the Executive Group, the Chairman of Governors and relevant senior staff members. The Governing Body recognises that new Governors must feel confident that they are equipped to meet their statutory and wider legal responsibilities and appropriately tailored courses and further information are made available to them through the Clerk to the Governors. Where appropriate, members of the Governing Body attend external trustee training and information courses designed to keep them informed and updated on current issues in the sector and regulatory requirements.

All Governors receive safeguarding training as part of their induction and receive annual updates which is audited for effectiveness. There is an annual cycle of face-to-face governor training. This year Governors received training on their role in the revised ISI Inspection process. Indemnity insurance is in place for Governors. During the year, Millfield paid £465 (2023: £481) in respect of indemnity insurance for its Governors.

Structure, Governance and Management (continued)

Organisational management

The members of the Governing Body, as the charity trustees, are legally responsible for the overall management and control of the School, including policy setting and strategic planning. The detailed work of the Governors is delegated to four committees, each of which operates under terms of reference which are approved by the Governing Body, and which are required to report to the full Governing Body on a regular basis.

- Audit, Compliance and Risk Committee
- Building and Finance Committee
- Appointments Committee
- Education Committee

In addition to the committees, certain members of the Governing Body also act as trustees for Millfield Retirement Benefits Scheme and as directors of Millfield School Enterprises Limited, Millfield Foundation Limited Millfield Nurseries Limited and Millfield Overseas Limited. Individual Governors also hold special responsibility for specific areas such as Safeguarding, SEN, Staff Liaison, Sport and Public Benefit.

Millfield Foundation has a separate Board, a maximum of up to ten trustees, comprised of Appointed Trustees nominated by Millfield and Co-opted Trustees appointed by the Trustee Board. The detailed work of the Millfield Foundation Trustees is delegated to the four committees:

- Audit, Compliance and Risk Committee
- Finance & Investment Committee
- Nominations Committee
- Joint Fundraising Sub-Committee (with Millfield)

The Joint Fundraising Sub-Committee constitution membership was increased beyond three members to include at least one Millfield Governor, a Foundation Trustee who is also a Millfield Governor and a Foundation Trustee not associated with Millfield. This is to widen discussion and allow the Sub-Committee to be quorate if a member is unable to attend.

Furthermore, Millfield School Enterprises Limited hold directors' meetings termly.

The day to day running of the School is delegated to the Headmaster of Millfield, the Headmaster of Millfield Prep School and the Finance Director of Millfield Schools, ("the Executive Group ('EG')"), as key management personnel, who in turn are supported by Senior Leadership Teams ("SLT"). The Head of HR of Millfield Schools also forms part of the Executive Group and advises on matters related to staffing. The Heads and Finance Director attend all meetings of the Governing Body's Committees.

Employee involvement and equal opportunities

The Governors are committed to ensuring that Millfield provides equal opportunity in recruitment and employment. Potential and existing employees are treated by reference to their particular aptitudes, abilities and relevant qualifications and receive equal treatment as provided for by law regardless of sex (gender), sexual orientation, gender reassignment, marital status or partnership, race, religions or belief, age, disability or pregnancy/maternity.

The School aims to recruit, develop and retain high quality teaching and support staff who identify with the School's values and objectives. Delivery of the School's charitable vision and purpose is primarily dependent on its key management personnel and staff; staff costs are the largest single element of the School's charitable expenditure. Specific consideration is given to ensuring staff interests are considered by offering competitive:

- Remuneration packages which are reviewed annually: including salary and allowances.

Structure, Governance and Management (continued)

- Benefits: holiday and sickness entitlement, life insurance, subsidised canteen and gym facilities, employee assistance program and free car parking. For support staff there is long service award of up to five additional days annual leave.
- Working environment: staff benefit from working in one of Millfield's two picturesque school campuses with the senior school based just outside Street and the prep school outside Glastonbury in Somerset.
- Professional Development: provided through support to attend relevant courses and seminars.

The Governors welcome and encourage employee engagement and regularly attend meetings where current issues are discussed with staff. In addition, both teaching and support staff have a termly forum for issues to be raised and discussed with members of EG which Governors also attend where practicable. Millfield recognises and liaises with a number of teaching unions including the National Education Union ("NEU"), the National Association of Schoolmasters Union of Women Teachers ("NASUWT") on issues around pay, holiday and hours.

Millfield recognises that disabled persons may have special requirements and makes reasonable adjustments to interview procedures, work arrangements, premises, equipment, job design, training and retraining to remove potential barriers in the working environment.

Business relationships with suppliers, customers and others

Millfield is committing to providing its educational and sporting services to pupils at the standard promoted to their parents. Millfield work closely with suppliers and other external parties to ensure this happens. Millfield continue to expand contractual relationships with preferred suppliers after conducting due diligence for quality and continuity of supply.

Objects, Aims, Objectives and Activities

Charitable Objects

The School's principal activity is the education and pastoral care of its students, reflecting the objects set out in the Articles of Association, which are:

"to establish and maintain at Millfield in the County of Somerset, a School or Schools for the education of boys and girls, and young men and young women and to give to such students general or specialised instruction of the highest class but so that each such School shall be carried on as an educational charity and as an independent object to establish and acquire as a going concern, and carry on, support or manage elsewhere, any subsidiary or affiliated Schools".

In setting the School's objectives and planning activities the Governors have given due regard to the latest guidance on public benefit published by the Charity Commission.

Financial Review

For the financial year ended 31 August 2024 Millfield generated a surplus of £7.8 million (2023: £6.1 million surplus) after charging £6.1 million for depreciation (2023: £5.8 million). The net £2.4 million improvement is as a result of increased income of £5.8 million (driven largely by an increase in pupil numbers and associated fee income), offset by a growth in our cost base of £4.2 million (mainly driven by inflationary pressures on both staff and external costs). Furthermore, Investment provided a gain on revaluation of £0.8million this year whilst recording a loss in the prior year of £0.1 million.

Millfield remains committed to maintaining broad access for talented students who would benefit from an education at its Prep and Senior schools, by offering financial support with the payment of fees to families who are otherwise unable to afford them. Scholarships, bursaries and other concessions totalling £8.8 million (2023: £8.4 million) were provided to students. Millfield's operating activities generated positive cash flow of £2.2 million (2023: £5.5 million) as set out in note 22.

Financial Review (continued)

There is a pension liability of £Nil (2023: £1.1 million) as reported in accordance with Financial Reporting Standard Number 102 ("FRS 102") in respect of the Millfield Retirement Benefit Scheme (the Scheme) for some support staff as set out in note 21. The Scheme was closed to future benefit accrual and salary linkage on 31 December 2014. A new Schedule of Contributions was signed on 12 August 2024. Under this arrangement the school settled all remaining deficit payment under the Schedule of Contributions. Per the FRS102 report the scheme is now in a pension asset position. However, this surplus has not been recognised as Millfield is unlikely to be able to recover the surplus via reduced future contributions or refunds from the scheme, as all contributions have now been paid.

The School's trading subsidiary, Millfield School Enterprises Limited, contributed turnover of £1.9 million (2023: £1.8 million), a profit of £0.3 million (2023: £0.3 million) and retained net assets of £0.6 million (2023: £0.5 million). Millfield Foundation generated income of £0.4 million (2023: £1.0 million), a profit of £1.0 million due to investment gains recorded (2023: £0.6 million) and retained net assets of £6.4 million (2023: £5.4 million). The performance of the investment portfolios held within Millfield Foundation are summarised within the Investments section in the Principal Achievements and Performance section of this Report.

Fundraising

As part of its operations the School engages in fundraising activities to seek donations from former students, parents and other members of the School community. The School complies with the Fundraising Regulator's code of practice and seeks to build positive long-term relationships with potential donors. Fundraising is conducted through the School's foundation office.

Millfield Foundation Charity does not directly undertake fundraising activities, but supports Millfield to develop relationships with donors, who include current and past parents, former pupils and friends of Millfield. Millfield Foundation and Millfield Trustees sit on the Joint Fundraising Sub-Committee.

Millfield's fundraising strategy is underpinned by a core focus on engagement within the global Old Millfieldian ("OM") and parental (past and present) communities, with a clear narrative based upon Millfield philanthropic heritage and the ongoing commitment to the 'Millfield Mix'. The Millfield Mix provides opportunities for children to benefit from a Millfield education irrespective of their social or economic background. By working alongside the OM Society, Millfield aims to grow engagement within the global alumni community via events and its international and sport societies branches. Millfield will also seek to generate charitable funds from key milestones like Millfield's 90th anniversary in 2025.

Key Performance Indicators (KPI) have been developed by Millfield (in consultation with Millfield Foundation) and are used to monitor fundraising performance. The KPI are:

- Year on year growth on income
- Investment returns and legacies
- To secure sponsorship for Millfield 90th Anniversary events
- To establish international branches
- To hold a number of meetings with key donors and to improve engagement with the Charity via parental body, social media and industry groups.

To aid the above during the year, the 1935 society was relaunched to raise awareness and to encourage legacy gifts. UK and overseas meeting were held with key donors and a Named Fund event took place to raise donations.

Ignoring intercompany donations, the Group received donation income of £329,127 (2023: £390,836), which comprises of net donations of £314,867 (2023: £350,045) and associated gift aid income of £14,260 (2023: £40,791). Millfield Foundation will continue to support fundraising initiatives developed by the Head of Foundation who is employed by Millfield. Next year is Millfield 90th Anniversary which is expected to be a major fundraising campaign.

Financial Review (continued)

There are no matters to report under the Charities (Protection and Social Investment) Act 2016.

Reserves

The Governors' policy is to examine the needs, risks and challenges faced by the School in both the short and medium terms along with relevant financial plans and forecasts and to establish reserves sufficient to meet these requirements including the School's longer-term capital expenditure commitments and any longer-term financial obligations. This policy is reviewed on a regular basis and monitored in line with the buildings development programme, which is funded from operating surpluses.

Reserves as at 31 August:	Note	2024 £ million	2023 £ million
Total Funds	18	67.5	60.8
Less: Restricted Funds	18	(7.0)	(5.9)
Unrestricted Funds	18	60.5	54.9
Less: unrestricted tangible fixed assets	11	(60.0)	(56.6)
Free Reserves		**0.5**	**(1.7)**

Free Reserves:

There are little free reserves, but Governors are satisfied with this position given that there was "Cash at bank and in hand" of £44.3 million at 31 August 2024 (2023: £29.6 million). Included within free reserves is the actuarially calculated funding deficit of £Nil (2023: £1.1 million) on the School's defined benefit pension scheme. Millfield has settled all required deficit payments under the repayment plan.

Restricted Funds:

The restricted funds comprise donations earmarked by the donors, or the terms of an appeal, for specific purposes. Restrictions are legally binding on the Governors. The Governors expect the present level of activities to be sustained at broadly the same level for the current year despite the challenging environment and the financial position. The Governors do not envisage there being any difficulty in meeting current and/or future obligations of the Charity and note there is no financial dependence on key donors.

Streamlined Energy and Carbon Reporting (SECR)

Millfield is serious about reducing our carbon footprint and in addition to investing in more energy efficient infrastructure, we have continued our engagement with a third party to assist us with our aim of achieving "net zero".

Energy efficiency measures

In the year 2023/2024, the following energy efficient actions were undertaken:

Millfield Senior School

- Chemistry department – Installation of new efficient boilers and Building Management System (BMS) controls for heating and hot water. Existing were circa 20 years old with no controls.
- A Block and reception – New BMS controls for heating and hot water.
- Eastmead Cottage – ongoing refurbishment of derelict cottage. Removal of oil-fired central heating, installation of new air source heat pump; Solar Edge PV panels and solar thermal with upgraded insulation.
- Southfield Boarding House – Installation of new efficient heating and hot water plant and BMS controls. Existing system had no controls, was 24 years old and subject to regular failure.

Streamlined Energy and Carbon Reporting (SECR) (continued)

- Warner House - Installation of new efficient heating and hot water plant and BMS controls. Existing system had no controls, was 30 years old and subject to regular failure.
- Tennis Centre – Installation of new efficient heating and hot water plant and BMS controls. Existing system had no controls, was 25 years old, subject to regular failure and compliance issued with Legionella levels.
- B Block Phase 2 – New thermally broken double-glazed aluminium windows and doors, upgraded roof insulation and installation of VRF electric heat pumps to provide controlled heating and cooling.
- ADT block – replacement of 85 windows and 9 doors. All were single glazed timber units with many inefficient louvres leaking energy during the winter. All windows and doors changed to thermally efficient double glazed aluminium units and all roof areas have had roof insulation increased by 80-100mm.

Millfield Prep School

- Edgarley Mews – Design and installation of new efficient heating and hot water plant, insulation of all pipework, new BMS controls and insulation of roof spaces. Existing plant was more than 30 years old with no controls or insulation.
- MPS - Ivernia – Internal and external refurbishment of detached dwelling, including removal of oil-fired plant, significant upgrade of insulation and installation of new air source heat pump and solar edge PV.

Plans for energy efficiency in the year ahead

- Library at senior school – We plan to re-roof the library and upgrade our roof insulation. Change of clerestory and ridge level windows from inefficient single glazed to efficient aluminium double glazed. Also, replacement of all large single glazed rooflights to triple glazed units.
- Plant replacement with BMS controls to several boarding houses and the library.
- Investigations into largescale PV installation for both swimming pool at both senior and prep school.
- Installation of sub-metering as per Net Zero recommendations. Work at Senior school started this year and we plan to progress to the prep campus in the coming year(s).

Summary of data

All figures have been quoted in terms of Carbon dioxide equivalent. CO2e is a term for describing different greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO2e signifies the amount of CO2 which would have the equivalent global warming impact.

*Energy use kWh includes heating, lighting, mileage, and fuel (not water and refrigerant gases) across the group of Millfield Schools.

Associated Tonnes CO2 does include water and refrigerant gases in its total.

Associated Greenhouse gases have been calculated using the GHG Reporting Protocol – Corporate Standard with the DEFRA conversion factors issued in June 2023. The details of which can be found here – Greenhouse gas reporting: conversion factors 2024 - GOV.UK (www.gov.uk)

Streamlined Energy and Carbon Reporting (SECR) (Continued)

Breakdown of energy between utilities and transport & other (including comparison with previous year)

UK Greenhouse gas emissions and energy use data for the period	1 September 2022 to 31 August 2023	1 September 2023 to 31 August 2024
Energy consumption used to calculate emissions (kWh)	20,720,211.46 kWh	19,954,089.11 kWh
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	2,145 tonnes CO2e	1,970 tonnes CO2e
Oil consumption	571 tonnes CO2e	562 tonnes CO2e
LPG consumption	289 tonnes CO2e	251 tonnes CO2e
Owned transport	202 tonnes CO2e	244 tonnes CO2e
Total scope 1	**3,207 tonnes CO2e**	**3,027 tonnes CO2e**
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	**903 tonnes CO2e**	**936 tonnes CO2e**
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee-owned vehicles	**14 tonnes CO2e**	**16 tonnes CO2e**
Total gross emissions in metric tonnes CO2e	**4,124 tonnes CO2e**	**3,979 tonnes CO2e**
Intensity ratio		
Tonnes CO2e per pupil/staff	**1.63 tonnes CO2e**	**1.56 tonnes CO2e**

Intensity ratio

At September each year	**2022/23**	**2023/24**
Staff (Full time & Part time*)	736	780
Pupils	1,795	1,781
Total	**2,513**	**2,561**

*Part time staff counted at ½ a full-time member of staff

Source of information

Activity	**Source**
Electricity use	Total kWh from electricity bills
Natural Gas use	Total kWh from gas bills
Oil use (kerosene)	Total litres/kWh from oil delivery invoices
LPG use	Total litres/kWh from LPG delivery invoices
Fuel (purchased and reimbursed through expenses)	Total litres/kWh from diesel delivery invoices plus purchases made on fuel cards, and mileage claimed on expenses for journeys made on school business.
Water	Cubic meters taken from water invoices
Pupil and staff numbers	Internal HR department/iSAMS

Risk Management

The Board of Governors is responsible for the management of risks faced by Millfield and Millfield Prep (including Pre-Prep). An ongoing process has been established for identifying, evaluating and managing these and a risk management policy is in place. The key controls used include:

- The Governing Body has responsibility for overseeing risk management within the school and delegates oversight of this to the Audit, Compliance and Risk Committee;
- Formal terms of reference are in place for all Governor Committees and all Committee and Governing Body meeting have clear agendas and minutes are recorded;
- The Governing Body meet at least four times a year and is supported by four subcommittees which meet termly, including Building and Finance; Education; Audit and Appointments Committee;
- Clearly defined organisational responsibilities for the Executive Group and senior leadership teams and a schedule of delegated authority containing authorisation and approval levels, which are all reviewed regularly;
- The Executive Group review key strategic risks and the actions that are in place to mitigate these on a monthly basis, and provide a report on these to the Governing Body;
- A comprehensive risk register is compiled by the Executive Group and formally reviewed by the Governing Body annually, to identify, assess and monitor all major risks to which the school is exposed.
- Members of the Senior Leadership Team are encouraged to ensure that significant risks in their area are identified, assessed and monitored through each department's risk management systems and procedures.
- Comprehensive strategic planning, revenue and capital budgeting, cash flow and management accounting is in place, and the Building & Finance Committee receive a termly finance report on the financial position and results;
- Formal written policies are in place for all significant areas of operation and are approved by the Governing Body through its Committees and implemented and communicated by the Executive Group to staff, parents and pupils. Minor policies are monitored by the Executive Group.
- Compliance with statutory requirements and external guidelines is monitored by means of reports by senior leaders to the Governing Body and its Committees, and through Governor visits to the school to meet staff and pupils
- The external audit of the financial statements provides feedback to the Governing Body on the operation of the internal financial controls reviewed as part of the annual audit. Other external audits (e.g.ISI inspection reports) are also the subject of periodic reports to the Governing Body.
- Safeguarding procedures, as required by law, are in place for the protection of children and are reviewed by the Governing Body annually. A Designated Safeguarding Lead is nominated for each school and they meet Governors together on a termly basis. There is a Safeguarding Governor.

The Audit, Compliance and Risk Committee, assisted by the Executive Group, has identified and prioritised the key risks and a strategy for dealing with them has been approved by the Board of Governors. Through the above risk management procedures the Governors are satisfied that the principal risks identified below have been adequately addressed where necessary. It is recognised, however, that systems can only provide reasonable but not absolute assurance that major risks have been appropriately managed.

Millfield has identified seven key strategic risks as follows:

1. Government policy
The introduction of VAT on school fees and educational supplies from January 2025 and the anticipated removal of business rates relief for the independent sector will result in an increase in fees by 15% from the beginning of the Spring Term 2025. This is likely to influence the demand for places, and therefore on the charity's income. Millfield is mitigating this risk through: honest communication with parents; rigorous short- and medium-term planning, based on closer scrutiny of indicators as likely pupil numbers (such as attendance at open days and registrations across the year groups); regular review of its reserves policy; regular structural and cost base review; arranging a revolving credit facility and management of debtors.

Risk Management (Continued)

2. Inflation and financial viability
There is an increasing inflationary pressure on the operational running costs of the School, including staffing, facilities and utilities. Millfield balances the investment it makes in its staff and facilities with its funding, the key source of which is fee income. To ensure all its commitments are met, Millfield has robust management processes. These include forecasting pupil numbers, detailed budgeting and cash flow projections which are prepared by the Executive Group and subject to detailed scrutiny by Governors. Progress against this plan is monitored continually by the Executive Group and termly by Governors.

3. Affordability
Millfield operates in a very competitive market and is conscious that the cost of private education is increasingly beyond the financial means of many families. In addition, affordability of fees and therefore pupil numbers could be affected by macro-economic factors. Recognising this, Millfield retains its focus on achieving value for money in every area of its operations and is committed to building funds to safeguard its scholarship and bursary support for families who otherwise would not be able to access a Millfield education.

4. Safety and security of pupils, staff and premises
Millfield aims to provide a safe and secure environment. To do this it has in place detailed policies and procedures, including in the areas of safeguarding children, anti-bullying, health and safety, physical security, cyber-security, wellbeing, data protection and critical incident management. These are regularly reviewed by Governors. Staff and pupils are provided with detailed training, as appropriate, to ensure these policies are adhered to across Millfield.

5. Recruitment and retention of key staff
Millfield relies on its ability to recruit and retain high quality staff to carry out its charitable activities and achieve its objectives. In order to achieve this Millfield provides a comprehensive range of financial and non-financial benefits to staff, including competitive salaries, fee concessions, staff housing, training and development opportunities, use of school facilities and a wellbeing programme.

6. Effectiveness of governance
The Governors recognise that strong governance is essential to Millfield's success. In order to ensure that governance is effective Millfield recruits Governors based upon a skills matrix and comprehensive induction and refresher training is provided to Governors. Committee structures are in place supported by clear terms of reference. Governors actively monitor implementation of policies and compliance within the School. A biennial process of self-evaluation is undertaken by the Board of Governors.

7. Cyber-security & AI
In common with other schools, individuals at Millfield are the target of multiple phishing attacks and the risk of a co-ordinated wider attack on the school system is considered to be significant. The School is engaged with an external cyber security company which conducts regular testing and learnings from the results determine actions to address vulnerabilities and training requirements. Artificial intelligence is proving to be a threat at all levels of society and Millfield has a number of workstreams underway to establish the potential impacts for the School, including research on use of AI in the classroom to enhance teaching and learning and the potential risks and benefits of ChatGPT on current education practice, including the ethical use of AI in assessments.

Statement of Governors' Responsibilities

The Governors (who are also directors of Millfield for the purposes of Company law) are responsible for preparing the Report of the Governing Body (incorporating the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Governors 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing the School's aims and objectives and in planning the School's future activities. In particular, the Governors have considered how planned activities will contribute to the aims and objectives they have set.

In so far as the Governors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Governors 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.

The Report (incorporating the Strategic Report) was approved by the Board of Governors of Millfield on 21 March 2025 and signed on its behalf by:



Roland Rudd
Chair of Governors

Opinion

We have audited the financial statements of Millfield for the year ended 31 August 2024 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement 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 group's and of the parent charitable company's affairs as at 31 August 2024 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group'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 in the Report of the Governing Body. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governing Body (which incorporates the strategic report and the directors' report).

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 22, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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 group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to The Education (Independent School Standards) 2014, safeguarding regulations, health and safety laws, GDPR, employment law, charity law and company 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 Companies Act 2006 and the Charities Act 2011, and considered other factors such as payroll taxes and VAT.

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 improper recognition of revenue and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- 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 a selection of journals; 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. This description forms part of our auditor's report.

Use of our report

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

Tracey Young (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditors
Date: 17 April 2025

10 Queen Street Place
London
EC4R 1A

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CONSOLIDATED STATEMENTS OF FINANCIAL ACTIVITIES
for the year ended 31 August 2024

	Note	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2024 £'000**	**Total 2023 £'000**
Income from:					
Charitable Activities:					
- Fees receivable	3	58,619	-	**58,619**	**54,259**
- Other educational income	4	4,667	-	**4,667**	**4,498**
Other Trading Activities:					
- Other fees and external hiring		3,227	-	**3,227**	**3,051**
- Investments	6	1,600	148	**1,748**	**660**
- Subsidiary trading income		1,097	-	**1,097**	**1,096**
Donations, grants and legacies	5	1	327	**328**	**390**
Other income	7	125	-	**125**	**104**
Total Income		69,336	475	**69,811**	**64,058**
Expenditure on:					
Charitable Activities		(57,212)	(84)	**(57,296)**	**(53,310)**
Raising Funds:					
- Other fees and external hiring		(3,059)	-	**(3,059)**	**(2,916)**
- Subsidiary trading expenditure		(855)	-	**(855)**	**(851)**
- Fundraising		(269)	(83)	**(352)**	**(305)**
Finance and Other Costs		(473)	-	**(473)**	**(477)**
Total Expenditure	8	(61,868)	(167)	**(62,035)**	**(57,859)**
Net income		7,468	308	**7,776**	**6,199**
Other Recognised Gains:					
Movement in net defined benefit pension liability	21	(1,807)	-	**(1,807)**	**(554)**
Gain / (Loss) on investment assets	12	-	774	**774**	**(115)**
Transferred in	27	-	-	**-**	**4,825**
Net Movement in Funds		5,661	1,082	**6,743**	**10,355**
Total Funds Brought Forward		54,913	5,856	**60,769**	**50,414**
Total Funds Carried Forward	18	60,574	6,938	**67,512**	**60,769**

All amounts relate to continuing operations. Comparative table included on page 46, note 25.

The notes on pages 29-47 form part of these financial statements.

BALANCE SHEETS
for the year ended 31 August 2024

	Note	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Fixed Assets					
Tangible fixed assets	11	59,935	56,596	59,931	56,590
Investments	12	6,193	5,138	325	325
		66,128	61,734	60,256	56,915
Current Assets					
Stocks	13	391	479	-	-
Debtors	14	2,373	1,295	2,226	1,156
Cash at bank and in hand		44,320	29,597	43,986	29,334
		47,084	31,371	46,212	30,490
Creditors: amounts falling due within one year	15	(28,730)	(21,457)	(28,706)	(21,462)
Net Current Assets		18,354	9,914	17,506	9,028
Total Assets add Current Assets		84,482	71,648	77,762	65,943
Creditors: amounts falling due after more than one year	16	(16,970)	(9,808)	(16,970)	(9,808)
Net Assets Excluding Pension Liability		67,512	61,840	60,792	56,135
Defined benefit pension liability	21	-	(1,071)	-	(1,071)
Net Assets		67,512	60,769	60,792	55,064
Funds					
Unrestricted funds - General		60,574	55,984	60,078	55,398
- Pension reserve	21	-	(1,071)	-	(1,071)
	18	60,574	54,913	60,078	54,327
Restricted funds	18	6,938	5,856	714	737
Total Funds		67,512	60,769	60,792	55,064

The parent company's net income for the year, before movement in the pension reserve was £6,799,000 (2023: net income £4,869,000).

The financial statements were approved and authorised for issue by the Board of Governors of Millfield on 21 March 2025 and signed on its behalf by:

.....
Roland Rudd
Chair of Governors

The notes on pages 29-47 form part of these financial statements.

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CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 August 2024

	Note	2024 £'000	2023 £'000
Operating Activities			
Cash generated from operations	22	2,193	5,490
Investing Activities			
Investment income	6	1,748	660
Payments to acquire investments	12	(1,475)	(2,577)
Receipts from sale of investments	12	1,012	1,641
Purchase of tangible fixed assets	11	(9,409)	(5,423)
Proceeds on sale of tangible fixed assets		123	47
Net cash used in Investing Activities		(8,001)	(5,652)
Financing Activities			
Interest paid	2	(156)	-
Receipts from new advance fee contracts	17	21,964	9,767
Advanced fees repaid	17	(1,277)	(44)
Net cash generated from Financing Activities		20,531	9,723
Change in cash and cash equivalents in year		14,723	9,561
Cash and cash equivalents at beginning of the year		29,597	20,036
Cash and cash equivalents at end of the year		44,320	29,597
Relating to:			
Bank balances included in cash at bank and in hand		44,320	29,597

Analysis of movements in net cash	**2023**	**Net Cash from Fees in Advance**	**Other Cash flows**	**2024**
	£'000	£'000	£'000	£'000
Cash at bank and in hand	29,597	20,687	(5,964)	44,320
Total cash and cash equivalents	29,597	20,687	(5,964)	44,320
Total	29,597	20,687	(5,964)	44,320

The notes on pages 29-47 form part of these financial statements.

1. General Information & Principal Accounting Policies

Millfield Limited ("the Company") is a company limited by guarantee domiciled and incorporated in England. The address of the Company's registered office and principal place of business is Millfield, Street, Somerset, BA16 0YD.

The School consolidated accounts consist of the Company and all of its subsidiaries detailed in note 12. A summary of the more important accounting policies, including those affecting the most significant items in these financial statements, is set out below:

a) *Basis of accounting*

The accounts have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice and FRS 102 – Second Edition. The School is considered to be a Public Benefit Entity under FRS102. The accounts are drawn up on the historical cost basis of accounting. Monetary amounts in these accounts are rounded to the nearest £'000 except where otherwise indicated.

b) *Basis of consolidation*

The group consolidates on a line by line basis the financial statements of the charity and its subsidiary undertakings made up to 31 August 2024. All intragroup transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

The consolidated financial statements are presented in sterling which is also the functional currency of the Company and its subsidiaries. As permitted by Section 408 of the Companies Act 2006, the parent company's income and expenditure account has not been included in these financial statements.

c) *Going concern*

The group had net current assets of £18.4 million (2023: net current assets of £9.9 million) at the balance sheet date. In considering whether the going concern basis is appropriate, the Governors have considered surplus and cash-flow projections prepared for the period to 31 August 2026. These projections indicate that the School will be able to meet its liabilities as they fall due and together with current arrangements with the School's bankers and other lenders, forecast that the School will be able to operate within the facilities currently available. In light of the above the Governors have concluded that it is appropriate to use the going concern basis in the preparation of these financial statements.

d) *Fund Accounting*

Unrestricted funds are expendable at the discretion of the Governors in furtherance of the objects or administration of the charity. Designated funds comprise unrestricted funds, which are earmarked for particular purposes by the Governors.

The restricted funds comprise donations earmarked by the donors, or the terms of an appeal, for specific purposes. The costs of raising and administering such funds are charge to the specific fund. Investment income, gain and losses are allocated to the appropriate fund.

e) *Fees and similar income*

Fees receivable, charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School.

Fees for education to be provided in future years are carried forward as deferred income in the balance sheet. These fees are released to the Statement of Financial Activities over the period in which the School

provides the services in future years. Fee receivable under the School's Advanced Fee scheme attract interest, which is charged to the Statement of Financial Activities, in the period over which the advance fee creditor is released to fee income.

f) *Donations*

Donations receivable for the general purpose of the School are credited to unrestricted funds. Donations for purposes restricted by the wishes of the donor are taken to restricted funds where these wishes are legally binding on the Governors. All donations are recognised when the economic benefit is considered probable and can be measured reliably.

g) *Expenditure*

Expenditure is accrued as soon as a liability is considered probable. Expenditure is allocated to expense headings on a direct cost basis, with staff costs being allocated according to the estimated time spent by staff working in relevant departments. The irrecoverable element of VAT is included within the item of expense to which it relates.

h) *Operating leases*

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

i) *Stocks*

Stocks are stated at the lower of cost and estimated selling price less cost to complete and sell. In general, cost is determined on a weighted average cost basis. At each reporting date the School assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell, is recognised as an impairment in profit or loss. Reversal of impairment losses are also recognised in profit or loss.

j) *Investments*

The School has elected to hold investments in subsidiary undertakings at cost less impairment. Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversal of impairment losses are recognised immediately in the SOFA.

Fixed assets investments in quoted shares, traded bonds and similar investments are initially measured at cost and subsequently at fair value at the reporting date. Investment gains and losses, whether realised or unrealised, are combined and reported within the Statement of Financial Activities.

k) *Cash at bank and in hand*

Cash at bank and in hand includes cash and short-term high liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

l) *Tangible fixed assets*

Expenditure on fixed assets is capitalised except for expenditure incurred on the replacement of assets of low value with a short life. Subsequent costs of repair, renovation and replacement expenditure are written off as incurred in the Consolidated Statement of Financial Activities ("SOFA"), unless it is probable that such costs will generate future economic benefits.

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	Straight Line Basis %
Freehold land	-
Freehold property	2 – 4
Extensions and improvements to buildings	10
Fixtures, fittings and equipment	15
Computers	33 1/3
Motorised plant and vehicles	15
Assets under construction	-

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired, and if such conditions exist, the School estimates the recoverable value of the asset. Any shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairment losses.

m) *Taxation*

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to extent that such income or gains are applied exclusively to charitable purposes.

n) *Financial Instruments*

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument, and are offset only when the group has a legal enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise and settle the liability simultaneously.

Financial assets
Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairments losses.

Financial liabilities
Financial instruments are classified as liabilities according to the substance of the contractual arrangements entered into. Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Borrowings
Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

o) *Retirement benefits*

Retirement benefits to employees of the group are provided through two pension schemes, one defined benefit, and one defined contribution:

i. The Millfield Retirement Benefit Scheme (a defined benefit scheme) was closed to new members on 1 September 2005, and closed to future accrual and salary linkage on 31 December 2014. This

scheme is accounted for as a defined benefit scheme, with the annually calculated notional surplus or deficit on the funding of the Scheme shown in the financial statements.

ii. The Millfield School Work Save Pension Plan is a defined contribution scheme administered by Legal & General Investment Management ("LGIM"). Following consultation with the teaching staff, Millfield School left the Teachers' Pension Scheme (a defined benefit scheme) on 31 August 2021. Teachers were enrolled into the Millfield School Pension Plan on 1 September 2021 alongside other staff already in that plan.

Defined contribution plans
For defined contribution schemes the amount charged to expenditure is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Defined benefit plans
For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method.

Scheme Liability or Surplus
Any net liability represents the present value of the defined benefit obligation minus the fair value of the plan assets, of which obligations are to be settled.

The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Where the scheme is determined to be in a surplus position, a surplus is recognised as an asset only to the extent that this can be recovered in future years through reductions in employer contributions or through a specific refund/reimbursement from the scheme.

Gains or losses

Gains or losses recognised in the statement of financial activities:
- The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost.
- The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.
- Net interest on the net defined liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligations.
- Actuarial gains and losses are differences between the interest income on the plan assets and the actual return on the plan assets

p) *Critical accounting estimates and areas of judgement*

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

In valuing the deficit on the School's defined benefit pension scheme judgements need to be made by management as to what are the most appropriate assumptions to use in the valuation. The closing deficit was £Nil (2023: £1.1 million) as there was an unrecognised surplus of £1.472 million at year end following the additional "one-off" employer contribution of £2.278 million made during August 2024.

2. Net Income

	2024 £'000	2023 £'000
Net Income is stated after charging:		
Auditor's remuneration for:		
- External Audit (Group £63,420 (2023: £59,340))	63	59
- Taxation - compliance services to the Company and its subsidiaries	5	5
Depreciation of tangible fixed assets	6,068	5,770
Operating lease costs	163	170
Profit on disposal of tangible fixed assets	(121)	(43)
Stock		
- Amounts expensed to cost of sales	498	532
Interest payable		
- Net interest on the net defined benefit pension liability	(17)	34
- Interest on fees in advance	156	118

3. Fees Receivable

	2024 £'000	2023 £'000
School fees	67,398	62,613
Less: Scholarships	(2,298)	(2,556)
Bursaries	(4,090)	(3,543)
Other concessions	(2,391)	(2,255)
	58,619	54,259

4. Other Educational Income

	2024 £'000	2023 £'000
Registration and acceptance fees	359	357
Travel, School trips, examination fees and other charges to students	4,308	4,141
	4,667	4,498

5. Donations, Grants and Legacies

	2024 £'000	2023 £'000
Donation income	328	390

6. Investment Income

	2024 £'000	2023 £'000
Bank interest	1,612	567
Income from investments	136	93
	1,748	660

7. Other Income

	2024 £'000	2023 £'000
Interest on overdue fees	47	35
Rents received	78	69
	125	104

8. Analysis of Expenditure

	Staff costs £'000	Other £'000	Deprec -iation £'000	2024 Total £'000	2023 Total £'000
Charitable activities:					
Teaching costs	25,246	3,930	644	29,820	27,646
Welfare	3,947	6,792	119	10,858	9,803
Premises	2,006	3,903	4,787	10,696	10,199
Support costs of Schooling	3,460	1,873	516	5,849	5,586
Governance costs	-	73	-	73	76
Total Charitable Activities	34,659	16,571	6,066	57,296	53,310
Raising Funds:					
Ancillary fees and external hiring	1,386	1,673	-	3,059	2,916
Subsidiary trading expenditure	229	624	2	855	851
Fundraising	201	151	-	352	305
Finance and other costs	-	473	-	473	477
Total Expenditure	36,475	19,492	6,068	62,035	57,859

Prior year Analysis of Expenditure

	Staff costs £'000	Other £'000	Deprec -iation £'000	2023 Total £'000	2022 Total £'000
Charitable activities:					
Teaching costs	23,259	3,783	604	27,646	25,596
Welfare	3,419	6,272	112	9,803	8,765
Premises	1,725	3,903	4,571	10,199	10,313
Support costs of Schooling	3,218	1,888	480	5,586	5,717
Governance costs	-	76	-	76	90
Total Charitable Activities	31,621	15,922	5,767	53,310	50,481
Raising Funds:					
Ancillary fees and external hiring	1,318	1,598	-	2,916	2,405
Subsidiary trading	197	651	3	851	837
Fundraising	164	141	-	305	131
Finance and other costs	-	477	-	477	367
Total Expenditure	33,300	18,789	5,770	57,859	54,221

9. Employee Information

	2024 Group Number	2023 Group Number	2024 Company Number	2023 Company Number
The average number of persons (full-time equivalent) employed during the year was:				
Teaching and coaching	255	255	255	255
Administration and support	431	392	426	387
	686	647	681	642
The average number of persons employed by the group during the year was:	1,079	1,046	1,058	1,024
Staff costs (for the above persons)	£'000	£'000	£'000	£'000
Wages and salaries	30,337	27,659	30,133	27,482
Social security costs	2,711	2,448	2,697	2,436
Defined contribution pension costs	3,427	3,193	3,416	3,184
	36,475	33,300	36,246	33,102
Aggregate employee costs of key management personnel (including salary, benefits, pension contributions and national insurance)	762	677	762	677

The total amount relating to termination payments during the year was £96,000 (2023: £157,000). These amounts relate to agreements made with employees to end employment contracts.

The number of employees whose emoluments (excluding pension contributions) exceeded £60,000 were:

	2024 Number	2023 Number
£60,001 - £70,000	57	37
£70,001 - £80,000	38	32
£80,001 - £90,000	9	8
£90,001 - £100,000	7	4
£110,001 - £120,000	1	2
£120,001 - £130,000	2	-
£150,001 - £160,000	-	1
£180,001 - £190,000	1	-
£270,001 - £280,000	-	1
£310,001 - £320,000	1	-

No emoluments were paid to the Governors in respect of their services to Millfield during the year, nor have they received any other form of disclosable trustee benefit (2023: NIL). During the year, 11 (2023: 11) Governors were reimbursed expenses totalling £10,930 (2023: £6,810) for travel and subsistence and the School paid £465 (2023: £481) for Governors indemnity insurance.

10. Taxation

The Company is a registered charity, and as such is entitled to tax exemptions on income and gains, properly applied for its charitable purposes.

11. Tangible Fixed Assets (Group)

	Freehold Property £'000	Assets under construct-ion £'000	Extensions and improve-ments to buildings £'000	Fixtures Fittings and Equipment £'000	Computers £'000	Motorised Plant and Vehicles £'000	Total £'000
Cost							
At 1 Sept 2023	76,907	1,858	31,167	7,407	2,741	721	120,801
Additions	2,403	3,288	1,929	1,113	567	109	9,409
Transfers	-	(1,854)	1,713	90	51	-	-
Disposals	-	-	(742)	(762)	(521)	(50)	(2,075)
At 31 Aug 2024	79,310	3,292	34,067	7,848	2,838	780	128,135
Depreciation							
At 1 Sept 2023	35,962	-	20,557	4,907	2,124	655	64,205
Charge for year	1,591	-	2,935	884	613	45	6,068
Disposals	-	-	(742)	(760)	(521)	(50)	(2,073)
At 31 Aug 2024	37,553	-	22,750	5,031	2,216	650	68,200
Net book value							
At 31 Aug 2024	41,757	3,292	11,317	2,817	622	130	59,935
At 1 Sept 2023	40,945	1,858	10,610	2,500	617	66	56,596

Tangible Fixed Assets (Company)

	Freehold Property £'000	Assets under construct-ion £'000	Extensions and improve-ments to buildings £'000	Fixtures Fittings and Equipment £'000	Computers £'000	Motorised Plant and Vehicles £'000	Total £'000
Cost							
At 1 Sept 2023	76,907	1,858	31,167	7,402	2,685	715	120,734
Additions	2,403	3,288	1,929	1,113	567	109	9,409
Transfers	-	(1,854)	1,713	90	51	-	-
Disposals	-	-	(742)	(762)	(521)	(50)	(2,075)
At 31 Aug 2024	79,310	3,292	34,067	7,843	2,782	774	128,068
Depreciation							
At 1 Sept 2023	35,962	-	20,557	4,902	2,074	649	64,144
Charge for year	1,591	-	2,935	884	611	45	6,066
Disposals	-	-	(742)	(760)	(521)	(50)	(2,073)
At 31 Aug 2024	37,553	-	22,750	5,026	2,164	644	68,137
Net book value							
At 31 Aug 2024	41,757	3,292	11,317	2,817	618	130	59,931
At 1 Sept 2023	40,945	1,858	10,610	2,500	611	66	56,590

The net book value of the Group and Company tangible fixed assets includes an amount of £6,241,381 (2023: £4,288,098) in respect of freehold land which is not depreciated. Included within the Group and

Company's freehold property are assets which are licenced to the subsidiary under operating leases, where Millfield acts as the lessor, with a net book value of £178,982 (2023: £172,353).

12. Fixed Asset Investments

	Group		Company	
	2024	2023	2024	2023
Investment Portfolio	£'000	£'000	£'000	£'000
Market value at 1 September 2024	5,138	-	-	-
Transferred in	-	4,277	-	-
Additions at cost	1,475	2,577	-	-
Disposals at market value	(1,012)	(1,641)	-	-
Net (loss) on revaluation	774	(115)	-	-
Gains/ (losses) on foreign exchange differences	(44)	(8)	-	-
Net increase in cash deposits	(138)	48	-	-
Market value at 31 August 2023	6,193	5,138	-	-
Group Undertakings				
Interest in group undertakings at cost	-	-	325	325
Total Investments	6,193	5,138	325	325

The Company had the following subsidiary undertakings, at the year-end, all with the common registered office on page 49:

	Millfield Overseas Limited	Millfield School Enterprises Limited	Millfield Overseas Limited	Millfield School Enterprises Limited
	2024	2024	2023	2023
Nature of business	Dormant	Service	Dormant	Service
Company number	08339295	01553104	08339295	01553104
Proportion of nominal value of issued shares held by the Company	100%	100%	100%	100%
Country of incorporation	England	England	England	England
Results for Subsidiaries as at the 31 August				
	£'000	£'000	£'000	£'000
Net assets	-	604	-	597
Turnover	-	1,871	-	1,810
Expenses	-	(1,562)	-	(1,510)
Profit	-	309	-	300
Distribution	-	(302)	-	(243)
Net Profit for financial year	-	7	-	57

	Millfield Foundation	Millfield Foundation	Millfield Nurseries Limited
	2024	2023	2024
Nature of business	Service	Service	Dormant
Company number	08339295	0637056	15603261
Proportion of nominal value of issued shares held by the Company	100%	100%	100%
Country of incorporation	England	England	England
Results for Subsidiaries as at the 31 August			
	£'000	£'000	£'000
Net assets	6,440	5,433	-
Turnover	414	957	-
Expenses	(181)	(234)	-
Other Gains/ (Loss)	774	(115)	
Profit	1,007	608	-
Distribution	(-)	(-)	-
Net Profit for financial year	1,007	608	-

The results of the subsidiary entities have been included in these consolidated financial statements. The School also owns 100% of the share capital of Millfield Overseas Limited, a company incorporated on 21 December 2012 and Millfield Nurseries Limited, a company incorporated on 29 March 2024. Both companies are dormant and have been so since incorporation.

13. Stocks

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Goods for resale	391	479	-	-

14. Debtors: amounts falling due within one year

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade debtors	654	797	654	697
Other debtors	339	93	268	93
Prepayments	1,380	405	1,304	366
	2,373	1,295	2,226	1,156

15. Creditors: amounts falling due within one year

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Amounts received under advance fee scheme (see note 17)	13,654	8,664	13,654	8,664
Amount due to subsidiary	-	-	106	120
Trade creditors	1,051	1,924	971	1,826
Taxation and social security costs	784	750	784	750
Other creditors	1,124	1,584	1,103	1,584
Accruals and deferred income	3,433	1,759	3,404	1,742
School fees paid in advance	7,646	5,892	7,646	5,892
School fee deposits held	1,038	884	1,038	884
	28,730	21,457	28,706	21,462

16. Creditors: amounts falling due after more than one year

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Amounts received under advance fee scheme (see note 17)	9,090	2,556	9,090	2,556
School fees deposits held	6,506	5,535	6,506	5,535
Accruals and deferred income	1,374	1,717	1,374	1,717
	16,970	9,808	16,970	9,808

17. Advance Fee Payments – Group and Company

Parents sometimes deposit a lump sum with the School as an advance on future fees. Each arrangement is in respect of an agreed amount to be credited against future fee bills for an agreed number of terms. The unused balance of the advance is repayable upon request. It is intended that the advance fees will be applied as follows:

	2024 £'000	2023 £'000
Over one year:		
Within 1 to 2 years	4,912	1,149
Within 3 – 5 years	3,469	976
After 5 years	709	431
	9,090	2,556
Within one year	13,654	8,664
	22,744	11,220

Figures for advanced fee payments are included within the balance for School fees paid in advance (note 15 & 16). The balance represents the accrued liability under these arrangements. The movements during the year were:

	2024 £'000	2023 £'000
Balance at 1 September	11,220	8,467
New contracts	21,964	9,767
Amount accrued to contracts	156	119
	33,340	18,353
Amounts utilised in the payment of fees to the School	(9,319)	(7,089)
Refunds of fees paid in advance	(1,277)	(44)
Balance at 31 August	22,744	11,220

18. Funds – Group

	Balance 1 September 2023 £'000	Income £'000	Expenditure £'000	Other recognised gains/(losses) £'000	Balance 31 August 2024 £'000
Unrestricted Funds:					
- General	55,984	69,336	(64,746)	-	60,574
- Pension reserve	(1,071)	-	2,878	(1,807)	-
	54,913	69,336	(61,868)	(1,807)	60,574
Restricted Funds:					
- Foundation	4,944	414	(83)	774	6,049
- Sports Equipment Fund	107	26	(27)	-	106
- Other Funds	805	35	(57)	-	783
	5,856	475	(167)	774	6,938
Total Group	60,769	69,811	(62,035)	(1,033)	67,512

Funds – Group Prior Year

	Balance 1 September 2022 £'000	Transfer In £'000	Income £'000	Expenditure £'000	Other recognised gains/(losses) £'000	Balance 31 August 2023 £'000
Unrestricted Funds:						
- General	50,750	-	63,565	(58,331)	-	55,984
- Pension reserve	(1,066)	-	-	549	(554)	(1,071)
	49,684	-	63,565	(57,782)	(554)	54,913
Restricted Funds:						
- Foundation	-	4,825	282	(48)	(115)	4,944
- Sports Equipment Fund	107	-	-	-	-	107
- Other Funds	623	-	211	(29)	-	805
	730	4,825	493	(77)	(115)	5,856
Total Group	50,414	4,825	64,058	(57,859)	(669)	60,769

Funds – Company

	Balance 1 September 2023 £'000	Income £'000	Expenditure £'000	Other recognised gains/(losses) £'000	Balance at 31 August 2024 £'000
Unrestricted Funds:					
- General	55,398	68,335	(63,990)	335	60,078
Pension reserve	(1,071)	-	2,878	(1,807)	-
	54,327	68,335	(61,112)	(1,472)	60,078
Restricted Funds:					
- Sports Equipment Fund	107	26	(27)	-	106
- Other Funds	630	97	(119)	-	608
	737	123	(146)	-	714
Total Company	55,064	68,458	(61,258)	(1,472)	60,792

Funds – Company Prior Year

	Balance 1 September 2022 £'000	Income £'000	Expenditure £'000	Other recognised gains/(losses) £'000	Balance at 31 August 2023 £'000
Unrestricted Funds:					
- General	50,536	62,653	(58,066)	275	55,398
Pension reserve	(1,066)	-	549	(554)	(1,071)
	49,470	62,653	(57,517)	(279)	54,327
Restricted Funds:					
- Sports Equipment Fund	107	-	-	-	107
- Other Funds	623	213	(206)	-	630
	730	213	(206)	-	737
Total Company	50,200	62,866	(57,723)	(279)	55,064

Restricted Funds

- Foundation - The majority of these funds are restricted to enable Millfield to support current and prospective pupils of any school operated by or otherwise associated with Millfield. Incorporated are a number of other funds which have separate restrictions applied.
- Sport Equipment – These funds are restricted to specific department for initiatives or equipment
- Other Funds – These funds are restricted for the purchase of other items or services specified by the donors.

19. Allocation of Net Assets

Group – Current Year

	Fixed assets and investments £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	Pension reserve £'000	At 31 August 2024 £'000
Unrestricted funds:					
- General	59,935	17,609	(16,970)	-	60,574
- Pension reserve	-	-	-	-	-
Restricted funds					
- Foundation	6,193	(144)	-	-	6,049
- Sports Equipment Fund	-	106	-	-	106
- Other Funds	-	783	-	-	783
Total Group as at 31 August 2024	66,128	18,354	(16,970)	-	67,512

Group – Prior Year

	Fixed assets and investments £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	Pension reserve £'000	At 31 August 2023 £'000
Unrestricted funds:					
- General	56,596	9,196	(9,808)	-	55,984
- Pension reserve	-	-	-	(1,071)	(1,071)
Restricted funds					
- Foundation	5,138	(144)	-	-	4,994
- Sports Equipment Fund	-	107	-	-	107
- Other Funds	-	755	-	-	755
Total Group as at 31 August 2023	61,734	9,914	(9,808)	(1,071)	60,769

Company – Current Year

	Fixed assets and investments £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	Pension reserve £'000	At 31 August 2024 £'000
Unrestricted funds:					
- General	60,256	16,792	(16,970)	-	60,078
- Pension reserve	-	-	-	-	-
Restricted funds					
- Sports Equipment Fund	-	106	-	-	106
- Other Funds	-	608	-	-	608
Total Group as at 31 August 2024	60,256	17,506	(16,970)	-	60,792

Company – Prior Year

	Fixed assets and investments £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	Pension reserve £'000	At 31 August 2024 £'000
Unrestricted funds:					
- General	56,915	8,291	(9,808)	-	55,398
- Pension reserve	-	-	-	(1,071)	(1,071)
Restricted funds					
- Sports Equipment Fund	-	107	-	-	107
- Other Funds	-	630	-	-	630
Total Group as at 31 August 2024	56,915	9,028	(9,808)	(1,071)	55,064

20. Capital Commitments

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Contracted but not provided as at 31 August	801	679	801	679

21. Pension Obligations

The total group pension contributions were £6,288,715 (2023: £3,776,101) of which £2,861,000 (2023: £583,100) related to the closed Millfield final salary scheme for support staff (the Millfield Retirement Benefit Scheme) and £3,427,715 (2023: £3,193,001) was paid into defined contribution schemes for teachers and support staff.

Final Salary Scheme (Millfield Retirement Benefit Scheme – "MRBS")

For some of its support staff, the School operates a funded final salary scheme, whose assets are held in separate trustee-administered funds.

From 1 September 2005, the final salary scheme was closed to new members. On 31 December 2014, after consultation with the Trustees and active members, the Scheme was closed to future accrual and salary linkage. Qualifying new staff are automatically enrolled into a defined contribution scheme with contribution rates equivalent to the minimum rates set out by the Government in respect of auto enrolment schemes.

The final salary scheme is subject to triennial valuations by independent actuaries, the last full actuarial valuation was carried out as at 31 August 2022, using the Defined Accrued Benefit Method. At the valuation, the market value of the assets held was £14,354,000 and this value was sufficient to cover 88% of the benefits accrued to members after allowing for expected future increases in earnings, giving a shortfall of £1,924,000 as at 31 August 2022

A new Schedule of Contributions was agreed on 12 August 2024. Under this arrangement the school settled all remaining deficit payment under the Schedule of Contributions by making an additional "one-off" contribution of £2,277,900. Per the FRS102 report the scheme is now in a surplus position. This surplus has not been recognised as Millfield is unlikely to be able to recover this via reduced future contributions or refunds from the plan, as all contributions have now been paid. Furthermore, the actuarial valuation was brought forward to 31 August 2024. Per the draft report the scheme is predicted to have a small surplus of circa £37k.

The school will continue to pay any insurance premiums, PPF levies and any costs relating to managing the scheme separately when due, except for investment management expenses. The Scheme's next triennial valuation is 31 August 2027.

These financial statements reflect the requirements of FRS 102. The expense for the year as calculated by the actuary together with the re-measurement of the deficit are recognised in the Consolidated Statement of Financial Activities as shown below:

	2024 £'000	**2023** £'000
Statement of financial position		
Fair value of scheme assets	15,139	12,194
Present value of defined benefit obligation	(13,667)	(13,265)
Unrecognised surplus	(1,472)	-
Net deficit in scheme	-	(1,071)

Changes in the defined benefit obligation		
Defined benefit obligation at start of period	13,265	15,512
Interest cost on defined benefit obligation	674	636
Benefit paid	(894)	(789)
Actuarial loss/(gain)	622	(2,094)
Defined benefit obligation at end of period	(13,667)	13,265
Changes in the fair value of scheme assets		
Fair value of scheme assets at start of period	12,194	14,446
Interest income on scheme assets	691	602
Return less interest income on scheme assets	287	(2,648)
Contributions by the employer	2861	583
Benefits paid	(894)	(789)
Fair value of scheme assets at end of period	15,139	12,194
Total expense recognised in expenditure		
Net interest on net defined benefit liability	(17)	34
Expenditure charged in year	(17)	34
Total amount recognised in the statement of financial activities		
Return less interest income on scheme assets	287	(2,648)
Actuarial (loss)/gain on liabilities	(238)	(423)
Change in assumptions	(384)	2,517
Unrecognised surplus	(1,472)	-
Re-measurement (loss)/gain recognised in the SOFA	(1,807)	(554)
Assets		
Target return	-	7,059
Insurance annuities	50	56
Cash and net current assets	534	121
Investment grade bonds/ Gilts	14,555	1,803
LDI	-	3,155
Fair value of scheme assets	15,139	12,194
Actual return on scheme assets over period	978	(2,046)
Movement in net defined pension liability		
Reconciliation of funded status		
Opening deficit	(1,071)	(1,066)
Employer contribution	2,861	583
Charge recorded in SOFA	17	(34)
(Loss)/Gain recorded in statement of financial activities	(335)	(554)
Unrecognised surplus	(1,472)	-
Closing deficit	-	(1,071)
	2024	**2023**
Main financial assumptions	% pa	% pa
Discount rate	4.9	5.3
Price inflation:		
- RPI	3.15	3.3
- CPI	2.5	2.5
Deferred pension increases:		
- Pensions accrued to 5/4/09	2.5	2.5
- Pensions accrued from 6/4/09	2.5	2.5
Pension increases in payment:		

- GMPs accrued from 6/4/88	3.1	3.3
- Non-GMPs accrued to 31/8/05	3.0	3.0
- Pension accrued from 1/9/05	2.3	2.3

Mortality assumptions and life expectancies	2024	2023
Expected future lifetime from age 65:	Years	Years
- Male currently aged 65	22	21.9
- Female currently aged 65	24.4	24.3
- Male currently aged 45	23	22.9
- Female currently aged 45	25.5	25.5

22. Reconciliation of Net Income to net cash generated from operations

	2024	2023
	£'000	£'000
Net Income	7,776	6,084
Adjustments for:		
Depreciation of tangible fixed assets	6,068	5,770
Defined benefit pension scheme contributions	(2,861)	(583)
Net interest on the net defined pension benefit liability	(17)	-
Effects of changes in foreign exchange on investments	44	74
Net decrease in cash deposits within investments	138	-
Working capital transferred in from Millfield Foundation	-	527
Interest receivable	(1,748)	(660)
Interest payable	156	152
Profit on sale of tangible fixed assets	(121)	(43)
Operating cash flows before movements in working capital	9,435	11,321
Increase / (decrease) in stocks	88	(3)
(Increase) / decrease in debtors	(1,078)	125
Increase in creditors	2,911	1,136
Advance fees applied	(9,163)	(7,089)
	(7,242)	(5,831)
Cash generated from operations	2,193	5,490

23. Financial Commitments

At 31 August 2024 the group had total future minimum lease payments under non-cancellable operating leases, as follows:

	Other		Motor Vehicles	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Amounts due within one year	20	16	117	117
Amounts due in two to five years	42	15	83	200

24. Related Party Transactions

Transactions between the School and its subsidiary, Millfield School Enterprises Limited and Millfield Foundation are disclosed below:

	2024	2023
Millfield Enterprises Limited	£'000	£'000
Purchases of goods in year	775	714
Rents received	33	33
Amounts owed to related parties at year end	106	49
Gift Aid received	302	243

Millfield Foundation		
Millfield Donations to Millfield Foundation	-	500
Contribution from Millfield Foundation for Bursaries	98	186
Donations collected by Millfield on Millfield Foundations behalf	62	175

The School has a limited number of students who are family members of governors. Fees are payable at the same level as other students, and entitlement to fee remission is considered in line with the School's stated policy.

The Governors made aggregate donations of £1,400 (2023: £52,660) during the year to Millfield. In addition, there was a transaction made on an arm's length basis with one related party during the year for services provided to Millfield: O Welsby is a director of Brightcore Limited which charged the School £780 (2023: £3,540). £780 was outstanding at year end and is a current creditor included within the accruals and deferred income line. There have been no other related party transactions other than those listed in note 9.

25. Prior year Consolidated Statement of Financial Activities by Fund

	Note	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2023 £'000**
Income from:				
Charitable Activities:				
- Fees receivable	3	54,259	-	**54,259**
- Other educational income	4	4,498	-	**4,498**
Other Trading Activities:				
- Other fees and external hiring		3,051	-	**3,051**
- Investments	6	555	105	**660**
- Subsidiary trading income		1,096	-	**1,096**
Donations and legacies	5	2	388	**390**
Other Income	7	104	-	**104**
Total Income		63,565	493	**64,058**
Expenditure on:				
Charitable Activities		(53,280)	(30)	**(53,310)**
Raising Funds:				
- Other fees and external hiring		(2,916)	-	**(2,916)**
- Subsidiary trading expenditure		(851)	-	**(851)**
- Fundraising		(258)	(47)	**(305)**
Finance and Other Costs		(477)	-	**(477)**
Total Expenditure	8	(57,782)	(77)	**(57,859)**
Net income		5,783	416	**6,199**
Other recognised Gains:				
Re-measurement of the net defined benefit liability	21	(554)	-	**(554)**
(Loss) on investment assets	12	-	(115)	**(115)**
Transferred in	27	-	4,825	**4,825**
Net Movement in Funds		5,229	5126	**10,355**
Total Funds Brought Forward		49,684	730	**50,414**
Total Funds Carried Forward	18	54,913	5,856	**60,769**

26. Capital

The Company is limited by guarantee and does not have a share capital.

27. Transfer of Millfield Foundation Limited into Millfield

New Articles of Association were adopted by Millfield Foundation Limited, by a special resolution on 23 August 2022, effective 1 September 2022. These Articles provide that the majority of Trustees holding office at any one time are nominated by Millfield School. Millfield is deemed to have control over Millfield Foundation Limited and, accordingly, has consolidated this set of accounts into its own financial statements. No consideration was paid.

The following tables set out the fair value of the identifiable assets and liabilities transferred into the Consolidated Balance Sheet on 1 September 2022.

	Value Reported by transferring charity £'000	Transfer in recognised £'000
FIXED ASSETS		
Investments	4,277	4,277
CURRENT ASSETS		
Debtors due within one year	485	485
Cash at bank in hand	84	84
CREDITORS		
Creditors due within one year	(21)	(21)
FUNDS		
Restricted income funds	(4,825)	(4,825)

The Governors of Millfield ("the School") are the School's charity trustees under charity law and the directors of the charitable company. During the year the activities of the Governing Body were carried out through four committees. In addition to the committees some members of the Governing Body also act as trustees for Millfield Retirement Benefits Scheme and as directors of subsidiary companies (Millfield School Enterprises Limited and Millfield Overseas Limited). The members of the Governing Body who served in office as Governors during the year and subsequently are detailed below.

		(1)	(2)	(3)	(4)	(5)	(6)	(7)
Roland Rudd	**Chair**		*					
Rob Abernethy	Appointed 4 September 2023	*c						
Behdad Alizadeh	**Deputy Chair**		*					
Wim Bushell				*c			*c	
Richard Clark	Resigned 31 March 2024		*				*	
Nicola Della Valle	**Deputy Chair**			*				
Frances Dickens			*					
Helen Donovan	Appointed 10 Ocotber 2024							
Stephen East	Resigned 26 July 2024	*	*					
Tim Griffiths			*				*	*
Kate Griggs	Resigned 10 April 2024				*			
Claire Harvey	Resigned 31 March 2024				*			
Christopher Hirst				*	*			
Nick Maddock		*	*c				*	
John Maudslay		*				*c		
Janet Mitchell					*c			
Douglas Pinto		*	*			*		
Marc Simon	Resigned 31 March 2024	*						
Rosiji Soluade				*	*			
Peter Warner		*			*			
Oliver Welsby		*			*			

*c denotes the current Chair of a committee or board.

1. Audit, Compliance and Risk Committee
2. Building and Finance Committee
3. Appointments Committee
4. Education Committee
5. Trustee, Millfield Retirement Benefits Scheme
6. Director, Millfield School Enterprises Limited
7. Director, Millfield Overseas Limited

OFFICERS - (key management personnel currently and throughout the year)

Gavin Horgan	Headmaster of Millfield Schools
Melissa Johnson	Finance Director of Millfield Schools
Dan Thornburn	Headmaster of Millfield Prep School

COMPANY SECRETARY AND CLERK TO THE GOVERNORS
Matthew Shaw

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BA16 0YD

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www.millfieldschool.com

AUDITOR
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EC4R 1AG

BANKERS
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SOLICITORS
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Bristol
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MILLFIELD

England & Wales - Charity number 310283

Accounts

MILLFIELD

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

for the year ended

31 August 2023

Company number: 00522385
Registered Charity Number: 310283

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The Governors present their Annual Report and Consolidated Financial Statements for the year ended 31 August 2023 and confirm that they comply with the requirements of the Charities Act 2011, the Companies Act 2006, and the Charities SORP FRS 102.

The Governing Body confirms that the financial statements comply with the charity's governing document, with current statutory requirements, with applicable accounting standards in the United Kingdom, and with the Charities Statement of Recommended Practice (FRS 102) – Second Edition. The Governors of Millfield ("the School") are the School's charity trustees under charity law and the directors of the charitable company. The School's Governors, advisors and key staff are set out on pages 48-49.

REVIEW OF THE YEAR

Principal Achievements and Performance

Educational performance

Millfield is a large, independent school with around 1,310 students at the senior school site and 470 at the prep school site. Our students are a diverse cohort with over 250 international students from 70 different countries represented within the student body, and a further 200 or so British students living abroad. The scale of our community, combined with the resources and facilities we offer means our scale brings educational opportunity. Our unique selling points are the wide range of sporting and other activities, coaching and facilities that students enjoy alongside their academic education and our full boarding mix.

With an average year group size of 230 students in Year 11 and 320 students in the Upper Sixth, Millfield has a much larger number of candidates sitting GCSEs, A levels or equivalent Sixth Form courses, than other independent schools. For that reason, we publish results that reflect both the whole student group as well as our Top 100 highest achieving candidates. The Top 100 results show that this group regularly achieve grades which compare well with academically selective independent schools.

A level or equivalent results	Top 100	Year Group
A* - A grades	65.3%	29.2%
A* - B grades	94.4%	58.4%
A* - C grades	99.0%	79.9%
A* - E grades	100.0%	99.0%

GCSE results	Top 100	Year Group
9 - 7 or A* - A grades	70.6%	41.5%
9 - 5 or A* - B grades	96.1%	79.1%
9 - 4 or A* - C grades	98.9%	90.6%
9 - 2 or A* - E grades	100.0%	98.5%

There were also strong results from students who took Advanced Vocational Qualifications: Upper Sixth students were offered A level equivalent (level 3) BTEC courses including the BTEC Extended Diploma in Art & Design; the BTEC Diploma in Business; the BTEC National Diploma in Enterprise & Entrepreneurship and the BTEC Diploma in Sport. Students also had the options of a single A level equivalent qualification in BTEC Extended Certificate in Music Performance or the Level 3 Diploma in Food and Nutrition and we include the results below.

BTEC results	BTEC Only	Inc. level 3 Food Science & Nutrition
%Dist.* - Dist.	55.5%	58.8%
%Dist.* - Merits	92.7%	95.1%
%Dist.* - Pass	100.0%	100.0%

Principal Achievements and Performance (*continued*)

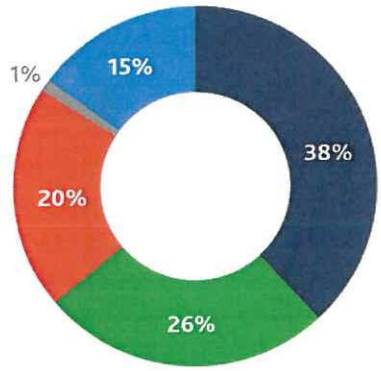
University Destinations

Every year we encourage students to apply to UCAS prior to leaving Millfield. The summer of 2023 saw 91% of the cohort secure Higher and Further Education places with 3% opting for a gap year or going into employment and 1% following alternative pathways such as apprenticeship and military options. All students who do not have any career or HE plans are offered 1:1 specialist career advice before leaving Millfield and are supported by the Futures Department and the Old Millfieldian "OMs" Society after they leave.

This year 83 of our leavers and 11 OMs won places to Russell Group universities with one securing a place on the Medicine course at UCL. Additionally, one student secured a place at the Royal Veterinary College to study Veterinary Medicine. Popular university choices include Bath, Bristol, Cardiff Met, Exeter, Oxford Brookes, Reading and University of the Arts, London.

In recent years we have seen an increase in the number of applicants from Millfield to overseas institutions and this trend continues with 86 students (28%) attending institutions outside the UK with Switzerland, Spain and France being popular destination in Europe; North American application numbers continue to rise with 46 leavers gaining places into American institutions, 6 deferring entries to 2024. Millfield provides specialist guidance for applications to American universities, ensuring candidates get the best possible advice and are guided throughout the process. The most popular US establishments this year were Stanford University, Columbia University, The University of Chicago, University of California, Los Angeles (UCLA), University of San Francisco, Indiana University Bloomington, Amherst College and Berklee College of Music. Many achieved a mixture of academic and sporting scholarships, including swimming, tennis, golf, hockey and rugby.

Students



Where Millfield leavers go

- Russell Group and Times Top 30*
- Other UK universities
- USA and overseas universities
- Military and Apprenticeship
- Gap and Post Results (UK & Overseas)

*In addition to the Russell Group of universities, The Times top 30 (2023) includes other selective universities. In the UK, popular destinations include Bath, Bristol, Cardiff, Exeter, Oxford Brookes, Reading and University of the Arts, London (UAL). In the US, popular destinations include New York University (NYU), Rhodes Island School of Design and Boston University.

A review of the students' principal achievements and performance in the year is available from the School's website in 'The Year at Millfield 2022/23' and 'The Year at Millfield Prep 2022/23' publications.

Millfield continues to develop two unique programmes, the "Year 9 Programme" and the "Sixth Form Programme". The Year 9 Programme offer a curriculum, both inside and outside the classroom, stretching and challenging each young person to make learning even more inspiring and involving. The academic curriculum offers an exceptionally wide range of subjects, all tailored to each pupil's learning ability. This is combined with an outstanding sport and co-curricular programme with a focus on learning in the outdoors, making the most of Somerset's wonderful resources on our doorstep. The outdoor adventure aspect allows them the opportunity to try things they might otherwise not experience and to participate in the Duke of Edinburgh Bronze Award challenge should they wish. This delivers a dynamic and diverse programme that engages and connects our pupils with limitless academic, artistic and sporting outcomes by discovering and nurturing their talents and passions.

Principal Achievements and Performance (*continued*)

The Sixth Form Programme recognises the academic, sporting and co-curricular opportunities already in place and complements these with the Millfield Brilliance Award ("MBA") to assist the students' development as young adults across a range of areas. The MBA award continues to flourish, with a growing number of exciting projects which have seen our students become further involved in our local community.

In line with Millfield's philosophy of providing an excellent all-round education, the school runs the Millfield Activities Programme (MAP) for all year groups in the senior school. The purpose of MAP is for students to experience a range of activities and develop skills beyond those in the core curriculum or core games and sports programmes. Hence, whilst composition varies seasonally, and with interest from staff and students, suitable MAPs diversify the student learning experience and cater for all standards and abilities. Over 100 different activities are currently offered during the course of the year.





Staff

The student: teacher ratio stands at 6.9:1 (2022: 6.9:1).

Millfield has over 1,000 staff across the Pre-Prep, Prep and Senior Schools. Millfield continues to strive to recruit dynamic, high-quality staff across all areas, including teaching, sports coaches, welfare and support, and invests significant amounts of its income to recruit, retain and motivate staff. The diversity of the people and the range of skills that combine together to run our highly successful schools make the Millfield Community so unique. Boarding schools are 24/7 communities, and our dedicated staff make it an extraordinary place on a daily basis.

Development of Facilities and Resources

The focus this year has been to maintain our existing facilities and resources and to undertake a major refurbishment of teaching B block. Investment has increased to £5.4 million (2022: £3.1 million) and some of the work included the following:

- Refurbishment of teaching B block (£1.5m)
- Boarding house refurbishments including boiler and plant upgrades (£0.7m)
- Upgrade of floodlights to include campus astro pitches, tennis and netball courts (£0.2m)
- Refurbishment of our common rooms (£0.4m)
- Upgrade and maintenance of our sports facilities (£0.7m)
- Further fire detection system upgrades (£0.2m)
- IT infrastructure i.e. servers, switches and PC replacement (£0.7m)

The School continuously reviews its long-term capital investment masterplan to ensure it retains best value academic, sports, boarding house, day house and welfare facilities.

Public Benefit

Millfield is committed to providing benefit to the public on a local, regional and national scale, with the main aim being to benefit children from a wide variety of backgrounds. The school does this by widening access through financial support, sharing facilities, resources and knowledge with state schools, charitable independent schools, involvement in local community projects, teacher development and offering life changing opportunities to disadvantaged children.

Scholarships and bursaries enable access to the school and uphold our powerful principle of diversity that is the Millfield Mix, making sure that those children who would best benefit from a world-class Millfield education and outstanding opportunities are able to do so, regardless of the financial circumstances of their parents or guardians.

Alongside sharing our facilities, our staff are passionate about volunteering their time and expertise. Our staff have dedicated more than 20,000 hours in 2022/23 and we have had over 8,000 visitors, either school children or members of the public, that have attended events at Millfield. We will increase the scope of our outreach projects further in the year ahead and continue to broaden our network of state school partnerships.



Partnerships with state schools

Millfield is committed to developing partnerships with local state schools and colleges and specific initiatives this year included:

- School children from local primary schools, Elmhurst Junior School in Street, St Dunstan's School in Glastonbury and Brookside Academy in Street have engaged with clubs and mentorship schemes to help develop the children's skills in reading, Maths, Art, Drama, English, Latin and Chinese.
- Hosted meeting for SENCos to share good practice.
- Millfield staff volunteered their time to prepare and run a Grand Physics Show and Science Week activities attended by over 350 local primary school students.
- Biology outreach programme offered a loan scheme for science resources and sessions for individual schools, including a dissection session with students from Kenton Manderville Primary school in June 2023.
- Over 200 students from external schools were invited to attend our annual History and Politics Conference and Biology and Psychology Symposium, including students from Strode College in Street.
- 11 schools were invited to join the Millfield team Maths challenge with over 40 students from local schools taking part.
- Over 100 external students attended our Futures Fair, offering access to exhibitors from HE, Apprenticeships, Gap Year, Military, Employers, Summer Schools, Sports Agents and Careers.
- Millfield's in-house nutritionist delivered advice through assemblies and competitions to our neighbouring state primary school.
- Providing facilities for SAT test candidates for US university entrance to students from across the Southwest of England.

Public Benefit (continued)

- Our Combined Cadet Force (CCF) joint programme continues to be well supported. The programme involves over 100 cadets from all year groups, including 15 boys and girls from St Dunstan's School. Acting as St Dunstan's Sponsor Unit, Millfield CCF has been in partnership with St Dunstan's School since November 2018. All participants benefit from a government grant that covers staff support, kit and heavily subsidised field and international trips.
- TeachMeet sessions arranged with local schools to share ideas and resources that have worked in the classroom to support SEN/LGBTQ+.
- The Millfield media department were delighted to hold a film making course with St Dunstan's School, focusing on practical production and green screens.
- Three local state primary schools, including over 50 students, were invited to spend the day at Millfield in June 2023 and take part in a range of Academic, Art and Sport activities - 15 Millfield teachers and 13 students enthusiastically gave over 50 hours of their time to prepare and run the activities.
- Our Enterprise team use their skills, business experience and network to help local schools develop a strong careers programme that supports students' pathways into commercial industries and deliver assemblies.

Community engagement

We continue to forge and encourage deeper links into our community through offering our facilities, time and resources, some examples of the work taking place this year include:

- Millfield's Giving Day event was held across 24 - 26 May 2023 with around £150,000 raised for the Discover Brilliance Fund. The aim of the Discover Brilliance Fund is for it to enable us to significantly increase opportunities for children to attend Millfield. This year's Giving Day was centred around the topic of Philanthropy, and we hosted some fantastic talks and activities, educating and developing a deeper understanding of the principles of global citizenship and helping those in need.
- For the past 35 years we have hosted our Community Day and it is widely considered one of the highlights of the year. In June 2023 we welcomed over 700 guests for a wide range of activities, all run by the students and staff at Millfield. The entire Millfield community supports the event, including over 1000 students and 150 staff.
- Millfield teachers and students gave their time during February half-term to volunteer at a local community centre, running family fun sessions and encouraging young people to engage with dance workshops.
- Throughout the autumn term the Millfield Makeover Team worked with Elmhurst Junior School to update their facilities, with several student and staff volunteers helping paint and furnish various rooms throughout the school.
- Our theatre facilities have been used by local schools and community groups to stage their productions to wider audiences.





Public Benefit (continued)

Supporting Charities

Millfield fundraises for many other charities, including:

- Millfield artist Lucy Meyer curated a Darkness to Hope exhibition to raise funds for Yeovil Hospital Children's Unit.
- Multiple book parcels were distributed to the local area. The Millfield Brilliance Award Wellbeing Group collated a 'book bomb' to supply books for younger children and promote reading in the community.
- Donation boxes provided to local food banks continue to be well supported by students and staff.
- Our annual Macmillan coffee morning raised over £1,100.
- The Millfield Brilliance Exchange raised funds for the NSPCC and all excess clothing was donated to the Salvation Army.
- Millfield students regularly engage with Southwest Volunteer Programme activities, supported by Millfield staff, include beach cleans and local ground clearance.
- An entrepreneurial animal-loving student set up his own dog biscuit company to raise money for the PAWS animal shelter. The venture raised a fantastic £1,600 for PAWS, who provides care to homeless cats and dogs.
- A Captain of School organised a sleep out to raise awareness and funds for End Youth Homelessness Home.
- The Project Charlton charity swim raised funds for the development of Charlton Adams outdoor community spaces.



Promoting the Value of Sport to the Community

Millfield widely offers both facilities and expertise to promote sport, some examples include:

- We hosted a Commonwealth Games Day for over 250 local students. The event was aimed at building on the wave of excitement around sport that was created by the games in Birmingham this summer.
- Multi-activity and sport courses are available for local children during the school holidays, including 115 funded places in 2022/23.
- We have organised, hosted and provided facilities for clubs, schools and representative organisations, including Athletics, Cricket, Fencing, Football, Hockey, Swimming and lifeguard courses.
- Millfield Tennis hosted the sixth Festival of Tennis including a mix of competitive and entertainment events open to the general public.
- We hosted the Mendip league Cross Country for local schools at Millfield Prep, involving over 500 students.

Public Benefit (continued)

- We linked with SASP (Somerset Activity & Sports Partnership) as part of the new Sports Leadership Qualifications launched at Millfield so our students can run events for local primary/prep students.
- In association with the Somerset Cricket Board we have continued with Super 1s, weekly term time 1-hour indoor cricket sessions, aimed at young people aged 12-25 with a mild/moderate learning difficulty, or with a physical disability.
- Millfield Swimming Pool provides an opportunity for local and regional community clubs to train and compete in an Olympic sized pool.
- Regular family fun sessions hosted at our pool with over 100 people joining us for an hour of fun on the giant water inflatable.





Promoting the Value of Drama, Music and the Arts to the Community

We advertise an extensive programme of creative arts events to the local community through our 'What's On' brochure, a sample of the events include:

- Millfield's Atkinson Gallery and climate change charity Cape Farewell have curated an exhibition promoting changes in cultural attitudes. The exhibition is open for school bookings and the general public.
- Millfield concerts continue to be free for the local community. In addition, Millfield Music School continues to host several community-based music projects each year.
- Community partnership combining Somerton Concert Band with Millfield Symphonic Winds.
- In March 2023 our students hosted a Tea and Dance event for local residents, bringing old and young generations together - the afternoon was so popular it is now a termly event.
- An extensive Community Project took place with the Orchestra of the Age of Enlightenment involving delivering workshops with local primary schools over 5 days and performances for 2 evenings.
- Each spring we join together the forces of our Community Choir with Millfield Singers, our largest school choir, with a professional orchestra. As well as performing a substantial choral work, each performance explores a new collaboration between Millfield and different community partners, both choral and instrumental. The project brought together over 120 Millfield students with over 170 members of the community.



Section 172 (1) Companies Act 2006

The Governors comply with the requirements of section 172 (1)(a)-(f) using the proven organisational management approach included within the Structure, Governance and Management section of this report (see page 12) as follows:

(a) "The likely consequences of any decision in the long term" – all strategic matters are considered by Governors in one or more of the four committee termly meetings with papers provided in advance by the Millfield Executive Group ("EG") after it has completed its own internal review. Once a matter has been considered and discussed, the relevant committee makes a formal recommendation to the Full Governing Body for it to consider at its meeting before a final decision can be made. This "three" tiered approach ensures strategic long-term decisions are rigorously considered before being implemented.

(b) "The interests of the company's employees" - as a leading independent school, Millfield's employees and facilities are the key variables for its community. The approach to employee interests is included under the Employee Involvement and Equal Opportunities section on pages 13-15. The Head of HR is part of the Executive Group and employee matters are considered as appropriate at each of the four governor committee meetings as well as at full governing body meetings.

(c) "The need to foster the company's business relationships with suppliers, customers and others" – Millfield makes a significant contribution to the local economy as is evidenced from the data included under the Public Benefit section and the Governors in the "Building and Finance Committee" and "Audit, Compliance and Risk Committee" review processes and procedures in place to ensure consistency and fairness of approach in dealings with suppliers and customers.

(d) "The impact of the company's operations on the community and the environment" – as an independent school with charitable status, Governors appreciate the importance of our impact on the local community and the environment. Millfield takes this aspect very seriously as shown by the initiatives included within the "*Public Benefit*" section of this report.

(e) "The desirability of the company maintaining a reputation for high standards of business conduct" – the Governors rely on the Executive Group ("EG") and the Senior Leadership Teams ("SLT") at Millfield and Millfield Prep to both maintain and comply with internal policies and procedures approved by the governor committees to ensure high standards of business conduct are maintained.

(f) ''The need to act fairly as between members of the company" – The Governors, as members, sign a "Code of Conduct for Governors of Millfield School" which includes a requirement to comply with the Nolan principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership and there are policies and procedures in place to support the adherence to this code of conduct.

Future Plans

The School's strategic objectives for the period 2019-2024 is available on the School's website at https://www.millfieldschool.com/discover-brilliance/purpose-vision-mission.

The past few years have been challenging with the covid pandemic, the cost of living crisis and wars in Ukraine and Gaza. Looking forward, we will likely have the UK general election later in 2024 and current indications are that we will have a change in government. The Labour Party have made their intention of charging VAT on independent school fees very clear and this will have a significant impact on both parents and our sector. We are currently working on how we would manage the imposition of VAT on school fees to support the Millfield community during the difficult transition that would be required.

In terms of specific future plans for Millfield, we can outline these as follows:

Academic: Here we continue to focus on a number of initiatives including:

- Generating a "culture of curiosity" in our student and staff body by continue to develop the Brilliance Curriculum embedding new approaches including research into how Artificial Intelligence ("AI") can be used to develop the "Millfield Way for Technology".
- The development of a new plan for PHSEE (being Personal, Social, Health and Economic Education) including a revised staffing model as well as a new curriculum.

Future Plans (continued)

- Revisiting our careers offering around work experience and internships alongside traditional higher education routes of universities/colleges both here and in the USA;
- Further develop our offering for neurodiverse students alongside the excellent programmes already in place for children with dyslexia, dyspraxia and associated conditions.

Sport: to continue its focus to be at the heart of youth sport, specifically looking at

- Alternative pathways for youth student-athletes in the 11-18 age group; including working with and developing partnerships with industry, old Millfieldians, government and international federations;
- Continuing to invest in our leading sports facilities including our campus masterplan to ensure we maintain this competitive edge.

Pastoral – Wellbeing

- To develop a "future-proof" sustainable boarding model for Millfield, which will include a review of current research and trends and working with experts to plan for changes;
- Improve our ability to identify and manage mental health issues working with our in-house counsellors and NHS practitioners;
- Delivering the Group Tutor programme to improve tutoring as well as supporting students exploring neurobiology and psychoeducational programmes during group tutor time.

Enterprises;

- To support the growth of our English Language Holiday Course programme as it "builds back" from the impact of the covid pandemic;
- Develop our holiday sports course and facility hire opportunities for both the local community and wider population interested in our sport, academic and music offerings;
- To investigate new commercial income streams to help mitigate the likely impact of VAT on school fees affecting the Millfield Community.

International Schools

- Continuing our work in partnership with others overseas to develop schools based on the Millfield model. This theme would have the benefit of expanding the Millfield Way and generate revenue to support our bursary and scholarship funds which will become increasing relevant.

The Brilliance Campaign

- Work continues on our aim of generating a £100 million endowment fund by 2035 to support transformational bursaries in perpetuity across both the prep and senior schools;
- This work includes reviewing our internal operations and processes, setting "Key performance indicators", identifying potential major donors and developing tactical plans and campaigns to improve the generation of both donors and donations.

Strategic Vision and Objectives 2025-2030

Work is underway to formulate our 2025-2030 strategic objectives. This process includes

- Reviewing performance against objectives included in our 2019-2024 Vision document;
- Considering how we can develop our recognised strengths including sport focus, neurodiversity and SEN provision and our brand and reputation as well as pragmatically considering external opportunities and threats such as the effect of VAT on school fees; and
- Developing SMART (specific, measurable, achievable, relevant and time-bound) objectives which will support our 2025-2030 vision statements.

We will publicise our Strategic Vision and Objectives 2025-2030 before the end of calendar year 2024 on our website https://www.millfieldschool.com

Structure, Governance and Management

Governing Documents

Millfield ("the company" or "the School") is a company limited by guarantee, first incorporated as Millfield School Limited on 4 August 1953 and constituted under Memorandum and Articles of Association dated 9 November 1979 and last amended on 21 March 2014. It is also a registered charity, number 310283.

Group Structure and Relationships

The School provides independent (boarding and day) education for boys and girls between the ages of 2 and 7 years (Millfield Pre-Prep – day only), 7 and 13 years (Millfield Prep) and 13 and 18 years (Millfield).

In addition to its principal activity, the School also operates a wide variety of educational and recreational holiday courses, retail outlets and related activities, some of which are carried out through a trading subsidiary company, Millfield School Enterprises Limited. All surpluses from these activities are reinvested in the School for the benefit of its principal educational activity. The School also owns 100% of the share capital of Millfield Overseas Limited, a company incorporated on 21 December 2012 which has remained dormant since incorporation.

On 23 August 2022 Millfield Foundation Limited's (company number: 06370560) Articles of Association were amended by special resolution, effective from 1 September 2023. These Articles provide that the majority of Trustees holding office at any one time are nominated by Millfield. As Millfield is deemed to have effective control over Millfield Foundation its results for the year have been consolidated into Millfield's accounts. Millfield Foundation receives donations which it invests. The investment returns are used to grant scholarships and bursaries to current and prospective pupils of Millfield and Millfield Prep.

Investment Powers, Policy and Performance

There are no specific restrictions on the Governors' investment powers; where necessary Governors seek the advice of qualified investment advisors prior to making any investments. Cash reserves are held in short term deposits designed to achieve competitive returns at minimum risk.

Governing Body

The Governing Body is self-appointing. Governors are usually appointed for a three-year term of office. Retiring Governors are eligible for re-appointment. New Governors are appointed by the Governing Body on the recommendation of the Appointments Committee. Candidates are proposed by existing Governors on the basis of the expertise and experience they can offer the School, taking into consideration the regular skills audit of the Governing Body against the categories of skills deemed necessary by the Governing Body for providing proper strategic management oversight and control. The Governing Body seeks to have an appropriate balance of age, gender and ethnicity.

Governor training

Appropriate information and training, including safeguarding training, is provided to new Governors. They are provided with induction information, a Governors' Handbook and information on their responsibilities as a charity trustee. They meet for individual briefings with the members of the Executive Group, the Chairman of Governors and relevant senior staff members. The Governing Body recognises that new Governors must feel confident that they are equipped to meet their statutory and wider legal responsibilities and appropriately tailored courses and further information are made available to them through the Clerk to the Governors. Where appropriate, members of the Governing Body attend external trustee training and information courses designed to keep them informed and updated on current issues in the sector and regulatory requirements.

All Governors receive safeguarding training as part of their induction and receive regular updates. Indemnity insurance is in place for Governors. During the year, Millfield paid £481 (2022: £435) in respect of indemnity insurance for its Governors.

Structure, Governance and Management (continued)

Organisational management

The members of the Governing Body, as the charity trustees, are legally responsible for the overall management and control of the School, including policy setting and strategic planning. The detailed work of the Governors is delegated to four committees, each of which operates under terms of reference which are approved by the Governing Body, and which are required to report to the full Governing Body on a regular basis.

- Audit, Compliance and Risk Committee
- Building and Finance Committee
- Appointments Committee
- Education Committee

In addition to the committees, certain members of the Governing Body also act as trustees for Millfield Retirement Benefits Scheme and as directors of Millfield School Enterprises Limited, Millfield Foundation Limited and Millfield Overseas Limited. Individual Governors also hold special responsibility for specific areas such as Safeguarding, SEN, Staff Liaison, Sport and Public Benefit.
The day to day running of the School is delegated to the Headmaster of Millfield, the Headmaster of Millfield Prep School and the Finance Director of Millfield Schools, ("the Executive Group"), as key management personnel, who in turn are supported by Senior Leadership Teams ("SLT"). The Head of HR of Millfield Schools also forms part of the Executive Group and advises on matters related to staffing. The Heads and Finance Director attend all meetings of the Governing Body's Committees.

Employee involvement and equal opportunities

The Governors are committed to ensuring that Millfield provides equality of opportunity in recruitment and employment. All applicants for employment and existing employees are treated by reference to their particular aptitudes, abilities and relevant qualifications and receive equal treatment as provided for by law regardless of sex (gender), sexual orientation, gender reassignment, marital status or partnership, race, religions or belief, age, disability or pregnancy/maternity.

The School aims to recruit, develop and retain high quality teaching and support staff who support the School's ethos and objectives. Delivery of the School's charitable vision and purpose is primarily dependent on its key management personnel and staff; staff costs are the largest single element of the School's charitable expenditure. Specific consideration is given to ensuring staff interests are considered by offering competitive:

- Remuneration packages which are reviewed annually: including salary, allowances and pensions.
- Benefits: holiday and sickness entitlement, life insurance, subsidised canteen and gym facilities, employee assistance program and free car parking.
- Working environment: staff benefit from working in one of Millfield's two picturesque school campuses with the senior school based just outside Street and the prep school outside Glastonbury in Somerset.
- Professional Development: provided through support to attend relevant courses and seminars.

The Governors welcome and encourage employee engagement and regularly attend meetings where current issues are discussed with staff. In addition, both teaching and support staff have a termly forum for issues to be raised and discussed with members of EG which Governors also attend where practicable. Millfield recognises and liaises with a number of teaching unions including the National Education Union ("NEU"), the National Association of Schoolmasters Union of Women Teachers ("NASUWT") on issues around pay, holiday and hours.

Millfield recognises that disabled persons may have special requirements and makes reasonable adjustments to interview procedures, work arrangements, premises, equipment, job design, training and retraining to remove potential barriers in the working environment. Millfield employs a large workforce engaged in a diverse range of teaching and support roles. The table below shows the total number of roles at Millfield, at 5 April, over recent years, analysed by function (teaching or support) and the number of men and women undertaking the role.

Structure, Governance and Management (continued)

Gender Role Profile by Function - *over the past 3 years*						
Year	All Staff		Teaching		Support	
	Male	Female	Male	Female	Male	Female
2023	415	831	149	229	266	602
	33%	*67%*	*39%*	*61%*	*31%*	*69%*
2022	378	737	145	222	233	515
	34%	*66%*	*40%*	*60%*	*31%*	*69%*
2021	403	733	143	207	260	526
	35%	*65%*	*41%*	*59%*	*33%*	*67%*

Staff roles have increased between 5 April 2022 and 5 April 2023 and it is pleasing to see there has been another increase in those undertaken by women, from 66% to 67% of the total. Whilst women and men are paid equally for doing equal roles, Millfield does have a gender pay gap. This is due to the significantly greater number of women undertaking lower paid support roles. As illustrated in the table above, 69% of support roles (5 April 2023: 602 in number) are undertaken by women compared to 31% of those (5 April 2023: 266 in number) undertaken by men.

The trend becomes clearer when considering the data analysed further into pay quartiles in the table below. You can see that the number of women undertaking support roles in the "lower quartile" (5 April 2023: 222 women vs 84 men) and in the "lower middle" quartile (5 April 2023: 229 women vs 71 men) significantly affects the overall gender pay gap.

Gender Split in Pay Quartiles - *over the last 3 years*																
Year	Lower				Lower Middle				Upper Middle				Upper			
	Teaching		*Support*		*Teaching*		*Support*		*Teaching*		*Support*		*Teaching*		*Support*	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
2023	0	5	84	222	3	9	71	229	24	60	94	134	122	155	17	17
2022	0	7	70	202	7	10	72	190	22	68	78	111	116	137	13	12
2021	0	8	72	204	5	11	72	196	15	50	102	117	123	138	14	9

Looking at the impact the above has on the percentage difference in the average hourly rate paid to men and women employed by Millfield over the last 3 years, we have the following:

Women's average hourly pay is:	5 April 2023	5 April 2022	5 April 2021
Mean gender pay gap	19.9% lower	20.7% lower	22.7% lower
Median gender pay gap	34.9% lower	36.6% lower	37.6% lower

We are pleased to see a continued reduction in the relative difference in the mean and median gender pay gaps as at 5 April 2023 and whilst this difference remains significant, as explained earlier, it is distorted by the large number of women employed in absolute terms combined with the majority of them working in lower paid, usually part-time support roles.

When further reviewing the data by pay quartiles difference (table below), we see that women were paid more than men in two of the four quartiles ("lower" and "upper middle"). A review of the "lower middle" quartile indicates this has been affected by the predominance of men in roles towards the top of the quartile in roles such as "sports coaches", "trade persons" and "IT Support technicians" which are paid higher than many of the roles occupied in this quartile by women such as "matrons", "administrators" and "exam invigilators". Further work is required to recruit women into those roles in this quartile attracting higher market pay rates.

Structure, Governance and Management (continued)

Average Hourly Pay Quartiles - *over the last 3 years*																
Year	Lower				Lower Middle				Upper Middle				Upper			
	Mean		*Median*		*Mean*		*Median*		*Mean*		*Median*		*Mean*		*Median*	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
2023	10.81	10.96	10.89	11.11	12.86	12.73	12.75	12.28	22.12	22.69	21.61	22.29	43.70	40.69	40.07	37.72
2022	9.63	9.76	9.47	9.90	12.06	11.75	11.50	11.30	22.06	22.29	20.98	21.25	41.36	38.88	37.88	36.56
2021	8.88	9.00	8.95	8.97	10.96	10.68	10.65	10.58	19.92	21.39	18.57	20.40	43.37	41.03	41.12	38.43

Business relationships with suppliers, customers and others

Millfield is committing to providing its educational and sporting services to pupils at the standard promoted to their parents. Millfield work closely with suppliers and other external parties to ensure this happens. Millfield continue to expand contractual relationships with preferred suppliers after conducting due diligence for quality and continuity of supply.

Objects, Aims, Objectives and Activities

Charitable Objects

The School's principal activity is the education and pastoral care of its students, reflecting the objects set out in the Articles of Association, which are:

"to establish and maintain at Millfield in the County of Somerset, a School or Schools for the education of boys and girls, and young men and young women and to give to such students general or specialised instruction of the highest class but so that each such School shall be carried on as an educational charity and as an independent object to establish and acquire as a going concern, and carry on, support or manage elsewhere, any subsidiary or affiliated Schools".

In setting the School's objectives and planning activities the Governors have given due regard to the latest guidance on public benefit published by the Charity Commission.

Financial Review

For the financial year ended 31 August 2023 Millfield generated a surplus of £6.1million (2022: £3.7 million surplus) after charging £5.8 million for depreciation (2022: £5.5 million). The net £2.4 million improvement is as a result of increased income of £6.3 million (driven largely by an increase in pupil numbers and associated fee income), offset by a growth in our cost base of £3.9 million (mainly driven by inflationary pressures on both staff and external costs). Millfield remains committed to maintaining broad access for talented students who would benefit from an education at its Prep and Senior schools, by offering financial support with the payment of fees to families who are otherwise unable to afford them. Scholarships, bursaries and other concessions totalling £8.4 million (2022: £8.1 million) were provided to students. Millfield's operating activities generated positive cash flow of £5.5 million (2022: £4.8 million) as set out in note 21.

There is a pension liability of £1.1 million (2022: £1.1 million) as reported in accordance with Financial Reporting Standard Number 102 ("FRS 102") in respect of the Millfield Retirement Benefit Scheme (the Scheme) for some support staff as set out in note 20. The Scheme was closed to future benefit accrual and salary linkage on 31 December 2014.

The School's trading subsidiary, Millfield School Enterprises Limited, contributed turnover of £1.8 million, a profit of £0.3 million and retained net assets of £0.6 million. Millfield Foundation generated income of £1.0 million, a profit of £0.6 million and retained net assets of £5.4 million at year end as outlined in note 11 of these Financial Statements.

Financial Review (continued)

Fundraising

As part of its operations the School engages in fundraising activities to seek donations from former students, parents and other members of the School community. The School complies with the Fundraising Regulator's code of practice and seeks to build positive long-term relationships with potential donors. Fundraising is conducted through the School's foundation office which has been through a recent period of change: industry statistics show that long-standing departments who have developed and built personal relationships are most successful at raising significant donations and this is the longer term target. Since the year-end Key Performance Indicators have been developed and will be used to monitor fundraising performance.

Millfields fundraising strategy is underpinned by a core focus on engagement within the global Old Millfieldian ("OM") and parental (past and present) communities, with a clear narrative based upon Millfield philanthropic heritage and the ongoing commitment to the 'Millfield Mix'. The Millfield Mix provides opportunities for children to benefit from a Millfield education irrespective of their social or economic background. By working alongside the OM Society, Millfield aims to grow engagement within the global alumni community via events and its international and sport societies branches. Millfield will also seek to generate charitable funds from key milestones like Millfield's 90th anniversary in 2025 and by relaunching the 1935 Legacy Society.

There are no matters to report under the Charities (Protection and Social Investment) Act 2016.

Reserves

The Governors' policy is to examine the needs, risks and challenges faced by the School in both the short and medium terms along with relevant financial plans and forecasts and to establish reserves sufficient to meet these requirements including the School's longer-term capital expenditure commitments and any longer-term financial obligations, including the actuarially calculated funding deficit on the School's defined benefit pension scheme that under FRS102 is accrued as a liability. This policy is reviewed on a regular basis and monitored in line with the buildings development programme, which is funded from operating surpluses.

Reserves as at 31 August:	Note	2023 £ million	2022 £ million
Total Funds	17	60.8	50.4
Less: Restricted Funds	17	(5.9)	(0.7)
Unrestricted Funds	17	54.9	49.7
Less: unrestricted tangible fixed assets	10	(56.6)	(56.9)
Free Reserves		**(1.7)**	**(7.2)**

Free Reserves:

There are no free reserves, but Governors are satisfied with this position given that there was "Cash at bank and in hand" of £29.6 million at 31 August 2023 (2022: £20.0 million). Included within free reserves is the actuarially calculated funding deficit of £1.1 million (2022: £1.1 million) on the School's defined benefit pension scheme which under FRS102 is accrued as a liability. It is intended this liability be repaid from operating cash flows, in accordance with the recovery plan agreed between the Governors and the Pension Scheme Trustees.

Restricted Funds:

The restricted funds comprise donations earmarked by the donors, or the terms of an appeal, for specific purposes. Restrictions are legally binding on the Governors. The Governors expect the present level of activities to be sustained at broadly the same level for the current year despite the challenging environment and the financial position. The Governors do not envisage there being any difficulty in meeting current and/or future obligations of the Charity and note there is no financial dependence on key donors.

Streamlined Energy and Carbon Reporting (SECR)

Millfield was fully operational throughout the year ended 31 August 2023 with both sites fully operational throughout the year. Millfield is serious about reducing our carbon footprint and in addition to investing in more energy efficient infrastructure, we have continued our engagement with a third party to assist us with our aim of achieving "net zero".

A return to normal school operations following the COVID-19 pandemic has resulted in an increased use of minibuses due to more external school trips and sporting fixtures. Enterprises organised the following activities over the course of the reporting period.
1. October Half Term 2022 (Senior school) – 1 residential course and 1 non-residential course for a total of 72 individuals. The opportunities were limited during this period due to the emergency pool closure.
2. Easter 2023 – 9 residential and 13 non-residential courses/camps and events for more than 4000 individuals. The numbers were high as they included theatre productions.
3. Summer 2023 – 14 x residential and 33 x non-residential courses/camps and events for 2356 individuals. The Millfield English Language Holiday Course attracted 615 students over a 6-week period.

Energy efficiency measures

In the year 2022/2023, the following energy efficient actions were undertaken:

- Appointment of Hydrock as Net Zero consultants and completion of the Estates decarbonisation strategy and report.
- Continuation of the change to LED lighting, including absence and presence detection at Millfield and Millfield Prep Schools.
- Upgrade of Chindit Avenue Street lighting and new efficient LED flood lighting and controls to the campus astro.
- Completion of Phase 1 of the B Block teaching refurbishment – ground and first floors – including a change from gas fired heating to efficient electric VRV units, (like air source heat pumps) with intelligent controls and linked to our Building Management system for additional control; new thermally broken double glazed aluminium windows and provision of LED lighting and absence / presence detection throughout.
- Replacement of end-of-life gas fired heating and hot water plant with new modern efficient equipment and controls to four boarding houses and Edgarley Hall at the prep school.
- Refurbishment including draught sealing and overhaul of thirty sash windows at Kingweston Boarding house.

Plans for energy efficiency in the year ahead

- Upgrade of lighting in Gyspy Mews and MPS Sports hall to efficient LED units.
- Complete Phase 2 upgrade of B block (2nd and 3rd floors) as detailed above.
- Fabric improvements including windows, insulation and plant to 2no staff houses and our Art Design and Technology department at the senior school.
- Further gas plant renewals with controls to 2no. boarding houses and the tennis centre and fencing salle.
- Commence with the installation of sub-metering of gas and oil and electric to all buildings as per the recommendation from the decarbonisation strategy. Review meter data, analyse and act on findings related to worse performing buildings.
- Investigate the cost / practicality of further Building Management System controls on individual buildings to reduce wasted energy particularly during holiday periods.
- Work with National Grid Energy Distribution and place orders for increased electrical supply at both schools to support our transition from fossil fuels for heating and hot water systems.

Streamlined Energy and Carbon Reporting (SECR) (Continued)

Summary of data

All figures have been quoted in terms of Carbon dioxide equivalent. CO2e is a term for describing different greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO2e signifies the amount of CO2 which would have the equivalent global warming impact.

*Energy use kWh includes heating, lighting, mileage, and fuel (not water and refrigerant gases) across the group of Millfield Schools.

Associated Tonnes CO2 does include water and refrigerant gases in its total.

Associated Greenhouse gases have been calculated using the GHG Reporting Protocol – Corporate Standard with the DEFRA conversion factors issued in June 2023. The details of which can be found here – ghg-conversion-factors-2023-condensed-set-update.xlsx (live.com)

Breakdown of energy between utilities and transport & other (including comparison with previous year).

UK Greenhouse gas emissions and energy use data for the period	**1 September 2022 to 31 August 2023**	**1 September 2021 to 31 August 2022**
Energy consumption used to calculate emissions (kWh)	**20,720,211** kWh	**20,937,218** kWh
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	**2,145** tonnes CO2e	**2,114** tonnes CO2e
Oil consumption	**571** tonnes CO2e	**528** tonnes CO2e
LPG consumption	**289** tonnes CO2e	**208** tonnes CO2e
Owned transport – minibuses	**202** tonnes CO2e	169 tonnes CO2e
Total scope 1	**3,207** tonnes CO2e	**3,019** tonnes CO2e
Scope 2 emissions in metric tonnes CO2e		
Purchased Electricity	**903** tonnes CO2e	**898** tonnes CO2e
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee-owned vehicles	**14** tonnes CO2e	**4** tonnes CO2e
Total gross emissions in metric tonnes CO2e	**4,124** tonnes CO2e	**3,921** tonnes CO2e
Intensity ratio		
Tonnes CO2e per pupil/staff	**1.63** tonnes CO2e	**1.66** tonnes CO2e

Breakdown of refrigerant emissions (including comparison with previous year).

	2022/23	2021/22
Refrigeration Gases	0	0

Intensity ratio

At September each year	2022/23	2021/22
Staff (Full time & Part time*)	736	682
Pupils	1,795	1,763
Totals	**2,513**	**2,445**

*Part time staff counted at ½ a full-time member of staff

Streamlined Energy and Carbon Reporting (SECR) (Continued)

Source of information

Activity	Source of information
Electricity use	Total kWh from electricity bills
Nature Gas use	Total kWh from gas bills
Oil use (kerosene)	Total litres/kWh from oil delivery invoices
LPG use	Total litres/kWh from LPG delivery invoices
Fuel (purchased and reimbursed through expenses)	Total litres/kWh from diesel delivery invoices plus purchases made on fuel cards, and mileage claimed on expenses for journeys made on school business.
Refrigerant gases	From documentation supplied by the contractor undertaking the servicing of the units
Water	Cubic meters taken from water invoices
Pupil and staff numbers	Internal HR department/iSAMS

Transport requirements

	Included	Not Included
Fuel in fleet cars/vans/minibuses	✓	
Fuel reimbursed to employees for use of own car	✓	
Fuel in hire cars		✓
Fuel in taxis		✓
Fuels in vehicles operated by sub-contractors		✓
Fuels in coaches for use by school		✓

The items listed as not included within the reported data are because it is very difficult to establish how much diesel is used for specific trips booked by the school. Additionally, if that provider meets the SECR reporting criteria, they will report their own information.

Risk Management

The Board of Governors is responsible for the management of risks faced by Millfield and Millfield Prep (including Pre-Prep). An ongoing process has been established for identifying, evaluating and managing these and a risk management policy is in place. The key controls used include:

- The Governing Body has responsibility for overseeing risk management within the school and delegates oversight of this to the Audit, Compliance and Risk Committee;
- Formal terms of reference are in place for all Governor Committees and all Committee and Governing Body meeting have clear agendas and minutes are recorded;
- The Governing Body meet at least four times a year and is supported by four subcommittees which meet termly, including Building and Finance; Education; Audit and Appointments Committee;
- Clearly defined organisational responsibilities for the Executive Group and senior leadership teams and a schedule of delegated authority containing authorisation and approval levels, which are all reviewed regularly;
- The Executive Group review key strategic risks and the actions that are in place to mitigate these on a monthly basis, and provide a report on these to the Governing Body
- A more comprehensive risk register is compiled by the Executive Group and formally reviewed by the Governing Body annually, to identify, assess and monitor all major risks to which the school is exposed.
- Members of the Senior Leadership Team are encouraged to ensure that significant risks in their area are identified, assessed and monitored through each department's risk management systems and procedures.
- Comprehensive strategic planning, revenue and capital budgeting, cash flow and management accounting is in place, and the Building & Finance Committee receive a termly finance report on the financial position and results;

Risk Management (Continued)

- Formal written policies are in place for all significant areas of operation and are approved by the Governing Body through its Committees and implemented and communicated by the Executive Group to staff, parents and pupils. Minor policies are monitored by the Executive Group.
- Compliance with statutory requirements and external guidelines is monitored by means of reports by senior leaders to the Governing Body and its Committees, and through Governor visits to the school to meet staff and pupils
- The external audit of the financial statements provides feedback to the Governing Body on the operation of the internal financial controls reviewed as part of the annual audit. Other external audits (e.g.ISI inspection reports) are also the subject of periodic reports to the Governing Body.
- Safeguarding procedures, as required by law, are in place for the protection of children and are reviewed by the Governing Body annually. A Designated Safeguarding Lead is nominated for each school and they meet Governors together on a termly basis. There is a Safeguarding Governor.

The Audit, Compliance and Risk Committee, assisted by the Executive Group, has identified and prioritised the key risks and a strategy for dealing with them has been approved by the Board of Governors. Through the above risk management procedures the Governors are satisfied that the principal risks identified below have been adequately addressed where necessary. It is recognised, however, that systems can only provide reasonable but not absolute assurance that major risks have been appropriately managed.

Millfield has identified seven key strategic risks as follows:

1. Government policy
The independent education sector faces the increasing likelihood of changes to government policy targeted to raise funds for investment in the state sector, of which the most likely are considered to be the introduction of VAT on educational supplies and the removal of business rates relief. The introduction of VAT would have a significant impact on Millfield, and an increase in fees links closely with another key strategic risk of affordability. This might have a significant impact on the demand for places, and therefore on the charity's income. Millfield mitigates this risk by regularly reviewing its reserves policy, by preparing long-term forecasts which include contingency planning in the event of changes in policy and by taking an active role in supporting the Independent Schools Council in promoting public affairs and parliamentary engagement on behalf of the sector.

2. Inflation and financial viability
There is an increasing inflationary pressure on the operational running costs of the School, including staffing, facilities and utilities. Millfield balances the investment it makes in its staff and facilities with its funding, the key source of which is fee income. To ensure all its commitments are met, Millfield has robust management processes. These include forecasting pupil numbers, detailed budgeting and cash flow projections which are prepared by the Executive Group and subject to detailed scrutiny by Governors. Progress against this plan is monitored continually by the Executive Group and termly by Governors.

3. Affordability
Millfield operates in a very competitive market and is conscious that the cost of private education is increasingly beyond the financial means of many families. In addition, affordability of fees and therefore pupil numbers could be affected by macro-economic factors. Recognising this, Millfield retains its focus on achieving value for money in every area of its operations and is committed to building funds to safeguard its scholarship and bursary support for families who otherwise would not be able to access a Millfield education.

4. Safety and security of pupils, staff and premises
Millfield aims to provide a safe and secure environment. To do this It has in place detailed policies and procedures, including in the areas of safeguarding children, anti-bullying, health and safety, physical security, cyber-security, wellbeing, data protection and critical incident management. These are regularly reviewed by Governors. Staff and pupils are provided with detailed training, as appropriate, to ensure these policies are adhered to across Millfield.

Risk Management (Continued)

5. Recruitment and retention of key staff
Millfield relies on its ability to recruit and retain high quality staff to carry out its charitable activities and achieve its objectives. In order to achieve this Millfield provides a comprehensive range of financial and non-financial benefits to staff, including competitive salaries, fee concessions, staff housing, training and development opportunities, use of school facilities and a wellbeing programme.

6. Effectiveness of governance
The Governors recognise that strong governance is essential to Millfield's success. In order to ensure that governance is effective Millfield recruits Governors based upon a skills matrix and comprehensive induction and refresher training is provided to Governors. Committee structures are in place supported by clear terms of reference. Governors actively monitor implementation of policies and compliance within the School. A biennial process of self-evaluation is undertaken by the Board of Governors.

7. Cyber-security & AI
In common with other schools, individuals at Millfield are the target of multiple phishing attacks and the risk of a co-ordinated wider attack on the school system is considered to be significant. The School is engaged with an external cyber security company which conducts regular testing and learnings from the results determine actions to address vulnerabilities and training requirements. Artificial intelligence is proving to be a threat at all levels of society and Millfield has a number of workstreams underway to establish the potential impacts for the School, including research on use of AI in the classroom to enhance teaching and learning and the potential risks and benefits of ChatGPT on current education practice, including the ethical use of AI in assessments.

Statement of Governors' Responsibilities

The Governors (who are also directors of Millfield for the purposes of Company law) are responsible for preparing the Report of the Governing Body (incorporating the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Governors 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

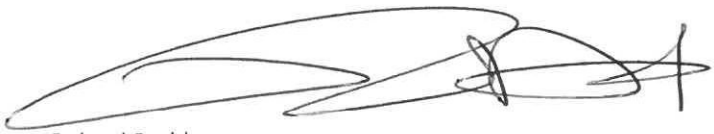
The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing the School's aims and objectives and in planning the School's future activities. In particular, the Governors have considered how planned activities will contribute to the aims and objectives they have set.

In so far as the Governors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Governors 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.

The Report (incorporating the Strategic Report) was approved by the Board of Governors of Millfield on 22 March 2024 and signed on its behalf by:



Roland Rudd
Chair of Governors

Opinion

We have audited the financial statements of Millfield for the year ended 31 August 2023 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement 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 group's and of the parent charitable company's affairs as at 31 August 2023 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group'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 in the Report of the Governing Body. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governing Body (which incorporates the strategic report and the directors' report).

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 22, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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 group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to The Education (Independent school Standards) 2014, safeguarding regulations, health and safety laws, GDPR, employment law, charity law and company 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 Companies Act 2006 and the Charities Act 2011, and considered other factors such as payroll taxes and VAT.

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 improper recognition of revenue and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- 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 a selection of journals; 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. This description forms part of our auditor's report.

Use of our report

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

Tracey Young (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date:

10 Queen Street Place
London
EC4R 1A

CONSOLIDATED STATEMENTS OF FINANCIAL ACTIVITIES
for the year ended 31 August 2023

	Note	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2023 £'000**	**Total 2022 £'000**
Income from:					
Charitable Activities:					
- Fees receivable	3	54,259	-	**54,259**	**50,432**
- Other educational income	4	4,498	-	**4,498**	**3,758**
Other Trading Activities:					
- Other fees and external hiring		3,051	-	**3,051**	**2,188**
- Investments	6	555	105	**660**	**-**
- Subsidiary trading income		1,096	-	**1,096**	**1,024**
Donations, grants and legacies	5	2	388	**390**	**375**
Other income	6	104	-	**104**	**102**
Total Income		63,565	493	**64,058**	**57,879**
Expenditure on:					
Charitable Activities		(53,280)	(30)	**(53,310)**	**(50,481)**
Raising Funds:					
- Other fees and external hiring		(2,916)	-	**(2,916)**	**(2,405)**
- Subsidiary trading expenditure		(851)	-	**(851)**	**(837)**
- Fundraising		(258)	(47)	**(305)**	**(131)**
Finance and Other Costs		(477)	-	**(477)**	**(367)**
Total Expenditure	7	(57,782)	(77)	**(57,859)**	**(54,221)**
Net income		5,783	416	**6,199**	**3,658**
Other Recognised Gains:					
Re-measurement of the net defined benefit pension liability	20	(554)	-	**(554)**	**4,473**
(Loss) on investment assets	11	-	(115)	**(115)**	**-**
Transferred in	26	-	4,825	**4,825**	**-**
Net Movement in Funds		5,229	5126	**10,355**	**8,131**
Total Funds Brought Forward		49,684	730	**50,414**	**42,283**
Total Funds Carried Forward	17	54,913	5,856	**60,769**	**50,414**

All amounts relate to continuing operations. Comparative table included on page 46, note 24.

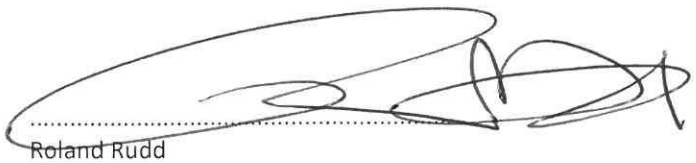
The notes on pages 29 – 47 form part of these financial statements.

BALANCE SHEETS
for the year ended 31 August 2023

	Note	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Fixed Assets					
Tangible fixed assets	10	56,596	56,947	56,590	56,938
Investments	11	5,138	-	325	325
		61,734	56,947	56,915	57,263
Current Assets					
Stocks	12	479	476	-	-
Debtors	13	1,295	1,420	1,156	1,286
Cash at bank and in hand		29,597	20,036	29,334	20,033
		31,371	21,932	30,490	21,319
Creditors: amounts falling due within one year	14	(21,457)	(18,710)	(21,462)	(18,627)
Net Current Assets		9,914	3,222	9,028	2,692
Total Assets add Current Assets		71,648	60,169	65,943	59,955
Creditors: amounts falling due after more than one year	15	(9,808)	(8,689)	(9,808)	(8,689)
Net Assets Excluding Pension Liability		61,840	51,480	56,135	51,266
Defined benefit pension liability	20	(1,071)	(1,066)	(1,071)	(1,066)
Net Assets		60,769	50,414	55,064	50,200
Funds					
Unrestricted funds - General		55,984	50,750	55,398	50,536
- Pension reserve	20	(1,071)	(1,066)	(1,071)	(1,066)
	17	54,913	49,684	54,327	49,470
Restricted funds	17	5,856	730	737	730
Total Funds		60,769	50,414	55,064	50,200

The parent company's net income for the year, before movement in the pension reserve was £4,869,000 (2022: net income £2,997,000).

The financial statements were approved and authorised for issue by the Board of Governors of Millfield on 22 March 2024 and signed on its behalf by:



Roland Rudd
Chair of Governors

The notes on pages 29-47 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 August 2023

	Note	2023 £'000	2022 £'000
Operating Activities			
Cash generated from operations	21	5,490	4,846
Investing Activities			
Interest received	6	660	-
Payments to acquire investments	11	(2,577)	-
Receipts from sale of investments	11	1,641	-
Purchase of tangible fixed assets	10	(5,423)	(3,089)
Proceeds on sale of tangible fixed assets		47	34
Net cash used in Investing Activities		(5,652)	(3,055)
Financing Activities			
Repayment of borrowings		-	(654)
Interest paid		-	(13)
Receipts from new advance fee contracts	16	9,767	7,752
Advanced fees repaid	16	(44)	(85)
Net cash generated from Financing Activities		9,723	7,000
Change in cash and cash equivalents in year		9,561	8,791
Cash and cash equivalents at beginning of the year		20,036	11,245
Cash and cash equivalents at end of the year		29,597	20,036
Relating to:			
Bank balances included in cash at bank and in hand		29,597	20,036

Analysis of movements in net cash	**2022**	**Cash flows**	**2023**
	£'000	£'000	£'000
Cash at bank and in hand	20,036	9,561	29,597
Total cash and cash equivalents	20,036	9,561	29,597
Total	20,036	9,561	29,597

The notes on pages 29-46 form part of these financial statements.

1. General Information & Principal Accounting Policies

Millfield Limited ("the Company") is a company limited by guarantee domiciled and incorporated in England. The address of the Company's registered office and principal place of business is Millfield, Street, Somerset, BA16 0YD.

The School consolidated accounts consist of the Company and all of its subsidiaries detailed in note 11. A summary of the more important accounting policies, including those affecting the most significant items in these financial statements, is set out below:

a) *Basis of accounting*

The accounts have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice and FRS 102 – Second Edition. The School is considered to be a Public Benefit Entity under FRS102. The accounts are drawn up on the historical cost basis of accounting. Monetary amounts in these accounts are rounded to the nearest £'000 except where otherwise indicated.

b) *Reduced disclosure*

In accordance with FRS 102, the charity has taken advantage of the exemption from the following disclosure requirements:

- Section 7 'Statement of Cash flows' – Presentation of a charity only Statement of Cash Flow and related notes and disclosures

The financial statements of the charity are consolidated in the financial statements of Millfield. The consolidated financial statements of Millfield School are available from its registered office.

c) *Basis of consolidation*

The group consolidates on a line by line basis the financial statements of the charity and its subsidiary undertakings made up to 31 August 2023. All intragroup transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

The consolidated financial statements are presented in sterling which is also the functional currency of the Company and its subsidiaries. As permitted by Section 408 of the Companies Act 2006, the parent company's income and expenditure account has not been included in these financial statements.

d) *Going concern*

The group had net current assets of £9.9 million (2022: net current assets of £3.2 million) at the balance sheet date. In considering whether the going concern basis is appropriate, the Governors have considered surplus and cash-flow projections prepared for the period to 31 August 2025. These projections indicate that the School will be able to meet its liabilities as they fall due and together with current arrangements with the School's bankers and other lenders, forecast that the School will be able to operate within the facilities currently available. In light of the above the Governors have concluded that it is appropriate to use the going concern basis in the preparation of these financial statements.

e) *Funds*

The restricted funds comprise donations earmarked by the donors, or the terms of an appeal, for specific purposes. Unrestricted funds are expendable at the discretion of the Governors in furtherance of the objects or administration of the charity. Designated funds comprise unrestricted funds, which are earmarked for particular purposes by the Governors.

f) *Fees and similar income*

Fees receivable, charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School.

Fees for education to be provided in future years are carried forward as deferred income in the balance sheet. These fees are released to the Statement of Financial Activities over the period in which the School provides the services in future years. Fee receivable under the School's Advanced Fee scheme attract interest, which is charged to the Statement of Financial Activities, in the period over which the advance fee creditor is released to fee income.

g) *Donations*

Donations receivable for the general purpose of the School are credited to unrestricted funds. Donations for purposes restricted by the wishes of the donor are taken to restricted funds where these wishes are legally binding on the Governors. All donations are recognised when the economic benefit is considered probable and can be measured reliably.

h) *Expenditure*

Expenditure is accrued as soon as a liability is considered probable. Expenditure is allocated to expense headings on a direct cost basis, with staff costs being allocated according to the estimated time spent by staff working in relevant departments. The irrecoverable element of VAT is included within the item of expense to which it relates.

i) *Operating leases*

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

j) *Stocks*

Stocks are stated at the lower of cost and estimated selling price less cost to complete and sell. In general, cost is determined on a weighted average cost basis. At each reporting date the School assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell, is recognised as an impairment in profit or loss. Reversal of impairment losses are also recognised in profit or loss.

k) *Investments*

The School has elected to hold investments in subsidiary undertakings at cost less impairment. Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversal of impairment losses are recognised immediately in the SOFA. Fixed assets investments in quoted shares, traded bonds and similar investments are initially measured at cost and subsequently at fair value at the reporting date. Investment gains and losses, whether realised or unrealised, are combined and reported within the Statement of Financial Activities.

l) *Tangible fixed assets*

Expenditure on fixed assets is capitalised except for expenditure incurred on the replacement of assets of low value with a short life. Subsequent costs of repair, renovation and replacement expenditure are written off as incurred in the Consolidated Statement of Financial Activities ("SOFA"), unless it is probable that such costs will generate future economic benefits.

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	Straight Line Basis %
Freehold land	-
Freehold property	2 – 4
Extensions and improvements to buildings	10
Fixtures, fittings and equipment	15
Computers	33 1/3
Motorised plant and vehicles	15
Assets under construction	-

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired, and if such conditions exist, the School estimates the recoverable value of the asset. Any shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairment losses.

m) ***Financial Instruments***

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument, and are offset only when the group has a legal enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise and settle the liability simultaneously.

Financial assets
Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairments losses.

Financial liabilities
Financial instruments are classified as liabilities according to the substance of the contractual arrangements entered into. Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Borrowings
Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

n) ***Retirement benefits***

Retirement benefits to employees of the group are provided through two pension schemes, one defined benefit, and one defined contribution:

i. The Millfield Retirement Benefit Scheme (a defined benefit scheme) was closed to new members on 1 September 2005, and closed to future accrual and salary linkage on 31 December 2014. This scheme is accounted for as a defined benefit scheme, with the annually calculated notional surplus or deficit on the funding of the Scheme shown in the financial statements as a liability entitled "Pension Reserve", which is deducted from Unrestricted Funds in the balance sheet.

ii. The Millfield School Work Save Pension Plan is a defined contribution scheme administered by Legal & General Investment Management ("LGIM"). Following consultation with the teaching staff, Millfield School left the Teachers' Pension Scheme (a defined benefit scheme) on 31 August 2021. Teachers were enrolled into the Millfield School Pension Plan on 1 September 2021 alongside other staff already in that plan.

Defined contribution plans
For defined contribution schemes the amount charged to expenditure is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Defined benefit plans
For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method.

Liability
The net liability represents the present value of the defined benefit obligation minus the fair value of the plan assets out of which obligations are to be settled.

The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains or losses

Gains or losses recognised in the statement of financial activities:
- The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost.
- The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.
- Net interest on the net defined liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligations.
- Actuarial gains and losses are differences between the interest income on the plan assets and the actual return on the plan assets

o) *Critical accounting estimates and areas of judgement*

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

In valuing the deficit on the School's defined benefit pension scheme judgements need to be made by management as to what are the most appropriate assumptions to use in the valuation. The closing deficit was £1.1 million (2022: £1.1 million) and the adoption of different assumptions could have a material impact on the deficit.

2. Net Income

	2023 £'000	2022 £'000
Net Income is stated after charging:		
Auditor's remuneration for:		
- External Audit (Company £43,200 (2022: £40,230))	59	40
- Taxation - compliance services to the Company and its subsidiaries	5	2
Depreciation of tangible fixed assets	5,770	5,519
Operating lease costs	170	174
Profit on disposal of tangible fixed assets	(43)	(33)
Stock		
- Amounts expensed to cost of sales	532	514
Interest payable		
- Loan interest	-	13
- Net interest on the net defined benefit pension liability	34	100
- Interest on fees in advance	118	81

3. Fees Receivable

	2023 £'000	2022 £'000
School fees	62,613	58,551
Less: Scholarships	(2,556)	(2,828)
Bursaries	(3,543)	(3,108)
Other concessions	(2,255)	(2,183)
	54,259	50,432

4. Other Educational Income

	2023 £'000	2022 £'000
Registration and acceptance fees	357	325
Travel, School trips, examination fees and other charges to students	4,141	3,433
	4,498	3,758

5. Donations, Grants and Legacies

	2023 £'000	2022 £'000
Donation income	390	375

6. Other Income

	2023 £'000	2022 £'000
Bank interest and income from investments	660	-
Interest on overdue fees	35	30
Rents received	69	72
	764	102

7. Analysis of Expenditure

	Staff costs £'000	Other £'000	Deprec -iation £'000	2023 Total £'000	2022 Total £'000
Charitable activities:					
Teaching costs	23,259	3,783	604	27,646	25,596
Welfare	3,419	6,272	112	9,803	8,765
Premises	1,725	3,903	4,571	10,199	10,313
Support costs of Schooling	3,218	1,888	480	5,586	5,717
Governance costs	-	76	-	76	90
Total Charitable Activities	31,621	15,922	5,767	53,310	50,481
Raising Funds:					
Ancillary fees and external hiring	1,318	1,598	-	2,916	2,405
Subsidiary trading expenditure	197	651	3	851	837
Fundraising	164	141	-	305	131
Finance and other costs	-	477	-	477	367
Total Expenditure	33,300	18,789	5,770	57,859	54,221

Prior year Analysis of Expenditure

	Staff costs £'000	Other £'000	Deprec -iation £'000	2022 Total £'000	2021 Total £'000
Charitable activities:					
Teaching costs	21,763	3,346	487	25,596	24,360
Welfare	3,101	5,571	93	8,765	6,835
Premises	1,576	4,200	4,537	10,313	9,132
Support costs of Schooling	3,434	1,886	397	5,717	4,337
Governance costs	-	90	-	90	82
Total Charitable Activities	29,874	15,093	5,514	50,481	44,746
Raising Funds:					
Ancillary fees and external hiring	1,217	1,188	-	2,405	1,310
Subsidiary trading	204	628	5	837	591
Fundraising	67	64	-	131	119
Finance and other costs	-	367	-	367	273
Total Expenditure	31,362	17,340	5,519	54,221	47,039

8. Employee Information

	2023 Group Number	2022 Group Number	2023 Company Number	2022 Company Number
The average number of persons (full-time equivalent) employed during the year was:				
Teaching and coaching	255	253	255	253
Administration and support	392	364	387	357
	647	617	642	610
The average number of persons employed by the group during the year was:	1,046	976	1,024	954
Staff costs (for the above persons)	£'000	£'000	£'000	£'000
Wages and salaries	27,659	26,052	27,482	25,870
Social security costs	2,448	2,265	2,436	2,251
Defined contribution pension costs	3,193	3,045	3,184	3,036
	33,300	31,362	33,102	31,157
Aggregate employee costs of key management personnel (including salary, benefits, pension contributions and national insurance)	677	590	677	590

The total amount relating to termination payments during the year was £157,000 (2022: £117,000). These amounts relate to agreements made with employees to end employment contracts.

The number of employees whose emoluments (excluding pension contributions) exceeded £60,000 were:

	2023 Number	2022 Number
£60,001 - £70,000	37	42
£70,001 - £80,000	32	22
£80,001 - £90,000	8	5
£90,001 - £100,000	4	4
£100,001 - £110,000	-	1
£110,001 - £120,000	2	1
£140,001 - £150,000	-	1
£150,001 - £160,000	1	-
£250,001 - £260,000	-	1
£270,001 - £280,000	1	-

No emoluments were paid to the Governors in respect of their services to Millfield during the year, nor have they received any other form of disclosable trustee benefit (2022: NIL). During the year, 11 (2022: 14) Governors were reimbursed expenses totalling £6,810 (2022: £12,387) for travel and subsistence and the School paid £481 (2022: £435) for Governors indemnity insurance.

9. Taxation

The Company is a registered charity, and as such is entitled to tax exemptions on income and gains, properly applied for its charitable purposes.

10. Tangible Fixed Assets (Group)

	Freehold Property £'000	Assets under construct-ion £'000	Extensions and improve-ments to buildings £'000	Fixtures Fittings and Equipment £'000	Computers £'000	Motorised Plant and Vehicles £'000	Total £'000
Cost							
At 1 Sept 2022	76,907	295	30,735	6,656	2,574	790	117,957
Additions	-	1,858	1,584	1,347	606	28	5,423
Transfers	-	(295)	165	120	10	-	-
Disposals	-	-	(1,317)	(716)	(449)	(97)	(2,579)
At 31 Aug 2023	76,907	1,858	31,167	7,407	2,741	721	120,801
Depreciation							
At 1 Sept 2022	34,388	-	19,120	4,792	1,996	714	61,010
Charge for year	1,574	-	2,755	828	577	36	5,770
Disposals	-	-	(1,318)	(713)	(449)	(95)	(2,575)
At 31 Aug 2023	35,962	-	20,557	4,907	2,124	655	64,205
Net book value							
At 31 Aug 2023	40,945	1,858	10,610	2,500	617	66	56,596
At 1 Sept 2022	42,519	295	11,615	1,864	578	76	56,947

Tangible Fixed Assets (Company)

	Freehold Property £'000	Assets under construct-ion £'000	Extensions and improve-ments to buildings £'000	Fixtures Fittings and Equipment £'000	Computers £'000	Motorised Plant and Vehicles £'000	Total £'000
Cost							
At 1 Sept 2022	76,907	295	30,735	6,651	2,518	763	117,869
Additions	-	1,858	1,584	1,347	606	28	5,423
Transfers	-	(295)	165	120	10	-	-
Disposals	-	-	(1,317)	(716)	(449)	(76)	(2,558)
At 31 Aug 2023	76,907	1,858	31,167	7,402	2,685	715	120,734
Depreciation							
At 1 Sept 2022	34,388	-	19,120	4,787	1,949	687	60,931
Charge for year	1,574	-	2,755	828	574	36	5,767
Disposals	-	-	(1,318)	(713)	(449)	(74)	(2,554)
At 31 Aug 2023	35,962	-	20,557	4,902	2,074	649	64,144
Net book value							
At 31 Aug 2023	40,945	1,858	10,610	2,500	611	66	56,590
At 1 Sept 2022	42,519	295	11,615	1,864	569	76	56,938

The net book value of the Group and Company tangible fixed assets includes an amount of £4,288,098 (2022: £4,288,098) in respect of freehold land which is not depreciated. Included within the Group and

Company's freehold property are assets which are licenced to the subsidiary under operating leases, where Millfield acts as the lessor, with a net book value of £172,353 (2022: £165,725).

11. Fixed Asset Investments

	Group		Company	
	2023	2022	2023	2022
Investment Portfolio	£'000	£'000	£'000	£'000
Transferred in	4,277	-	-	-
Additions at cost	2,577	-	-	-
Disposals at market value	(1,641)	-	-	-
Net (loss) on revaluation	(115)	-	-	-
Gains/ (losses) on foreign exchange differences	(8)	-	-	-
Net increase in cash deposits	48			
Market value at 31 August 2023	5,138	-	-	-
Group Undertakings				
Interest in group undertakings at cost	-	-	325	325
Total Investments	5,138	-	325	325

The Company had the following subsidiary undertakings, at the year-end, all with the common registered office on page 49:

	Millfield Overseas Limited	Millfield School Enterprises Limited	Millfield Foundation	Millfield Overseas Limited	Millfield School Enterprises Limited
	2023	2023	2023	2022	2022
Nature of business	Dormant	Service	Service	Dormant	Service
Company number	08339295	01553104	0637056	08339295	01553104
Proportion of nominal value of issued shares held by the Company	100%	100%	100%	100%	100%
Country of incorporation	England	England	England	England	England
Results for Subsidiaries as at the 31 August					
	£'000	£'000	£'000	£'000	£'000
Net assets	-	597	5,433	-	539
Turnover	-	1,810	957	-	1,593
Expenses	-	(1,510)	(349)	-	(1,354)
Profit	-	300	608	-	239
Distribution	-	(243)	(-)	-	(61)
Net Profit for financial year	-	57	608	-	178

The results of the subsidiary entities have been included in these consolidated financial statements. Millfield Overseas Limited was incorporated on 21 December 2012 and remains dormant.

12. Stocks

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Goods for resale	479	476	-	-

13. Debtors: amounts falling due within one year

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade debtors	797	943	697	856
Other debtors	93	55	93	55
Prepayments	405	422	366	375
	1,295	1,420	1,156	1,286

14. Creditors: amounts falling due within one year

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Amounts received under advance fee scheme (see note 16)	8,664	6,569	8,664	6,569
Amount due to subsidiary	-	-	120	31
Trade creditors	1,924	1,689	1,826	1,587
Taxation and social security costs	750	742	750	742
Other creditors	1,584	1,953	1,584	1,945
Accruals and deferred income	1,759	1,664	1,742	1,660
School fees paid in advance	5,892	5,272	5,892	5,272
School fee deposits held	884	821	884	821
	21,457	18,710	21,462	18,627

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

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Amounts received under advance fee scheme (see note 16)	2,556	1,898	2,556	1,898
School fees deposits held	5,535	4,730	5,535	4,730
Accruals and deferred income	1,717	2,061	1,717	2,061
	9,808	8,689	9,808	8,689

16. Advance Fee Payments – Group and Company

Parents sometimes deposit a lump sum with the School as an advance on future fees. Each arrangement is in respect of an agreed amount to be credited against future fee bills for an agreed number of terms. The unused balance of the advance is repayable upon request. It is intended that the advance fees will be applied as follows:

	2023 £'000	2022 £'000
Over one year:		
Within 1 to 2 years	1,149	959
Within 3 – 5 years	976	730
After 5 years	431	209
	2,556	1,898
Within one year	8,664	6,569
	11,220	8,467

Figures for advanced fee payments are included within the balance for School fees paid in advance (note 16). The balance represents the accrued liability under these arrangements. The movements during the year were:

	2023 £'000	2022 £'000
Balance at 1 September	8,467	7,033
New contracts	9,767	7,752
Amount accrued to contracts	119	81
	18,353	14,866
Amounts utilised in the payment of fees to the School	(7,089)	(6,313)
Refunds of fees paid in advance	(44)	(86)
Balance at 31 August	11,220	8,467

17. Funds – Group

	Balance 1 September 2022 £'000	Transfer In £'000	Income £'000	Expenditure £'000	Other recognised gains/(losses) £'000	Balance 31August 2023 £'000
Unrestricted Funds:						
- General	50,750	-	63,565	(58,331)	-	55,984
- Pension reserve	(1,066)	-	-	549	(554)	(1,071)
	49,684	-	63,565	(57,782)	(554)	54,913
Restricted Funds:						
- Scholarships & Bursaries	-	4,825	282	(48)	(115)	4,944
- Sports Equipment Fund	107	-	-	-	-	107
- Other Funds	623	-	211	(29)	-	805
	730	4,825	493	(77)	(115)	5,856
Total Group	50,414	4,825	64,058	(57,859)	(669)	60,769

	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Other recognised gains/(losses) £'000	Balance 31 August 2022 £'000
Unrestricted Funds:					
- General	47,437	57,506	(54,193)	-	50,750
- Pension reserve	(6,022)	-	483	4,473	(1,066)
	41,415	57,506	(53,710)	4,473	49,684
Restricted Funds:					
- Sports Equipment Fund	104	6	(3)	-	107
- Other Funds	764	367	(508)	-	623
	868	373	(511)	-	730
Total Group	42,283	57,879	(54,221)	4,473	50,414

Funds – Company

	Balance 1 September 2022 £'000	Income £'000	Expenditure £'000	Other recognised gains/(losses) £'000	Balance at 31 August 2023 £'000
Unrestricted Funds:					
- General	50,536	62,653	(58,066)	275	55,398
Pension reserve	(1,066)	-	549	(554)	(1,071)
	49,470	62,653	(57,517)	(279)	54,327
Restricted Funds:					
- Sports Equipment Fund	107	-		-	107
- Other Funds	623	213	(206)	-	630
	730	213	(206)	-	737
Total Company	50,200	62,866	(57,723)	(279)	55,064

	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Other recognised gains/(losses) £'000	Balance at 31 August 2022 £'000
Unrestricted Funds:					
- General	47,401	56,482	(53,441)	94	50,536
Pension reserve	(6,022)	-	483	4,473	(1,066)
	41,379	56,482	(52,958)	4,567	49,470
Restricted Funds:					
- Sports Equipment Fund	104	6	(3)	-	107
- Other Funds	764	367	(508)	-	623
	868	373	(511)	-	730
Total Company	42,247	56,855	(53,469)	4,567	50,200

Restricted Funds

Scholarships & Bursaries Restricted Funds will provide scholarships and bursaries to current and prospective pupils of any school operated by or otherwise associated with Millfield. All other Restricted funds are restricted for the purchase of items or services specified by the donors.

18. Allocation of Group Net Assets

	Fixed assets and investments £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	Pension reserve £'000	At 31 August 2023 £'000
Unrestricted funds:					
- General	56,596	9,196	(9,808)	-	55,984
- Pension reserve	-	-	-	(1,071)	(1,071)
Restricted funds					
- Sports Equipment Fund	-	107	-	-	107
- Other Funds	5,138	611	-	-	5,749
Total Group as at 31 August 2023	61,734	9,914	(9,808)	(1,071)	60,769

	Fixed assets £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	Pension reserve £'000	At 31 August 2022 £'000
Unrestricted funds:					
- General	56,947	2,492	(8,689)	-	50,750
- Pension reserve	-	-	-	(1,066)	(1,066)
Restricted funds					
- Sports Equipment Fund	-	107	-	-	107
- Other Funds	-	623	-	-	623
Total Group as at 31 August 2022	56,947	3,222	(8,689)	(1,066)	50,414

19. Capital Commitments

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Contracted but not provided as at 31 August	679	544	679	544

20. Pension Obligations

The total group pension contributions were £3,776,101 (2022: £3,627,986) of which £583,100 (2022: £583,100) related to the closed Millfield final salary scheme for support staff (the Millfield Retirement Benefit Scheme) and £3,193,001 (2022: £3,044,886) was paid into defined contribution schemes for teachers and support staff.

Final Salary Scheme (Millfield Retirement Benefit Scheme – "MRBS")

For some of its support staff, the School operates a funded final salary scheme, whose assets are held in separate trustee-administered funds.

From 1 September 2005, the final salary scheme was closed to new members. On 31 December 2014, after consultation with the Trustees and active members, the Scheme was closed to future accrual and salary linkage. Qualifying new staff are automatically enrolled into a defined contribution scheme with contribution rates equivalent to the minimum rates set out by the Government in respect of auto enrolment schemes.

The final salary scheme is subject to triennial valuations by independent actuaries, the last full actuarial valuation was carried out as at 22 March 2023, using the Defined Accrued Benefit Method. At the valuation, the market value of the assets held was £14,354,000 and this value was sufficient to cover 88% of the benefits accrued to members after allowing for expected future increases in earnings, giving a shortfall of surplus of £1,924,000. Deficit contributions will continue to be paid at £583,100 per year up to up 31 December 2025. Employer's deficit contributions made to the scheme in the period were £583,100 (2022:£583,100). From the 1 September 2020 the School also pays any insurance premiums, PPF levies and any costs relating to managing the scheme separately when due, except for investment management expenses. The Scheme's next triennial valuation is 31 August 2025. The level of contributions in respect of any deficit will be subject to review at the next actuarial valuation which is currently in progress.

These financial statements reflect the requirements of FRS 102. The expense for the year as calculated by the actuary together with the re-measurement of the deficit are recognised in the Consolidated Statement of Financial Activities as shown on the next page:

	2023 £'000	2022 £'000
Statement of financial position		
Fair value of scheme assets	12,194	14,446
Present value of defined benefit obligation	(13,265)	(15,512)
Net deficit in scheme	(1,071)	(1,066)
Changes in the defined benefit obligation		
Defined benefit obligation at start of period	15,512	21,080
Interest cost on defined benefit obligation	636	363
Benefit paid	(789)	(669)
Actuarial (gain)/loss	(2,094)	(5,262)
Defined benefit obligation at end of period	13,265	15,512
Changes in the fair value of scheme assets		
Fair value of scheme assets at start of period	14,446	15,058
Interest income on scheme assets	602	263
Return less interest income on scheme assets	(2,648)	(789)
Contributions by the employer	583	583
Benefits paid	(789)	(669)
Fair value of scheme assets at end of period	12,194	14,446
Total expense recognised in expenditure		
Net interest on net defined benefit liability	34	100
Past service cost	-	-
Expenditure charged in year	34	100
Total amount recognised in the statement of financial activities		
Return less interest income on scheme assets	(2,648)	(789)
Actuarial (loss)/gain on liabilities	(423)	(144)
Change in assumptions	2,517	5,406
Re-measurement (loss)/gain recognised in the SOFA	(554)	4,473
Assets		
Target return	7,059	7,451
Property	-	1,103
Insurance annuities	56	62
Cash and net current assets	121	164
Investment grade bonds	1,803	2,098
LDI	3,155	3,568
Fair value of scheme assets	12,194	14,446
Actual return on scheme assets over period	(2,046)	(526)
Reconciliation of funded status		
Opening deficit	(1,066)	(6,022)
Employer contribution	583	583
Charge recorded in SOFA	(34)	(100)
(Loss)/Gain recorded in statement of financial activities	(554)	4,473
Closing deficit	(1,071)	(1,066)

Main financial assumptions	2023 % pa	2022 % pa
Discount rate	5.3	4.2
Price inflation:		
- RPI	3.3	3.5
- CPI	2.5	2.7
Deferred pension increases:		
- Pensions accrued to 5/4/09	2.5	3.6
- Pensions accrued from 6/4/09	2.5	3.6
Pension increases in payment:		
- GMPs accrued from 6/4/88	3.3	3.0
- Non-GMPs accrued to 31/8/05	3.0	3.3
- Pension accrued from 1/9/05	2.3	2.3

Mortality assumptions and life expectancies	2023 Years	2022 Years
Expected future lifetime from age 65:		
- Male currently aged 65	21.9	21.8
- Female currently aged 65	24.3	24.1
- Male currently aged 45	22.9	22.8
- Female currently aged 45	25.5	25.3

21. Reconciliation of Net Income to net cash generated from operations

	2023 £'000	2022 £'000
Net Income	6,084	3,658
Adjustments for:		
Depreciation of tangible fixed assets	5,770	5,519
Defined benefit pension scheme adjustment	(583)	(583)
Net loss on investments	74	-
Working capital transferred in from Millfield Foundation	527	-
Interest receivable	(660)	-
Interest payable	152	194
Gain on sale of tangible fixed assets	(43)	(33)
Operating cash flows before movements in working capital	11,321	8,755
Increase in stocks	(3)	(161)
Decrease in debtors	125	(43)
Increase in creditors	1,136	2,609
Advance fees applied	(7,089)	(6,314)
	(5,831)	(3,909)
Cash generated from operations	5,490	4,846

22. Financial Commitments

At 31 August 2023 the group had total future minimum lease payments under non-cancellable operating leases, as follows:

	Other		Motor Vehicles	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Amounts due within one year	16	23	117	117
Amounts due in two to five years	15	20	200	317

23. Related Party Transactions

Transactions between the School and its subsidiary, Millfield School Enterprises Limited and Millfield Foundation are disclosed below:

	2023	2022
Millfield Enterprises Limited	£'000	£'000
Purchases of goods in year	714	569
Rents received	33	33
Amounts owed to related parties at year end	49	31
Gift Aid received	243	61
Millfield Foundation		
Donations paid to Millfield Foundation	500	-
Contribution from Millfield Foundation for Bursaries	186	-

The School has a limited number of students who are family members of governors. Fees are payable at the same level as other students, and entitlement to fee remission is considered in line with the School's stated policy.

The Governors made aggregate donations of £52,660 (2022: £48,350) during the year to Millfield. In addition, there was a transaction made on an arm's length basis with one related party during the year for services provided to Millfield: O Welsby is a director of Brightcore Limited which charged the School £3,540 (2022: £NIL). No balance was outstanding at year end. There have been no other related party transactions other than those listed in note 8.

24. Prior year Consolidated Statement of Financial Activities by Fund

	Note	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2022 £'000**
Income from:				
Charitable Activities:				
- Fees receivable	3	50,432	-	**50,432**
- Other educational income	4	3,758	-	**3,758**
Other Trading Activities:				
- Other fees and external hiring		2,188	-	**2,188**
- Subsidiary trading income		1,024	-	**1,024**
Donations and legacies	5	2	373	**375**
Other Income	6	102	-	**102**
Total Income		57,506	373	**57,879**
Expenditure on:				
Charitable Activities		(49,970)	(511)	**(50,481)**
Raising Funds:				
- Other fees and external hiring		(2,405)	-	**(2,405)**
- Subsidiary trading expenditure		(837)	-	**(837)**
- Fundraising		(131)	-	**(131)**
Finance and Other Costs		(367)	-	**(367)**
Total Expenditure	7	(53,710)	(511)	**(54,221)**
Net (expenditure)		3,796	(138)	**3,658**
Other recognised Gains:				
Re-measurement of the net defined benefit liability	21	4,473	-	**4,473**
Net Movement in Funds		8,269	(138)	**8,131**
Total Funds Brought Forward		41,415	868	**42,283**
Total Funds Carried Forward	18	49,684	730	**50,414**

25. Capital

The Company is limited by guarantee and does not have a share capital.

26. Transfer of Millfield Foundation Limited into Millfield

New Articles of Association were adopted by Millfield Foundation Limited, by a special resolution on 23 August 2022, effective 1 September 2022. These Articles provide that the majority of Trustees holding office at any one time are nominated by Millfield School. Millfield is deemed to have control over Millfield Foundation Limited and, accordingly, has consolidated this set of accounts into its own financial statements. No consideration was paid.

The following tables set out the fair value of the identifiable assets and liabilities transferred into the Consolidated Balance Sheet on 1 September 2022.

	Value Reported by transferring charity £'000	Transfer in recognised £'000
FIXED ASSETS		
Investments	4,277	4,277
CURRENT ASSETS		
Debtors due within one year	485	485
Cash at bank in hand	84	84
CREDITORS		
Creditors due within one year	(21)	(21)
FUNDS		
Restricted income funds	4,825	4,825

The Governors of Millfield ("the School") are the School's charity trustees under charity law and the directors of the charitable company. During the year the activities of the Governing Body were carried out through four committees. In addition to the committees some members of the Governing Body also act as trustees for Millfield Retirement Benefits Scheme and as directors of subsidiary companies (Millfield School Enterprises Limited and Millfield Overseas Limited). The members of the Governing Body who served in office as Governors during the year and subsequently are detailed below.

		(1)	(2)	(3)	(4)	(5)	(6)	(7)
Roland Rudd	**Chairman**		*					
Rob Abernethy	Appointed 4 September 2023	*						
Behdad Alizadeh			*					
Wim Bushell				*c			*c	
Richard Clark			*c				*	
Nicola Della Valle				*				
Frances Dickens			*					
Stephen East		*c	*					
Richard Exley	Deputy Chair. Retired 30 June 2023		*	*				
Tim Griffiths			*				*	*
Kate Griggs					*			
Claire Harvey					*			
Christopher Hirst				*	*c			
Chris Macdonald	Resigned 29 March 2023		*					
Nick Maddock	Appointed 22 February 2023	*	*					
John Maudslay		*				*c		
Janet Mitchell					*			
Douglas Pinto		*	*			*		
Marc Simon		*						
Rosiji Soluade					*			
Peter Warner		*			*			
Oliver Welsby		*			*			

*c denotes the current Chair of a committee or board.

1. Audit, Compliance and Risk Committee
2. Building and Finance Committee
3. Appointments Committee
4. Education Committee
5. Trustee, Millfield Retirement Benefits Scheme
6. Director, Millfield School Enterprises Limited
7. Director, Millfield Overseas Limited

OFFICERS - (key management personnel currently and throughout the year)

Gavin Horgan	Headmaster of Millfield Schools
Melissa Johnson	Finance Director of Millfield Schools
Dan Thornburn	Headmaster of Millfield Prep School

COMPANY SECRETARY AND CLERK TO THE GOVERNORS

Rachel Summerhayes (Resigned 16 June 2023)
Matthew Shaw (Appointed 16 June 2023)

REGISTERED OFFICE
Millfield
Street
Somerset
BA16 0YD

WEBSITE
www.millfieldschool.com

AUDITOR
Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

BANKERS
Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

SOLICITORS
Veale Wasbrough Vizards
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

MILLFIELD

England & Wales - Charity number 310283

Accounts

MILLFIELD

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

for the year ended

31 August 2022

Company number: 00522385
Registered Charity Number: 310283

SATURDAY
AC1YGZKQ
A04 22/04/2023 #140
COMPANIES HOUSE

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The Governors present their Annual Report and Consolidated Financial Statements for the year ended 31 August 2022 and confirm that they comply with the requirements of the Charities Act 2011, the Companies Act 2006, and the Charities SORP FRS 102.

The Governing Body confirms that the financial statements comply with the charity's governing document, with current statutory requirements, with applicable accounting standards in the United Kingdom, and with the Charities Statement of Recommended Practice (FRS 102) – Second Edition. The Governors of Millfield ("the School") are the School's charity trustees under charity law and the directors of the charitable company. The School's Governors, advisors and key staff are set out on pages 43-44.

REVIEW OF THE YEAR

Principal Achievements and Performance

Educational performance

Millfield is a large, non-selective independent school with around 1,300 students at the senior school site and 480 at the prep school site. Our students are a diverse cohort with over 250 international students from 70 different countries represented within the student body, and a further 200 or so British students living abroad. The scale of our community, combined with the resources and facilities we offer means our scale brings educational opportunity. Our unique selling point is the wide range of sporting and other activities, coaching and facilities that students enjoy alongside their academic education.

With an average year group size of 223 students in Year 11 and 320 students in the Upper Sixth, Millfield has a much larger number of candidates sitting GCSEs, A levels or equivalent Sixth Form courses, than other independent schools. For that reason, we publish results that reflect both the whole student group as well as our Top 100 highest achieving candidates. The Top 100 results show that this group regularly achieve grades which compare well with highly selective Schools.

A level or equivalent results	Top 100	Year Group
A* - A grades	77.5%	39.2%
A* - B grades	98.5%	66.3%
A* - C grades	100.0%	85.5%
A* - E grades	100.0%	99.2%

GCSE results	Top 100	Year Group
9 - 7 or A* - A grades	84.1%	51.8%
9 - 5 or A* - B grades	97.5%	85.7%
9 - 4 or A* - C grades	99.3%	93.3%
9 - 2 or A* - E grades	100.0%	99.1%

There were strong results from students who took the Advanced Vocational Qualifications. Upper Sixth students were offered A level equivalent (level 3) BTEC courses during the 2020/22 session: the BTEC Extended Diploma in Art & Design; the BTEC Diploma in Business; the BTEC National Diploma in Enterprise & Entrepreneurship and the BTEC Diploma in Sport. Students also had the options of a single A level equivalent qualification in BTEC Extended Certificate in Music Performance or the Level 3 Diploma in Food and Nutrition.

BTEC results	BTEC Only	Inc. level 3 Food Science & Nutrition
%Dist.* - Dist.	71.8%	68.4%
%Dist.* - Merits	91.8%	92.3%
%Dist.* - Pass	100.0%	100.0%

Principal Achievements and Performance (*continued*)

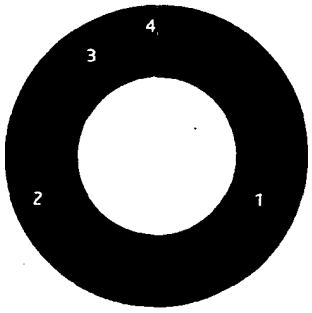
University Destinations

Every year we encourage students to apply to UCAS prior to leaving Millfield. This year, 86% of our leavers applied to UCAS, with 92% of them successfully obtaining places and the remainder taking a gap year and making post-results day applications, applying overseas or direct into creative arts-based courses, or going straight into employment or sport. All students who do not have any career or HE plans are offered 1:1 specialist career advice before leaving Millfield and are supported by the Futures Department and the Old Millfieldian "OMs" Society after they leave.

This year saw 102 Millfield leavers confirming places into Russell Group universities or Times Top 30 universities. The most popular Russell Group choices this year were Exeter, Durham, Newcastle and Cardiff. Other popular university choices included Loughborough, Oxford Brookes and Bath.

In recent years we have seen an increase in the number of applicants from Millfield to overseas universities, in particular the USA and Canada. 29 students secured places at USA or Canadian universities and two OMs also took up places. Millfield provides specialist guidance for applications to American universities and employs a Tutor in Charge as well as a SAT advisor. They ensure candidates get the best possible advice and are guided throughout the process. The most popular US establishments this year were Stanford University, Columbia University, The University of Chicago, University of California, Los Angeles (UCLA), University of San Francisco, Indiana University Bloomington, Amherst College and Berklee College of Music.

WHERE MILLFIELD STUDENTS GO



1 Russell Group & Times Top 30* – 41%
2 Other UK universities – 43%
3 USA and overseas universities – 14%
4 Art Foundation, Drama & Music – 2%

*In addition to the Russell Group of universities, The Times top 30 (2022) includes other selective universities. Students most popular choices include University of Exeter, University of Bath, Loughborough, Durham University, Cardiff University and King's College London.

Students

A review of the students' principal achievements and performance in the year is available from the School's website in 'The Year at Millfield 2021/22' and 'The Year at Millfield Prep 2021/22' publications.

Millfield continues to develop two unique programmes, the "Year 9 Programme" and the "Sixth Form Programme". The Year 9 Programme is designed to help new students assimilate and absorb themselves into Millfield through opportunities in academic, sports, co-curricular and outdoor adventure activities. The programme also provides a platform for their development within the school. The outdoor adventure aspect allows them the opportunity to try things they might otherwise not experience and to participate in the Duke of Edinburgh Bronze Award challenge should they wish. The Sixth Form Programme recognises the academic, sporting and co-curricular opportunities already in place and complements these with the Millfield Brilliance Award ("MBA") to assist the students' development as young adults across a range of areas.

In line with Millfield's philosophy of providing an excellent all-round education, the school runs the Millfield Activities Programme (MAP) for all year groups in the senior school. The purpose of MAP is for students to experience a range of activities and develop skills beyond those in the core curriculum or core games and sports programmes. Hence, whilst composition varies seasonally, and with interest from staff and students, suitable MAPs diversify the student learning experience and cater for all standards and abilities. Over 100 different activities are currently offered during the course of the year.



Staff

The student: teacher ratio stands at 6.9:1 (2021: 6.5:1).

The School continues to strive to recruit dynamic, high-quality staff across all areas, including teaching, sports coaches, welfare and support, and invests significant amounts of its income to recruit, retain and motivate staff.

Development of Facilities and Resources

The focus this year has been to maintain our existing facilities and resources as we emerge from the COVID pandemic. Investment has increased to £3.1 million (2021: £2.0 million) and work included the following:

- Completion of junior/senior girls changing rooms (£0.2 million)
- Squash Courts upgrade and refurbishment (£0.2 million)
- Boarding house (Kernick and Chestnut) bathroom facilities upgrade and refurbishment (£0.3 million)
- Fire detection system upgrades (£0.2 million)
- LED lighting upgrades (£0.1 million)
- Completion of Wellbeing Centre refurbishment (£0.2 million)
- Boarding house "wi-fi" upgrade (£0.2 million)
- IT infrastructure i.e. Servers, Switches and PC replacement (£0.4 million)
- Sports pitches, riding arenas and other grounds works (£0.3 million)

The School continuously reviews its long-term capital investment masterplan to ensure it retains best value academic, sports, boarding house, day house and welfare facilities.

Public Benefit

Millfield is committed to providing benefit to the public on a local, regional and national scale, with the main aim being to benefit children from a wide variety of backgrounds. The School does this by widening access through financial support, sharing facilities, resources and knowledge with local state schools, involvement in community projects, teacher development and offering life changing opportunities to disadvantaged children.

The School also brings significant economic benefits. On the basis of a model developed by Oxford Economics in conjunction with the Independent Schools Council, the School estimates that its economic impact on the UK and local economy is as follows:



Access, scholarships and bursaries

Scholarships and bursaries enable access to the school for talented students who would benefit from an education at Millfield. Scholarships may be supplemented with means-tested bursaries of up to 110%, to uphold our powerful principle of diversity that is the Millfield Mix, making sure that those children who would best benefit from a Millfield education and outstanding opportunities are able to do so. Every child matters, and at Millfield we are passionate in our goal to identify the potential in each individual and do everything we can to ensure they discover their brilliance.

Partnerships with state schools

Millfield is committed to developing partnerships with local state schools and colleges and specific initiatives this year included:

- Providing facilities for SAT test candidates for US university entrance to pupils from across the South West of England;
- Our Combined Cadet Force (CCF) joint programme with St Dunstan's School in Glastonbury continues to flourish
- School children from local primary Elmhurst Junior have been visiting Millfield to learn a variety of skills from the students. Year 11 students and Sixth Formers on the new Millfield Brilliance Award (MBA) initiative helped develop the the children's skills in art, drama, English and Chinese
- The Headmaster, Mr Horgan, attended the "Made By Dyslexia's first World Dyslexia Assembly" at the Swedish Royal Palace by invitation of Her Majesty the Queen of Sweden. This event called for systemic change to empower Dyslexic Thinking in every school and workplace.
- The Oxbridge Preparation Day saw over 100 students from a range of local schools come to Millfield to experience a unique series of sessions delivered by staff. Each session enabled students to tap into their curiosity around medicine, philosophy, engineering and other subjects. Students were engaged in critical thinking, text analysis and complex mathematical challenges.

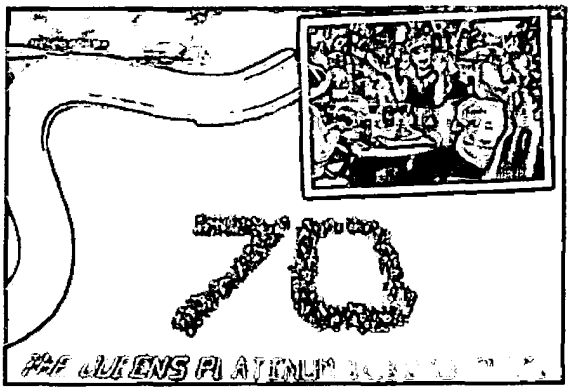
Community engagement

- It was Millfield's second Giving Day event this year. On 26 & 27 May 2022, Giving Day brought together the whole Millfield community. We carried out lots of fun and exciting challenges to raise money for the Discover Brilliance Fund and more than £220,000 was raised. The aim of the Discover Brilliance Fund is for it to enable us to significantly increase opportunities for children to attend Millfield and we are grateful for everyone who has supported the fundraising efforts.



- Millfield Music School Faure's Requiem event at Wells Cathedral was a spectacle to behold, highlighting the hard work of both students, staff, and members of the local community, celebrating singers of all ages coming together to produce an incredible musical extravaganza in a stunning venue. We raised over £1,500 in aid of two charities: CALM: Children's Cancer and Leukaemia Movement and Somerset Arts Therapies Centre.
- For Remembrance Day, Year 2 children made some beautiful collages using scrap paper, string and their own poppy designs. They held great symbolism and meaning for a poignant time of year. Our whole school act of remembrance saw all the children wear their poppies with pride and give thanks to the brave men and women who gave their lives for our freedom today.
- The Queen's Platinum Jubilee fell during the summer half term, so we had an early celebration on bank holiday Monday to mark the event. Pupils took part in a range of activities in the morning such as a 1950's-style sports day, crown-making and learning about the history of the monarchy. The afternoon saw the Mayor of Glastonbury, Jon Cousins, and the Shepton Mallet Town Crier, Andy Neal, join the school to sing the national anthem. They also joined with the Heads of School to plant a Glastonbury Thorn tree, to honour the incredible legacy of Queen Elizabeth II. The children had a fantastic day celebrating together. Millfield planted trees on campus as part of The Queen's Green Canopy in the presence of Annie Maw, Lord Lieutenant of Somerset.
- An amazing response from all of the school with food hamper donations pouring in for our local food bank charity Bridging the Gap.
- Millfield Community Day returned after three years, welcoming those with learning disabilities, and their carers, onto campus for a day of fun activities, shows and events.
- The bi-annual musical returned to the Meyer Theatre with the students performing Little Shop of Horrors. As well as on stage performers, 37 students supported backstage, with lighting and sound.

- The boys of Orchards boarding house remain very proud of our focus on charity and this year they have contributed significantly to a number of gifts for a local Christmas gift appeal, supported school charities, the Glastonbury and Street Lions Club and Mr Horn (house tutor and old Orchardian) in his 900-mile charity cycle.





Supporting Charities

Millfield fundraises for many other charities, including:

- Moana was the first live production at Millfield Prep for over two years following the hiatus caused by Covid. Four shows were performed at the Meyer theatre at Millfield senior school, raising money for "UNICEF" in the process.
- For "BBC children in need" this year Millfield Pre-prep held a "Strictly Come Dancing" - inspired Danceathon. All of the children and staff put on their best sparkly party clothes and superhero outfits to dance throughout the entire day and £1,600 was raised.
- A fantastic coming together of the whole boarding community at Prep School raising money for "Young Minds". Young Minds are a mental health charity for children, young people and their parents, making sure all young people can get the mental health support they need. The boarders climbed Mount Everest in a stairs challenge, rowed the English Channel and did other inspiring tasks. They have raised over £1,000 across all 5 houses. The day finished with a fabulous colour run.
- Millfield Prep pupils wore mismatched socks again to support and raise awareness for Anti-Bullying Week. The children showed their support of inclusivity and all being ourselves. They were taught the importance of living by the school's value of 'Be Kind' and how an individuals' differences are valued at Millfield.
- Harvest festival went al fresco this year and over £500 was kindly donated to the local food bank charity Bridging the Gap.
- The children chose their own charity and came up with the Alzheimer's Society which is one dear to a lot of families hearts. The play, "Mr Humbug sees the light" was a wonderful way to end the Autumn term and over £400 was raised for the charity.
- A Millfield prep student set up a book fair. Donations of old books were brought in by the pupils and sold on raising £170 for the Ocean Conservation charity.
- Millfield students took to the Meyer Theatre stage once again for this year's Showcase, which raised just over £8,000 for the schools three charities selected by Millfield's pupil-led charity committee
- Millfield "Billy Goes Platinum" evening event saw a wonderful collaboration of the very best of Millfield's creative arts performances with a stellar line up of contemporary and classic musicians, alongside some fantastic dance accompaniment. A marvellous £1,300 on the night was raised for Ukraine Humanitarian Appeal.
- There were doughnut sales for IDAHOBIT day which was single-handedly organised by an upper Sixth student to support Breast Cancer Awareness.

Promoting the Value of Sport to the Community

- A record number of 24 Millfieldians competed in the 2022 Commonwealth Games hosted in Birmingham. If Millfield were a country, they would have placed 15th in the overall medal standings this year, bringing home three gold, five silver and six bronze medals.

- Millfield hosted the regional IAPS U11 cricket and football finals competition which a number of schools attended who are not normally on the regular fixture list
- Millfield Prep hosted the fencing British Youth Championships and Somerset LTA Summer National Club Tennis League
- South West Fencing Championships were again hosted by Millfield, with schools attending from across our region
- Multi-activity courses are available for local children during school holidays
- Millfield Enterprises offer summer holiday sport and activity courses for children
- Hosting, organising and providing facilities for clubs, schools and representative organisations, including swimming, athletics, hockey, netball, cricket, tennis, basketball, golf, football and fencing, as well as running lifeguard training courses

Promoting the Value of Drama, Music and the Arts to the Community

- Millfield concerts continue to be free for the local community. In addition, Millfield Music School continues to host several community-based music projects each year
- In February, selected pupil musicians were taken to the Anchor retirement community in Shepton Mallet to put on a concert for the residents. Past restrictions have prevented us from visiting for two years so it was wonderful to have the opportunity to return. The pupils played and sang beautifully, and it was clear that the residents all enjoyed listening to the wide variety of music
- One of our larger events this year featured music from Billy Joel's Platinum albums, Greatest Hits Volume I & II, to celebrate the Queen's Platinum Jubilee, and the Johnson Hall was transformed with patriotic bunting, balloons, staging, props and customised lighting. As well as collaborating with the student dancers for several numbers, the evening saw many of our major ensembles perform alongside student vocalists and a professional band to perform 17 tracks from the album. This exceptional and hugely memorable event raised £1,200 for the Disasters Emergency Committee's Ukraine Humanitarian Appeal to aid their continued work with refugees.
- Millfield's Music School first community event saw all 1,300 Millfield students participate in an ABBA themed House Song competition, one of the annual highlights in many of our students' calendars! Our second event saw an audience of over 650 enjoy Faure's Requiem in Wells Cathedral, sung by a massed Festival Chorus of over 180, including Millfield Chorale, one of our student choirs and Millfield Community Choir, our Tuesday evening community choir, combining forces to perform alongside a professional orchestra



Section 172 (1) Companies Act 2006

The Governors comply with the requirements of section 172 (1)(a)-(f) using the proven organisational management approach included within the Structure, Governance and Management section of this report (see page 11) as follows:

(a) "The likely consequences of any decision in the long term" – all strategic matters are considered by Governors in one or more of the four committee termly meetings with papers provided in advance by the Millfield Executive Group ("EG"). Once the matter has been considered and discussed, the relevant committee makes a formal recommendation to the Full Governing Body for it to consider at its meeting before a final decision can be made. This "three" tiered approach ensures strategic long-term decisions are rigorously considered.

(b) "The interests of the company's employees" - as a leading independent school, Millfield's employees and facilities are the key variables for its community. The approach to employee interests is included under the Employee Involvement and Equal Opportunities section on pages 12-14. The Head of HR is part of the Executive Group and employee matters are considered as appropriate at each of the four governor committee meetings as well as at full governing body meetings.

(c) "The need to foster the company's business relationships with suppliers, customers and others" – Millfield makes a significant contribution to the local economy as is evidenced from the data included under the Public Benefit section on pages 6 to 9 and the Governors in both the "Building and Finance Committee" and "Audit, Compliance and Risk Committee" review processes and procedures in place to ensure consistency and fairness of approach in dealings with suppliers and customers.

(d) "The impact of the company's operations on the community and the environment" – as an independent school with charitable status, Governors appreciate the importance of our impact on the local community and the environment. Millfield takes this aspect very seriously as shown by the initiatives included within the "*Public Benefit*" sections on pages 5 to 9 of this report.

(e) "The desirability of the company maintaining a reputation for high standards of business conduct" – the Governors rely on the Executive Group ("EG") and the Senior Leadership Teams ("SLT") at Millfield to both maintain and comply with internal policies and procedures approved by the governor committees to ensure high standards of business conduct are maintained.

(f) "The need to act fairly as between members of the company" – The Governors, as members, sign a "Code of Conduct for Governors of Millfield School" which includes a requirement to comply with the Nolan principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership and there are policies and procedures in place to support the adherence to this code of conduct.

Future Plans

The School's strategic vision for the period 2019-2024 is available on the School's website at https://www.millfieldschool.com/discover-brilliance/purpose-vision-mission. Work is currently underway considering a number of strategic themes to be refined and implemented by 2035, Millfield's 100th anniversary. A strategy associated with some of these themes will be incorporated within our next 5 year plan for 2025-2030 and the themes currently under review include:

Academic School curriculum: looking at the variables to continually develop our brilliance curriculum which focuses on developing curiosity, and appreciating how topics covered within different subject areas are inextricably linked.

Wellbeing development: pupil and staff welfare is an overriding consideration of everything we do and so initiatives around "PSHEE" (Personal, Social, Health and Economic Education) are being developed to continually improve the wellbeing of all within the Millfield community.

Future of Youth Sport: reviewing trends in youth sport so we are best able to be at the heart of youth sport development in education (state and independent) in the UK and beyond. This will include looking at what, why, how and with whom we engage to continue to develop our sporting offer.

School Shape & Size: Our academic, sporting and pastoral aspirations means it makes sense to review our organisation and structure to ensure we are best placed to achieve our strategic goals. Research and modelling

is currently being undertaken looking at a range of scenarios to ensure Millfield achieves and maintains it target of being the world leader for the development of children.

The Brilliance Campaign and Fundraising: Our Discover Brilliance campaign which began just over two years ago remains critical for us to maintain and develop the Millfield Mix, whilst supporting the school's future cost base. The aim is to raise sufficient funds by 2035 so as to be able to fully fund 100 boarding places at Millfield School.

Public Benefit & Charitable Status: Initiatives are being considered to expand the contribution Millfield already provides to the general public. Given its positive disruptor status, Millfield is looking at ways it can assist in the development of children outside the independent education and sporting sector.

International Schools: Millfield is currently reviewing options to work in partnership with others overseas to develop schools based on the Millfield model. This theme would have the benefit of expanding the Millfield Way and generate revenue to support the Discover Brilliance campaign.

Structure, Governance and Management

Governing Documents

Millfield ("the company" or "the School") is a company limited by guarantee, first incorporated as Millfield School Limited on 4 August 1953 and constituted under Memorandum and Articles of Association dated 9 November 1979 and last amended on 21 March 2014. It is also a registered charity, number 310283.

Group Structure and Relationships

The School provides independent (boarding and day) education for boys and girls between the ages of 2 and 7 years (Millfield Pre-Prep – day only), 7 and 13 years (Millfield Prep) and 13 and 18 years (Millfield).

In addition to its principal activity, the School also operates a wide variety of educational and recreational holiday courses, retail outlets and related activities, some of which are carried out through a trading subsidiary company, Millfield School Enterprises Limited. All surpluses from these activities are reinvested in the School for the benefit of its principal educational activity. The School also owns 100% of the share capital of Millfield Overseas Limited, a company incorporated on 21 December 2012 which has remained dormant since incorporation.

Investment Powers, Policy and Performance

There are no specific restrictions on the Governors' investment powers; where necessary Governors seek the advice of a qualified investment advisor prior to making any investments. At present no investments are held and cash reserves are held in short term deposits designed to achieve competitive returns at minimum risk.

Governing Body

The Governing Body is self-appointing. Governors are usually appointed for a three-year term of office. Retiring Governors are eligible for re-appointment. New Governors are appointed by the Governing Body on the recommendation of the Appointments Committee. Candidates are proposed by existing Governors on the basis of the expertise and experience they can offer the School, taking into consideration the regular skills audit of the Governing Body against the categories of skills deemed necessary by the Governing Body for providing proper strategic management oversight and control. The Governing Body seeks to have an appropriate balance of age, gender and ethnicity.

Governor training

Appropriate information and training, including safeguarding training, is provided to new Governors. They are provided with induction information, a Governors' Handbook and information on their responsibilities as a charity trustee. They meet for individual briefings with the members of the Executive Group, the Chairman of Governors and relevant senior staff members. The Governing Body recognises that new Governors must feel confident that they are equipped to meet their statutory and wider legal responsibilities and appropriately tailored courses and further information are made available to them through the Clerk to the Governors. Where appropriate, members of the Governing Body attend external trustee training and information courses designed to keep them informed and updated on current issues in the sector and regulatory requirements.

All Governors receive safeguarding training as part of their induction and receive regular updates. Indemnity insurance is in place for Governors. During the year, Millfield paid £435 (2021: £435) in respect of indemnity insurance for its Governors.

Organisational management

The members of the Governing Body, as the charity trustees, are legally responsible for the overall management and control of the School, including policy setting and strategic planning. The detailed work of the Governors is delegated to four committees, each of which operates under terms of reference which are approved by the Governing Body, and which are required to report to the full Governing Body on a regular basis.

- Audit, Compliance and Risk Committee
- Building and Finance Committee
- Appointments Committee
- Education Committee

In addition to the committees, certain members of the Governing Body also act as trustees for Millfield Retirement Benefits Scheme and as directors of Millfield School Enterprises Limited and Millfield Overseas Limited. Individual Governors also hold special responsibility for specific areas such as Safeguarding, SEN, Staff Liaison, Sport and Public Benefit.

The day to day running of the School is delegated to the Headmaster of Millfield, the Headmaster of Millfield Prep School and the Finance Director of Millfield Schools, ("the Executive Group"), as key management personnel, who in turn are supported by Senior Leadership Teams ("SLT"). The Head of HR of Millfield Schools also forms part of the Executive Group and advises on matters related to staffing. The Heads and Finance Director attend meetings of the Governing Body's Committees.

Employee involvement and equal opportunities

The Governors are committed to ensuring that Millfield provides equality of opportunity in recruitment and employment. All applicants for employment and existing employees are treated by reference to their particular aptitudes, abilities and relevant qualifications and receive equal treatment as provided for by law regardless of sex (gender), sexual orientation, gender reassignment, marital status or partnership, race, religions or belief, age, disability or pregnancy/maternity.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools, to ensure the School remains sensitive to the broader issues of pay and employment conditions elsewhere. The School aims to recruit, develop and retain high quality teaching and support staff who support the School's ethos and objectives. Delivery of the School's charitable vision and purpose is primarily dependent on its key management personnel and staff; staff costs are the largest single element of the School's charitable expenditure.

Specific consideration is given to ensuring staff interests are considered by offering competitive:

- Remuneration packages which are reviewed annually: including salary, allowances and pensions.
- Benefits: holiday and sickness entitlement, life insurance, subsidised canteen and gym facilities, employee assistance program with associated perks provided via LifeWorks, free car parking. Support staff also benefit from long service holiday entitlement.
- Working environment: staff benefit from working in one of Millfield's two picturesque school campuses with the senior school based just outside Street and the prep school outside Glastonbury in Somerset.
- Professional Development: provided through support to attend courses, mentoring or opportunity.

The Governors welcome and encourage employee engagement and regularly attend meetings where current issues are discussed with staff. In addition, both teaching and support staff have a termly forum for issues to be raised and discussed with members of EG which Governors also attend where practicable. Millfield recognises and liaises with a number of teaching unions including the National Education Union ("NEU"), the National Association of Schoolmasters Union of Women Teachers ("NASUWT") on issues around pay, holiday and hours.

Millfield recognises that disabled persons may have special requirements and makes reasonable adjustments to interview procedures, work arrangements, premises, equipment, job design, training and retraining to remove potential barriers in the working environment. Millfield employs a large workforce engaged in a diverse range of teaching and support roles. The table below shows the total number of roles at Millfield over recent years, analysed by function (teaching or support) and the number of men and women undertaking the role.

Gender Role Profile by Function - ***over the past 3 years***

Year	All Staff		Teaching		Support	
	Male	Female	Male	Female	Male	Female
2022	378	737	145	222	233	515
	34%	*66%*	*40%*	*60%*	*31%*	*69%*
2021	403	733	143	207	260	526
	35%	*65%*	*41%*	*59%*	*33%*	*67%*
2020	458	773	172	245	286	528
	37%	*63%*	*41%*	*59%*	*35%*	*65%*

Whilst there has been a reduction in roles post covid, it is pleasing to see there has been an overall increase in those undertaken by women, from 63% to 66% of the total. There has also been a slight increase in the number of teaching roles occupied by women, from 59% to 60% of the total.

Whilst women and men are paid equally for doing equal roles, Millfield does have a gender pay gap. This is due to the significantly greater number of women employed compared to men combined with a higher proportion of them undertaking traditionally lower paid support roles. As you can see from the previous table, 69% of support roles (2022: 515 in number) are undertaken by women compared to 31% of those (2022: 233 in number) undertaken by men. This compares to women undertaking 60% of the teaching roles (2022:222 in number) compared to 40% (2022: 145 in number) undertaken by men.

Looking at the data another way, we see that for 2022, out of a total of 737 women, 515 worked in support whilst 222 worked in teaching. This compared to a total of 378 men, of which 233 worked in support and 145 in teaching roles. This trend becomes clearer when considering the data analysed further into pay quartiles in the table below. You clearly see that the number of women undertaking support roles in the "lower" (2022: 202 women vs 70 men) and in the "lower middle" (2022: 190 women vs 72 men) will significantly affect the overall gender pay gap.

Gender Split in Pay Quartiles - *over the last 3 years*																
Year	Lower				Lower Middle				Upper Middle				Upper			
	Teaching		*Support*		*Teaching*		*Support*		*Teaching*		*Support*		*Teaching*		*Support*	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
2022	0	7	70	202	7	10	72	190	22	68	78	111	116	137	13	12
2021	0	8	72	204	5	11	72	196	15	50	102	117	123	138	14	9
2020	0	6	67	235	4	20	107	177	28	71	100	109	140	148	12	7

Looking at the impact the above has on the percentage difference in the average hourly rate paid to men and women employed by Millfield over the last 3 years, we have the following:

Women's average hourly pay is:	5 April 2022	5 April 2021	5 April 2020
Mean gender pay gap	20.7% lower	22.7% lower	17.9% lower
Median gender pay gap	36.6% lower	37.6% lower	36.8% lower

We are pleased to see a decline in the relative difference in the mean and median gender pay gaps over the past year and whilst this difference remains significant, as explained earlier, it is distorted by the large number of women employed in absolute terms combined with the majority of them working in lower paid, usually part-time support roles.

When looking at the pay quartiles difference (table below), we see the percentage differences by quarter are significantly less. Two of the four quartiles ("lower middle" and "upper") show gender pay gaps favouring women. There is also an improvement in the "upper middle" quartile which we shall continue as we promote and recruit more women in more senior roles. A review of the "lower" quartile indicates this has been affected by the predominance of men in roles towards the top of the quartile in roles such as "lifeguard/leisure assistant", "minibus driver" and "community officer (security)" which are paid higher than the minimum wage paid to "facility cleaners". Further work is required to recruit women into those roles in this quartile attracting higher market pay rates.

Gender Pay Gap: Quartile Average Hourly Pay Differrences								
Year	Lower		Lower Middle		Upper Middle		Upper	
	Mean	*Median*	*Mean*	*Median*	*Mean*	*Median*	*Mean*	*Median*
2022	(1.3%)	(4.6%)	2.5%	1.8%	(1.0%)	(1.3%)	6.0%	3.5%
2021	(1.4%)	(0.2%)	2.5%	0.6%	(7.4%)	(9.8%)	5.4%	6.5%
2020	0.4%	3.7%	1.8%	3.7%	(5.2%)	(16.9%)	5.0%	3.1%
Note: Where average mean/median pay for men exceeds that for women, the difference is indicated in the table above as negative and where the reverse is tue, the difference is positive.								

Business relationships with suppliers, customers and others

The Governors' main focus remains to ensure Millfield provides its educational and sporting services to our pupils at the standard promoted to their parents. Millfield works closely with suppliers, many of whom have changed their operating arrangements and/or charges post covid. We continue to expand contractual relationships with preferred suppliers after conducting due diligence for quality and continuity of supply.

Objects, Aims, Objectives and Activities

Charitable Objects

The School's principal activity is the education and pastoral care of its students, reflecting the objects set out in the Articles of Association, which are:

"to establish and maintain at Millfield in the County of Somerset, a School or Schools for the education of boys and girls, and young men and young women and to give to such students general or specialised instruction of the highest class but so that each such School shall be carried on as an educational charity and as an independent object to establish and acquire as a going concern, and carry on, support or manage elsewhere, any subsidiary or affiliated Schools".

In setting the School's objectives and planning activities the Governors have given due regard to the latest guidance on public benefit published by the Charity Commission.

Financial Review

For the financial year ended 31 August 2022 Millfield generated a surplus of £3.7million (2021: £0.5 million surplus) after charging £5.5 million for depreciation (2021: £5.5 million). The net £3.2 million improvement is as a result of increased income of £10.3 million (driven largely by an increase in fee income of £8.4 million), offset by a growth in our cost base of £7.1 million (mainly due to increased staff costs and external cost inflationary pressures). Millfield remains committed to maintaining broad access for talented students who would benefit from an education at its Prep and Senior schools, by offering financial support with the payment of fees to families who are otherwise unable to afford them. Bursaries totalling £3.1 million (2021: £3.6 million) were provided to students.

There is a pension liability of £1.1 million (2021: £6.0 million) as reported in accordance with Financial Reporting Standard Number 102 ("FRS 102") in respect of the Millfield Retirement Benefit Scheme (the Scheme) for some support staff as set out in note 21. The Scheme was closed to future benefit accrual and salary linkage on 31 December 2014.

The School's trading subsidiary, Millfield School Enterprises Limited, contributed turnover, profit and net assets as outlined in note 11 to the Financial Statements.

Millfield's operating activities generated positive cash flow of £4.8 million (2021: £1.4 million) as set out in note 22. The improvement of £3.4 million is due to the increased surplus of £3.2 million generated during the year.

Fundraising

As part of its operations the School engages in fundraising activities to seek donations from former students, parents and other members of the School community. The School complies with the Fundraising Regulator's code of practice and seeks to build positive long-term relationships with potential donors. Fundraising is conducted through the School's foundation office. There are no matters to report under the Charities (Protection and Social Investment) Act 2016.

Reserves

The Governors' policy is to examine the needs, risks and challenges faced by the School in both the short and medium terms along with relevant financial plans and forecasts and to establish reserves sufficient to meet these requirements including the School's longer-term capital expenditure commitments and any longer-term financial obligations, including the actuarially calculated funding deficit on the School's defined benefit pension scheme that under FRS102 is accrued as a liability. This policy is reviewed on a regular basis and monitored in line with the buildings development programme, which is funded from operating surpluses and an historic fixed term loan; the loan was fully repaid in the year.

Reserves as at 31 August:	Note	2022 £ million	2021 £ million
Total Funds	18	50.4	42.3
Less: Restricted Funds	18	(0.7)	(0.9)
Unrestricted Funds	18	49.7	41.4
Less: unrestricted tangible fixed assets	10	(56.9)	(59.4)
Free Reserves		**(7.2)**	**(18.0)**

Free Reserves:

There are no free reserves, but Governors are satisfied with this position given that there was "Cash at bank and in hand" of £20.0 million at 31 August 2022 (2021: £11.2 million), a bank overdraft facility of £5 million in place, together with anticipated future cash flows.

Included in free reserves is the actuarially calculated funding deficit of £1.1 million (2020: £6.0 million) on the School's defined benefit pension scheme that under FRS102 is accrued as a liability. It is intended this liability be repaid from operating cash flows, in accordance with the recovery plan agreed between the Governors and the Pension Scheme Trustees.

Restricted Funds:

The restricted funds comprise donations earmarked by the donors, or the terms of an appeal, for specific purposes. Restrictions are legally binding on the Governors.

The Governors expect the present level of activities to be sustained at broadly the same level for the current year despite the challenging environment and the financial position. The Governors do not envisage there being any difficulty in meeting current and/or future obligations of the Charity and note there is no financial dependence on key donors.

Streamlined Energy and Carbon Reporting (SECR)

Millfield was fully operational throughout the year ended 31 August 2022. This is the first time since COVID that we have had both sites open throughout the year. The previous two years were affected by physical closures and our energy usage had reduced as a result. Millfield is serious about reducing our carbon footprint and in addition to investing in more energy efficient infrastructure, we have engaged a third party to assist us with our aim of achieving "net zero".

Summary of data for the year

All figures have been quoted in terms of Carbon dioxide equivalent. CO2e is a term for describing different greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO2e signifies the amount of CO2 which would have the equivalent global warming impact.

	2021/22	2020/21
Energy Use kWh*	20,937,218 kWh	20,515,536 kWh
Associated Tonnes: CO2 equivalent**	5,063 tonnes CO2e	4,578 tonnes CO2e
Intensity Ratio: Emissions per capita (staff & students)	1.87 tonnes CO2	1.85 tonnes CO2

** Energy use kWh includes heating, lighting, mileage and fuel (not water and refrigerant gases) across the group of Millfield Schools.*

***Associated Tonnes CO2 does include water and refrigerant gases in its total. Associated Greenhouse gases have been calculated using the GHG Reporting Protocol – Corporate Standard with the DEFRA conversion factors issued in June 2022*

Breakdown of energy between utilities and transport & other:

Tonnes CO2e	**2021/22**	**2020/21**
Electricity	898	908
Gas	2,946	2,453
Oil	673	634
LPG	209	235
Fuel & mileage	289	173
Water	31	62
Refrigerant gases	17	113
Total	5,063	4,578

Energy efficiency measures

In the year 2021/2022, Millfield benefitted from the following investments in energy efficiency initiatives:

- New plant and building management control for the indoor swimming pool at the senior school which allows the boilers and air handling units to operate at optimal levels when the pool is not in use i.e. during the night-time and some holiday periods.
- Investment in insulating the junior and senior girls changing rooms and bursary building to reduce energy through heat loss.
- Refurbishment of the Wellbeing Centre including the replacement of all original single glazed timber windows with modern double glazed, thermally broken aluminium units throughout. The first floor roof space(s) have also been fitted with insulation which, in combination with the window replacement will significantly reduce heat loss from this building.
- Old and inefficient boilers with limited controls at Kingweston and Mantell sports pavilions have been replaced with modern efficient gas fired boilers with controls.
- The LED lighting upgrade program continued.
- Appointment of specialist advisors to develop the schools' Net Zero Consultants strategy and roadmap.

Plans for energy efficiency in the year ahead

- Working towards a roadmap of carbon reduction pathways, supported with feasibility and long-term implementation support for a program of initiatives to achieve the net zero roadmap.
- Upgrading the B Block teaching facility (40 classrooms) will include the use of more energy efficient heating and cooling systems, LED lighting upgrades and improved roof insulation.
- The upgrade of poor roof insulation across both school sites will continue.
- The upgrade of LED lighting project and controls across all sites will continue.
- Undertake a vehicle fleet feasibility study to determine which vehicles should be replaced with electric equivalents.

Risk Management

The Board of Governors is responsible for the management of risks faced by Millfield. Millfield Prep (including Pre-Prep) School has the same Board of Governors as Millfield School. An ongoing process has been established for identifying, evaluating and managing these and a risk management policy is in place.

The key controls used include:

- The Governing Body has responsibility for overseeing risk management within the school
- Formal agendas and minutes for all Committee and Board activity
- The Governing body meet at least termly and there are further subcommittee meetings, which include Building and Finance, Education, Audit and Appointments Committee.
- Clearly defined organisational responsibilities
- A comprehensive risk register is compiled by the Executive Group and helps to identify, assess and monitor major risks to which the school is exposed. The document is formally reviewed annually but emerging risks are added as required, and improvement actions and risk indicators are monitored regularly.
- Members of the Senior Leadership Team are encouraged to ensure that significant risks in their area are identified, assessed and monitored through each department's risk management systems and procedures.
- Comprehensive strategic planning, revenue and capital budgeting, cash flow and management accounting
- Formal written policies. The policies are approved by the Governing Body through its Committees and implemented and communicated by the Executive Group to staff, parents and pupils.
- Clear authorisation and approval levels
- Compliance with statutory requirements and external guidelines as appropriate
- External audit of the financial statements provides feedback to the Governing Body on the operation of the internal financial controls reviewed as part of the annual audit. Other external audits (e.g.ISI inspection reports) are also the subject of periodic reports to the Governing Body.
- Safeguarding procedures, as required by law, for the protection of children

Detailed considerations of risk are delegated to the Audit, Compliance and Risk Committee. This Committee, assisted by the School's executive management team, has identified and prioritised the key risks and a strategy for dealing with them has been approved by the Board of Governors. Through the above risk management procedures the Governors are satisfied that the principal risks identified below have been adequately addressed where necessary. It is recognised, however, that systems can only provide reasonable but not absolute assurance that major risks have been appropriately managed.

Millfield has previously identified six key strategic risks:

1. Government policy
The Independent Education sector has continued to be the subject of ongoing debate amongst UK political parties. There remains a risk that changes to government policy targeted to Independent Schools (such as amendments to VAT legislation on educational supplies, business rates relief, levy charges) would have a significant impact on Millfield's ability to operate, and links closely with another key strategic risk of affordability. This in turn would likely have a significant impact on the demand for places, and therefore on fee income. Millfield mitigates this risk by regularly reviewing its reserves policy, by preparing long-term forecasts which include contingency planning in the event of changes in policy and by taking an active role in supporting the Independent Schools Council in promoting public affairs and parliamentary engagement on behalf of the sector.

2. Financial viability
There is an increasing inflationary pressure on the operational running costs of the School, including staffing, facilities and utilities. Millfield has to balance the investment it makes in its staff and facilities with its funding, the key source of which is fee income. To ensure all its commitments are met, Millfield has robust management processes. These include forecasting pupil numbers, detailed budgeting and cash flow projections which are prepared by the Executive Group and subject to detailed scrutiny by Governors. Progress against this plan is monitored continually by the Executive Group and termly by Governors.

3. Affordability
Millfield operates in a very competitive market and is conscious that the cost of private education is increasingly beyond the financial means of many families. In addition, affordability of fees and therefore pupil numbers could be affected by macro-economic factors. Recognising this, Millfield retains its focus on achieving value for money in every area of its operations and is committed to building funds to safeguard its scholarship and bursary support for families who otherwise would not be able to access a Millfield education.

4. Safety and security of pupils, staff and premises
Millfield aims to provide a safe and secure environment. To do this it has in place detailed policies and procedures, including in the areas of safeguarding children, anti-bullying, health and safety, physical security, cyber-security, wellbeing, data protection and critical incident management. These are regularly reviewed by Governors. Staff and pupils are provided with detailed training, as appropriate, to ensure these policies are adhered to across Millfield.

5. Recruitment and retention of key staff
Millfield relies on its ability to recruit and retain high quality staff to carry out its charitable activities and achieve its objectives. In order to achieve this Millfield provides a comprehensive range of financial and non-financial benefits to staff, including competitive salaries, fee concessions, staff housing, training and development opportunities, use of school facilities and a wellbeing programme.

6. Effectiveness of Governance
The Governors recognise that strong governance is essential to Millfield's success. In order to ensure that governance is effective Millfield recruits Governors based upon a skills matrix Comprehensive induction and refresher training is provided to Governors. Committee structures are in place supported by clear terms of reference. Governors actively monitor implementation of policies and compliance within the School. A biennial process of self-evaluation is undertaken by the Board of Governors.

Statement of Governors' Responsibilities

The Governors (who are also directors of Millfield for the purposes of Company law) are responsible for preparing the Report of the Governing Body (incorporating the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Governors 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing the School's aims and objectives and in planning the School's future activities. In particular, the Governors have considered how planned activities will contribute to the aims and objectives they have set.

In so far as the Governors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Governors 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.

The Report (incorporating the Strategic Report) was approved by the Board of Governors of Millfield on 17 March 2023 and signed on its behalf by:



Roland Rudd
Chair of Governors

Opinion

We have audited the financial statements of Millfield for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement 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 group's and of the parent charitable company's affairs as at 31 August 2022 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group'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 Chairman's Statement and the Report of the Governing Body. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governing Body (which incorporates the strategic report and the directors' report).

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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 group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to The Education (Independent school Standards) 2014, safeguarding regulations, health and safety laws, GDPR, employment law, charity law and company 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 Companies Act 2006 and the Charities Act 2011, and considered other factors such as payroll taxes and VAT.

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 improper recognition of revenue and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- 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 a selection of journals; 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. This description forms part of our auditor's report.

Use of our report

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

Tracey Young

Tracey Young (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date: 20 April 2023

10 Queen Street Place
London
EC4R 1AG

CONSOLIDATED STATEMENTS OF FINANCIAL ACTIVITIES
for the year ended 31 August 2022

	Note	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2022 £'000**	**Total 2021 £'000**
Income from:					
Charitable Activities:					
- Fees receivable	3	50,432	-	**50,432**	**42,024**
- Other educational income	4	3,758	-	**3,758**	**2,468**
Other Trading Activities:					
- Other fees and external hiring		2,188	-	**2,188**	**1,030**
- Subsidiary trading income		1,024	-	**1,024**	**707**
Donations, grants and legacies	5	2	373	**375**	**1,250**
Other income	6	102	-	**102**	**107**
Total Income		57,506	373	**57,879**	**47,586**
Expenditure on:					
Charitable Activities		(49,970)	(511)	**(50,481)**	**(44,746)**
Raising Funds:					
- Other fees and external hiring		(2,405)	-	**(2,405)**	**(1,310)**
- Subsidiary trading expenditure		(837)	-	**(837)**	**(591)**
- Fundraising		(131)	-	**(131)**	**(119)**
Finance and Other Costs		(367)	-	**(367)**	**(273)**
Total Expenditure	7	(53,710)	(511)	**(54,221)**	**(47,039)**
Net income/(expenditure)		3,796	(138)	**3,658**	**547**
Other Recognised Gains:					
Re-measurement of the net defined benefit pension liability	21	4,473	-	**4,473**	**1,457**
Net Movement in Funds		8,269	(138)	**8,131**	**2,004**
Total Funds Brought Forward		41,415	868	**42,283**	**40,279**
Total Funds Carried Forward	18	49,684	730	**50,414**	**42,283**

All amounts relate to continuing operations.
Comparative table included on page 42, note 25.

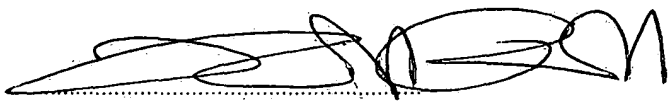
The notes on pages 26 – 42 form part of these financial statements.

BALANCE SHEETS
for the year ended 31 August 2022

	Note	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Fixed Assets					
Tangible fixed assets	10	56,947	59,378	56,938	59,364
Investments	11	-	-	325	325
		56,947	59,378	57,263	59,689
Current Assets					
Stocks	12	476	315	-	-
Debtors	13	1,420	1,377	1,286	1,263
Cash at bank and in hand		20,036	11,245	20,033	11,223
		21,932	12,937	21,319	12,486
Creditors: amounts falling due within one year	14	(18,710)	(18,185)	(18,627)	(18,081)
Net Current Assets/(Liabilities)		3,222	(5,248)	2,692	(5,595)
Total Assets add Current Assets/(Liabilities)		60,169	54,130	59,955	54,094
Creditors: amounts falling due after more than one year	15	(8,689)	(5,825)	(8,689)	(5,825)
Net Assets Excluding Pension Liability		51,480	48,305	51,266	48,269
Defined benefit pension liability	21	(1,066)	(6,022)	(1,066)	(6,022)
Net Assets		50,414	42,283	50,200	42,247
Funds					
Unrestricted funds - General		50,750	47,437	50,536	47,401
- Pension reserve	21	(1,066)	(6,022)	(1,066)	(6,022)
	18	49,684	41,415	49,470	41,379
Restricted funds	18	730	868	730	868
Total Funds		50,414	42,283	50,200	42,247

The parent company's net income for the year, before movement in the pension reserve was £2,997,000 (2021: net income £79,000).

The financial statements were approved and authorised for issue by the Board of Governors of Millfield on 17 March 2023 and signed on its behalf by:



Roland Rudd
Chair of Governors

The notes on pages 26-42 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 August 2022

	Note	2022 £'000	2021 £'000
Operating Activities			
Cash generated from/(used by) operations	22	4,846	1,389
Investing Activities			
Interest received		-	-
Purchase of tangible fixed assets	10	(3,089)	(1,960)
Proceeds on sale of tangible fixed assets		34	23
Net cash used in Investing Activities		(3,055)	(1,937)
Financing Activities			
Repayment of borrowings		(654)	(622)
Interest paid		(13)	(61)
Receipts from new advance fee contracts		7,752	6,516
Advanced fees repaid		(85)	(40)
Net cash generated from Financing Activities		7,000	5,793
Change in cash and cash equivalents in year		8,791	5,245
Cash and cash equivalents at beginning of the year		11,245	6,000
Cash and cash equivalents at end of the year		20,036	11,245
Relating to:			
Bank balances included in cash at bank and in hand		20,036	11,245

Analysis of movements in net cash	**2021**	**Cash flows**	**Other Movements**	**2022**
	£'000	£'000	£'000	£'000
Cash at bank and in hand	11,245	8,791	-	20,036
Total cash and cash equivalents	11,245	8,791	-	20,036
Loan (Due in less than one year)	(654)	654	-	-
Total	10,591	9,445	-	20,036

The notes on pages 26-42 form part of these financial statements.

1. General Information & Principal Accounting Policies

Millfield Limited ("the Company") is a company limited by guarantee domiciled and incorporated in England. The address of the Company's registered office and principal place of business is Millfield, Street, Somerset, BA16 0YD.

The School consolidated accounts consist of the Company and all of its subsidiaries detailed in note 11. The Company's and subsidiary's principal activities and nature of operations are detailed on pages 11 and 14.

A summary of the more important accounting policies, including those affecting the most significant items in these financial statements, is set out below:

a) *Basis of accounting*

The accounts have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice and FRS 102 – Second Edition. The School is considered to be a Public Benefit Entity under FRS102. The accounts are drawn up on the historical cost basis of accounting. Monetary amounts in these accounts are rounded to the nearest £'000 except where otherwise indicated.

b) *Reduced disclosure*

In accordance with FRS 102, the charity has taken advantage of the exemption from the following disclosure requirements:

- Section 7 'Statement of Cash flows' – Presentation of a charity only Statement of Cash Flow and related notes and disclosures

The financial statements of the charity are consolidated in the financial statements of Millfield. The consolidated financial statements of Millfield School are available from its registered office.

c) *Basis of consolidation*

The group consolidates on a line by line basis the financial statements of the charity and its subsidiary undertakings made up to 31 August 2022. All intragroup transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

The consolidated financial statements are presented in sterling which is also the functional currency of the Company and its subsidiaries. As permitted by Section 408 of the Companies Act 2006, the parent company's income and expenditure account has not been included in these financial statements.

d) *Going concern*

The group had net current assets of £3.2 million (2021: net current liabilities of £5.2 million) at the balance sheet date. In considering whether the going concern basis is appropriate, the Governors have considered surplus and cash-flow projections prepared for the period to 31 August 2024. These projections indicate that the School will be able to meet its liabilities as they fall due and together with current arrangements with the School's bankers and other lenders, forecast that the School will be able to operate within the facilities currently available.

In light of the above the Governors have concluded that it is appropriate to use the going concern basis in the preparation of these financial statements.

e) ***Funds***

The restricted funds comprise donations earmarked by the donors, or the terms of an appeal, for specific purposes. Unrestricted funds are expendable at the discretion of the Governors in furtherance of the objects or administration of the charity. Designated funds comprise unrestricted funds, which are earmarked for particular purposes by the Governors.

f) ***Fees and similar income***

Fees receivable, charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School.

Fees for education to be provided in future years are carried forward as deferred income in the balance sheet. These fees are released to the Statement of Financial Activities over the period in which the School provides the services in future years. Fee receivable under the School's Advanced Fee scheme attract interest, which is charged to the Statement of Financial Activities, in the period over which the advance fee creditor is released to fee income.

g) ***Donations***

Donations receivable for the general purpose of the School are credited to unrestricted funds. Donations for purposes restricted by the wishes of the donor are taken to restricted funds where these wishes are legally binding on the Governors. All donations are recognised when the economic benefit is considered probable and can be measured reliably.

Grants received under the furlough scheme have been accounted for on the accruals basis, when the employees were placed on temporary leave.

h) ***Expenditure***

Expenditure is accrued as soon as a liability is considered probable. Expenditure is allocated to expense headings on a direct cost basis, with staff costs being allocated according to the estimated time spent by staff working in relevant departments. The irrecoverable element of VAT is included within the item of expense to which it relates.

i) ***Operating leases***

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

j) ***Stocks***

Stocks are stated at the lower of cost and estimated selling price less cost to complete and sell. In general, cost is determined on a weighted average cost basis. At each reporting date the School assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell, is recognised as an impairment in profit or loss. Reversal of impairment losses are also recognised in profit or loss.

k) ***Investments***

The School has elected to hold investments in subsidiary undertakings at cost less impairment. Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversal of impairment losses are recognised immediately in the SOFA.

l) ***Tangible fixed assets***

Expenditure on fixed assets is capitalised except for expenditure incurred on the replacement of assets of low value with a short life. Subsequent costs of repair, renovation and replacement expenditure are written off as incurred in the Consolidated Statement of Financial Activities ("SOFA"), unless it is probable that such costs will generate future economic benefits. Items costing less than £5,000 are written off as an expense as acquired.

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	Straight Line Basis %
Freehold land	-
Freehold property	2 – 4
Extensions and improvements to buildings	10
Fixtures, fittings and equipment	15
Computers	33 1/3
Motorised plant and vehicles	15
Assets under construction	-

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired, and if such conditions exist, the School estimates the recoverable value of the asset. Any shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairment losses.

m) ***Financial Instruments***

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument, and are offset only when the group has a legal enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise and settle the liability simultaneously.

Financial assets
Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairments losses.

Financial liabilities
Financial instruments are classified as liabilities according to the substance of the contractual arrangements entered into. Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Borrowings
Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

n) ***Retirement benefits***

Retirement benefits to employees of the group are provided through two pension schemes, one defined benefit, and one defined contribution:

i. The Millfield Retirement Benefit Scheme (a defined benefit scheme) was closed to new members on 1 September 2005, and closed to future accrual and salary linkage on 31 December 2014. This scheme is accounted for as a defined benefit scheme, with the annually calculated notional surplus or deficit on the funding of the Scheme shown in the financial statements as a liability entitled "Pension Reserve", which is deducted from Unrestricted Funds in the balance sheet.

ii. The Millfield School Work Save Pension Plan is a defined contribution scheme administered by Legal & General Investment Management ("LGIM"). Following consultation with the teaching staff, Millfield School left the Teachers' Pension Scheme (a defined benefit scheme) on 31 August 2021. Teachers were enrolled into the Millfield School Pension Plan on 1 September 2021 alongside other staff already in that plan.

Defined contribution plans
For defined contribution schemes the amount charged to expenditure is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Defined benefit plans
For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method.

Liability
The net liability represents the present value of the defined benefit obligation minus the fair value of the plan assets out of which obligations are to be settled.

The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains or losses

Gains or losses recognised in the statement of financial activities:
- The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost.
- The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.
- Net interest on the net defined liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligations.
- Actuarial gains and losses
- The difference between the interest income on the plan assets and the actual return on the plan assets

o) *Critical accounting estimates and areas of judgement*

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

In valuing the deficit on the School's defined benefit pension scheme judgements need to be made by management as to what are the most appropriate assumptions to use in the valuation. The closing deficit was £1.1 million (2021: £6.0 million) and the adoption of different assumptions could have a material impact on the deficit.

2. Net Income/(Expenditure)

	2022 £'000	2021 £'000
Net Income/(Expenditure) is stated after charging:		
Auditor's remuneration for:		
- External Audit (Company £40,230 (2021: £37,830))	40	38
- Taxation - compliance services to the Company and its subsidiaries	2	2
- Pension scheme audit	-	8
Depreciation of tangible fixed assets	5,519	5,475
Operating lease costs	174	111
Profit on disposal of tangible fixed assets	(33)	(13)
Stock		
- Amounts expensed to cost of sales	514	332
- Impairment losses recognised in cost of sales	-	1
Interest payable		
- Loan interest	13	61
- Net interest on the net defined benefit pension liability	100	130
- Interest on fees in advance	81	69

3. Fees Receivable

	2022 £'000	2021 £'000
School fees	58,551	50,799
Less: Scholarships	(2,828)	(3,048)
Bursaries	(3,108)	(3,592)
Other concessions	(2,183)	(2,135)
	50,432	42,024

4. Other Educational Income

	2022 £'000	2021 £'000
Registration and acceptance fees	325	341
Travel, School trips, examination fees and other charges to students	3,433	2,127
	3,758	2,468

5. Donations, Grants and Legacies

	2022 £'000	2021 £'000
Donation income	375	219
Coronavirus JRS Government Grant	-	1,031
	375	1,250

6. Other Income

	2022 £'000	2021 £'000
Interest on overdue fees	30	29
Rents received	72	78
	102	107

7. Analysis of Expenditure

	Staff costs £'000	Other £'000	Deprec -iation £'000	2022 Total £'000	2021 Total £'000
Charitable activities:					
Teaching costs	21,763	3,346	487	25,596	24,360
Welfare	3,101	5,571	93	8,765	6,835
Premises	1,576	4,200	4,537	10,313	9,132
Support costs of Schooling	3,434	1,886	397	5,717	4,337
Governance costs	-	90	-	90	82
Total Charitable Activities	29,874	15,093	5,514	50,481	44,746
Raising Funds:					
Ancillary fees and external hiring	1,217	1,188	-	2,405	1,310
Subsidiary trading expenditure	204	628	5	837	591
Fundraising	67	64	-	131	119
Finance and other costs	-	367	-	367	273
Total Expenditure	31,362	17,340	5,519	54,221	47,039

Prior year Analysis of Expenditure

	Staff costs £'000	Other £'000	Deprec -iation £'000	2021 Total £'000	2020 Total £'000
Charitable activities:					
Teaching costs	22,059	1,827	474	24,360	25,131
Welfare	2,824	3,921	90	6,835	6,392
Premises	1,804	2,808	4,520	9,132	10,882
Support costs of Schooling	2,593	1,355	389	4,337	4,771
Governance costs	-	82	-	82	64
Total Charitable Activities	29,280	9,993	5,473	44,746	47,240
Raising Funds:					
Ancillary fees and external hiring	862	448	-	1,310	1,150
Subsidiary trading	188	401	2	591	503
Fundraising	79	40	-	119	142
Finance and other costs	-	273	-	273	719
Total Expenditure	30,409	11,155	5,475	47,039	49,754

8. Employee Information

	2022 Group Number	2021 Group Number	2022 Company Number	2021 Company Number
The average number of persons (full-time equivalent) employed during the year was:				
Teaching and coaching	253	258	253	258
Administration and support	364	374	357	367
	617	632	610	625
The average number of persons employed by the group during the year was:	976	999	954	988
Staff costs (for the above persons)	£'000	£'000	£'000	£'000
Wages and salaries	26,052	24,677	25,870	24,813
Social security costs	2,265	2,251	2,251	2,242
Defined benefit pension costs	-	2,910	-	2,910
Defined contribution pension costs	3,045	571	3,036	564
	31,362	30,409	31,157	30,529
Aggregate employee costs of key management personnel (including salary, benefits, pension contributions and national insurance)	590	761	590	761

The total amount relating to termination payments during the year was £117,000 (2021: £308,000). These amounts relate to agreements made with employees to end employment contracts.

The number of employees whose emoluments (excluding pension contributions) exceeded £60,000 were:

	2022 Number	2021 Number
£60,001 - £70,000	42	45
£70,001 - £80,000	22	14
£80,001 - £90,000	5	5
£90,001 - £100,000	4	1
£100,001 - £110,000	1	1
£110,001 - £120,000	1	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
£230,001 - £240,000	-	1
£250,001 - £260,000	1	-
£280,001 - £290,000	-	1

No emoluments were paid to the Governors in respect of their services to Millfield during the year, nor have they received any other form of disclosable trustee benefit (2021: nil). During the year,14 (2021: 13) Governors were reimbursed expenses totalling £12,387 (2021: £5,355) for travel and subsistence and the School paid £435 (2021: £389) for Governors indemnity insurance.

9. Taxation

The Company is a registered charity, and as such is entitled to tax exemptions on income and gains, properly applied for its charitable purposes.

10. Tangible Fixed Assets (Group)

	Freehold Property £'000	Assets under construct-ion £'000	Extensions and improve-ments to buildings £'000	Fixtures Fittings and Equipment £'000	Computers £'000	Motorised Plant and Vehicles £'000	Total £'000
Cost							
At 1 Sept 2021	76,907	814	29,318	6,522	2,433	796	116,790
Additions	-	296	1,435	759	599	-	3,089
Transfers	-	(815)	815	-	-	-	-
Disposals	-	-	(833)	(625)	(458)	(6)	(1,922)
At 31 Aug 2022	76,907	295	30,735	6,656	2,574	790	117,957
Depreciation							
At 1 Sept 2021	32,814	-	17,199	4,711	2,005	683	57,412
Charge for year	1,574	-	2,754	706	449	36	5,519
Disposals	-	-	(833)	(625)	(458)	(5)	(1,921)
At 31 Aug 2022	34,388	-	19,120	4,792	1,996	714	61,010
Net book value							
At 31 Aug 2022	42,519	295	11,615	1,864	578	76	56,947
At 1 Sept 2021	44,093	814	12,119	1,811	428	113	59,378

Tangible Fixed Assets (Company)

	Freehold Property £'000	Assets under construct-ion £'000	Extensions and improve-ments to buildings £'000	Fixtures Fittings and Equipment £'000	Computers £'000	Motorised Plant and Vehicles £'000	Total £'000
Cost							
At 1 Sept 2021	76,907	814	29,318	6,517	2,377	769	116,702
Additions	-	296	1,435	759	599	-	3,089
Transfers	-	(815)	815	-	-	-	-
Disposals	-	-	(833)	(625)	(458)	(6)	(1,922)
At 31 Aug 2022	76,907	295	30,735	6,651	2,518	763	117,869
Depreciation							
At 1 Sept 2021	32,814	-	17,199	4,706	1,963	656	57,338
Charge for year	1,574	-	2,754	706	444	36	5,514
Disposals	-	-	(833)	(625)	(458)	(5)	(1,921)
At 31 Aug 2022	34,388	-	19,120	4,787	1,949	687	60,931
Net book value							
At 31 Aug 2022	42,519	295	11,615	1,864	569	76	56,938
At 1 Sept 2021	44,093	814	12,119	1,811	414	113	59,364

The net book value of the Group and Company tangible fixed assets includes an amount of £4,288,098 (2021: £4,288,098) in respect of freehold land which is not depreciated. Included within the Group and Company's freehold property are assets which are licenced to the subsidiary under operating leases, where Millfield acts as the lessor, with a net book value of £165,725 (2021: £172,353).

11. Fixed Asset Investments

Company	2022 £'000	2021 £'000
Interest in group undertakings at cost	325	325

The Company had the following subsidiary undertakings, at the year-end, all with the common registered office on page 44:

	Millfield Overseas Limited	Millfield School Enterprises Limited	Millfield Overseas Limited	Millfield School Enterprises Limited
	2022	2022	2021	2021
Nature of business	Dormant	Service	Dormant	Service
Company number	08339295	01553104	08339295	01553104
Proportion of nominal value of issued shares held by the Company	100%	100%	100%	100%
Country of incorporation	England	England	England	England
Results for the Subsidiary as at the 31 August				
	£'000	£'000	£'000	£'000
Net assets	-	539	-	346
Turnover	-	1,593	-	998
Expenses		(1,354)		(921)
Profit		239		77
Distribution	-	(61)	-	(62)
Net Profit for financial year	-	178	-	15

The results of the subsidiary entities have been included in these consolidated financial statements. Millfield Overseas Limited was incorporated on 21 December 2012 and remains dormant.

12. Stocks

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Goods for resale	476	315	-	-

13. Debtors: amounts falling due within one year

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade debtors	943	954	856	815
Other debtors	55	7	55	7
Amounts due from subsidiary	-	-	-	79
Prepayments	422	416	375	362
	1,420	1,377	1,286	1,263

14. Creditors: amounts falling due within one year

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fixed term bank loan (see note 16)	-	654	-	654
Amounts received under advance fee scheme (see note 17)	6,569	5,662	6,569	5,662
Amount due to subsidiary	-	-	31	-
Trade creditors	1,689	1,118	1,587	1,015
Taxation and social security costs	742	954	742	954
Other creditors	1,953	3,799	1,945	3,799
Accruals and deferred income	1,664	644	1,660	643
School fees paid in advance	5,272	4,609	5,272	4,609
School fee deposits held	821	745	821	745
	18,710	18,185	18,627	18,081

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

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts received under advance fee scheme (see note 17)	1,898	1,371	1,898	1,371
School fees deposits held	4,730	4,454	4,730	4,454
Accruals and deferred income	2,061	-	2,061	-
	8,689	5,825	8,689	5,825

16. Fixed Term Bank Loan – Group and Company

The fixed term loan was and repaid during the year

	2022 £'000	2021 £'000
Over one year:		
Within 1 to 2 years	-	-
	-	-
Within one year	-	654
	-	654

17. Advance Fee Payments – Group and Company

Parents sometimes deposit a lump sum with the School as an advance on future fees. Each arrangement is in respect of an agreed amount to be credited against future fee bills for an agreed number of terms. The unused balance of the advance is repayable upon request. It is intended that the advance fees will be applied as follows:

	2022 £'000	2021 £'000
Over one year:		
Within 1 to 2 years	959	623
Within 3 – 5 years	730	577
After 5 years	209	171
	1,898	1,371
Within one year	6,569	5,662
	8,467	7,033

Figures for advanced fee payments are included within the balance for School fees paid in advance (note 17). The balance represents the accrued liability under these arrangements. The movements during the year were:

	2022 £'000	2021 £'000
Balance at 1 September	7,033	4,128
New contracts	7,752	6,516
Amount accrued to contracts	81	69
	14,866	10,713
Amounts utilised in the payment of fees to the School	(6,313)	(3,640)
Refunds of fees paid in advance	(86)	(40)
Balance at 31 August	8,467	7,033

18. Funds – Group

	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Defined benefit liability/ transfers £'000	Balance 31 August 2022 £'000
Unrestricted funds:					
- General	47,437	57,506	(54,193)	-	50,750
- Pension reserve	(6,022)	-	483	4,473	(1,066)
	41,415	57,506	(53,710)	4,473	49,684
Restricted:					
- Sports Equipment Fund	104	6	(3)	-	107
- Other Funds	764	367	(508)	-	623
	868	373	(511)	-	730
Total Group	42,283	57,879	(54,221)	4,473	50,414

	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Defined benefit liability/ transfers £'000	Balance 31 August 2021 £'000
Unrestricted funds:					
- General	47,435	47,488	(47,489)	3	47,437
- Pension reserve	(7,932)	-	453	1,457	(6,022)
	39,503	47,888	(47,036)	1,460	41,415
Restricted:					
- Sports Equipment Fund	1	103	(3)	3	104
- Other Funds	122	630	-	12	764
	776	98	(3)	(3)	868
Total Group	40,279	47,586	(47,039)	1,457	42,283

Funds – Company

	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Defined benefit liability/ transfers £'000	Balance at 31 August 2022 £'000
Unrestricted funds:					
- General	47,401	56,482	(53,441)	94	50,536
Pension reserve	(6,022)	-	483	4,473	(1,066)
	41,379	56,482	(52,958)	4,567	49,470
Restricted funds:					
- Sports Equipment Fund	104	6	(3)	-	107
- Other Funds	764	367	(508)	-	623
	868	373	(511)	-	730
Total Company	42,247	56,855	(53,469)	4,567	50,200

	Balance 1 September 2020 £'000	Income £'000	Expenditure £'000	Defined benefit liability/ transfers £'000	Balance at 31 August 2021 £'000
Unrestricted funds:					
- General	47,414	46,792	(46,903)	98	47,401
Pension reserve	(7,932)	-	453	1,457	(6,022)
	39,482	46,792	(46,450)	1,555	41,379
Restricted funds:					
- Millfield Centre Fund	653	(635)	-	(18)	-
- Sports Equipment Fund	1	103	(3)	3	104
- Other Funds	122	630	-	12	764
	776	98	(3)	(3)	868
Total Company	40,258	46,890	(46,453)	1,552	42,247

Restricted Funds

Restricted Funds are restricted to the purchase of capital items specified by those donors. The fixed asset acquisition will discharge the restriction and the purchase of the asset will be reflected as a transfer from restricted to unrestricted funds in the year of acquisition.

19. Allocation of Group Net Assets

	Fixed assets £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	Pension reserve £'000	At 31 August 2022 £'000
Unrestricted funds:					
- General	56,947	2,492	(8,689)	-	50,750
- Pension reserve	-	-	-	(1,066)	(1,066)
Restricted funds					
- Sports Equipment Fund	-	107	-	-	107
- Other Funds	-	623	-	-	623
Total Group as at 31 August 2022	56,947	3,222	(8,689)	(1,066)	50,414

	Fixed assets £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	Pension reserve £'000	At 31 August 2021 £'000
Unrestricted funds:					
- General	59,378	(6,116)	(5,825)	-	47,437
- Pension reserve	-	-	-	(6,022)	(6,022)
Restricted funds					
- Sports Equipment Fund	-	104	-	-	104
- Other Funds	-	764	-	-	764
Total Group as at 31 August 2021	59,378	(5,248)	(5,825)	(6,022)	42,283

20. Capital Commitments

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Contracted but not provided as at 31 August	544	357	544	357

21. Pension Obligations

The total group pension contributions were £3,627,986 (2021: £4,064,193) of which £NIL (2021: £2,910,237) related to the Teachers' Pension Scheme; £583,100 (2021: £583,200) related to the Millfield Final Salary Scheme for support staff (the Millfield Retirement Benefit Scheme) and £3,044,886 (2021: £570,755) was paid into defined contribution schemes.

Teachers' Pension Scheme

The School left the Teachers' Pension Scheme ("the TPS") on 31 August 2021 and teachers were enrolled into the Millfield Pension Plan. This is a defined contribution scheme open and available for all Millfield School staff. The pension charge for the year includes contributions payable to the TPS £NIL (2021: £2,910,237) and at the year-end £NIL (2021 - £NIL) was accrued in respect of contributions to this scheme.

Final Salary Scheme (Millfield Retirement Benefit Scheme – "MRBS")

For some of its support staff, the School operates a funded final salary scheme, whose assets are held in separate trustee-administered funds.

From 1 September 2005, the final salary scheme was closed to new members. On 31 December 2014, after consultation with the Trustees and active members, the Scheme was closed to future accrual and salary linkage. Qualifying new staff are automatically enrolled into a defined contribution scheme with contribution rates equivalent to the minimum rates set out by the Government in respect of auto enrolment schemes.

The final salary scheme is subject to triennial valuations by independent actuaries, the last full actuarial valuation was carried out as at 1 September 2019, using the projected unit method. At the valuation, the market value of the assets held was £13,493,000 and this value was sufficient to cover 63% of the benefits accrued to members after allowing for expected future increases in earnings, giving a shortfall of surplus of £7,914,000. Deficit contributions will continue to be paid at £583,100 per year up to 31 August 2036. Employer's deficit contributions made to the scheme in the period were £583,100 (2021:£583,100). From the 1 September 2020 the School also pays any insurance premiums, PPF levies and any costs relating to managing the scheme separately when due, except for investment management expenses. The Scheme's next triennial valuation is 1 September 2022. The level of contributions in respect of any deficit will be subject to review at the next actuarial valuation which is currently in progress.

These financial statements reflect the requirements of FRS 102. The expense for the year as calculated by the actuary together with the re-measurement of the deficit are recognised in the Consolidated Statement of Financial Activities as shown below:

	2022 £'000	2021 £'000
Statement of financial position		
Fair value of scheme assets	14,446	15,058
Present value of defined benefit obligation	(15,512)	(21,080)
Net deficit in scheme	(1,066)	(6,022)
Changes in the defined benefit obligation		
Defined benefit obligation at start of period	21,080	21,320
Interest cost on defined benefit obligation	363	357
Benefit paid	(669)	(705)
Actuarial (gain)/loss	(5,262)	108
Defined benefit obligation at end of period	15,512	21,080
Changes in the fair value of scheme assets		
Fair value of scheme assets at start of period	15,058	13,388
Interest income on scheme assets	263	227
Return less interest income on scheme assets	(789)	1,565
Contributions by the employer	583	583
Benefits paid	(669)	(705)
Fair value of scheme assets at end of period	14,446	15,058
Total expense recognised in expenditure		
Net interest on net defined benefit liability	100	130
Past service cost	-	-
Expenditure charged in year	100	130
Total amount recognised in the statement of financial activities		
Return less interest income on scheme assets	(789)	1,565
Actuarial (loss)/gain on liabilities	(144)	267
Change in assumptions	5,406	(375)
Re-measurement gain recognised in the SOFA	4,473	1,457
Assets		
Target return	7,451	13,056
Property	1,103	1,864
Insurance annuities	62	86
Cash and net current assets	164	52
Investment grade bonds	2,098	-
LDI	3,568	-
Fair value of scheme assets	14,446	15,058
Actual return on scheme assets over period	(526)	1,792
Reconciliation of funded status		
Opening deficit	(6,022)	(7,932)
Employer contribution	583	583
Charge recorded in SOFA	(100)	(130)
(Loss)/Gain recorded in statement of financial activities	4,473	1,457
Closing deficit	(1,066)	(6,022)

Main financial assumptions	2022 % pa	2021 % pa
Discount rate	4.2	1.8
Price inflation:		
- RPI	3.5	3.4
- CPI	2.7	2.6
Deferred pension increases:		
- Pensions accrued to 5/4/09	3.6	2.6
- Pensions accrued from 6/4/09	3.6	2.5
Pension increases in payment:		
- GMPs accrued from 6/4/88	3.0	3.0
- Non-GMPs accrued to 31/8/05	3.3	3.2
- Pension accrued from 1/9/05	2.3	2.2

Mortality assumptions and life expectancies	2022 Years	2021 Years
Expected future lifetime from age 65:		
- Male currently aged 65	21.8	21.8
- Female currently aged 65	24.1	24.1
- Male currently aged 45	22.8	22.8
- Female currently aged 45	25.3	25.3

22. Reconciliation of Net Income/(Expenditure) to net cash generated from operations

	2022 £'000	2021 £'000
Net Income	3,658	547
Adjustments for:		
Depreciation of tangible fixed assets	5,519	5,475
Defined benefit pension scheme adjustment	(583)	(583)
Interest payable	194	260
Gain on sale of tangible fixed assets	(33)	(13)
Operating cash flows before movements in working capital	8,755	5,686
Increase in stocks	(161)	(21)
Increase in debtors	(43)	(186)
Increase in creditors	2,609	(450)
Advance fees applied	(6,314)	(3,640)
	(3,909)	(4,297)
Cash generated from operations	4,846	1,389

23. Financial Commitments

At 31 August 2022 the group had total future minimum lease payments under non-cancellable operating leases, as follows:

	Other		Motor Vehicles	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts due within one year	23	29	117	81
Amounts due in two to five years	20	42	317	241

24. Related Party Transactions

Transactions between the School and its subsidiary, Millfield School Enterprises Limited are disclosed below:

	2022	2021
	£'000	£'000
Purchases of goods in year	569	303
Rents received	33	33
Amounts owed to related parties at year end	31	-
Gift Aid received	61	62

The School has a limited number of students who are family members of governors. Fees are payable at the same level as other students, and entitlement to fee remission is considered in line with the School's stated policy.

The Governors made aggregate donations of £48,350 (2021: £35,160) during the year to Millfield. . There have been no other related party transactions other than those listed in note 8.

25. *Prior year Consolidated Statement of Financial Activities by Fund*

	Note	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2021 £'000**
Income from:				
Charitable Activities:				
- Fees receivable	3	42,024	-	**42,024**
- Other educational income	4	2,468	-	**2,468**
Other Trading Activities:				
- Other fees and external hiring		1,030	-	**1,030**
- Subsidiary trading income		707	-	**707**
Donations and legacies	5	1,152	98	**1,250**
Other Income	6	107	-	**107**
Total Income		47,488	98	**47,586**
Expenditure on:				
Charitable Activities		(44,743)	(3)	**(44,746)**
Raising Funds:				
- Other fees and external hiring		(1,310)	-	**(1,310)**
- Subsidiary trading expenditure		(591)	-	**(591)**
- Fundraising		(119)	-	**(119)**
Finance and Other Costs		(273)	-	**(273)**
Total Expenditure	7	(47,036)	(3)	**(47,039)**
Net (expenditure)		452	95	**547**
Transfer between funds		3	(3)	-
Other recognised losses:				
Re-measurement of the net defined benefit liability	21	1,457	-	**1,457**
Net Movement in Funds		1,912	92	**2,004**
Total Funds Brought Forward		39,503	776	**40,279**
Total Funds Carried Forward	18	41,415	868	**42,283**

26. Capital

The Company is limited by guarantee and does not have a share capital.

The Governors of Millfield ("the School") are the School's charity trustees under charity law and the directors of the charitable company. During the year the activities of the Governing Body were carried out through four committees. In addition to the committees some members of the Governing Body also act as trustees for Millfield Retirement Benefits Scheme and as directors of subsidiary companies (Millfield School Enterprises Limited and Millfield Overseas Limited). The members of the Governing Body who served in office as Governors during the year and subsequently are detailed below.

		(1)	(2)	(3)	(4)	(5)	(6)	(7)
Roland Rudd	**Chairman**		*					
Behdad Alizadeh	Appointed 17 June 2022							
Wim Bushell				*c			*c	
Richard Clark			*				*	
Nicola Della Valle				*				
Frances Dickens			*					
Stephen East		*c	*					
Richard Exley	**Deputy Chair**		*	*				
Tim Griffiths			*				*	*
Kate Griggs					*			
Claire Harvey					*			
Christopher Hirst				*	*c			
Chris Macdonald			*c					*
John Maudslay		*				*c		
Janet Mitchell					*			
Douglas Pinto		*				*		
Marc Simon		*						
Rosiji Soluade	Appointed 19 March 2021				*			
Richard Tovey	Resigned 22 March 2022	*			*			
Peter Warner		*			*			
Oliver Welsby		*			*			

*c denotes the current Chair of a committee or board.

1. Audit, Compliance and Risk Committee
2. Building and Finance Committee
3. Appointments Committee
4. Education Committee
5. Trustee, Millfield Retirement Benefits Scheme
6. Director, Millfield School Enterprises Limited
7. Director, Millfield Overseas Limited

OFFICERS - (key management personnel currently and throughout the year)

Gavin Horgan	Headmaster of Millfield Schools
Melissa Johnson	Finance Director of Millfield Schools
Dan Thornburn	Headmaster of Millfield Prep School (Appointed 1 January 2022)

COMPANY SECRETARY AND CLERK TO THE GOVERNORS
Rachel Summerhayes

REGISTERED OFFICE
Millfield
Street
Somerset
BA16 0YD

WEBSITE
www.millfieldschool.com

AUDITOR
Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

BANKERS
Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

SOLICITORS
Veale Wasbrough Vizards
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

MILLFIELD

England & Wales - Charity number 310283

Accounts

MILLFIELD

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

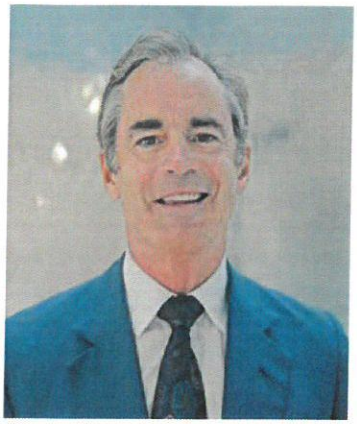
for the year ended

31 August 2021

Company number: 00522385
Registered Charity Number: 310283

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For the second year running, 2021 proved that there are remarkable levels of fortitude amongst the staff, parents and pupils at Millfield and Millfield Prep. Change was the watchword of the year, and everyone connected to Millfield has managed these changes with strength, calmness and overwhelming positivity.

The schools reopened in September 2020 after a substantial period of closure and operated under national restrictions throughout the Autumn term before closing again in January and February. I would like to thank staff for their resilience and dynamism, through the uncertainty they adapted and continued to provide an outstanding academic, pastoral and co-curricular experience for our pupils despite the challenges they faced. Their ability to continue to deliver at the highest levels has been instrumental in achieving the high levels of retention and recruitment achieved by the school in the past two years which lay an excellent base for future growth. Our pupils have been through extraordinary times too and we are so impressed by their resilience. Like all educational establishments we are mindful of the impact recent times have had on all of our community's wellbeing as we transition out from the pandemic.

During the year, the school launched the Discover Brilliance fundraising campaign by holding its very first Giving Day, a celebration of all the school has to offer to pupils. Millfield has a long tradition of philanthropy, dating back to the founding of the school. Looking ahead to Millfield's 100th anniversary in 2035, we have set an ambitious target of raising £100 million for scholarships and bursaries in the Discover Brilliance Fund to enable students from families with limited financial means to attend Millfield. A Millfield education is transformational. Children that attend the school routinely reach the highest levels in academia, sport, music, creative arts – wherever their passion lies, they can discover their brilliance: our aim is to work hand-in-hand with the Millfield Foundation, a charity established to enable children to benefit from a Millfield education, to create an endowment fund which will support 100 fully funded boarders. We pay thanks to all of our generous donors who have contributed to the Fund so far, and we look forward to an exciting year ahead.

Together, the strong pupil numbers and actions taken by the school have safeguarded the financial position over the course of the year, and the school has returned a small surplus.

Shirley Shayler, the hugely committed and popular headmistress of Millfield Prep retired at the end of the year after ten years at the helm and I would like to recognise her success and hard work throughout this time. She has been succeeded by Dan Thornburn who joined the school in January 2022 and I am confident that he will take to school to new heights.

The Governors would like to thank the whole Millfield community for their dedication and hard work in reaching a strong position for the school to move forwards from.



Roland Rudd

Chairman

The Governors present their Annual Report and Consolidated Financial Statements for the year ended 31 August 2021 and confirm that they comply with the requirements of the Charities Act 2011, the Companies Act 2006, and the Charities SORP FRS 102.

The Governing Body confirms that the financial statements comply with the charity's governing document, with current statutory requirements, with applicable accounting standards in the United Kingdom, and with the Charities Statement of Recommended Practice (FRS 102) – Second Edition. The Governors of Millfield ("the School") are the School's charity trustees under charity law and the directors of the charitable company. The School's Governors, advisors and key staff are set out on pages 44-45.

REVIEW OF THE YEAR

This report features the achievements of Millfield staff and students during the second Covid-19 pandemic year in education, a challenging year in which we adapted and formed new ways of learning to maintain the standard of education and opportunities at Millfield for our students. Never one to rest on its laurels, Millfield continued to thrive, and the Millfield spirit is more determined than ever.

The Millfield Way is an example to all schools around the world. We all felt disruption, but we rose to the challenge of making that disruption positive and beneficial and the resilience learned will be a key attribute needed in the world of work and in life. We were authentic about how we felt, brilliance shone through in astonishing ways, we developed new curiosities in the world we found ourselves in, we were kind and understanding of the different situations we were all learning in, and we have all grown in resilience.

Principal Achievements and Performance

Educational performance

Millfield is a large, non-selective independent school with around 1,275 students at the senior school site and 407 at the prep school site. Our students are a diverse cohort with around a quarter based overseas. The scale of our community, combined with the resources and facilities we offer, including below average class sizes, means our scale brings educational opportunity. Our unique selling point is the wide range of sporting and other activities, coaching and facilities that students enjoy alongside their academic education.

With an average year group size of 222 students in Year 11 and 298 students in the Upper Sixth, Millfield has a much larger number of candidates sitting GCSEs, A levels or equivalent Sixth Form courses, than other independent schools. For that reason, we publish results that reflect both the whole student group as well as our Top 100 highest achieving candidates. The Top 100 results show that this group regularly achieve grades which compare well with highly selective Schools.

In January 2021 it was announced that examinations would not go ahead in the usual format due to the levels of disruption that students have faced due to the pandemic. In late February we received confirmation that grading for GCSEs, A levels and BTECs would be determined by teachers, who would holistically evaluate a portfolio of evidence from each student. Students sat exams in the summer term at Millfield with teachers using published grade descriptors to determine each student's grade from their portfolio. Teacher judgements were subject to a rigorous process of internal moderation first at department level and then by the academic senior leadership team. After external moderation, all Millfield grades were endorsed by the exam boards.

A level or equivalent results	Top 100	Year Group
A* - A grades	88.0%	47.8%
A* - B grades	98.5%	73.4%
A* - C grades	99.6%	89.2%
A* - E grades	100.0%	99.9%

GCSE results	Top 100	Year Group
9-7 or A* - A grades	90.0%	55.7%
9-5 or A* - B grades	99.3%	87.9%
9-4 or A* - C grades	99.9%	96.4%
9-2 or A* - E grades	100.0%	99.9%

There were also strong results from students who took the Advanced Vocational Qualifications. In the four BTEC courses offered, the pass rate was 100% with 69% of entries achieving distinctions.

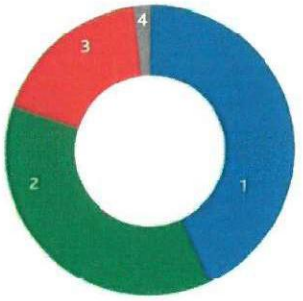
University Destinations

Every year we encourage students to apply to UCAS prior to leaving Millfield. This year, 91% of our leavers applied to UCAS, which was an all-time high, with 90% of them successfully obtaining places and the remainder taking a gap year and making post-results day applications, applying overseas or direct into creative arts-based courses, or going straight into employment or sport. All students who do not have any career or HE plans are offered 1:1 specialist career advice before leaving Millfield and are supported by the Careers Department and the Old Millfieldian Society after they leave.

This year saw 84 Millfield leavers confirming places into Russell Group universities, with an additional 9 Old Millfieldian's "OMs" achieving places via post-results applications. The most popular Russell Group choices this year were Exeter, Edinburgh, Cardiff and Durham. An additional 111 leavers achieved places at Times Top 30 institutions, including Bath, St Andrews, Loughborough and Royal Holloway.

32 of our leavers and 2 OMs won places at North American universities, including MIT, Princeton, Dartmouth College and UCLA; 18 of these achieved a mixture of academic and sporting scholarships including swimming, hockey, athletics, football, rugby and tennis. Places were also obtained at universities in Italy, Spain, New Zealand, South Korea, Turkey and China.

WHERE MILLFIELD STUDENTS GO



1 Russell Group & Times Top 30* – 43%
2 Other UK universities – 37%
3 USA and Canadian universities – 18%
4 Art Foundation, Drama & Music – 2%

*In addition to the Russell Group of universities, The Times top 30 (2021) includes other selective universities such as University of St Andrews, University of Bath and Loughborough University.

Students

A review of the students' principal achievements and performance in the year is available from the School's website in 'The Year at Millfield 2020/21' and 'The Year at Millfield Prep 2020/21' publications. These publications are an excellent roundup of all of the extraordianry opportunities that Millfield provides.

Millfield continues to develop two unique programmes, the "Year 9 Programme" and the "Sixth Form Programme". The Year 9 Programme is designed to help new students assimilate and absorb themselves into academic, sports, co-curricular and outdoor adventure activities. The programme assists in bringing them together and providing a platform for their development within the school. The outdoor adventure aspect allows them the opportunity to try things they might otherwise not experience and to participate in the Duke of Edinburgh Bronze Award challenge should they wish. The Sixth Form Programme recognises the academic, sporting and co-curricular opportunities already in place and complements these with the "EAGLES" programme of activities to assist the students' development as young adults across a range of areas.



Staff

The student: teacher ratio stands at 6.5:1 (2020: 6.4:1).

The School strives to recruit dynamic, high-quality staff across all areas, including teaching, sports coaches, welfare and support, and invests significant amounts of its income to recruit, retain and motivate staff.

Development of Facilities and Resources

Due to the continued impact of Covid-19, our capital investment during the year was lower than previous years and around £2.0 million was spent on capital investment largely to maintain the school's facilities and infrastructure. This included:

- Replacement of boilers, pumps, valves and AHU's operating the main pool. Energy efficient replacements and new building management systems controls to improve the control and fuel consumption of the pool plant (£0.6 million)
- Conversion of old Junior boys changing room and stewards store to create large changing provision for junior and senior girls incorporating showers, toilets, changing rooms, lockers, cleaners store and matrons' office (£0.3 million)
- Upgrade to North car park lighting, new CCTV cameras and power for electric vehicle charging points
- Conversion and refurbishment of the ground floor of The Cottage to create a Wellbeing Hub
- Alteration of dormitories in Millfield house to install new study bunks
- Replacement of all roof-mounted extraction ductwork to the main kitchens and dining hall

The School continuously reviews its long-term capital investment masterplan to ensure it retains best value academic, sports, boarding house, day house and welfare facilities.

Public Benefit

Millfield is committed to providing benefit to the public on a local, regional and national scale, with the main aim being to benefit children from a wide variety of backgrounds. The School does this by widening access through financial support, sharing facilities, resources and knowledge with local state schools, involvement in community projects, teacher development and offering life changing opportunities to disadvantaged children.

The School also brings significant economic benefits. On the basis of a model developed by Oxford Economics in conjunction with the Independent Schools Council, the School estimates that its economic impact on the UK and local economy is as follows:



Access, scholarships and bursaries

Scholarships and bursaries enable access to the school for talented students who would benefit from an education at Millfield. Scholarships may be supplemented with means-tested bursaries of up to 110%, to uphold our powerful principle of diversity that is the Millfield Mix, making sure that those children who would best benefit from a Millfield education and outstanding opportunities are able to do so. Every child matters, and at Millfield we are passionate in our goal to identify the potential in each individual and do everything we can to ensure they discover their brilliance.

In the year to 31 August 2021, the total value of scholarships and bursaries (excluding staff concessions) was £6.6 million (2020: £6.4 million), representing 13.1% of gross fee income (2020: 13.3%).

In addition to offering adjusted fees for the remote learning provision necessary for 7 weeks of spring term 2021, Millfield also supported parents of students whose finances were severely affected by the Covid-19 pandemic where it could. This was through a combination of "means-tested" short-term hardship awards and deferred payment arrangements. A number of our parents donated their fee adjustment and these gestures supported those in financial need.

Partnerships with state schools

Millfield is committed to developing partnerships with local state schools and colleges and specific initiatives this year included:

- Providing facilities for SAT test candidates for US university entrance
- Taking local children and teachers to Worley Hill, our SSSI, for guided walks and conservation experience
- Our Combined Cadet Force (CCF) programme with St Dunstan's School in Glastonbury. The programme involves over 100 cadets from all year groups, including 15 boys and girls from St Dunstan's School
- The United Schools project has managed to connect students both in our immediate community with a successful online mentoring programme helping local pupils' study for their GCSEs, and in Hangdewa, Nepal, where a growing letter exchange has seen some beautiful words, insights into differing cultures and stark realities fuel meaningful friendships

Community engagement

- It was Millfield's first ever Giving Day this year. On 26 & 27 May 2021, Giving Day brought together the whole Millfield community. We carried out lots of fun and exciting challenges to raise money for the Discover Brilliance Fund and more than £150,000 was raised
- Millfield launched an exciting campaign, Millfield Transform a Life x #TOGETHER FUND, to raise funds for bursaries to enable talented children to access a transformational education
- Glastonbury Food Bank boxes were produced by Millfield Prep parents and pupils and delivered to the food bank by Reverend Kitto when there were no services due to Covid restrictions

- Following the success of The Gratitude Project last year, Millfield Prep pupils decided to keep saying 'thank you' to those they appreciate. From making cards, baking cakes and doing chores to sponsored events, pupils showed their appreciation to family, community services and the school's staff. In total, including poppy sales for Remembrance Day and fundraising for Comic Relief, pupils raised a total of over £4,000 from their community and charity efforts
- Staff and members of the Millfield community donated over 50 Christmas food hampers to vulnerable local families in the Street area during the Christmas period. The joint initiative with Millfield's catering partner, Chartwells, aimed to ensure everyone had a special meal on Christmas day. Children at local schools in the Mendip area also received over 50 coats for winter
- A Millfield L6 student and his family supported their local community in New Delhi throughout lockdown, teaching rugby, American football, English and delivering goods
- More than 15,500 secondary school children from more than 300 schools across the UK travelled virtually to Australia, Iceland, Japan and Italy. This Ultimate School Trip was devised by Millfield's Deputy Head Alexandra Haydon. The Trip was open to students everywhere, and saw registrations from schools in Guernsey, Northamptonshire, Kent, Greater Manchester, Wales and even Nepal and Hong Kong
- A Millfield L6 has been supporting his local community by volunteering at a local vaccination centre. At the beginning of the pandemic, the student, alongside his brother who is in Year 11, delivered baked goods to hospitals, out of hours doctors surgeries and emergency services. The boys also contacted several warehouses and organised a delivery of drinks and fresh fruit directly to the emergency admissions department at their local hospital
- Almost 50 students partnered up with local care home residents on a virtual pen pal project to share letters and birthday cards during the pandemic. Millfield's 'Pen Pals Plus', saw over 100 cards and letters delivered to six local care homes in the Street and Glastonbury area and included over 83 residents



Supporting Charities

As well as supporting one local charity, one national charity and Lalibela High School in Ethiopia each year, Millfield fundraises for many other charities, including:

- Our AV team and equipment regularly support Wells Cathedral events
- Sales of Glastonbury 'Bridging the Gap' Christmas cards at Millfield Prep raised £240
- Millfield Prep pupils wore mismatched socks to support and raise awareness for Anti-Bullying Week. They were taught the importance of living by the school's value of 'Be Kind' and how an individuals' differences are valued at Millfield.
- The Millfield Prep 2020 production, 'Magic of Juniors at Christmas', raised money for Julia's House, which supports families who live in the knowledge that their child may not survive into adulthood
- Pupils at Millfield Prep and Millfield Pre-Prep enjoyed a non-uniform day in November, raising a total of £920 for Children in Need
- Millfield Prep Equestrian hosted an internal show jumping competition. Pupils from Year 2 in Pre-Prep up to Year 8 in Prep took part, with a total of 26 riders competing in fancy dress costumes and fun onesies. In total, the competition raised £550 for Children in Need
- At the beginning of May, in recognition of Captain Tom and his impressive money-raising feat to aid the NHS, Millfield Prep pupils took part in varying challenges. These included running 100 laps of the running track and doing 100 x 100m sprints in each tutor group, all to raise money for Young Minds, a charity that works closely with children who are struggling with their mental health. A total of £1,290 was raised
- Talented Millfield students took to the Meyer Theatre stage once again for this year's Showcase, which raised just over £7,600 for the schools three charities. The charities are selected by Millfield's pupil-led charity committee
- Millfield students raised £9,000 for our chosen charities Barnardos, Lalibela High School and Heads Up.

Promoting the Value of Sport to the Community

- Hosting, organising and providing facilities for clubs, schools and representative organisations, including swimming, athletics, hockey, netball, cricket, tennis, basketball, golf, football and fencing, as well as running lifeguard training courses
- Multi-activity courses are available for local children during school holidays
- Millfield Enterprises offer summer holiday sport and activity courses for children
- IAPS Netball Regionals were again hosted by Millfield, with schools attending from all over the south west
- Millfield hosted the remote Schools Biathlon competition and National Biathle



Promoting the Value of Drama, Music and the Arts to the Community

- Millfield concerts continue to be free for the local community. In addition, Millfield Music School continues to host several community-based music projects each year
- Determined not to let this year's restrictions prevent us from providing music for local care homes in the area, we recorded a concert featuring Year 8 soloists and created a DVD, which was sent to residential communities and care homes across Somerset
- Year 6 and Year 7 pupils had the opportunity to take part in 'The Great Big Art Exhibition', in which pupils created art on a national theme and exhibited their outcomes in their windows for the public to see.

Section 172 (1) Companies Act 2006

The Governors comply with the requirements of section 172 (1)(a)-(f) using the proven organisational management approach included within the Structure, Governance and Management section of this report (see page 12) as follows:

(a) "The likely consequences of any decision in the long term" – all strategic matters are considered by Governors in one or more of the four committee termly meetings with papers provided in advance by the Millfield Executive Group ("EG"). Once the matter has been considered and discussed, the relevant committee makes a formal recommendation to the Full Governing Body for it to consider at its meeting before a final decision can be made. This "three" tiered approach ensures strategic long-term decisions are rigorously considered.

(b) "The interests of the company's employees" - as a leading independent school, Millfield's employees and facilities are the key variables for its community. The approach to employee interests is included under the Employee Involvement and Equal Opportunities section on pages 13-14. The Head of HR is part of the Executive Group and employee matters are considered as appropriate at each of the four governor committee meetings as well as at full governing body meetings.

(c) "The need to foster the company's business relationships with suppliers, customers and others" – Millfield makes a significant contribution to the local economy as is evidenced from the data included under the Public Benefit section on page 7 and the Governors in both the "Building and Finance Committee" and "Audit, Compliance and Risk Committee" review processes and procedures in place to ensure consistency and fairness of approach in dealings with suppliers and customers.

(d) "The impact of the company's operations on the community and the environment" – as an independent school with charitable status, Governors appreciate the importance of our impact on the local community and the environment. Millfield takes this aspect very seriously as shown by the initiatives included within the "*Public Benefit*" sections on pages 7 to 10 of this report.

(e) "The desirability of the company maintaining a reputation for high standards of business conduct" – the Governors rely on the Executive Group ("EG") and the Senior Leadership Teams ("SLT") at Millfield to both maintain and comply with internal policies and procedures approved by the governor committees to ensure high standards of business conduct are maintained.

(f) "The need to act fairly as between members of the company" – The Governors, as members, sign a "Code of Conduct for Governors of Millfield School" which includes a requirement to comply with the Nolan principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership and there are policies and procedures in place to support the adherence to this code of conduct.

Future Plans

The School's strategic vision for the period 2019-2024 is available on the School's website at https://www.millfieldschool.com/discover-brilliance/purpose-vision-mission

The short-term strategic objectives for 2021/22 (*note Strategic plan objective highlighted **in bold***) include:

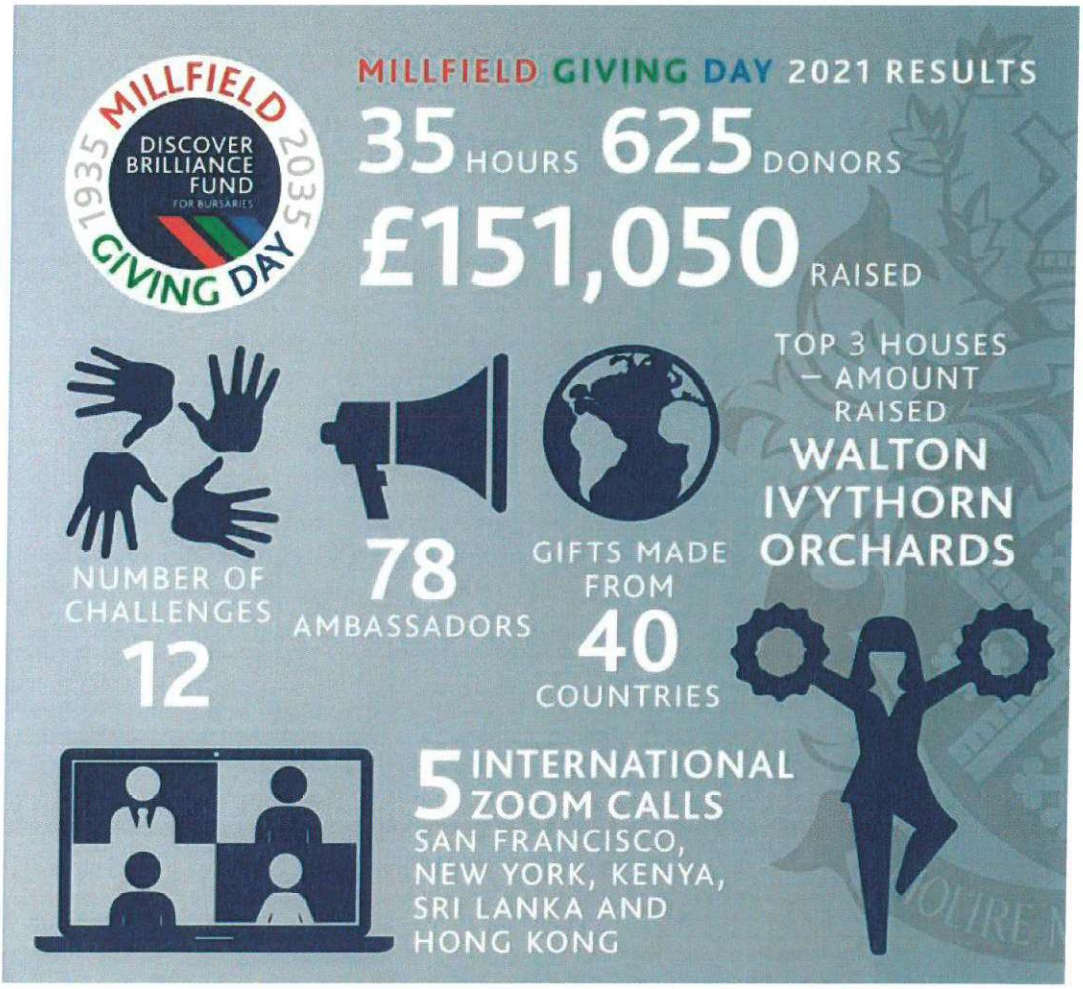
An exceptional academic experience for all children: specifically the development of the Brilliance Curriculum for each academic subject including a programme of events and competitions across the year; improved houseparent mentoring of pupils' academic progress; improve teacher personal development through enhanced CPD programmes both on subject knowledge and departmental leadership;

Provision of public benefit though effective partnerships – specifically looking to establish support for a Millfield sponsored Multi Academy Trust, develop a forum for promoting good practice across local schools, extend the reach of academic events including the "ultimate school trip" model as well as offering volunteering and mentoring opportunities to local schoolchildren;

Promote physical and mental health, happiness and wellbeing – a series of initiatives allowing time to reflect, recommit, re-engage and re-think so able to develop and flourish post the covid pandemic as well as a new Strategy for Sport looking at programme design, operational excellence and development pathways for different sports;

Sustainable financial model – work on building cash and reserves post pandemic, including ongoing development of the Discover Brilliance fundraising campaign which aims to raise £100 million endowment by Millfield's 100th year in 2035 and the short-term regeneration of our holiday income streams based on English Language Holiday Courses, sports courses, facility hire and major events;

We launched our Discover Brilliance Fundraising campaign in April 2021 and held our first "Giving Day" in May with the results highlighted below.



A key target for the coming years is to find funding for bursaries and create an endowment fund to support our desire to broaden access to a Millfield education.

Campus Master plan to provide the best school facilities – initially focussing on maintaining our current assets and looking to refurbish B Block, develop a new 6th Form centre and library and construct a "hybrid" sports pitch inside the athletics track.

Structure, Governance and Management

Governing Documents

Millfield ("the company" or "the School") is a company limited by guarantee, first incorporated as Millfield School Limited on 4 August 1953 and constituted under Memorandum and Articles of Association dated 9 November 1979 and last amended on 21 March 2014. It is also a registered charity, number 310283.

Group Structure and Relationships

The School provides independent (boarding and day) education for boys and girls between the ages of 2 and 7 years (Millfield Pre-Prep – day only), 7 and 13 years (Millfield Prep) and 13 and 18 years (Millfield).

In addition to its principal activity, the School also operates a wide variety of educational and recreational holiday courses, retail outlets and related activities, some of which are carried out through a trading subsidiary company, Millfield School Enterprises Limited. All surpluses from these activities are reinvested in the School for the benefit of its principal educational activity. The School also owns 100% of the share capital of Millfield Overseas Limited, a company incorporated on 21 December 2012 which has remained dormant since incorporation.

Investment Powers, Policy and Performance

There are no specific restrictions on the Governors' investment powers; where necessary Governors seek the advice of a qualified investment advisor prior to making any investments. At present no investments are held and cash reserves are held in short term deposits designed to achieve competitive returns at minimum risk.

Governing Body

The Governing Body is self-appointing. Governors are usually appointed for a three-year term of office. Retiring Governors are eligible for re-appointment. New Governors are appointed by the Governing Body on the recommendation of the Appointments Committee. Candidates are proposed by existing Governors on the basis of the expertise and experience they can offer the School, taking into consideration the regular skills audit of the Governing Body against the categories of skills deemed necessary by the Governing Body for providing proper strategic management oversight and control. The Governing Body seeks to have an appropriate balance of age, gender and ethnicity.

Governor training

Appropriate information and training, including safeguarding training, is provided to new Governors. They are provided with induction information, a Governors' Handbook and information on their responsibilities as a charity trustee. They meet for individual briefings with the members of the Executive Group, the Chairman of Governors and relevant senior staff members. The Governing Body recognises that new Governors must feel confident that they are equipped to meet their statutory and wider legal responsibilities and appropriately tailored courses and further information are made available to them through the Clerk to the Governors. Where appropriate, members of the Governing Body attend external trustee training and information courses designed to keep them informed and updated on current issues in the sector and regulatory requirements.

All Governors receive safeguarding training as part of their induction and receive regular updates. Indemnity insurance is in place for Governors. During the year, Millfield paid £389 (2020: £389) in respect of indemnity insurance for its Governors.

Organisational management

The members of the Governing Body, as the charity trustees, are legally responsible for the overall management and control of the School, including policy setting and strategic planning. The detailed work of the Governors is delegated to four committees, each of which operates under terms of reference which are approved by the Governing Body, and which are required to report to the full Governing Body on a regular basis.

- Audit, Compliance and Risk Committee
- Building and Finance Committee
- Appointments Committee
- Education Committee

In addition to the committees, certain members of the Governing Body also act as trustees for Millfield Retirement Benefits Scheme and as directors of Millfield School Enterprises Limited and Millfield Overseas Limited. Individual Governors also hold special responsibility for specific areas such as SEN, Staff Liaison, Sport and Public Benefit. There is also a designated Safeguarding Governor.

The day to day running of the School is delegated to the Headmaster of Millfield, the Headmistress of Millfield Prep School, the Finance Director of Millfield Schools, ("the Executive Group"), as key management personnel, who in turn are supported by Senior Leadership Teams ("SLT"). The Head of HR of Millfield Schools also forms part of the Executive Group and advises on matters related to staffing. The Heads and Finance Director attend meetings of the Governing Body's Committees.

Employee involvement and equal opportunities

The Governors are committed to ensuring that Millfield provides equality of opportunity in recruitment and employment. All applicants for employment and existing employees are treated by reference to their particular aptitudes, abilities and relevant qualifications and receive equal treatment as provided for by law regardless of sex (gender), sexual orientation, gender reassignment, marital status or partnership, race, religions or belief, age, disability or pregnancy/maternity.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools, to ensure the School remains sensitive to the broader issues of pay and employment conditions elsewhere. The School aims to recruit, develop and retain high quality teaching and support staff who support the School's ethos and objectives. Delivery of the School's charitable vision and purpose is primarily dependent on its key management personnel and staff; staff costs are the largest single element of the School's charitable expenditure.

Specific consideration is given to ensuring staff interests are considered by offering competitive:

- Remuneration packages which are reviewed annually: including salary, allowances and pensions.
- Benefits: holiday and sickness entitlement, life insurance, subsidised canteen and gym facilities, employee assistance program with associated perks provided via LifeWorks, free car parking. Support staff also benefit from long service holiday entitlement.
- Working environment: staff benefit from working in one of Millfield's two beautiful school campuses with the senior school based just outside Street and the prep school outside Glastonbury in Somerset.
- Professional Development: provided through support to attend courses, mentoring or opportunity.

The Governors welcome and encourage employee engagement and regularly attend meetings where current issues are discussed with staff. In addition, both teaching and support staff have a termly forum for issues to be raised and discussed with members of EG which Governors also attend where practicable. Millfield recognises and liaises with a number of teaching unions including the National Education Union ("NEU"), the National Association of Schoolmasters Union of Women Teachers ("NASUWT") on issues around pay, holiday and hours.

Extensive consultation and meetings continued during the year where both teaching staff and Governors discussed whether Millfield should continue its membership of the Teachers' Pension Scheme ("TPS"). It was concluded that Millfield would leave the TPS on 31 August 2021 and that teachers would be offered the opportunity to enrol in a defined contribution pension scheme with Legal & General from 1 September 2021.

Millfield recognises that disabled persons may have special requirements and makes reasonable adjustments to interview procedures, work arrangements, premises, equipment, job design, training and retraining to remove potential barriers to disabled employees in the working environment.

Millfield employs a large workforce engaged in a diverse range of teaching and support roles. Men and women are paid equally for doing equal jobs and our gender pay review for the year is as follows:

Women's average hourly pay is:	5 April 2021	5 April 2020	5 April 2019
Mean gender pay gap	22.7% lower	17.9% lower	24.1% lower
Median gender pay gap	37.6% lower	36.8% lower	31.7% lower

There has been a further reduction in the average full-time equivalent number of persons employed during the year to 632 (2020: 667). This reduction arose from staff reorganisation measures taken to reduce our cost base and this process continues. The overall impact for the year ended 31 August 2021 is a greater reduction in the absolute number of men compared to women employees, mainly in the skilled tradesperson category. As a result, there is an increase in the average pay as well as an upward movement in the median salary for the remaining, albeit reduced male workforce.

Number and proportion of men and women in each pay quartile:	Lower quartile	Lower middle quartile	Upper middle quartile	Upper quartile	Total
Number of employees - male	72	77	117	137	403
Number of employees - female	212	207	167	147	733
% of employees - male	25.4%	27.1%	41.2%	48.2%	35.5%
% of employees - female	74.6%	72.9%	58.8%	51.8%	64.5%

Efforts continue to encourage diversity in support roles (in particular cleaning, laundry, estates and grounds). We continue to work with individuals offering flexible working patterns where possible.

Bonuses:	
Proportion of men receiving a bonus	0.01%
Proportion of women receiving a bonus	0.00%
Mean bonus gender pay gap	100.00%
Median bonus gender pay gap	100.00%

Millfield does not have a culture of awarding bonuses, however, one individual employed for many years by the school continues to have this contractual arrangement in place.

Business relationships with suppliers, customers and others

The Governors' main focus during the Covid-19 pandemic has been to ensure Millfield continues to provide its educational services. The school was forced to close physically for most of spring term 2021 and move to the remote provision offered during summer term 2020. This second closure required further communication with suppliers, customers (being pupils and their parents), to confirm what it was doing and why.

For suppliers, early contact was made to confirm the impact of the physical school closure on both services and products required and the associated cashflow considerations. For parents, the communications centred on how remote learning would be provided, the level of fees charged as well as the mechanisms to apply for support where required.

Objects, Aims, Objectives and Activities

Charitable Objects

The School's principal activity is the education and pastoral care of its students, reflecting the objects set out in the Articles of Association, which are:

"to establish and maintain at Millfield in the County of Somerset, a School or Schools for the education of boys and girls, and young men and young women and to give to such students general or specialised instruction of the highest class but so that each such School shall be carried on as an educational charity and as an independent object to establish and acquire as a going concern, and carry on, support or manage elsewhere, any subsidiary or affiliated Schools".

In setting the School's objectives and planning activities the Governors have given due regard to the latest guidance on public benefit published by the Charity Commission.

Financial Review

Millfield generated a small surplus of £0.5 million compared to the deficit of £4.2 million for the year ended 31 August 2020. The movement of £4.7 million is explained by additional income of £2.0 million and savings in our cost base of £2.7 million through ongoing staff reorganisation and overhead savings. Millfield remains committed to maintaining broad access for talented students who would benefit from an education at its Prep and Senior schools, by offering financial support with the payment of fees to families who are otherwise unable to afford them. Bursaries totalling £3.6 million (2020: £3.6 million) were provided to students despite the strain on cashflow arising from the covid pandemic.

There is a pension liability of £6.0 million (2020: £7.9 million) as reported in accordance with Financial Reporting Standard Number 102 ("FRS 102") in respect of the Millfield Retirement Benefit Scheme (the Scheme) for some support staff as set out in note 22. The Scheme was closed to future benefit accrual and salary linkage on 31 December 2014. The School's trading subsidiary, Millfield School Enterprises Limited, contributed turnover, profit and net assets as outlined in note 12 to the Financial Statements.

Millfield's operating activities generated positive cash flow of £1.4 million compared with the shortfall of £0.5 million incurred 2020 as set out in note 23. The positive movement puts the cash generation comparative to 2019 levels. After considering investing and financing activities, there was a £5.2 million net inflow of funds during the year (2020: £2.0 million net outflow). This improvement in cash reserves is largely due to the freeze on capital investment together with an increase in the level of fees in advance and deposits received.

Fundraising

As part of its operations the School engages in fundraising activities to seek donations from former students, parents and other members of the School community. The School complies with the Fundraising Regulator's code of practice and seeks to build positive long-term relationships with potential donors. Fundraising is conducted through the School's foundation office. There are no matters to report under the Charities (Protection and Social Investment) Act 2016.

Reserves

The Governors' policy is to examine the needs, risks and challenges faced by the School in both the short and medium terms along with relevant financial plans and forecasts and to establish reserves sufficient to meet these requirements including the School's longer-term capital expenditure commitments and any longer-term financial obligations, including the actuarially calculated funding deficit on the School's defined benefit pension scheme that under FRS102 is accrued as a liability. This policy is reviewed on a regular basis and monitored in line with the buildings development programme, which is funded from operating surpluses and a fixed term loan.

Reserves as at 31 August:	Note	2021 £ million	2020 £ million
Total Funds	19	42.3	40.0
Less: Restricted Funds	19	(0.9)	(0.8)
Unrestricted Funds	19	41.4	39.2
Less: unrestricted tangible fixed assets	11	(59.4)	(62.9)
Free Reserves		**(18.0)**	**(23.7)**

Free Reserves:
There are no free reserves, but Governors are satisfied with this position given that a bank overdraft facility of £10 million remains in place together with anticipated future cash flows.

Included in free reserves is the actuarially calculated funding deficit of £6.0 million (2020: £7.9 million) on the School's defined benefit pension scheme that under FRS102 is accrued as a liability. It is intended this liability be repaid from operating cash flows, in accordance with the recovery plan agreed between the Governors and the Pension Scheme Trustees.

Restricted Funds:
The restricted funds comprise donations earmarked by the donors, or the terms of an appeal, for specific purposes. Restrictions are legally binding on the Governors.

The Governors expect the present level of activities to be sustained at broadly the same level for the current year despite the challenging environment and the financial position. The Governors do not envisage there being any difficulty in meeting current and/or future obligations of the Charity and note there is no financial dependence on key donors.

Streamlined Energy and Carbon Reporting (SECR)

Summary of data for the year

All figures have been quoted in terms of Carbon dioxide equivalent. CO2e is a term for describing different greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO2e signifies the amount of CO2 which would have the equivalent global warming impact.

	2020/21	**2019/20**
Energy Use kWh*	20,515,536 kWh	16,981,349.6 kWh
Associated Tonnes: CO2 equivalent**	4,578 tonnes CO2e	4,005 tonnes CO2e
Intensity Ratio: Emissions per capita (staff & students)	1.85 tonnes CO2	1.58 Tonnes CO2

** Energy use kWh includes heating, lighting, mileage and fuel (not water and refrigerant gases) across the group of Millfield Schools.*
***Associated Tonnes CO2 does include water and refrigerant gases in its total. Associated Greenhouse gases have been calculated using the GHG Reporting Protocol – Corporate Standard with the DEFRA conversion factors issued in May 2021*

Breakdown of energy between utilities and transport & other:

Tonnes CO2e	**2020/21**	**2019/20**
Electricity	908	990
Gas	2,453	1,979
Oil	634	435
LPG	235	178
Fuel & mileage	173	185
Water	62	68
Refrigerant gases	113	170
Total	4,578	4,005

Energy efficiency measures

In the year 2020/2021, the following energy efficiency actions were undertaken:

- £585k was invested in the supply and installation of a new plant and building management control for the indoor swimming pool at the senior school. The old plant was at end of life and this will now allow the boilers and air handling units to operate at optimal levels when the pool is not in use i.e. during the night-time and some holiday periods.
- Four electrical vehicle charging points have been installed in the North Car Park in order to support and encourage staff and visitors to Millfield with the use of electric and hybrid vehicles.
- £250k has been invested on insulating large areas of un-insulated flat and pitched roofs to reduce energy through unnecessary heat loss
- The LED lighting upgrade program continued

Plans for energy efficiency in the year ahead

- £170k has been ring fenced for capital upgrades to numerous lighting systems with modern energy saving LED fittings and automatic absence and presence detection which overcomes the human error of leaving lights switched on and resultant energy waste
- Upgrading the B Block teaching facility will include the use of more energy efficient heating and cooling systems, LED lighting upgrades and improved roof insulation.
- The upgrade of poor roof insulation across both school sites will continue.
- Funds of £130k have been set aside to undertake feasibility studies to move some campus and boarding buildings from gas fired heating and hot water to alternative forms including Air Source Heat Pumps, Photovoltaics and Solar Thermal systems.
- Plans have been made to refurbish and renovate all windows at Kingweston House (Grade II Listed) to include draught seals in order to help mitigate heat loss from the building.
- The school is focused on a 'fabric first' approach to optimise energy efficiency across its sites

Risk Management

The Board of Governors is responsible for the management of risks faced by Millfield. An ongoing process has been established for identifying, evaluating and managing these and a risk management policy is in place. The key controls used include:

- Formal agendas and minutes for all Committee and Board activity
- Clearly defined organisational responsibilities
- Comprehensive risk register
- Comprehensive strategic planning, revenue and capital budgeting, cash flow and management accounting
- Formal written policies
- Clear authorisation and approval levels
- Compliance with statutory requirements and external guidelines as appropriate
- Safeguarding procedures, as required by law, for the protection of children

Detailed considerations of risk are delegated to the Audit, Compliance and Risk Committee. This Committee, assisted by the School's executive management team, has identified and prioritised the key risks and a strategy for dealing with them has been approved by the Board of Governors. A formal review of risks will continue to be undertaken on at least an annual basis and documented in a risk register. Through the above risk management procedures the Governors are satisfied that the principal risks identified below have been adequately addressed where necessary. It is recognised, however, that systems can only provide reasonable but not absolute assurance that major risks have been appropriately managed.

Millfield has previously identified six key strategic risks:

1. Government policy

Independent Schools have been the subject of ongoing discussions by government. There remains a risk that changes to government policy targeted to Independent Schools (such as amendments to VAT legislation on educational supplies, business rates relief, levy charges) would have a significant impact on Millfield's ability to operate, and links closely with another key strategic risk of affordability. This in turn could have a large impact on the demand for places, and therefore on fee income. Millfield mitigates this risk by regularly reviewing its reserves policy, by preparing long-term forecasts which include contingency planning in the event of changes in policy and by taking an active role in supporting the Independent Schools Council in promoting public affairs and parliamentary engagement on behalf of the sector.

2. Financial viability

There is increasing pressure on the operational running costs of the School, including staffing, facilities and utilities. Millfield has to balance the investment it makes in its staff and facilities with its funding, the key source of which is fee income. To ensure all its commitments are met, Millfield has robust management processes. These include forecasting pupil numbers, detailed budgeting and cash flow projections which are prepared by the Executive Group and subject to detailed scrutiny by Governors. Progress against this plan is monitored continually by the Executive Group and termly by Governors.

3. Affordability

Millfield operates in a very competitive market and is conscious that the cost of private education is increasingly beyond the financial means of many families. In addition, affordability of fees and therefore pupil numbers could be affected by macro-economic factors. Recognising this, Millfield retains its focus on achieving value for money in every area of its operations, and is committed to building funds to safeguard its scholarship and bursary support for families who otherwise would not be able to access a Millfield education.

4. Safety and security of pupils, staff and premises

Millfield aims to provide a safe and secure environment. To do this it has in place detailed policies and procedures including in the areas of safeguarding children, anti-bullying, health and safety, physical security, cyber-security, wellbeing, data protection and critical incident management. These are regularly reviewed by Governors. Staff and pupils are provided with detailed training, as appropriate, to ensure these policies are adhered to across Millfield.

5. Recruitment and retention of key staff

Millfield relies on its ability to recruit and retain high quality staff to carry out its charitable activities and achieve its objectives. In order to achieve this Millfield provides a comprehensive range of financial and non-financial benefits to staff, including competitive salaries, training and development opportunities, use of school facilities and a wellbeing programme.

6. Effectiveness of Governance

The Governors recognise that strong governance is essential to Millfield's success. In order to ensure that governance is effective Millfield recruits Governors based upon a skills matrix. Comprehensive induction and refresher training is provided to Governors. Committee structures are in place supported by clear terms of reference. Governors actively monitor implementation of policies and compliance within the School. A biennial process of self-evaluation is undertaken by the Board of Governors.

Covid-19

As we emerge from the second winter of the pandemic, the outlook is a little more certain. Vaccines mean the potential illness severity across the general population is reduced. Travel and venues are generally opening up in the UK and school life is starting to return to normal after two periods of remote provision (summer term 2020 and spring term 2021). Millfield has reorganised and changed the way it operates during the pandemic. Assuming pupils number remain stable, Millfield is in strong financial position and so Governors believe the going concern basis should continue to be adopted for these accounts.

Statement of Governors' Responsibilities

The Governors (who are also directors of Millfield for the purposes of Company law) are responsible for preparing the Report of the Governing Body (incorporating the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Governors 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing the School's aims and objectives and in planning the School's future activities. In particular, the Governors have considered how planned activities will contribute to the aims and objectives they have set.

In so far as the Governors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Governors 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.

The Report (incorporating the Strategic Report) was approved by the Board of Governors of Millfield on 18 March 2022 and signed on its behalf by:



Roland Rudd
Chair of Governors

Opinion

We have audited the financial statements of Millfield for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement 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 group's and of the parent charitable company's affairs as at 31 August 2021 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group'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 Chairman's Statement and the Report of the Governing Body. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governing Body (which incorporates the strategic report and the directors' report).

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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 group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to independent school regulations, safeguarding regulations, health and safety laws, GDPR, employment law, charity law and company 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 Companies Act 2006 and the Charities Act 2011, and considered other factors such as payroll taxes and VAT.

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 improper recognition of revenue and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- 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 a selection of journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

Use of our report

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

Tracey Young

Tracey Young (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date: 22.3.22

10 Queen Street Place
London
EC4R 1AG

CONSOLIDATED STATEMENTS OF FINANCIAL ACTIVITIES
for the year ended 31 August 2021

	Note	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2021 £'000**	**Total 2020 £'000**
Income from:					
Charitable Activities:					
- Fees receivable	3	42,024	-	**42,024**	**39,820**
- Other educational income	4	2,468	-	**2,468**	**2,921**
Other Trading Activities:					
- Other fees and external hiring		1,030	-	**1,030**	**409**
- Subsidiary trading income		707	-	**707**	**549**
Investment income	5	-	-	**-**	**22**
Donations, grants and legacies	6	1,152	98	**1,250**	**1,745**
Other income	7	107	-	**107**	**104**
Total Income		47,488	98	**47,586**	**45,570**
Expenditure on:					
Charitable Activities		(44,743)	(3)	**(44,746)**	**(47,240)**
Raising Funds:					
- Other fees and external hiring		(1,310)	-	**(1,310)**	**(1,150)**
- Subsidiary trading expenditure		(591)	-	**(591)**	**(503)**
- Fundraising		(119)	-	**(119)**	**(142)**
Finance and Other Costs		(273)	-	**(273)**	**(719)**
Total Expenditure	8	(47,036)	(3)	**(47,039)**	**(49,754)**
Net income /(expenditure)		452	95	**547**	**(4,184)**
Transfers between funds	19	3	(3)	**-**	**-**
Other Recognised Gains/(Losses):					
Re-measurement of the net defined benefit pension liability	22	1,457	-	**1,457**	**124**
Net Movement in Funds		1,912	92	**2,004**	**(4,060)**
Total Funds Brought Forward		39,503	776	**40,279**	**44,339**
Total Funds Carried Forward	19	41,415	868	**42,283**	**40,279**

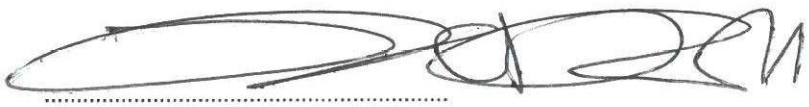
All amounts relate to continuing operations.
Comparative table included on page 42, note 26.

The notes on pages 26 – 43 form part of these financial statements.

	Note	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Fixed Assets					
Tangible fixed assets	11	59,378	62,903	59,364	62,903
Investments	12	-	-	325	325
		59,378	62,903	59,689	63,228
Current Assets					
Stocks	13	315	294	-	-
Debtors	14	1,377	1,191	1,263	1,111
Cash at bank and in hand		11,245	6,000	11,223	5,976
		12,937	7,485	12,486	7,087
Creditors: amounts falling due within one year	15	(18,185)	(17,677)	(18,081)	(17,625)
Net Current liabilities		(5,248)	(10,192)	(5,595)	(10,538)
Total Assets Less Current Liabilities		54,130	52,711	54,094	52,690
Creditors: amounts falling due after more than one year	16	(5,825)	(4,500)	(5,825)	(4,500)
Net Assets Excluding Pension Liability		48,305	48,211	48,269	48,190
Defined benefit pension liability	22	(6,022)	(7,932)	(6,022)	(7,932)
Net Assets		42,283	40,279	42,247	40,258
Funds					
Unrestricted funds - General		47,437	47,435	47,401	47,414
- Pension reserve	22	(6,022)	(7,932)	(6,022)	(7,932)
	19	41,415	39,503	41,379	39,482
Restricted funds	19	868	776	868	776
Total Funds		42,283	40,279	42,247	40,258

The parent company's net expenditure for the year, before movement in the pension reserve was £4,284,000 (2020: net expenditure £4,362,000).

The financial statements were approved and authorised for issue by the Board of Governors of Millfield on 18 March 2022 and signed on its behalf by:



Roland Rudd
Chair of Governors

The notes on pages 26-43 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 August 2021

	Note	2021 £'000	2020 £'000
Operating Activities			
Cash generated from/(used by) operations	23	1,389	(529)
Investing Activities			
Interest received		-	22
Purchase of tangible fixed assets	11	(1,960)	(4,901)
Proceeds on sale of tangible fixed assets		23	717
Net cash used in Investing Activities		(1,937)	(4,162)
Financing Activities			
Repayment of borrowings		(622)	(581)
Interest paid		(61)	(103)
Receipts from new advance fee contracts		6,516	3,597
Advanced fees repaid		(40)	(192)
Net cash generated from Financing Activities		5,793	2,721
Change in cash and cash equivalents in year		5,245	(1,970)
Cash and cash equivalents at beginning of the year		6,000	7,970
Cash and cash equivalents at end of the year		11,245	6,000
Relating to:			
Bank balances included in cash at bank and in hand		11,245	6,000

Analysis of movements in net cash	**2020**	**Cash flows**	**Other Movements**	**2021**
	£'000	£'000	£'000	£'000
Cash at bank and in hand	6,000	5,245	-	11,245
Total cash and cash equivalents	6,000	5,245	-	11,245
Loan (Due in less than one year)	(622)	622	(654)	(654)
Loan (Due after more than one year)	(654)		654	-
Total	4,724	5,867	-	10,591

The notes on pages 26-43 form part of these financial statements.

1. General Information & Principal Accounting Policies

Millfield Limited ("the Company") is a company limited by guarantee domiciled and incorporated in England. The address of the Company's registered office and principal place of business is Millfield, Street, Somerset, BA16 0YD.

The School consolidated accounts consist of the Company and all of its subsidiaries detailed in note 12. The Company's and subsidiary's principal activities and nature of operations are detailed on page 12.

A summary of the more important accounting policies, including those affecting the most significant items in these financial statements, is set out below:

a) *Basis of accounting*

The accounts have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice and FRS 102 – Second Edition. The School is considered to be a Public Benefit Entity under FRS102. The accounts are drawn up on the historical cost basis of accounting. Monetary amounts in these accounts are rounded to the nearest £'000 except where otherwise indicated.

b) *Reduced disclosure*

In accordance with FRS 102, the charity has taken advantage of the exemption from the following disclosure requirements:

- Section 7 'Statement of Cash flows' – Presentation of a charity only Statement of Cash Flow and related notes and disclosures

The financial statements of the charity are consolidated in the financial statements of Millfield. The consolidated financial statements of Millfield School are available from its registered office.

c) *Basis of consolidation*

The group consolidates on a line by line basis the financial statements of the charity and its subsidiary undertakings made up to 31 August 2021. All intragroup transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

The consolidated financial statements are presented in sterling which is also the functional currency of the Company and its subsidiaries. As permitted by Section 408 of the Companies Act 2006, the parent company's income and expenditure account has not been included in these financial statements.

d) *Going concern*

The accounts are approved during a period when there remains some uncertainty as a result of the ongoing coronavirus pandemic (Covid -19). The ultimate impact of Covid-19 on the UK and the world's economy and the School is yet to be seen. However, having reviewed the funding facilities available to the School together with the expected future cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the School's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

e) *Funds*

The restricted funds comprise donations earmarked by the donors, or the terms of an appeal, for specific purposes. Unrestricted funds are expendable at the discretion of the Governors in furtherance of the objects or administration of the charity. Designated funds comprise unrestricted funds, which are earmarked for particular purposes by the Governors.

f) *Fees and similar income*

Fees receivable, charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School.

Fees for education to be provided in future years are carried forward as deferred income in the balance sheet. These fees are released to the Statement of Financial Activities over the period in which the School provides the services in future years. Fee receivable under the School's Advanced Fee scheme attract interest, which is charged to the Statement of Financial Activities, in the period over which the advance fee creditor is released to fee income.

g) *Donations*

Donations receivable for the general purpose of the School are credited to unrestricted funds. Donations for purposes restricted by the wishes of the donor are taken to restricted funds where these wishes are legally binding on the Governors. All donations are recognised when the economic benefit is considered probable and can be measured reliably.

Grants received under the furlough scheme have been accounted for on the accruals basis, when the employees were placed on temporary leave.

h) *Expenditure*

Expenditure is accrued as soon as a liability is considered probable. Expenditure is allocated to expense headings on a direct cost basis, with staff costs being allocated according to the estimated time spent by staff working in relevant departments. The irrecoverable element of VAT is included within the item of expense to which it relates.

i) *Operating leases*

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

j) *Stocks*

Stocks are stated at the lower of cost and estimated selling price less cost to complete and sell. In general, cost is determined on a weighted average cost basis. At each reporting date the School assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell, is recognised as an impairment in profit or loss. Reversal of impairment losses are also recognised in profit or loss.

k) *Investments*

The School has elected to hold investments in subsidiary undertakings at cost less impairment. Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversal of impairment losses are recognised immediately in the SOFA.

l) *Tangible fixed assets*

Expenditure on fixed assets is capitalised except for expenditure incurred on the replacement of assets of low value with a short life. Subsequent costs of repair, renovation and replacement expenditure are written off as incurred in the Consolidated Statement of Financial Activities ("SOFA"), unless it is probable that such costs will generate future economic benefits. Items costing less than £5,000 are written off as an expense as acquired.

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	Straight Line Basis %
Freehold land	-
Freehold property	2 – 4
Extensions and improvements to buildings	10
Fixtures, fittings and equipment	15
Computers	33 1/3
Motorised plant and vehicles	15
Assets under construction	-

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired, and if such conditions exist, the School estimates the recoverable value of the asset. Any shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairment losses.

m) *Financial Instruments*

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument, and are offset only when the group has a legal enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise and settle the liability simultaneously.

Financial assets
Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairments losses.

Financial liabilities
Financial instruments are classified as liabilities according to the substance of the contractual arrangements entered into. Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Borrowings
Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

n) *Retirement benefits*

Retirement benefits to employees of the group are provided through three pension schemes, two defined benefit, and one defined contribution:

i. The Teachers' Pension Scheme (a defined benefits scheme) at rates set by the Scheme Actuary and advised to the Governors by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme.

ii. The Millfield Retirement Benefit Scheme (a defined benefit scheme) was closed to new members on 1 September 2005, and closed to future accrual and salary linkage on 31 December 2014. This scheme is accounted for as a defined benefit scheme, with the annually calculated notional surplus or deficit on the funding of the Scheme shown in the financial statements as a liability entitled "Pension Reserve", which is deducted from Unrestricted Funds in the balance sheet.

iii. The Millfield School Work Save Pension Plan is a defined contribution scheme.

Defined contribution plans
For defined contribution schemes the amount charged to expenditure is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Defined benefit plans
For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method.

Liability
The net liability represents the present value of the defined benefit obligation minus the fair value of the plan assets out of which obligations are to be settled.

The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains or losses

Gains or losses recognised in the statement of financial activities:
- The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost.
- The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.
- Net interest on the net defined liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligations.
- Actuarial gains and losses
- The difference between the interest income on the plan assets and the actual return on the plan assets

o) *Critical accounting estimates and areas of judgement*

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

In valuing the deficit on the School's defined benefit pension scheme judgements need to be made by management as to what are the most appropriate assumptions to use in the valuation. The closing deficit was £6.0 million (2020: £7.9 million) and the adoption of different assumptions could have a material impact on the deficit.

2. Net Income/(Expenditure)

	2021 £'000	2020 £'000
Net Income/(Expenditure) is stated after charging:		
Auditor's remuneration for:		
- External Audit (Company £37,830 (2020: £36,240))	38	40
- Taxation - compliance services to the Company and its subsidiaries	2	2
- Pension scheme audit	8	7
Depreciation of tangible fixed assets	5,475	5,585
Operating lease costs	111	113
Profit on disposal of tangible fixed assets	(13)	717
Stock		
- Amounts expensed to cost of sales	332	303
- Impairment losses recognised in cost of sales	1	4
Interest payable		
- Loan interest	61	103
- Net interest on the net defined benefit pension liability	130	138
- Interest on fees in advance	69	69

3. Fees Receivable

	2021 £'000	2020 £'000
School fees	50,799	48,356
Less: Scholarships	(3,048)	(2,805)
Bursaries	(3,592)	(3,636)
Other concessions	(2,135)	(2,095)
	42,024	39,820

4. Other Educational Income

	2021 £'000	2020 £'000
Registration and acceptance fees	341	337
Travel, School trips, examination fees and other charges to students	2,127	2,584
	2,468	2,921

5. Investment Income

	2021 £'000	2020 £'000
Bank and other interest	-	22

6. Donations, Grants and Legacies

	2021 £'000	2020 £'000
Donation income	219	(715)
Donation (refunds)		
Coronavirus JRS Government Grant	1,031	2,460
	1,250	1,745

The Charity Commission approved the return of donations on the Millfield Centre project and an amount of £32k (2020: £759k) is included within donation income/(refunds).

7. Other Income

	2021 £'000	2020 £'000
Interest on overdue fees	29	28
Rents received	78	76
	107	104

8. Analysis of Expenditure

	Staff costs £'000	Other £'000	Deprec -iation £'000	2021 Total £'000	2020 Total £'000
Charitable activities:					
Teaching costs	22,059	1,827	474	24,360	25,131
Welfare	2,824	3,921	90	6,835	6,392
Premises	1,804	2,808	4,520	9,132	10,882
Support costs of Schooling	2,593	1,355	389	4,337	4,771
Governance costs	-	82	-	82	64
Total Charitable Activities	29,280	9,993	5,473	44,746	47,240
Raising Funds:					
Ancillary fees and external hiring	862	448	-	1,310	1,150
Subsidiary trading expenditure	188	401	2	591	503
Fundraising	79	40	-	119	142
Finance and other costs	-	273	-	273	719
Total Expenditure	30,409	11,155	5,475	47,039	49,754

Prior year Analysis of Expenditure

	Staff costs £'000	Other £'000	Deprec -iation £'000	2020 Total £'000	2019 Total £'000
Charitable activities:					
Teaching costs	22,027	2,588	516	25,131	25,106
Welfare	2,653	3,637	102	6,392	8,257
Premises	2,290	4,057	4,535	10,882	10,134
Support costs of Schooling	2,758	1,581	432	4,771	4,902
Governance costs	-	64	-	64	77
Total Charitable Activities	29,728	11,927	5,585	47,240	48,476
Raising Funds:					
Ancillary fees and external hiring	748	402	-	1,150	4,676
Subsidiary trading	138	365	-	503	723
Fundraising	58	84	-	142	160
Finance and other costs	-	719	-	719	518
Total Expenditure	30,672	13,497	5,585	49,754	54,553

9. Employee Information

	2021 Group Number	2020 Group Number	2021 Company Number	2020 Company Number
The average number of persons (full-time equivalent) employed during the year was:				
Teaching and coaching	258	266	258	266
Administration and support	374	401	367	394
	632	667	625	660
The average number of persons employed by the group during the year was:	999	1,053	988	1,049
Staff costs (for the above persons)	£'000	£'000	£'000	£'000
Wages and salaries	24,677	25,068	24,813	24,942
Social security costs	2,251	2,118	2,242	2,111
Defined benefit pension costs	2,910	2,927	2,910	2,927
Defined contribution pension costs	571	559	564	553
	30,409	30,672	30,529	30,533
Aggregate employee costs of key management personnel (including salary, benefits, pension contributions and national insurance)	761	583	761	583

The total amount relating to termination payments during the year was £308,000 (2020: £280,000). These amounts relate to agreements made with employees to end employment contracts.

The number of employees whose emoluments (excluding pension contributions) exceeded £60,000 were:

	2021 Number	2020 Number
£60,001 - £70,000	45	36
£70,001 - £80,000	14	9
£80,001 - £90,000	5	5
£90,001 - £100,000	1	-
£100,001 - £110,000	1	2
£110,001 - £120,000	-	1
£130,001 - £140,000	1	1
£220,001 - £230,000	-	1
£230,001 - £240,000	1	-
£280,001 - £290,000	1	-

No emoluments were paid to the Governors in respect of their services to Millfield during the year, nor have they received any other form of disclosable trustee benefit (2020: nil). During the year,13 (2020: 12) Governors were reimbursed expenses totalling £5,355 (2020: £7,853) for travel and subsistence and the School paid £389 (2020: £389) for Governors indemnity insurance.

10. Taxation

The Company is a registered charity, and as such is entitled to tax exemptions on income and gains, properly applied for its charitable purposes.

11. Tangible Fixed Assets (Group)

	Freehold Property £'000	Assets under construct-ion £'000	Extensions and improve-ments to buildings £'000	Fixtures Fittings and Equipment £'000	Computers £'000	Motorised Plant and Vehicles £'000	Total £'000
Cost							
At 1 Sept 2020	76,907	888	30,053	7,205	2,881	801	118,735
Additions	-	815	452	172	521	-	1,960
Transfers	-	(889)	807	82	-	-	-
Disposals	-	-	(1,994)	(937)	(969)	(5)	(3,905)
At 31 Aug 2021	76,907	814	29,318	6,522	2,433	796	116,790
Depreciation							
At 1 Sept 2020	31,241	-	16,450	4,961	2,537	643	55,832
Charge for year	1,573	-	2,743	680	437	42	5,475
Disposals	-	-	(1,994)	(930)	(969)	(2)	(3,895)
At 31 Aug 2021	32,814	-	17,199	4,711	2,005	683	57,412
Net book value							
At 31 Aug 2021	44,093	814	12,119	1,811	428	113	59,378
At 1 Sept 2020	45,666	888	13,603	2,244	344	158	62,903

Tangible Fixed Assets (Company)

	Freehold Property £'000	Assets under construct-ion £'000	Extensions and improve-ments to buildings £'000	Fixtures Fittings and Equipment £'000	Computers £'000	Motorised Plant and Vehicles £'000	Total £'000
Cost							
At 1 Sept 2020	76,907	888	30,053	7,200	2,841	774	118,663
Additions	-	815	452	172	505	-	1,944
Transfers	-	(889)	807	82	-	-	-
Disposals	-	-	(1,994)	(937)	(969)	(5)	(3,905)
At 31 Aug 2021	76,907	814	29,318	6,517	2,377	769	116,702
Depreciation							
At 1 Sept 2020	31,241	-	16,450	4,956	2,497	616	55,760
Charge for year	1,573	-	2,743	680	435	42	5,473
Disposals	-	-	(1,994)	(930)	(969)	(2)	(3,895)
At 31 Aug 2021	32,814	-	17,199	4,706	1,963	656	57,338
Net book value							
At 31 Aug 2021	44,093	814	12,119	1,811	414	113	59,364
At 1 Sept 2020	45,666	888	13,603	2,244	344	158	62,903

The net book value of the Group and Company tangible fixed assets includes an amount of £4,288,098 (2020: £4,288,098) in respect of freehold land which is not depreciated. Included within the Group and Company's freehold property are assets which are licenced to the subsidiary under operating leases, where Millfield acts as the lessor, with a net book value of £172,353 (2020: £178,982).

12. Fixed Asset Investments

Company	2021 £'000	2020 £'000
Interest in group undertakings at cost	325	325

The Company had the following subsidiary undertakings, at the year-end, all with the common registered office on page 45:

	Millfield Overseas Limited	Millfield School Enterprises Limited	Millfield Overseas Limited	Millfield School Enterprises Limited
	2021	2021	2020	2020
Nature of business	Dormant	Service	Dormant	Service
Company number	08339295	01553104	08339295	01553104
Proportion of nominal value of issued shares held by the Company	100%	100%	100%	100%
Country of incorporation	England	England	England	England
Results for the Subsidiary as at the 31 August				
	£'000	£'000	£'000	£'000
Net assets	-	361	-	346
Turnover	-	998	-	898
Expenses		(921)		(835)
Profit		77		63
Distribution	-	(62)	-	(166)
Net Profit for financial year	-	15	-	(103)

The results of the subsidiary entities have been included in these consolidated financial statements. Millfield Overseas Limited was incorporated on 21 December 2012 and remains dormant.

13. Stocks

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Goods for resale	315	294	-	-

14. Debtors: amounts falling due within one year

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade debtors	954	550	815	527
Other debtors	7	356	7	356
Amounts due from subsidiary	-	-	79	-
Prepayments	416	285	362	228
	1,377	1,191	1,263	1,111

15. Creditors: amounts falling due within one year

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Fixed term bank loan (see note 17)	654	622	654	622
Amounts received under advance fee scheme (see note 18)	5,662	2,827	5,662	2,827
Amount due to subsidiary	-	-	-	101
Trade creditors	1,118	893	1,015	740
Taxation and social security costs	954	1,134	954	1,134
Other creditors	3,799	3,971	3,799	3,971
Accruals	644	1,670	643	1,670
School fees paid in advance	4,609	5,659	4,609	5,659
School fee deposits held	745	901	745	901
	18,185	17,677	18,081	17,625

16. Creditors: amounts falling due after more than one year

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Fixed term bank loan (see note 17)	-	654	-	654
Amounts received under advance fee scheme (see note 18)	1,371	1,301	1,371	1,301
School fees deposits held	4,454	2,545	4,454	2,545
	5,825	4,500	5,825	4,500

17. Fixed Term Bank Loan – Group and Company

The loan is unsecured and repayable over 20 years from 2 September 2002 at a fixed interest rate of 6.88% p.a, as follows:

	2021 £'000	2020 £'000
Over one year:		
Within 1 to 2 years	-	654
	-	654
Within one year	654	622
	654	1,276

18. Advance Fee Payments – Group and Company

Parents sometimes deposit a lump sum with the School as an advance on future fees. Each arrangement is in respect of an agreed amount to be credited against future fee bills for an agreed number of terms. The unused balance of the advance is repayable upon request. It is intended that the advance fees will be applied as follows:

	2021 £'000	2020 £'000
Over one year:		
Within 1 to 2 years	623	724
Within 3 – 5 years	577	372
After 5 years	171	205
	1,371	1,301
Within one year	5,662	2,827

	7,033	4,128

Figures for advanced fee payments are included within the balance for School fees paid in advance (notes 15 and 16). The balance represents the accrued liability under these arrangements. The movements during the year were:

	2021 £'000	2020 £'000
Balance at 1 September	4,128	5,564
New contracts	6,516	3,597
Amount accrued to contracts	69	69
	10,713	9,230
Amounts utilised in the payment of fees to the School	(3,640)	(4,910)
Refunds of fees paid in advance	(40)	(192)
Balance at 31 August	7,033	4,128

19. Funds – Group

	Balance 1 September 2020 £'000	Income £'000	Expenditure £'000	Defined benefit liability/ transfers £'000	Balance 31 August 2021 £'000
Unrestricted funds:					
- General	47,435	47,488	(47,489)	3	47,437
- Pension reserve	(7,932)	-	453	1,457	(6,022)
	39,503	47,888	(47,036)	1,460	41,415
Restricted:					
- Millfield Centre Fund	653	(635)	-	(18)	-
- Sports Equipment Fund	1	103	(3)	3	104
- Other Funds	122	630	-	12	764
	776	98	(3)	(3)	868
Total Group	40,279	47,586	(47,039)	1,457	42,283

	Balance 1 September 2019 £'000	Income £'000	Expenditure £'000	Defined benefit liability/ transfers £'000	Balance 31 August 2020 £'000
Unrestricted funds:					
- General	51,164	46,288	(50,036)	19	47,435
- Pension reserve	(8,338)	-	282	124	(7,932)
	42,826	46,288	(49,754)	143	39,503
Restricted:					
- Millfield Centre Fund	1,418	(746)	-	(19)	653
- Sports Equipment Fund	1	-	-	-	1
- Other Funds	94	28	-	-	122
	1,513	(718)	-	(19)	776
Total Group	44,339	45,570	(49,754)	124	40,279

Funds – Company

	Balance 1 September 2020 £'000	Income £'000	Expenditure £'000	Defined benefit liability/ transfers £'000	Balance at 31 August 2021 £'000
Unrestricted funds:					
- General	47,414	46,792	(46,903)	98	47,401
Pension reserve	(7,932)	-	453	1,457	(6,022)
	39,482	46,792	(46,450)	1,555	41,379
Restricted funds:					
- Millfield Centre Fund	653	(635)	-	(18)	-
- Sports Equipment Fund	1	103	(3)	3	104
- Other Funds	122	630	-	12	764
	776	98	(3)	(3)	868
Total Company	40,258	46,890	(46,453)	1,552	42,247

	Balance 1 September 2019 £'000	Income £'000	Expenditure £'000	Defined benefit liability/ transfers £'000	Balance at 31 August 2020 £'000
Unrestricted funds:					
- General	51,040	45,757	(49,600)	217	47,414
Pension reserve	(8,338)	-	282	124	(7,932)
	42,702	45,757	(49,318)	341	39,482
Restricted funds:					
- Millfield Centre Fund	1,418	(746)	-	(19)	653
- Sports Equipment Fund	1	-	-	-	1
- Other Funds	94	28	-	-	122
	1,513	(718)	-	(19)	776
Total Company	44,215	45,039	(49,318)	322	40,258

Restricted Funds

Restricted Funds are restricted to the purchase of capital items specified by those donors. The fixed asset acquisition will discharge the restriction and the purchase of the asset will be reflected as a transfer from restricted to unrestricted funds in the year of acquisition.

20. Allocation of Group Net Assets

	Fixed assets £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	Pension reserve £'000	At 31 August 2021 £'000
Unrestricted funds:					
- General	59,378	(6,116)	(5,825)	-	47,437
- Pension reserve	-	-	-	(6,022)	(6,022)
Restricted funds					
- Sports Equipment Fund	-	104	-	-	104
- Other Funds	-	764	-	-	764
Total Group as at 31 August 2021	59,378	(5,248)	(5,825)	(6,022)	42,283

	Fixed assets £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	Pension reserve £'000	At 31 August 2020 £'000
Unrestricted funds:					
- General	62,903	(10,968)	(4,500)	-	47,435
- Pension reserve	-	-	-	(7,932)	(7,932)
Restricted funds					
- Millfield Centre Fund	-	653	-	-	653
- Sports Equipment Fund	-	1	-	-	1
- Other Funds	-	122	-	-	122
Total Group as at 31 August 2020	62,903	(10,192)	(4,500)	(7,932)	40,279

21. Capital Commitments

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Contracted but not provided as at 31 August	357	-	357	-

22. Pension Obligations

The total group pension contributions were £4,064,193 (2020: £3,907,176) of which £2,910,237 (2020: £2,927,435) related to the Teachers' Pension Scheme, £583,200 (2020: £420,000) related to the Millfield Final Salary Scheme for support staff (the Millfield Retirement Benefit Scheme) and £570,755 (2020: £559,741) was paid into defined contribution schemes.

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £2,910,237 (2020: £2,927,435) and at the year-end £0 (2020 - £0) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

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

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

Final Salary Scheme

For some of its support staff, the School operates a funded final salary scheme, whose assets are held in separate trustee-administered funds.

From 1 September 2005, the final salary scheme was closed to new members. On 31 December 2014, after consultation with the Trustees and active members, the Scheme was closed to future accrual and salary linkage. Qualifying new staff are automatically enrolled into a defined contribution scheme with contribution rates equivalent to the minimum rates set out by the Government in respect of auto enrolment schemes.

The final salary scheme is subject to triennial valuations by independent actuaries, the last full actuarial valuation was carried out as at 1 September 2019, using the projected unit method. At the valuation, the market value of the assets held was £13,493,000 and this value was sufficient to cover 63% of the benefits accrued to members after allowing for expected future increases in earnings, giving a shortfall of surplus of £7,914,000.

Deficit contributions have been paid at £420,000 per year up to 31 August 2020 and have increased to £583,100 from 1 September 2020 to 31 August 2036. Employer's deficit contributions made to the scheme in the period were £583,100 (2020: £420,000). From the 1 September 2020 the School also pays any insurance premiums, PPF levies and any costs relating to managing the scheme separately when due, except for investment management expenses. The Scheme's next triennial valuation is 1 September 2022. The level of contributions in respect of any deficit will be subject to review at the next actuarial valuation.

These financial statements reflect the requirements of FRS 102. The expense for the year as calculated by the actuary together with the re-measurement of the deficit are recognised in the Consolidated Statement of Financial Activities as shown below:

	2021 £'000	2020 £'000
Statement of financial position		
Fair value of scheme assets	15,058	13,388
Present value of defined benefit obligation	(21,080)	(21,320)
Net deficit in scheme	(6,022)	(7,932)
Changes in the defined benefit obligation		
Defined benefit obligation at start of period	21,320	21,928
Interest cost on defined benefit obligation		
Past service cost	357	366
Benefit paid	(705)	(776)
Actuarial loss/(gain)	108	(198)
Defined benefit obligation at end of period	21,080	21,320
Changes in the fair value of scheme assets		
Fair value of scheme assets at start of period	13,388	13,590
Interest income on scheme assets	227	228
Return less interest income on scheme assets	1,565	(74)
Contributions by the employer	583	420
Benefits paid	(705)	(776)
Fair value of scheme assets at end of period	15,058	13,388
Total expense recognised in expenditure		
Net interest on net defined benefit liability	130	138
Past service cost	-	-
Expenditure charged in year	130	138
Total amount recognised in the statement of financial activities		
Return less interest income on scheme assets	1,565	(74)
Actuarial (loss)/gain on liabilities	267	198
Change in assumption	(375)	-
Re-measurement (loss)/gain recognised in the SOFA	1,457	124
Assets		
Target return	13,056	11,576
Property	1,864	1,698
Insurance annuities	86	95
Cash and net current assets	52	19
Fair value of scheme assets	15,058	13,388
Actual return on scheme assets over period	1,792	154
Reconciliation of funded status		
Opening deficit	(7,932)	(8,338)
Employer contribution	583	420
Charge recorded in SOFA	(130)	(138)
(Loss)/Gain recorded in statement of financial activities	1,457	124
Closing deficit	(6,022)	(7,932)

Main financial assumptions	2021 % pa	2020 % pa
Discount rate	1.8	1.7
Price inflation:		
- RPI	3.4	3.1
- CPI	2.6	2.3
Deferred pension increases:		
- Pensions accrued to 5/4/09	2.6	2.3
- Pensions accrued from 6/4/09	2.5	2.3
Pension increases in payment:		
- GMPs accrued from 6/4/88	3.0	3.0
- Non-GMPs accrued to 31/8/05	3.2	3.0
- Pension accrued from 1/9/05	2.2	2.1

Mortality assumptions and life expectancies	2021 Years	2020 Years
Expected future lifetime from age 65:		
- Male currently aged 65	21.8	21.8
- Female currently aged 65	24.1	24.1
- Male currently aged 45	22.8	22.8
- Female currently aged 45	25.3	25.2

23. Reconciliation of Net Income/(Expenditure) to net cash generated from operations

	2021 £'000	2020 £'000
Net Income/(Expenditure)	547	(4,184)
Adjustments for:		
Depreciation of tangible fixed assets	5,475	5,585
Defined benefit pension scheme adjustment	(583)	(420)
Interest receivable	-	(22)
Interest payable	260	310
Gain on sale of tangible fixed assets	(13)	705
Operating cash flows before movements in working capital	5,686	1,974
Increase in stocks	(21)	17
Increase in debtors	(186)	194
Decrease in creditors	(450)	2,196
Advance fees applied	(3,640)	(4,910)
	(4,297)	(2,503)
Cash generated from operations	1,389	(529)

24. Financial Commitments

At 31 August 2021 the group had total future minimum lease payments under non-cancellable operating leases, as follows:

	Other		Motor Vehicles	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Amounts due within one year	29	36	81	73
Amounts due in two to five years	42	43	241	10

25. Related Party Transactions

Transactions between the School and its subsidiary, Millfield School Enterprises Limited are disclosed below:

	2021	2020
	£'000	£'000
Purchases of goods in year	303	367
Rents received	33	33
Gift Aid received	62	166

The School has a limited number of students who are family members of governors. Fees are payable at the same level as other students, and entitlement to fee remission is considered in line with the School's stated policy.

The Governors made aggregate donations of £35,160 during the year to Millfield. In addition, there were transactions made on an arm's length basis with two related parties during the year for services provided to Millfield: N Della Valle is a director of Della Valle Architects which charged the School £4,800 and Frances Dickens, is a director of Astus UK Ltd which charged the School £9,132.27. There have been no other related party transactions other than those listed in note 9.

26. Prior year Consolidated Statement of Financial Activities by Fund

	Note	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2020 £'000**
Income from:				
Charitable Activities:				
- Fees receivable	3	39,820	-	**39,820**
- Other educational income	4	2,921	-	**2,921**
Other Trading Activities:				
- Other fees and external hiring		409	-	**409**
- Subsidiary trading income		549	-	**549**
Investment Income	5	17	5	**22**
Donations and legacies	6	2,468	(723)	**1,745**
Other Income	7	104	-	**104**
Total Income		46,288	(718)	**45,570**
Expenditure on:				
Charitable Activities		(47,240)	-	**(47,240)**
Raising Funds:				
- Other fees and external hiring		(1,150)	-	**(1,150)**
- Subsidiary trading expenditure		(503)	-	**(503)**
- Fundraising		(142)	-	**(142)**
Finance and Other Costs		(719)	-	**(719)**
Total Expenditure	8	(49,754)	-	**(49,754)**
Net (expenditure)		(3,466)	(718)	**(4,184)**
Transfer between funds		19	(19)	
Other recognised losses:				
Re-measurement of the net defined benefit liability	22	124	-	**124**
Net Movement in Funds		(3,323)	(737)	**(4,060)**
Total Funds Brought Forward		42,826	1,513	**44,339**
Total Funds Carried Forward	19	39,503	776	**40,279**

27. Contingent Liabilities

The School has a catering contract with Chartwells until 31 August 2021. As part of the contract the School has benefitted from an investment in the School's dining hall facilities which, under the terms of the contract, are written down over a straight-line basis from the date of expenditure to the 31 August 2021. In the event that the School terminates the contract early it would be liable to repay the written down value of the investment. As at the year end the written down value of the investment is £NIL (2020: £180,000) and so this contingent liability ended on 31 August 2021.

28. Capital

The Company is limited by guarantee and does not have a share capital.

The Governors of Millfield ("the School") are the School's charity trustees under charity law and the directors of the charitable company. During the year the activities of the Governing Body were carried out through five committees. In addition to the committees some members of the Governing Body also act as trustees for Millfield Retirement Benefits Scheme and as directors of subsidiary companies (Millfield School Enterprises Limited and Millfield Overseas Limited). The members of the Governing Body who served in office as Governors during the year and subsequently are detailed below.

		(1)	(2)	(3)	(4)	(5)	(6)	(7)
Roland Rudd	**Chairman**		*					
Wim Bushell				*c			*c	
Richard Clark			*				*	
Nicola Della Valle				*				
Frances Dickens			*					
Stephen East		*c	*					
Richard Exley	**Deputy Chair**		*	*				
Tim Griffiths			*				*	*
Kate Griggs					*			
Claire Harvey	Appointed 19 March 2021				*			
Christopher Hirst				*	*c			
Andrew Jackson	Resigned 9 September 2020		*			*	*	
Chris Macdonald			*c					*
John Maudslay		*				*c		
Janet Mitchell					*			
Douglas Pinto		*				*		
Anabel Sexton	Resigned 24 March 2021				*			
Marc Simon		*						
Rosiji Soluade	Appointed 19 March 2021							
Robert Thornton	Resigned 29 September 2020			*	*c			
Richard Tovey		*			*			
Peter Warner		*			*			
Oliver Welsby		*			*			

*c denotes the current Chair of a committee or board.

1. Audit, Compliance and Risk Committee
2. Building and Finance Committee
3. Appointments Committee
4. Education Committee
5. Trustee, Millfield Retirement Benefits Scheme
6. Director, Millfield School Enterprises Limited
7. Director, Millfield Overseas Limited

OFFICERS - (key management personnel currently and throughout the year)

Gavin Horgan	Headmaster of Millfield
Melissa Johnson	Finance Director of Millfield Schools
Shirley Shayler	Headmistress of Millfield Prep School (Resigned 31 August 2021)
Dan Thornburn	Headmaster of Millfield Prep School (Appointed 1 January 2022)

SECRETARY AND CLERK TO THE GOVERNORS
Rachel Summerhayes

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Somerset
BA16 0YD

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www.millfieldschool.com

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BANKERS
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SOLICITORS
Veale Wasbrough Vizards
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

MILLFIELD

England & Wales - Charity number 310283

Accounts



MILLFIELD

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

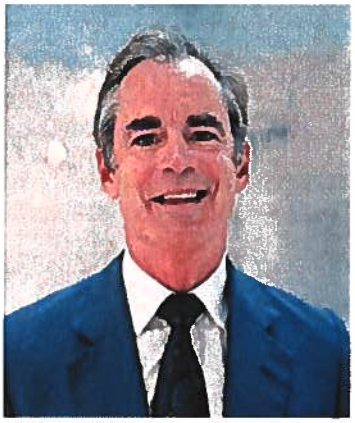
for the year ended

31 August 2020

Company number: 00522385
Registered Charity Number: 310283

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2020 has been a year unsurpassed in Millfield's recent history. I have been proud of how the school's leadership teams, staff and students have responded to the challenges that have come their way over the last year. Although the school physically closed its doors in March 2020, just over halfway through the financial year, and did not reopen again to all students until September 2020, the indomitable Millfield community spirit saw the school adapt and thrive.

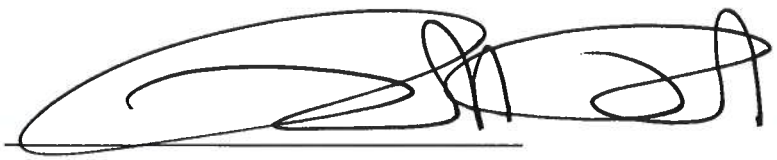
Throughout the summer term, the students attended timetabled lessons and activities as normal – albeit virtually – and had unrivalled face-to-face contact with their teachers, tutors and houseparents who continued to offer an excellent academic and pastoral provision. A new academic curriculum was launched to 500 students who would have been sitting exams in the summer term and they studied new courses beyond the standard curriculum for this term. Parents spoke glowingly about the school's provision during this time and Governors would like to thank them for their overwhelmingly positive support of the school throughout these changes.

We must recognise that it was a challenging time financially and fees were adjusted to reflect the services that students were not able to access: huge efforts were made to save costs to mitigate this, but net income was impacted. Pleasingly, this is only a short term issue: students returned to Millfield en masse in September and our student numbers this year are higher than they have ever been. Subject to government policy on schools, and the easing of the pandemic we expect the charity's financial position to return to that of strength in the short to medium term.

Millfield has, this year, committed £6.4 million (13.3% of our annual gross fees) towards scholarships and bursaries and has supported vulnerable families in the community throughout the pandemic. The school is determined to increase its support for the most needy families who would benefit from a Millfield education but could never afford one. To that end the Brilliance Fund will be launched in 2021 to raise an endowment of £100m before the school's 100th anniversary in 2035.

After 10 years of remarkable and tremendously successful service as Headmistress of Millfield Prep School and 13 years employment at Millfield, Shirley Shayler has announced her intention to step down in September 2021. Given the current situation of the school, the vision that exists and the nature of the team we are confident that we will recruit an outstanding successor. From that point, the Headmaster of Millfield will take over as CEO of the whole organisation which better reflects the future strategic needs of the Charity.

The Governors would like to thank the whole Millfield community for their dedication and hard work in reaching a strong position for the school to move forwards from.



Roland Rudd

Chairman

The Governors present their Annual Report and Consolidated Financial Statements for the year ended 31 August 2020 and confirm that they comply with the requirements of the Charities Act 2011, the Companies Act 2006, and the Charities SORP FRS 102.

The Governing Body confirms that the financial statements comply with the charity's governing document, with current statutory requirements, with applicable accounting standards in the United Kingdom, and with the Charities Statement of Recommended Practice (FRS 102) – Second Edition. The Governors of Millfield ("the School") are the School's charity trustees under charity law and the directors of the charitable company. The School's Governors, advisors and key staff are set out on pages 43-44.

REVIEW OF THE YEAR

This year has been one of the most challenging years for the independent education sector. Just over halfway through the year, a global pandemic changed the way we deliver education. From creating an entirely new curriculum to raising funds for national and international charities supporting others during the pandemic, the Millfield community proved its worth.

Student numbers were maintained throughout the global pandemic, proving our parents continued to value what Millfield offers and we are grateful for their support. Remote learning was provided for the summer term 2020 across all aspects of school life and a skeleton support staff ensured the physical sites were maintained and ready to physically open for the start of the autumn term.

Principal Achievements and Performance

Educational performance

Millfield is a large, non-selective independent school with around 1,280 students at the senior school site and 415 at the prep school site. Our students are a diverse cohort with around a quarter based overseas. The scale of our community, combined with the resources and facilities we offer, including below average class sizes, means our scale brings educational opportunity. Our unique selling point is the wide range of sporting and other activities, coaching and facilities that students enjoy alongside their academic education.

With an average year group size of 239 students in Year 11 and 290 students in the Upper Sixth, Millfield has a much larger number of candidates sitting GCSEs, A levels or equivalent Sixth Form courses, than other independent schools. For that reason, we publish results that reflect both the whole student group as well as our Top 100 highest achieving candidates. The Top 100 results show that this group regularly achieve grades which compare well with highly selective Schools.

An entire cohort faced the prospect of no examinations. Against that backdrop it was remarkable that 234 Year 11 students enrolled on our own certificate courses and 226 Upper Sixth students on our diploma courses both of which ran during lockdown. We remain impressed with the dynamic approach to learning shown by our teachers and students.

GCSE results	
9-7 or A* – A grades	51.06%
9-5 or A* – B grades	87.48%
9-4 or A* – C grades	97.22%

A level or equivalent results	
A* – A grades	42.18%
A* – B grades	72.77%
A* – C grades	91.20%
A* – E grades	100%

There were also strong results from students who took the Advanced Vocational Qualifications. In the four BTEC courses offered, the pass rate was 100% with 63% of entries achieving distinctions.

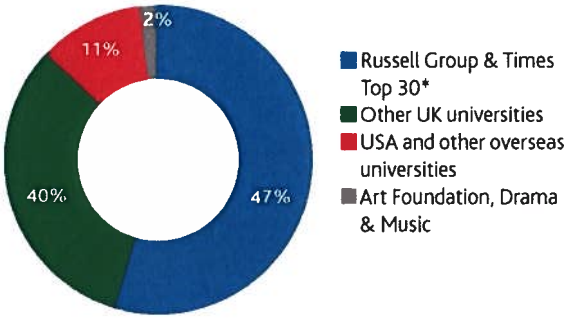
University Destinations

Every year we encourage students to apply to UCAS prior to leaving Millfield. This year, 90% of our leavers applied to UCAS, with 91% of them successfully obtaining places and the remainder taking a gap year and making post-results day applications, applying overseas or direct into creative arts-based courses, or going straight into employment or sport. All students who do not have any career or HE plans are offered 1:1 specialist career advice before leaving Millfield and are supported by the Careers Department and the OM Society after they leave.

This year saw 89 Millfield leavers confirming places into Russell Group universities, with an additional 20 Old Millfieldian's "OMs" achieving places via post-results applications. The most popular Russell Group choices this year were Nottingham, Exeter, Edinburgh, King's College and Durham. An additional 35 leavers achieved places at Times Top 30 institutions, including Bath, St Andrews, Loughborough, Lancaster and Royal Holloway.

23 of our leavers and 3 OMs won places at North American universities, including Duke, Chicago, Northwestern, UCLA, Virginia and Toronto; 9 of these achieved a mixture of academic and sporting scholarships, including swimming, tennis, golf, hockey and football. 10 students achieved SAT scores in the top 10% of all students globally. Places were also obtained at universities in Italy, Spain, Switzerland, Monaco and Malaysia.

WHERE MILLFIELD STUDENTS GO



* In addition to the Russell Group of universities, the Times Top 30 (2020) includes: University of St Andrews, University of Bath, Loughborough University and University of Lancaster

Students

A review of the students' principal achievements and performance in the year is available from the School's website in 'The Year at Millfield 2019/20' and 'The Year at Millfield Prep 2019/20' publications.

Millfield continues to develop two unique programmes, the "Year 9 Programme" and the "Sixth Form Programme". The Year 9 Programme is designed to help new students to the senior school assimilate and absorb themselves into academic, sports, co-curricular and outdoor adventure activities. The progamme assists in bringing them together and providing a platform for their development within the school. The outdoor adventure aspect allows them the opportunity to try things they might otherwise not experience within the Duke of Edinburgh Bronze Award framework. The Sixth Form Programme recognises the academic, sporting and co-curricular opportunities already in place and complements these with the "EAGLES" programme of activites to assist the students' development as young adults across a range of areas.



Staff

The student: teacher ratio stands at 6.4:1 (2019: 6.2:1).

The School strives to recruit dynamic, high quality staff across all areas, including teaching, sports coaches, welfare and support, and invests significant amounts of its income to recruit, retain and motivate staff.

Development of Facilities and Resources

Due to the impact of Covid-19, our capital investment during the year was lower than previous years and around £4.9 million was spent on capital investment largely to maintain the school's facilities and infrastructure. This included:

- Completion of new indoor cricket and golf centres (£0.8 million)
- Replacement Athletics track accredited to UKA Athletics Level 2 Competition standard (£1.0 million)
- Jubilee Hall office extensions and refurbished changing facilities (£0.4 million)
- A block toilet extension – provision of additional unisex facilities in the centre of campus (£0.1 million)
- Lighting upgrades in catering kitchens, tennis centre, Johnson Hall and MPS tennis bubble replacing halogen with energy efficient LED lighting
- Reconfiguration of the exams' offices and secure storage area to maintain compliance standards
- Internal refurbishment of The Grange boarding house
- Internal refurbishment of Shapwick boarding house including ablution areas, common rooms and some dormitories
- Ongoing investment in IT infrastructure and associated software.

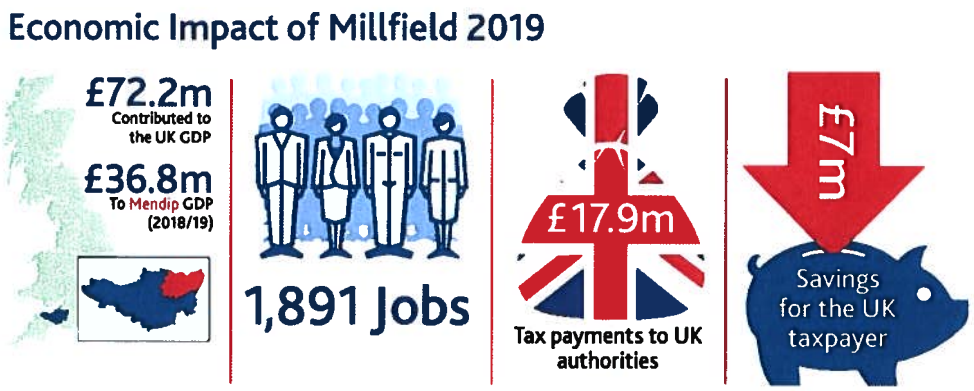
The School continuously reviews its long-term capital investment masterplan to ensure it retains best value academic, sports, boarding house, day house and welfare facilities.

Millfield's new state-of-the-art indoor Golf and Cricket Centres were opened this year, placing Millfield at the forefront of school and university facilities for both sports. The new centres received endorsement from leading cricket and golfing figures, including David Graveney MBE (Former England Chairman of Selectors and current ECB National Performance Manager) and Sophie Keech (Women's Professional Golfer) and feature world-leading technology, including through motion tracking and simulation software.

Public Benefit

Millfield is committed to providing benefit to the public on a local, regional and national scale, with the main aim being to benefit children from a wide variety of backgrounds. The School does this by widening access through financial support, sharing facilities, resources and knowledge with local state schools, involvement in community projects, teacher development and offering life changing opportunities to disadvantaged children.

The School also brings significant economic benefits. On the basis of a model developed by Oxford Economics in conjunction with the Independent Schools Council, the School estimates that its economic impact on the UK and local economy is as follows:



Access, scholarships and bursaries

Scholarships and bursaries enable access to the school for talented students who would benefit from an education at Millfield, by offering fee discounts of up to 100%. Scholarships may be supplemented with means-tested bursaries, to uphold our powerful principle of diversity that is the Millfield Mix, making sure that those children who would best benefit from a world-class Millfield education and outstanding opportunities are able to do so. Every child matters, and at Millfield we are passionate in our goal to identify the potential in each individual and do everything we can to ensure they discover their brilliance.

In the year to 31 August 2020, the total value of scholarships and bursaries (excluding staff concessions) was £6.4 million (2019: £6.7 million), representing 13.3% of gross fee income (2019: 12.9%), and a total of 890 students and 53% of all students (2019: 897 students and 53% of all students) benefited in some way from awards.

In addition to offering adjusted fees for the remote learning provision necessary for Summer Term 2020, Millfield also supported parents of students whose finances were severely affected by the Covid-19 pandemic where it could. This was through a combination of limited "means-tested" short-term hardship awards and deferred payment arrangements.

Partnerships with state schools

Millfield is committed to developing partnerships with local state schools and colleges and specific initiatives this year included:

- Providing facilities for SAT test candidates for US university entrance
- Taking local children and teachers to Worley Hill, our SSSI, for guided walks and conservation experience
- Our Combined Cadet Force (CCF) programme with St Dunstan's School in Glastonbury was officially launched with an inspection from Major General Ben Bathurst CBE. The programme involves over 100 cadets from all year groups, including 15 boys and girls from St Dunstan's School
- Millfield's annual History conference included over 100 students from local state schools
- Millfield welcomed Year 11 and Lower Sixth students from state and independent schools across the South West for the inaugural Inter-School Leadership Symposium earlier this year

- More than 200 students from 11 visiting state and independent schools attended Millfield's 27th Annual Biology and Psychology Symposium
- The Sixth Form EAGLES programme provides mentors to students in local schools.

Community engagement

The Millfield community have worked together more than ever during the pandemic to help raise money and provide support for a number of charities as well as taking part in various projects to reach out to others in the local community. Millfield funded and co-ordinated the sourcing and delivery of over 32,500 meals to 6,500 vulnerable people in Somerset who were eligible for free school meals. Through the generosity of local Millfield parents and staff, over £40,000 was raised to fund the meals for over 160 families every week which continued into the summer. Millfield volunteers delivered almost 3,000 prescriptions to vulnerable local people.

Staff, students, OMs and parents from Millfield and the South West School of Dance sewed over 50 sets of personal protective equipment scrubs and protective bags for local key workers battling the outbreak on the front line. The initiative was part of the 'For the Love of Scrubs' national campaign on Facebook, and has provided vital PPE for NHS workers, care staff and council workers across the UK.

Design and Technology staff used the School's laser cutters to create personal protective equipment for NHS and local council workers tackling the coronavirus on the front line. During lockdown, Millfield Prep students took on fundraising challenges, including the 2.6 Challenge to raise money for the NHS as well as helping their local communities by delivering supplies including medicine and food. The Senior school has a charity committee which votes each year which charities the school will support both locally and nationally. This year, the local charity was Yeovil Hospital and the national charity was Cancer Research UK. Millfield Prep's local and national charities this year include the Australia Red Cross Appeal and WWF, Guide Dogs for the Blind, Glastonbury Food Bank and Ted Senior Foundation (a men's mental health charity).



Supporting Charities

As well as supporting one local charity, one national charity and Lalibela High School in Ethiopia each year, Millfield fundraises for many other charities:

- A student in Year 9 created a support network for 68 residents at four local care homes in Somerset in lockdown during the Coronavirus outbreak.
- Millfield students took to the Meyer Theatre stage once again for this year's Showcase, which raised around £8,000 for the schools three charities
- A Lower Sixth student visited shelters in northern Brazil with UNICEF, where he met refugee and migrant children and gave them Millfield notepads, pens and pencils as gifts to help them study whilst in the camps
- A Millfield Year 9 swimmer raised an astounding $10,172 by completing a 10km sponsored swim to help support three charities responding to the Australian wildfires

- Students raised a total of £10,000 for UK charities including the Somerset NHS Foundation, MIND UK, CALM and St Margaret's Hospice during the Covid-19 pandemic. The money was raised individually and through houses by students taking part in fundraising events all over the world. Initiatives included making and selling PPE masks, baking cakes, taking part in a virtual Glastonbury Road Run, a 10p 'keepie-uppie' challenge and a sunflower-growing sweepstake
- Students undertaking the United Schools Project MAP took part in pre-recorded online mentoring sessions with local Year 10 students from St Dunstan's School and created activity sheets for local children to go inside their food hamper deliveries
- Year 2 Prep students raised more than £1,000 for Guide Dogs for the Blind through their Walk your Socks Off challenge to walk 50,000 steps each
- The annual Millfield Prep Harvest Service included food boxes made by students to donate to the local Glastonbury Food Bank, and a collection passed around to parents and friends raised £350
- Every week, a group of Year 7 and Year 8 students have visited Shapwick Moor Nature Reserve, owned by the Hawk and Owl Trust, on the Somerset Levels. Millfield Prep students have helped to clear out ditches, maintain footpaths, build a bird hide, plant hedges and oak trees, create wetland areas and fix benches
- Students from Prep and Pre-Prep presented a cheque of £500 for Children in Need
- Students from Pre-Prep were delighted to hand over a cheque of £1,336 to Musgrove Park Hospital in Taunton, with money raised at their Christmas Fun and Games afternoon, where students, parents and staff ran stalls and competitions and held a raffle
- Our AV team and equipment regularly support Wells Cathedral in events
- Staff members from Millfield assisted Street Harvest to provide food for homeless people in the local area
- Millfield arranged weekly visits for local care home residents to come to Prep to watch sport and enjoy match teas.

Promoting the Value of Sport to the Community

- Hosting, organising and providing facilities for clubs, schools and representative organisations, including swimming, athletics, hockey, netball, cricket, tennis, basketball, golf, football and fencing, as well as running lifeguard training courses
- Multi-activity courses are available for local children during school holidays
- Millfield Enterprises offer summer holiday sport and activity courses for children
- Millfield Prep hosted the annual U10 football tournament with many local schools in attendance
- Millfield held the South West Regional Biathlon Championships
- IAPS Netball Regionals were again hosted by Millfield prep at our Senior School, with schools attending from all over the south west.



Promoting the Value of Drama, Music and the Arts to the Community

- An U6 student used his stage management experience from school to illuminate local landmark Glastonbury Tor on Thursday evenings after the national clap for carers in the UK. For the blue tribute to key workers, he placed two small LED lights at the tower, with the effects visible for miles around
- Millfield had the privilege of hosting a workshop for Year 5 and 6 students of Thorngrove School as part their Arts Award programme
- All Millfield concerts continue to be free to our entire community. In addition to this wonderfully positive creative identity, Millfield Music School continues to host several community-based music projects each year
- The Millfield Festival Chorus, featuring a 200-strong choir of singers from the local community alongside many of our own student choristers, wowed a packed Wells Cathedral to a commanding and emotionally powerful rendition of Rossini's brilliant Petite Messe Solennelle. Performing with a professional orchestra, the event raised over £2000 for the Youth Music charity
- The Millfield Music department worked closely with two local primary schools, Brookside Academy and Elmhurst School, alongside Bath Camerata and Millfield Prep School, to create an inspiring performance featuring over 100 performers during lockdown
- Millfield Prep Juniors put on a fantastic Christmas show, *How Christmas Came To Be*, raising a record £680 for the charity DEBRA, with their entertaining and historical account of how Christmas has been shaped into the celebration we all love
- Students from the Millfield Prep Tour Choir and Chamber Choir recorded a very special performance of *Over the Rainbow* to celebrate the incredible work of our NHS staff and social care workers, and also to say a very Happy 100th Birthday to Captain Sir Tom Moore
- At this year's Prep School carol service at Wells Cathedral, money was collected for national charity Hands of Compassion, who support the education and hope for better lives in schools in Zambia. The Boarders' and Pre-Prep Christingle Services this year saw a donation being made to the Children's Society
- Millfield Prep hosted a Light Up A Life Service for St Margaret's Hospice Care again this year. The service was led by Millfield Prep Chaplain and the readings were spoken by members of the school community and staff. The Chamber Choir and Edgarley Voices sang some beautiful songs and a collection was held at the end of the service for the invaluable work of St Margaret's Hospice Care in Somerset.

Section 172 (1) Companies Act 2006

The Governors comply with the requirements of section 172 (1)(a)-(f) using the proven organisational management approach included within the Structure, Governance and Management section of this report (see page 12) as follows:

(a) "The likely consequences of any decision in the long term" – all strategic matters are considered by Governors in one or more of the four committee termly meetings with papers provided in advance by the Millfield Executive Group ("EG"). Once the matter has been considered and discussed, the relevant committee makes a formal recommendation to the Full Governing Body for it to consider at its meeting before a final decision can be made. This "three" level approach i.e. EG, governor committee and full governing body ensures that strategic long-term decisions are rigorously considered.

(b) "The interests of the company's employees" - as a leading independent school, Millfield provides an educational service and as such, its employees and facilities are the key variables which contribute to the pupil and parent experience. The approach to employee interests is included under the Employee Involvement and Equal Opportunities section on pages 12-13. The Head of HR is part of the Executive Group and employee matters are considered as appropriate at each of the four governor committee meetings as well as at the full governing body.

(c) "The need to foster the company's business relationships with suppliers, customers and others" – Millfield makes a significant contribution to the local economy as is evidenced from the data included under the Public Benefit section on page 7 and the Governors in both the "Building and Finance Committee" and "Audit, Compliance and Risk Committee" review processes and procedures in place to ensure consistency and fairness of approach in dealings with suppliers and customers;

(d) "The impact of the company's operations on the community and the environment" – as an independent school with charitable status, the Governors are acutely aware of the importance of our impact on the local community and the environment. It is recognised that Millfield probably consider this aspect more than many other companies evidenced by the initiatives included within the "*Public Benefit*" sections on pages 7 to 10 of this report.

(e) "The desirability of the company maintaining a reputation for high standards of business conduct" – the Governors rely on the Executive Group ("EG") and the Senior Leadership Teams ("SLT") at Millfield to both maintain and comply with internal processes, systems and procedures approved by the different governor committees to ensure high standards of business conduct are maintained.

(f) The need to act fairly as between members of the company" – The Governors, as members, sign a "Code of Conduct for Governors of Millfield School" which includes, inter alia, an express requirement to comply with the Nolan principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership and there are processes in place to support the adherence to this code of conduct.

Future Plans

The School's strategic vision for the period 2019-2024 is available on the School's website at https://www.millfieldschool.com/discover-brilliance/purpose-vision-mission

As part of that vision, the Discover Brilliance campaign will launch in Summer 2021 with the long term aim of generating £100m of new endowment funds to support the long-term sustainability of Millfield and ensure that talented children, regardless of their financial background, have access to the best education and life opportunities.

Structure, Governance and Management

Governing Documents

Millfield ("the company" or "the School") is a company limited by guarantee, first incorporated as Millfield School Limited on 4 August 1953 and constituted under Memorandum and Articles of Association dated 9 November 1979 and last amended on 21 March 2014. It is also a registered charity, number 310283.

Group Structure and Relationships

The School provides independent (boarding and day) education for boys and girls between the ages of 2 and 7 years (Millfield Pre-Prep – day only), 7 and 13 years (Millfield Prep) and 13 and 18 years (Millfield).

In addition to its principal activity, the School also operates a wide variety of educational and recreational holiday courses, retail outlets and related activities, some of which are carried out through a trading subsidiary company, Millfield School Enterprises Limited. All surpluses from these activities are reinvested in the School for the benefit of its principal educational activity. The School also owns 100% of the share capital of Millfield Overseas Limited, a company incorporated on 21 December 2012 which has remained dormant since incorporation.

Investment Powers, Policy and Performance

There are no specific restrictions on the Governors' investment powers; where necessary Governors seek the advice of a qualified investment advisor prior to making any investments. At present no investments are held and cash reserves are held in short term deposits designed to achieve competitive returns at minimum risk.

Governing Body

The Governing Body is self-appointing. Governors are usually appointed for a three-year term of office. Retiring Governors are eligible for re-appointment. New Governors are appointed by the Governing Body on the recommendation of the Appointments Committee. Candidates are proposed by existing Governors on the basis of the expertise and experience they can offer the School, taking into consideration the regular skills audit of the Governing Body against the categories of skills deemed necessary by the Governing Body for providing

proper strategic management oversight and control. The Governing Body seeks to have an appropriate balance of age, gender and ethnicity.

Recruitment and training of Governors

Appropriate information and training, including safeguarding training, is provided to new Governors. They are provided with induction information, a Governors' Handbook and information on their responsibilities as a charity trustee. They meet for individual briefings with the members of the Executive Group, the Chairman of Governors and relevant senior staff members. The Governing Body recognises that new Governors must feel confident that they are equipped to meet their statutory and wider legal responsibilities and appropriately tailored courses and further information are made available to them through the Clerk to the Governors. Where appropriate, members of the Governing Body attend external trustee training and information courses designed to keep them informed and updated on current issues in the sector and regulatory requirements.

All Governors receive safeguarding training as part of their induction and receive regular updates. Indemnity insurance is in place for Governors. During the year, Millfield paid £389 (2019: £2,871) in respect of indemnity insurance for its Governors.

Organisational management

The members of the Governing Body, as the charity trustees, are legally responsible for the overall management and control of the School, including policy setting and strategic planning. The detailed work of the Governors is delegated to four committees, each of which operates under terms of reference which are approved by the Governing Body, and which are required to report to the full Governing Body on a regular basis.

- Audit, Compliance and Risk Committee
- Building and Finance Committee
- Appointments Committee
- Education Committee

In addition to the committees, certain members of the Governing Body also act as trustees for Millfield Retirement Benefits Scheme and as directors of Millfield School Enterprises Limited and Millfield Overseas Limited. Individual Governors also hold special responsibility for specific areas such as SEN, Staff Liaison, Sport and Public Benefit. There is also a designated Safeguarding Governor.

The day to day running of the School is delegated to the Headmaster of Millfield, the Headmistress of Millfield Prep School, the Finance Director of Millfield Schools, ("the Executive Group"), as key management personnel, who in turn are supported by Senior Leadership Teams ("SLT"). The Head of HR of Millfield Schools also forms part of the Executive Group and advises on matters related to staffing. The Heads and Finance Director attend meetings of the Governing Body's Committees.

Employee involvement and equal opportunities

The Governors are committed to ensuring that Millfield provides equality of opportunity in recruitment and employment. All applicants for employment and existing employees are treated by reference to their particular aptitudes, abilities and relevant qualifications and receive equal treatment as provided for by law regardless of sex (gender), sexual orientation, gender reassignment, marital status or partnership, race, religions or belief, age, disability or pregnancy/maternity.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools, to ensure the School remains sensitive to the broader issues of pay and employment conditions elsewhere. The School aims to recruit, develop and retain high quality teaching and support staff who support the School's ethos and objectives. Delivery of the School's charitable vision and purpose is primarily dependent on its key management personnel and staff; staff costs are the largest single element of the School's charitable expenditure.

Specific consideration is given to ensuring staff interests are considered by offering competitive:

- Remuneration packages which are reviewed annually: including salary, allowances and pensions.
- Benefits: holiday and sickness entitlement, life insurance, subsidised canteen and gym facilities, employee assistance program with associated perks provided via LifeWorks, free car parking. Support staff also benefit from long service holiday entitlement.
- Working environment: staff benefit from working in one of Millfield's two beautiful school campuses with the senior school based just outside Street and the prep school outside Glastonbury in Somerset.
- Professional Development: provided through support to attend courses, mentoring or opportunity.

The Governors welcome and encourage employee engagement and regularly attend meetings where current issues are discussed with staff. In addition, both teaching and support staff have a termly forum for issues to be raised and discussed with members of EG which Governors also attend where practicable. Millfield recognises and liaises with a number of teaching unions including the National Education Union ("NEU"), the National Association of Schoolmasters Union of Women Teachers ("NASUWT") on issues around pay, holiday and hours.

Extensive consultation and meetings were held during the year where both teaching staff and Governors were able to discuss the affordability and appropriateness for Millfield to continue its membership of the Teachers' Pension Scheme ("TPS") compared to alternative defined contribution pension schemes. This included the presentation of relevant financial information by EG and the Governors to employees. This process included a formal consultation with union representatives to ensure due process was followed and an independent pensions consultant was engaged to provide support so that employees were able to better understand the implications for both the company and themselves of remaining within the TPS.

Millfield recognises that disabled persons may have special requirements and makes reasonable adjustments to interview procedures, work arrangements, premises, equipment, job design, training and retraining to remove potential barriers to disabled employees in the working environment.

Millfield employs a large workforce engaged in a diverse range of teaching and support roles. Men and women are paid equally for doing equal jobs. There has been a reduction in the average full-time equivalent number of persons employed during the year to 667 (2019: 726). This reduction is a direct result of the Covid-19 pandemic affecting income and requiring compensatory savings. The impact has been to further reduce the differential in the mean pay gap, whilst there has been a small increase in the median pay gap. This increase is largely due to the fact that the median pay for women falls within the "lower middle quartile" whilst that for men remains in the "upper middle quartile". The diversity of roles and pay scales at an independent school is arguably more broad than many other organisations as well as the continued prevalence of women working in part-time, lower quartile roles alongside family commitments.

Women's average hourly pay is:	**5 April 2020**	**5 April 2019**
Mean gender pay gap	17.9% lower	24.9% lower
Median gender pay gap	36.8% lower	31.7% lower

Number of proportion of men and women in each quartile	**Lower quartile**	**Lower middle quartile**	**Upper middle quartile**	**Upper quartile**	**Total**
Number of employees - male	82	101	115	141	439
Number of employees - female	199	180	166	139	684
% of employees - male	29.2%	35.9%	40.9%	50.4%	39.1%
% of employees - female	70.8%	64.1%	59.1%	49.6%	60.9%

Efforts continue to encourage diversity in support roles (in particular cleaning and laundry). We continue to work with individuals offering flexible working patterns where possible.

Bonuses:	
Proportion of men receiving a bonus	0.02%
Proportion of women receiving a bonus	0.00%
Mean bonus gender pay gap	100.0%
Median bonus gender pay gap	100.0%

Millfield does not have a culture of awarding bonuses, however, one individual employed for many years by the school continues to have this contractual arrangement in place.

Business relationships with suppliers, customers and others

The Governors' main focus during the Covid-19 pandemic has been to ensure Millfield continues to provide its educational services. This has required effective communication with its suppliers, customers (being pupils and their parents) and others to explain what it was doing and why.

For suppliers, early contact was made to confirm the impact of the physical school closure on both services and products required and the associated cashflow considerations. For parents, the communications centred on how remote learning would be provided, the level of fees charged as well as the mechanisms to apply for support where required. Millfield also reached out and helped others in the community in terms of food and medicinal product delivery whilst the country was in national lockdown, these services were provided at no cost to the charity and volunteers from across our community stepped forward and gave their time freely.

Objects, Aims, Objectives and Activities

Charitable Objects

The School's principal activity is the education and pastoral care of its students, reflecting the objects set out in the Articles of Association, which are:

"to establish and maintain at Millfield in the County of Somerset, a School or Schools for the education of boys and girls, and young men and young women and to give to such students general or specialised instruction of the highest class but so that each such School shall be carried on as an educational charity and as an independent object to establish and acquire as a going concern, and carry on, support or manage elsewhere, any subsidiary or affiliated Schools".

In setting the School's objectives and planning activities the Governors have given due regard to the latest guidance on public benefit published by the Charity Commission.

Financial Review

Like many charities, Millfield has endured a financial loss as a result of the Covid-19 pandemic. The physical closure of the school in March 2020 necessitated the provision of remote learning for Summer Term 2020. The associated reduction in fees charged to parents resulted in a decrease of charitable activity income. In addition, as the closure continued during the Easter and Summer holidays, the charity lost the majority of its trading activity income. The combined effect of the loss of these income streams of around £10 million was offset to some degree by the claim for a grant under the provisions of the UK Government Coronavirus Job Retention Scheme. As a result, the impact of Covid-19 on total income was a decrease of £8.1 million. We were able to make additional savings of £4.7 million in variable costs, both staff and overheads, thereby limiting the increase in net expenditure to £3.4 million. A number of redundancies were made during the year and the school continues to review the costs of the charity to ensure they are sustainable.

Millfield remains committed to maintaining broad access for talented students who would benefit from an education at its Prep and Senior schools, by offering financial support with the payment of fees to families who are otherwise unable to afford them. Bursaries totalling £3.6 million (2019: £3.8 million) were provided to students

There is a pension liability of £7.9 million (2019: £8.3 million) as reported in accordance with Financial Reporting Standard Number 102 ("FRS 102") in respect of the Millfield Retirement Benefit Scheme (the Scheme) for some support staff as set out in note 22. The Scheme was closed to future benefit accrual and salary linkage on 31 December 2014.

The School's trading subsidiary, Millfield School Enterprises Limited, contributed turnover, profit and net assets as outlined in note 12 to the Financial Statements.

Millfield's operating activities used up £0.5 million of cash reserves brought forward compared to positive cash generation of £1.4 million in 2019 as set out in note 23. This swing from operating cash generation is unsurprising given the significant loss of income incurred during the year. After considering the impact of investing and financing activities, there was a £2.0 million net outflow of funds during the year (2019: £1.3 million net outflow).

Fundraising

As part of its operations the School engages in fundraising activities to seek donations from former students, parents and other members of the School community. The School complies with the Fundraising Regulator's code of practice and seeks to build positive long-term relationships with potential donors. Fundraising is conducted through the School's development office. There are no matters to report under the Charities (Protection and Social Investment) Act 2016.

Reserves

The Governors' policy is to examine the needs, risks and challenges faced by the School in both the short and medium terms along with relevant financial plans and forecasts and to establish reserves sufficient to meet these requirements including the School's longer-term capital expenditure commitments and any longer-term financial obligations. This policy is reviewed on a regular basis and monitored in line with the buildings development programme, which is funded from operating surpluses and a fixed term loan.

Reserves as at 31 August:	Note	2020 £ million	2019 £ million
Total Funds	19	40.0	44.3
Less: Restricted Funds	19	(0.8)	(1.5)
Unrestricted Funds	19	39.2	42.8
Less: unrestricted tangible fixed assets	11	(62.9)	(65.0)
Free Reserves		**(23.7)**	**(22.2)**

Free Reserves:
There are no free reserves, but Governors are satisfied with this position given that a bank overdraft facility of £10 million has been retained and is available together with anticipated future cash flows. The Governors do not envisage there being any difficulty in meeting current and/or future obligations of the Charity and note there is no financial dependence on key donors.

Included in free reserves is the actuarially calculated funding deficit of £7.9 million (2019: £8.3 million) on the School's defined benefit pension scheme that under FRS102 is accrued as a liability. It is intended this liability be repaid from operating cash flows, in accordance with the recovery plan agreed between the Governors and the Pension Scheme Trustees.

Restricted Funds:
The restricted funds comprise donations earmarked by the donors, or the terms of an appeal, for specific purposes. Restrictions are legally binding on the Governors. Restricted funds include £0.6 million (2019: £1.4 million) in respect of donations made for the Millfield Centre. After obtaining approval from the Charity Commission, Millfield offered to return or reallocate those donations received for the Millfield Centre and as at 31 August 2020, donors had requested £0.8 million be refunded.

Energy Savings Opportunity Scheme ("ESOS")

Summary of data for the year

All figures have been quoted in terms of Carbon dioxide equivalent. CO2e is a term for describing different greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO2e signifies the amount of CO2 which would have the equivalent global warming impact.

2019/20: Energy Use kWh*	16,981,350 kWh
Associated Tonnes: CO2 equivalent**	4,005 tonnes CO2e
Intensity Ratio: Emissions per capita (staff & students)	1.58 tonnes CO2

** Energy use kWh includes heating, lighting, mileage and fuel (not water and refrigerant gases) across the group of Millfield Schools.*
***Associated Tonnes CO2 does include water and refrigerant gases in its total. Associated Greenhouse gases have been calculated using the GHG Reporting Protocol – Corporate Standard with the DEFRA conversion factors issued in May 2019.*

Breakdown of energy between utilities and transport & other:

2019/20	**Tonnes CO2e**
Electricity	990
Gas	1,979
Oil	435
LPG	178
Fuel & mileage	185
Water	68
Refrigerant gases	170
TOTAL	**4,005**

Energy efficiency measures

In the year 2019/2020, the following energy efficiency actions were undertaken:

- Undertook a water efficiency review and carried out works to stop the running WCs, reduce flow rates and implemented stop tap tests to establish whether there were any leaks associated with the swimming pool.
- Engaged with the school environmental committee in order to provide them with data showing the energy usage per boarding house.
- Investigated the use of the Building Management System and reduced the maximum temperature in the associated buildings by 1-2 degrees.
- Started a program of energy audits within the boarding houses.
- Appointed Powerful Allies in order to help reduce the schools' energy consumption.

Plans for energy efficiency in the year ahead:

- Energy consumption within the swimming pools is high. As a result, we are currently investigating the procurement of pool covers for both schools. Early indications would suggest that pool covers could result in a 35 – 50% reduction in energy costs with a ROI in year 2 or 3.
- We are also investigating the procurement of new boilers and control systems for the swimming pool plant at the senior school. This will require capital investment, but with the intention of being able to reduce energy consumption as the existing boilers, which are reaching the end of their serviceable life. New boilers and control systems will better manage the demand on the boilers and energy consumption during long periods when the pool is not in use.

Risk Management

The Board of Governors is responsible for the management of the risks faced by Millfield. An ongoing process has been established for identifying, evaluating and managing risks faced by the School and a risk management policy is in place.

The key controls used include:

- Formal agendas and minutes for all Committee and Board activity
- Clearly defined organisational responsibilities
- Comprehensive risk register
- Comprehensive strategic planning, revenue and capital budgeting, cash flow and management accounting
- Formal written policies
- Clear authorisation and approval levels
- Compliance with statutory requirements and external guidelines as appropriate
- Safeguarding procedures, as required by law, for the protection of children

Detailed considerations of risk are delegated to the Audit, Compliance and Risk Committee. This Committee, assisted by the School's executive management team, has identified and prioritised the key risks and a strategy for dealing with them has been approved by the Board of Governors. A formal review of risks will continue to be undertaken on at least an annual basis and documented in a risk register. Through the above risk management procedures the Governors are satisfied that the principal risks identified below have been adequately addressed where necessary. It is recognised, however, that systems can only provide reasonable but not absolute assurance that major risks have been appropriately managed.

Millfield has previously identified six key strategic risks:

1. Government policy

Independent Schools have been the subject of ongoing discussions by government. There remains a risk that changes to government policy targeted to Independent Schools (such as amendments to VAT legislation on educational supplies, business rates relief, levy charges) would have a significant impact on Millfield's ability to operate, and links closely with another key strategic risk of affordability. This in turn could have a large impact on the demand for places, and therefore on fee income. Millfield mitigates this risk by regularly reviewing its reserves policy, by preparing long-term forecasts which include contingency planning in the event of changes in policy and by taking an active role in supporting the Independent Schools Council in promoting public affairs and parliamentary engagement on behalf of the sector.

2. Financial viability

There is increasing pressure on the operational running costs of the School, including staffing, facilities and utilities. Millfield has to balance the investment it makes in its staff and facilities with its funding, the key source of which is fee income. To ensure all its commitments are met, Millfield has robust management processes. These include forecasting pupil numbers, detailed budgeting and cash flow projections which are prepared by the Executive Group and subject to detailed scrutiny by Governors. Progress against this plan is monitored continually by the Executive Group and termly by Governors.

3. Affordability

Millfield operates in a very competitive market and is conscious that the cost of private education is increasingly beyond the financial means of many families. In addition, affordability of fees and therefore pupil numbers could be affected by macro-economic factors. Recognising this, Millfield retains its focus on achieving value for money in every area of its operations, and is committed to building funds to safeguard its scholarship and bursary support for families who otherwise would not be able to access a Millfield education.

4. Safety and security of pupils, staff and premises

Millfield aims to provide a safe and secure environment. To do this it has in place detailed policies and procedures including in the areas of safeguarding children, anti-bullying, health and safety, physical security, cyber-security, wellbeing, data protection and critical incident management. These are regularly reviewed by Governors. Staff and pupils are provided with detailed training, as appropriate, to ensure these policies are adhered to across Millfield.

5. Recruitment and retention of key staff

Millfield relies on its ability to recruit and retain high quality staff to carry out its charitable activities and achieve its objectives. In order to achieve this Millfield provides a comprehensive range of financial and non-financial benefits to staff, including competitive salaries, training and development opportunities, use of school facilities and a wellbeing programme.

6. Effectiveness of Governance

The Governors recognise that strong governance is essential to Millfield's success. In order to ensure that governance is effective Millfield recruits Governors based upon a skills matrix. Comprehensive induction and refresher training is provided to Governors. Committee structures are in place supported by clear terms of reference. Governors actively monitor implementation of policies and compliance within the School. A biennial process of self-evaluation is undertaken by the Board of Governors.

Covid-19

The accounts are approved during a period where there remains a considerable uncertainty as a result of the Covid-19 pandemic.

Millfield's response has been to implement its contingency planning arrangements for such circumstances, and it has been able to serve its stakeholders following the Government deciding to implement physical closure of UK schools from the start of the Spring Term 2021 as follows:

- The education provision is focussed on the delivery of remote learning using IT systems implemented and communicated to pupils and parents in the previous lockdown during the Summer Term of 2020.
- Other stakeholders have been supported by the retention of key staff working onsite throughout the pandemic together with others able to work remotely so as to minimise disruption to school's operation.
- Millfield has retained the secured overdraft of £10 million from the School's bank (Lloyds) so to enable it to support its service provision during the Covid-19 outbreak and thereafter. It has not needed to access this facility to date.

The Covid-19 pandemic has impacted Millfield like most other organisations. In terms of our charitable activities, we moved to a remote learning-based service for Summer Term 2020 once the UK government had required us to physically close. We were able to physically open for the Autumn Term 2020 and can report that pupil numbers were sustained in line with the previous year.

The ultimate impact of Covid-19 on the UK and world's economy and in turn on the Charity is yet to be seen. However, through appropriate consideration of risks as part of its normal risk management processes and actions already taken and available to be taken, Governors consider appropriate action has been and will continue to be taken to ensure these risks to the future of Millfield are mitigated such that the going concern basis should continue to be adopted for these accounts.

Statement of Governors' Responsibilities

The Governors (who are also directors of Millfield for the purposes of Company law) are responsible for preparing the Report of the Governing Body (incorporating the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Governors 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing the School's aims and objectives and in planning the School's future activities. In particular, the Governors have considered how planned activities will contribute to the aims and objectives they have set.

In so far as the Governors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Governors 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.

The Report (incorporating the Strategic Report) was approved by the Board of Governors of Millfield on 19 March 2021 and signed on its behalf by:



Roland Rudd
Chair of Governors

Opinion
We have audited the financial statements of Millfield for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement 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 group's and of the parent charitable company's affairs as at 31 August 2020 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

Responsibilities of governors for the financial statements
As explained more fully in the governors' responsibilities statement, set out on page 19, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors 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 governors are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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

- the governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to

adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Governing Body (which incorporates the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report included within the Report of the Governing Body has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governing Body (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Use of our report

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

Tracey Young.

Tracey Young (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date: 09 April 2021

10 Queen Street Place
London
EC4R 1AG

CONSOLIDATED STATEMENTS OF FINANCIAL ACTIVITIES
for the year ended 31 August 2020

	Note	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2020 £'000**	Total 2019 £'000
Income from:					
Charitable Activities:					
- Fees receivable	3	39,820	-	**39,820**	**43,622**
- Other educational income	4	2,921	-	**2,921**	**3,442**
Other Trading Activities:					
- Other fees and external hiring		409	-	**409**	**5,609**
- Subsidiary trading income		549	-	**549**	**824**
Investment income	5	17	5	**22**	**32**
Donations, grants and legacies	6	2,468	(723)	**1,745**	**117**
Other income	7	104	-	**104**	**97**
Total Income		46,288	(718)	**45,570**	**53,743**
Expenditure on:					
Charitable Activities		(47,240)		**(47,240)**	**(48,476)**
Raising Funds:					
- Other fees and external hiring		(1,150)	-	**(1,150)**	**(4,676)**
- Subsidiary trading expenditure		(503)	-	**(503)**	**(723)**
- Fundraising		(142)	-	**(142)**	**(160)**
Finance and Other Costs		(719)	-	**(719)**	**(518)**
Total Expenditure	8	(49,754)	-	**(49,754)**	**(54,553)**
Net (Expenditure)		(3,466)	(718)	**(4,184)**	**(810)**
Transfers between funds		19	(19)	**-**	**-**
Other Recognised Gains/(Losses):					
Re-measurement of the net defined benefit pension liability	22	124	-	**124**	**(4,240)**
Net Movement in Funds		(3,323)	(737)	**(4,060)**	**(5,050)**
Total Funds Brought Forward		42,826	1,513	**44,339**	**49,389**
Total Funds Carried Forward	19	39,503	776	**40,279**	**44,339**

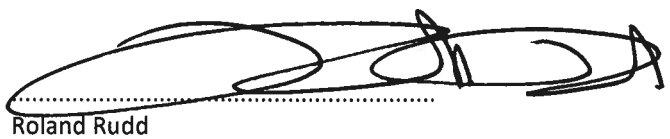
All amounts relate to continuing operations.
Comparative table included on page 41, note 26.

The notes on pages 25 – 42 form part of these financial statements.

	Note	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Fixed Assets					
Tangible fixed assets	11	62,903	65,009	62,903	65,009
Investments	12	-	-	325	325
		62,903	65,009	63,228	65,334
Current Assets					
Stocks	13	294	311	-	-
Debtors	14	1,191	1,385	1,111	1,240
Cash at bank and in hand		6,000	7,970	5,976	7,957
		7,485	9,666	7,087	9,197
Creditors: amounts falling due within one year	15	(17,677)	(17,289)	(17,625)	(17,269)
Net Current liabilities		(10,192)	(7,623)	(10,538)	(8,072)
Total Assets Less Current Liabilities		52,711	57,386	52,690	57,262
Creditors: amounts falling due after more than one year	16	(4,500)	(4,709)	(4,500)	(4,709)
Net Assets Excluding Pension Liability		48,211	52,677	48,190	52,553
Defined benefit pension liability	22	(7,932)	(8,338)	(7,932)	(8,338)
Net Assets		40,279	44,339	40,258	44,215
Funds					
Unrestricted funds - General		47,435	51,164	47,414	51,040
- Pension reserve	22	(7,932)	(8,338)	(7,932)	(8,338)
	19	39,503	42,826	39,482	42,702
Restricted funds	19	776	1,513	776	1,513
Total Funds		40,279	44,339	40,258	44,215

The parent company's net expenditure for the year, before movement in the pension reserve was £4,362,000 (2019: net expenditure £1,007,000).

The financial statements were approved and authorised for issue by the Board of Governors of Millfield on 19 March 2021 and signed on its behalf by:



Roland Rudd
Chair of Governors

The notes on pages 25 – 42 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 August 2020

	Note	2020 £'000	2019 £'000
Operating Activities			
Cash generated from operations	23	(529)	1,368
Investing Activities			
Interest received		22	32
Purchase of tangible fixed assets	11	(4,901)	(6,956)
Loss on disposal of tangible fixed assets		717	7
Net cash used in Investing Activities		(4,162)	(6,917)
Financing Activities			
Repayment of borrowings		(581)	(541)
Interest paid		(103)	(136)
Receipts from new advance fee contracts		3,597	5,075
Advanced fees repaid		(192)	(174)
Net cash generated from Financing Activities		2,721	4,224
Cash and cash equivalents at end of year		(1,970)	(1,325)
Cash and cash equivalents at beginning of the year		7,970	9,295
Cash and cash equivalents at end of the year		6,000	7,970
Relating to:			
Bank balances included in cash at bank and in hand		6,000	7,970

Analysis of movements in net cash	**2019** £'000	**Cash flows** £'000	**2020** £'000
Cash at bank and in hand	7,970	(1,970)	6,000
Total cash and cash equivalents	7,970	(1,970)	6,000
Loan (Due in less than one year)	(581)	(41)	(622)
Loan (Due after more than one year)	(1,276)	622	(654)
Total	6,113	(1,389)	4,724

The notes on pages 25 – 42 form part of these financial statements.

1. General Information & Principal Accounting Policies

Millfield Limited ("the Company") is a company limited by guarantee domiciled and incorporated in England. The address of the Company's registered office and principal place of business is Millfield, Street, Somerset, BA16 0YD.

The School consolidated accounts consist of the Company and all of its subsidiaries detailed in note 12. The Company's and subsidiary's principal activities and nature of operations are detailed on page 11.

A summary of the more important accounting policies, including those affecting the most significant items in these financial statements, is set out below:

a) *Basis of accounting*

The accounts have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice and FRS 102 – Second Edition. The School is considered to be a Public Benefit Entity under FRS102. The accounts are drawn up on the historical cost basis of accounting. Monetary amounts in these accounts are rounded to the nearest £'000 except where otherwise indicated.

b) *Reduced disclosure*

In accordance with FRS 102, the charity has taken advantage of the exemption from the following disclosure requirements:

- Section 7 'Statement of Cash flows' – Presentation of a charity only Statement of Cash Flow and related notes and disclosures

The financial statements of the charity are consolidated in the financial statements of Millfield. The consolidated financial statements of Millfield School are available from its registered office.

c) *Basis of consolidation*

The group consolidates on a line by line basis the financial statements of the charity and its subsidiary undertakings made up to 31 August 2020. All intragroup transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

The consolidated financial statements are presented in sterling which is also the functional currency of the Company and its subsidiaries.

As permitted by Section 408 of the Companies Act 2006, the parent company's income and expenditure account has not been included in these financial statements.

d) *Going concern*

The accounts are approved during a period when there is much uncertainty as a result of the ongoing coronavirus pandemic (Covid -19). The ultimate impact of Covid-19 on the UK and the world's economy and the School is yet to be seen. However, having reviewed the funding facilities available to the School together with the expected future cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the School's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

e) *Funds*

The restricted funds comprise donations earmarked by the donors, or the terms of an appeal, for specific purposes. Unrestricted funds are expendable at the discretion of the Governors in furtherance of the

objects or administration of the charity. Designated funds comprise unrestricted funds, which are earmarked for particular purposes by the Governors.

f) *Fees and similar income*

Fees receivable, charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School.

Fees for education to be provided in future years are carried forward as deferred income in the balance sheet. These fees are released to the Statement of Financial Activities over the period in which the School provides the services in future years. Fee receivable under the School's Advanced Fee scheme attract interest, which is charged to the Statement of Financial Activities, in the period over which the advance fee creditor is released to fee income.

g) *Donations*

Donations receivable for the general purpose of the School are credited to unrestricted funds. Donations for purposes restricted by the wishes of the donor are taken to restricted funds where these wishes are legally binding on the Governors. All donations are recognised when the economic benefit is considered probable and can be measured reliably.

Grants received under the furlough scheme have been accounted for on the accruals basis, when the employees were placed on temporary leave.

h) *Expenditure*

Expenditure is accrued as soon as a liability is considered probable. Expenditure is allocated to expense headings on a direct cost basis, with staff costs being allocated according to the estimated time spent by staff working in relevant departments.

The irrecoverable element of VAT is included within the item of expense to which it relates.

i) *Operating leases*

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

j) *Stocks*

Stocks are stated at the lower of cost and estimated selling price less cost to complete and sell. In general, cost is determined on a weighted average cost basis. At each reporting date the School assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell, is recognised as an impairment in profit or loss. Reversal of impairment losses are also recognised in profit or loss.

k) *Investments*

The School has elected to hold investments in subsidiary undertakings at cost less impairment. Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversal of impairment losses are recognised immediately in the SOFA.

l) *Tangible fixed assets*

Expenditure on fixed assets is capitalised except for expenditure incurred on the replacement of assets of low value with a short life. Subsequent costs of repair, renovation and replacement expenditure are written off as incurred in the Consolidated Statement of Financial Activities ("SOFA"), unless it is probable

that such costs will generate future economic benefits. Items costing less than £5,000 are written off as an expense as acquired.

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	Straight Line Basis %
Freehold land	-
Freehold property	2 – 4
Extensions and improvements to buildings	10
Fixtures, fittings and equipment	15
Computers	33 1/3
Motorised plant and vehicles	15
Assets under construction	-

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired, and if such conditions exist, the School estimates the recoverable value of the asset. Any shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairment losses.

m) *Financial Instruments*

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument, and are offset only when the group has a legal enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise and settle the liability simultaneously.

Financial assets
Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairments losses.

Financial liabilities
Financial instruments are classified as liabilities according to the substance of the contractual arrangements entered into. Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Borrowings
Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

n) *Retirement benefits*

Retirement benefits to employees of the group are provided through three pension schemes, two defined benefit, and one defined contribution:

(a) The Teachers' Pension Scheme (a defined benefits scheme) at rates set by the Scheme Actuary and advised to the Governors by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme.

(b) The Millfield Retirement Benefit Scheme (a defined benefit scheme) was closed to new members on 1 September 2005, and closed to future accrual and salary linkage on 31 December 2014. This scheme is accounted for as a defined benefit scheme, with the annually calculated notional surplus or deficit on the funding of the Scheme shown in the financial statements as a liability entitled "Pension Reserve", which is deducted from Unrestricted Funds in the balance sheet.

(c) The Millfield School Work Save Pension Plan is a defined contribution scheme.

Defined contribution plans
For defined contribution schemes the amount charged to expenditure is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Defined benefit plans
For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method.

Liability
The net liability represents the present value of the defined benefit obligation minus the fair value of the plan assets out of which obligations are to be settled.

The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains or losses

Gains or losses recognised in the statement of financial activities:
- The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost.
- The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.
- Net interest on the net defined liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligations.
- Actuarial gains and losses
- The difference between the interest income on the plan assets and the actual return on the plan assets

o) *Critical accounting estimates and areas of judgement*

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

In valuing the deficit on the School's defined benefit pension scheme judgements need to be made by management as to what are the most appropriate assumptions to use in the valuation. The closing deficit was £7.9 million (2019: £8.3 million) and the adoption of different assumptions could have a material impact on the deficit.

2. Net Expenditure

	2020 £'000	2019 £'000
Net expenditure is stated after charging:		
Auditor's remuneration for:		
- External Audit (Company £36,240 (2019: £34,620))	40	35
- Taxation - compliance services to the Company and its subsidiaries	2	2
- Pension scheme audit	7	8
Internal audit	-	3
Depreciation of tangible fixed assets	5,585	5,549
Operating lease costs	113	164
Loss on disposal of tangible fixed assets	717	7
Stock		
- Amounts expensed to cost of sales	303	412
- Impairment losses recognised in cost of sales	4	-
Interest payable		
- Loan interest	103	136
- Net interest on the net defined benefit pension liability	138	218
- Interest on fees in advance	69	87

3. Fees Receivable

	2020 £'000	2019 £'000
School fees	48,356	52,368
Less: Scholarships	(2,805)	(2,953)
Bursaries	(3,636)	(3,788)
Other concessions	(2,095)	(2,005)
	39,820	43,622

4. Other Educational Income

	2020 £'000	2019 £'000
Registration and acceptance fees	337	280
Travel, School trips, examination fees and other charges to students	2,584	3,162
	2,921	3,442

5. Investment Income

	2020 £'000	2019 £'000
Bank and other interest	22	32

6. Donations, Grants and Legacies

	2020 £'000	2019 £'000
Donation income/(refunds)	(715)	117
Coronavirus JRS Government Grant	2,460	-
	1,745	117

The Charities Commission approved the return of donations on the Millfield Centre project and an amount of £759k is included within donation income/(refunds).

7. Other Income

	2020 £'000	2019 £'000
Interest on overdue fees	28	38
Rents received	76	59
	104	97

8. Analysis of Expenditure

	Staff costs £'000	Other £'000	Deprec -iation £'000	2020 Total £'000	2019 Total £'000
Charitable activities:					
Teaching costs	22,027	2,588	516	25,131	25,106
Welfare	2,653	3,637	102	6,392	8,257
Premises	2,290	4,057	4,535	10,882	10,134
Support costs of Schooling	2,758	1,581	432	4,771	4,902
Governance costs	-	64	-	64	77
Total Charitable Activities	29,728	11,927	5,585	47,240	48,476
Raising Funds:					
Ancillary fees and external hiring	748	402	-	1,150	4,676
Subsidiary trading expenditure	138	365	-	503	723
Fundraising	58	84	-	142	160
Finance and other costs	-	719	-	719	518
Total Expenditure	30,672	13,497	5,585	49,754	54,553

Prior year Analysis of Expenditure

	Staff costs £'000	Other £'000	Deprec -iation £'000	2019 Total £'000	2018 Total £'000
Charitable activities:					
Teaching costs	20,961	3,598	547	25,106	23,763
Welfare	2,764	5,387	106	8,257	7,963
Premises	2,295	3,415	4,427	10,134	9,665
Support costs of Schooling	2,692	1,754	456	4,902	4,582
Governance costs	-	77	-	77	61
Total Charitable Activities	28,709	14,231	5,536	48,476	46,034
Raising Funds:					
Ancillary fees and external hiring	1,823	2,853	-	4,676	4,816
Subsidiary trading	194	516	13	723	742
Fundraising	89	71	-	160	179
Finance and other costs	-	518	-	518	437
Total Expenditure	30,815	18,189	5,549	54,553	52,208

9. Employee Information

	2020 Group Number	2019 Group Number	2020 Company Number	2019 Company Number
The average number of persons (full-time equivalent) employed during the year was:				
Teaching and coaching	266	267	266	267
Administration and support	401	459	394	450
	667	726	660	717
The average number of persons employed by the group during the year was:	1,053	1,106	1,049	1,038
Staff costs (for the above persons)	£'000	£'000	£'000	£'000
Wages and salaries	25,068	25,905	24,942	25,731
Social security costs	2,118	2,311	2,111	2,300
Defined benefit pension costs	2,927	2,024	2,927	2,024
Defined contribution pension costs	559	575	553	566
	30,672	30,815	30,533	30,621
Aggregate employee costs of key management personnel (including salary, benefits, pension contributions and national insurance)	583	753	583	753

The total amount relating to termination payments during the year was £280,000 (2019: £310,000). These amounts relate to agreements made with employees to end employment contracts.
The number of employees whose emoluments (excluding pension contributions) exceeded £60,000 were:

	2020 Number	2019 Number
£60,001 - £70,000	36	32
£70,001 - £80,000	9	9
£80,001 - £90,000	5	2
£90,001 - £100,000	-	1
£100,001 - £110,000	2	2
£110,001 - £120,000	1	1
£130,001 - £140,000	1	1
£170,001 - £180,000	-	1
£190,001 - £200,000	-	1
£210,001 - £220,000	-	1
£220,001 - £230,000	1	-

No emoluments were paid to the Governors in respect of their services to Millfield during the year, nor have they received any other form of disclosable trustee benefit (2019: nil). During the year, 12 (2019: 20) Governors were reimbursed expenses totalling £7,853 (2019: £14,034) for travel and subsistence and the School paid £389 (2019: £2,871) for Governors indemnity insurance.

10. Taxation

The Company is a registered charity, and as such is entitled to tax exemptions on income and gains, properly applied for its charitable purposes.

11. Tangible Fixed Assets (Group)

	Freehold Property £'000	Assets under construct-ion £'000	Extensions and improve-ments to buildings £'000	Fixtures Fittings and Equipment £'000	Computers £'000	Motorised Plant and Vehicles £'000	Total £'000
Cost							
At 1 Sept 2019	74,084	3,144	29,932	7,291	3,558	778	118,787
Additions	1,991	1,219	924	516	215	36	4,901
Transfers	2,592	(2,778)	79	94	13	-	-
Disposals	(1,760)	(697)	(882)	(696)	(905)	(13)	(4,953)
At 31 Aug 2020	76,907	888	30,053	7,205	2,881	801	118,735
Depreciation							
At 1 Sept 2019	30,738	-	14,570	4,872	2,988	610	53,778
Charge for year	1,574	-	2,726	785	454	46	5,585
Disposals	(1,071)	-	(846)	(696)	(905)	(13)	(3,531)
At 31 Aug 2019	31,241	-	16,450	4,961	2,537	643	55,832
Net book value							
At 31 Aug 2020	45,666	888	13,603	2,244	344	158	62,903
At 1 Sept 2019	43,346	3,144	15,362	2,419	570	168	65,009

Tangible Fixed Assets (Company)

	Freehold Property £'000	Assets under construct-ion £'000	Extensions and improve-ments to buildings £'000	Fixtures Fittings and Equipment £'000	Computers £'000	Motorised Plant and Vehicles £'000	Total £'000
Cost							
At 1 Sept 2019	74,084	3,144	29,932	7,286	3,518	751	118,715
Additions	1,991	1,219	924	516	215	36	4,901
Transfers	2,592	(2,778)	79	94	13	-	-
Disposals	(1,760)	(697)	(882)	(696)	(905)	(13)	(4,953)
At 31 Aug 2020	76,907	888	30,053	7,200	2,841	774	118,663
Depreciation							
At 1 Sept 2019	30,738	-	14,570	4,867	2,948	583	53,706
Charge for year	1,574	-	2,726	785	454	46	5,585
Disposals	(1,071)	-	(846)	(696)	(905)	(13)	(3,531)
At 31 Aug 2020	31,241	-	16,450	4,956	2,497	616	55,760
Net book value							
At 31 Aug 2020	45,666	888	13,603	2,244	344	158	62,903
At 1 Sept 2019	43,346	3,144	15,362	2,419	570	168	65,009

The net book value of the Group and Company tangible fixed assets includes an amount of £4,288,098 (2019: £4,288,098) in respect of freehold land which is not depreciated. Included within the Group and Company's freehold property are assets which are licenced to the subsidiary under operating leases, where Millfield acts as the lessor, with a net book value of £178,982 (2019: £185,611).

12. Fixed Asset Investments

Company	2020 £'000	2019 £'000
Interest in group undertakings at cost	325	325

The Company had the following subsidiary undertakings, at the year-end, all with the common registered office on page 44:

	Millfield Overseas Limited	Millfield School Enterprises Limited	Millfield Overseas Limited	Millfield School Enterprises Limited
	2020	2020	2019	2019
Nature of business	Dormant	Service	Dormant	Service
Company number	08339295	01553104	08339295	01553104
Proportion of nominal value of issued shares held by the Company	100%	100%	100%	100%
Country of incorporation	England	England	England	England
Results for the Subsidiary as at the 31 August				
	£'000	£'000	£'000	£'000
Net assets	-	346	-	449
Turnover	-	898	-	1,381
Expenses		(835)		(1,226)
Profit		63		155
Distribution	-	(166)	-	(162)
Net Expense for financial year	-	(103)	-	(7)

The results of the subsidiary entities have been included in these consolidated financial statements. Millfield Overseas Limited was incorporated on 21 December 2012 and remains dormant.

13. Stocks

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Goods for resale	294	311	-	-

14. Debtors: amounts falling due within one year

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade debtors	550	911	527	806
Other debtors	356	40	356	40
Prepayments	285	434	228	394
	1,191	1,385	1,111	1,240

15. Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Bank loan (see note 16)	622	581	622	581
Amounts received under advance fee scheme (see note 18)	2,827	4,524	2,827	4,524
Amount due to subsidiary	-	-	101	52
Trade creditors	893	1,723	740	1,651
Taxation and social security costs	1,134	826	1,134	826
Other creditors	3,971	529	3,971	529
Accruals	1,670	1,219	1,670	1,219
School fees paid in advance	5,659	7,329	5,659	7,329
School fee deposits held	901	558	901	558
	17,677	17,289	17,625	17,269

16. Creditors: amounts falling due after more than one year

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Fixed term loan (see below)	654	1,276	654	1,276
Amounts received under advance fee scheme (see note 18)	1,301	1,040	1,301	1,040
School fees deposits held	2,545	2,393	2,545	2,393
	4,500	4,709	4,500	4,709

17. Fixed Term Loan – Group and Company

The loan is unsecured and repayable over 20 years from 2 September 2002 at a fixed interest rate of 6.88% p.a, as follows:

	2020	2019
	£'000	£'000
Over one year:		
Within 1 to 2 years	654	622
Within 2 to 5 years	0	654
	654	1,276
Within one year	622	581
	1,276	1,857

18. Advance Fee Payments – Group and Company

Parents sometimes deposit a lump sum with the School as an advance on future fees. Each arrangement is in respect of an agreed amount to be credited against future fee bills for an agreed number of terms. The unused balance of the advance is repayable upon request. It is intended that the advance fees will be applied as follows:

	2020	2019
	£'000	£'000
Over one year:		
Within 1 to 2 years	724	585
Within 3 – 5 years	372	369
After 5 years	205	86
	1,301	1,040
Within one year	2,827	4,524
	4,128	5,564

Figures for advanced fee payments are included within the balance for School fees paid in advance (notes 15 and 16). The balance represents the accrued liability under these arrangements. The movements during the year were:

	2020 £'000	2019 £'000
Balance at 1 September	5,564	6,391
New contracts	3,597	5,075
Amount accrued to contracts	69	87
	9,230	11,553
Amounts utilised in the payment of fees to the School	(4,910)	(5,815)
Refunds of fees paid in advance	(192)	(174)
Balance at 31 August	4,128	5,564

19. Funds – Group

	Balance 1 September 2019 £'000	Income £'000	Expenditure £'000	Defined benefit liability/ transfers £'000	Balance 31 August 2020 £'000
Unrestricted funds:					
- General	51,164	46,288	(50,036)	19	47,435
- Pension reserve	(8,338)	-	282	124	(7,932)
	42,826	46,288	(49,754)	143	39,503
Restricted:					
- Millfield Centre Fund	1,418	(746)	-	(19)	653
- Sports Equipment Fund	1	-	-	-	1
- Other Funds	94	28	-	-	122
	1,513	(718)	-	(19)	776
Total Group	44,339	45,570	(49,754)	124	40,279

	Balance 1 September 2018 £'000	Income £'000	Expenditure £'000	Defined benefit liability/ transfers £'000	Balance 31 August 2019 £'000
Unrestricted funds:					
- General	52,281	53,620	(54,737)	-	51,164
- Pension reserve	(4,300)	-	202	(4,240)	(8,338)
	47,981	53,620	(54,535)	(4,240)	42,826
Restricted:					
- Millfield Centre Fund	1,372	46	-	-	1,418
- Sports Equipment Fund	1	-	-	-	1
- Other Funds	35	77	(18)	-	94
	1,408	123	(18)	-	1,513
Total Group	49,389	53,743	(54,553)	(4,240)	44,339

Funds – Company

	Balance 1 September 2019 £'000	Income £'000	Expenditure £'000	Defined benefit liability/ transfers £'000	Balance at 31 August 2020 £'000
Unrestricted funds:					
- General	51,040	45,757	(49,600)	217	47,414
Pension reserve	(8,338)	-	282	124	(7,932)
	42,702	45,757	(49,318)	341	39,482
Restricted funds:					
- Millfield Centre Fund	1,418	(746)	-	(19)	653
- Sports Equipment Fund	1	-	-	-	1
- Other Funds	94	28	-	-	122
	1,513	41	-	-	776
Total Company	44,215	45,039	(49,318)	322	40,258

	Balance 1 September 2018 £'000	Income £'000	Expenditure £'000	Defined benefit liability/ transfers £'000	Balance at 31 August 2019 £'000
Unrestricted funds:					
- General	52,151	52,796	(54,102)	195	51,040
Pension reserve	(4,300)	-	202	(4,240)	(8,338)
	47,851	52,796	(53,900)	(4,045)	42,702
Restricted funds:					
- Millfield Centre Fund	1,372	46	-	-	1,418
- Sports Equipment Fund	1	-	-	-	1
- Other Funds	35	77	(18)	-	94
	1,408	123	(18)	-	1,513
Total Company	49,259	52,919	(53,918)	(4,045)	44,215

Restricted Funds
Restricted Funds are restricted to the purchase of capital items specified by those donors. The fixed asset acquisition will discharge the restriction and the purchase of the asset will be reflected as a transfer from restricted to unrestricted funds in the year of acquisition.

20. Allocation of Group Net Assets

	Fixed assets £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	Pension reserve £'000	At 31 August 2020 £'000
Unrestricted funds:					
- General	62,903	(10,968)	(4,500)	-	47,435
- Pension reserve	-	-	-	(7,932)	(7,932)
Restricted funds					
- Millfield Centre Fund	-	653	-	-	653
- Sports Equipment Fund	-	1	-	-	1
- Other Funds	-	122	-	-	122
Total Group as at 31 August 2020	62,903	(10,192)	(4,500)	(7,932)	40,279

	Fixed assets £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	Pension reserve £'000	At 31 August 2019 £'000
Unrestricted funds:					
- General	65,009	(9,136)	(4,709)	-	51,164
- Pension reserve	-	-	-	(8,338)	(8,338)
Restricted funds					
- Millfield Centre Fund	-	1,418	-	-	1,418
- Sports Equipment Fund	-	1	-	-	1
- Other Funds	-	94	-	-	94
Total Group as at 31 August 2019	65,009	(7,623)	(4,709)	(8,338)	44,339

21. Capital Commitments

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Contracted but not provided as at 31 August	-	4,115	-	4,115

22. Pension Obligations

The total group pension contributions were £3,907,176 (2019: £3,018,631) of which £2,927,435 (2019: £2,023,915) related to the Teachers' Pension Scheme, £420,000 (2019: £420,000) related to the Millfield Final Salary Scheme for support staff (the Millfield Retirement Benefit Scheme) and £559,741 (2019: £574,716) was paid into defined contribution schemes.

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £2,927,435 (2019: £2,023,915) and at the year-end there were no amounts accrued in respect of contributions to this scheme at either year end.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020 and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

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

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

Final Salary Scheme

For some of its support staff, the School operates a funded final salary scheme, whose assets are held in separate trustee-administered funds.

From 1 September 2005, the final salary scheme was closed to new members. On 31 December 2014, after consultation with the Trustees and active members, the Scheme was closed to future accrual and salary linkage. Qualifying new staff are automatically enrolled into a defined contribution scheme with contribution rates equivalent to the minimum rates set out by the Government in respect of auto enrolment schemes.

The final salary scheme is subject to triennial valuations by independent actuaries, the last full actuarial valuation was carried out as at 1 September 2019, using the projected unit method. At the valuation, the market value of the assets held was £13,493,000 and this value was sufficient to cover 63% of the benefits accrued to members after allowing for expected future increases in earnings, giving a shortfall of surplus of £7,914,000.

Deficit contributions have been paid at £420,000 per year up to 31 August 2020 and will increase to £583,100 from 1 September 2020 to 31 August 2036. Employer's deficit contributions made to the scheme in the period were £420,000 (2019: £420,000). Going forward the School will need to meet expenses, any insurance premiums and PPF levies separately. The Scheme's next triennial valuation is 1 September 2022. The level of contributions in respect of any deficit will be subject to review at the next actuarial valuation.

These financial statements reflect the requirements of FRS 102. The expense for the year as calculated by the actuary together with the re-measurement of the deficit are recognised in the Consolidated Statement of Financial Activities as shown below:

	2020 £'000	2019 £'000
Statement of financial position		
Fair value of scheme assets	13,388	13,590
Present value of defined benefit obligation	(21,320)	(21,928)
Net deficit in scheme	(7,932)	(8,338)
Changes in the defined benefit obligation		
Defined benefit obligation at start of period	21,928	17,672
Interest cost on defined benefit obligation	366	503
Past service cost	-	100
Benefits paid	(776)	(646)
Actuarial loss/(gain)	(198)	4,299
Defined benefit obligation at end of period	21,320	21,928
Changes in the fair value of scheme assets		
Fair value of scheme assets at start of period	13,590	13,372
Interest income on scheme assets	228	385
Return less interest income on scheme assets	(74)	59
Contributions by the employer	420	420
Benefits paid	(776)	(646)
Fair value of scheme assets at end of period	13,388	13,590
Total expense recognised in expenditure		
Net interest on net defined benefit liability	138	118
Past service cost	-	100
Expenditure charged in year	138	218
Total amount recognised in the statement of financial activities		
Return less interest income on scheme assets	(74)	59
Actuarial (loss)/gain on liabilities	198	(4,299)
Re-measurement (loss)/gain recognised in the SOFA	124	(4,240)
Assets		
Target return	11,576	11,697
Property	1,698	1,752
Insurance annuities	95	97
Cash and net current assets	19	44
Fair value of scheme assets	13,388	13,590
Actual return on scheme assets over period	154	444

	2020 £'000	2019 £'000
Reconciliation of funded status		
Opening deficit	(8,338)	(4,300)
Employer contribution	420	420
Charge recorded in SOFA	(138)	(218)
(Loss)/Gain recorded in statement of financial activities	124	(4,240)
Closing deficit	(7,932)	(8,338)

Main financial assumptions	2020 % pa	2019 % pa
Discount rate	1.7	1.7
Price inflation:		
- RPI	3.1	3.2
- CPI	2.3	2.2
Deferred pension increases:		
- Pensions accrued to 5/4/09	2.3	2.2
- Pensions accrued from 6/4/09	2.3	2.2
Pension increases in payment:		
- GMPs accrued from 6/4/88	3.0	3.0
- Non-GMPs accrued to 31/8/05	3.0	3.1
- Pension accrued from 1/9/05	2.1	2.1

Mortality assumptions and life expectancies	2020 Years	2019 Years
Expected future lifetime from age 65:		
- Male currently aged 65	21.8	21.6
- Female currently aged 65	24.1	23.9
- Male currently aged 45	22.8	22.7
- Female currently aged 45	25.2	25.0

23. Reconciliation of net expenditure to net cash generated from operations

	2020 £'000	2019 £'000
Net (Expenditure)	(4,184)	(810)
Adjustments for:		
Depreciation of tangible fixed assets	5,585	5,549
Defined benefit pension scheme adjustment	(420)	(420)
Interest receivable	(22)	(32)
Interest payable	310	441
Loss on sale of tangible fixed assets	705	7
Operating cash flows before movements in working capital	1,974	4,735
Decrease in stocks	17	50
Decrease in debtors	194	254
Increase in creditors	2,196	2,144
Advance fees applied	(4,910)	(5,815)
	(2,503)	(3,367)
Cash generated from operations	(529)	1,368

24. Financial Commitments

At 31 August 2020 the group had total future minimum lease payments under non-cancellable operating leases, as follows:

	Other		Motor Vehicles	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Amounts due within one year	36	35	73	122
Amounts due in two to five years	43	62	10	83

25. Related Party Transactions

Transactions between the School and its subsidiary, Millfield School Enterprises Limited are disclosed below:

	2020	2019
	£'000	£'000
Purchases of goods in year	367	557
Rents received	33	33
Gift Aid received	166	162

The School has a limited number of students who are family members of governors. Fees are payable at the same level as other students, and entitlement to fee remission is considered in line with the School's stated policy.

The Governors made aggregate donations of £2,240 during the year to Millfield. One of the Governors, N Della Valle, is a director of Della Valle Architects which charged £15,510 for services provided on an arm's length basis during the year to Millfield. No other related party transactions other than those listed in note 9.

26. Prior year Consolidated Statement of Financial Activities by Fund

	Note	Unrestricted Funds £'000	Restricted Funds £'000	**Total 2019 £'000**
Income from:				
Charitable Activities:				
- Fees receivable	3	43,622	-	**43,622**
- Other educational income	4	3,442	-	**3,442**
Other Trading Activities:				
- Other fees and external hiring		5,609	-	**5,609**
- Subsidiary trading income		824	-	**824**
Investment Income	5	24	8	**32**
Donations and legacies	6	2	115	**117**
Other Income	7	97	-	**97**
Total Income		53,620	123	**53,743**
Expenditure on:				
Charitable Activities		(48,458)	(18)	**(48,476)**
Raising Funds:				
- Other fees and external hiring		(4,676)	-	**(4,676)**
- Subsidiary trading expenditure		(723)	-	**(723)**
- Fundraising		(160)	-	**(160)**
Finance and Other Costs		(518)	-	**(518)**
Total Expenditure	8	(54,535)	(18)	**(54,553)**
Net income		(915)	105	**(810)**
Other recognised losses:				
Re-measurement of the net defined benefit liability	22	(4,240)	-	**(4,240)**
Net Movement in Funds		(5,155)	105	**(5,050)**
Total Funds Brought Forward		47,981	1,408	**49,389**
Total Funds Carried Forward	19	42,826	1,513	**44,339**

27. Contingent Liabilities

The School has a catering contract with Chartwells until 31 August 2021. As part of the contract the School has benefitted from an investment in the School's dining hall facilities which, under the terms of the contract, are written down over a straight-line basis from the date of expenditure to the 31 August 2021. In the event that the School terminates the contract early it would be liable to repay the written down value of the investment. As at the year end the written down value of the investment is £180,000 (2019: £360,000).

28. Capital

The Company is limited by guarantee and does not have a share capital.

The Governors of Millfield ("the School") are the School's charity trustees under charity law and the directors of the charitable company. During the year the activities of the Governing Body were carried out through five committees. In addition to the committees some members of the Governing Body also act as trustees for Millfield Retirement Benefits Scheme and as directors of subsidiary companies (Millfield School Enterprises Limited and Millfield Overseas Limited). The members of the Governing Body who served in office as Governors during the year and subsequently are detailed below.

		(1)	(2)	(3)	(4)	(5)	(6)	(7)
Roland Rudd	**Chairman**		*					
Wim Bushell				*c			*c	
Richard Clark			*				*	
Dr. Nicola Della Valle	Appointed 23 November 2019			*				
Frances Dickens			*					
Stephen East		*c	*					
Richard Exley	**Deputy Chair**		*	*				
Tim Griffiths			*				*	*
Kate Griggs					*			
Christopher Hirst				*	*c			
Andrew Jackson	Resigned 9 September 2020		*			*	*	
Chris Macdonald			*c					*
John Maudslay		*				*c		
Janet Mitchell	Appointed 20 March 2020				*			
Douglas Pinto	Appointed 13 August 2020	*				*		
Anabel Sexton					*			
Marc Simon		*						
Timothy Taylor	Resigned 24 March 2020				*			
Robert Thornton	Resigned 29 September 2020			*	*c			
Richard Tovey		*			*			
Peter Warner		*			*			
Oliver Welsby	Appointed 13 August 2020	*						

*c denotes the current Chair of a committee or board.

1. Audit, Compliance and Risk Committee
2. Building and Finance Committee
3. Appointments Committee
4. Education Committee
5. Trustee, Millfield Retirement Benefits Scheme
6. Director, Millfield School Enterprises Limited
7. Director, Millfield Overseas Limited

OFFICERS - (key management personnel currently and throughout the year)

Gavin Horgan	Headmaster of Millfield
Shirley Shayler	Headmistress of Millfield Prep School
Melissa Johnson	Finance Director of Millfield Schools

SECRETARY AND CLERK TO THE GOVERNORS

Rachel Summerhayes

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