

SHREWSBURY SCHOOL

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

SHREWSBURY SCHOOL

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SHREWSBURY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS FOR THE YEAR ENDED 31 JULY 2020

Governors	<p>T.H.P. Haynes, BA, PGCE (Co-opted member), Chairman^{1,2,6} S.R. Baker, BSc, FCA, CF (Co-opted member)^{1,4} Councillor T.H. Biggins MA Appointed by Shropshire Council^{1,3,4} R. Boys-Stones, BSc, FCA (Co-opted member)³ D Chance MBA (Co-opted member)^{1,4} J.R. Clark MA (Co-opted member)^{3,5,6} Sir Peter Davis (Co-opted member)^{1,5} Professor Sir C. Dobson, FRS Master of St. John's College, Cambridge (deceased 8 September 2019)⁵ D. Flint, DL Appointed by the Lord Lieutenant of the County of Shropshire^{1,2,5} C. Howarth, LLB (Co-opted member)^{2,6} W.R.O. Hunter, QC (Co-opted member) (resigned 31 December 2019)^{2,6} Dr S. Jones-Perrott MB, BS (appointed 31 August 2019)^{3,7} Professor A.J. McCarthy BSc, PhD (Co-opted member)^{2,5} J.M.H. Moir, BA, MBA (Co-opted member)^{1,7} Councillor C.M. Motley B.A. Appointed by Shropshire Council^{1,5} L. O'Loughlin, (Deputy-Chair) LLB (Hons) (Co-opted member) (resigned 31 December 2019)^{1,2,5} J.D.C. Pitt MBA, BSc⁴ F.L. Schofield BA, PGCE (Co-opted member) (appointed 1 January 2020)⁷ D.R. Stacey DL (Co-opted member) (appointed 1 January 2020)^{1,3,7} G. Walters BBLs⁶ G Woods MA⁵</p> <p>¹ Finance and General Purposes ² Nominations and Remuneration Committee ³ Audit Committee ⁴ Investment Committee ⁵ Education and Safeguarding Committee ⁶ International Development Committee ⁷ The Prep School Committee</p>
Charity registered number	528413
Principal address and Registered Office	The Bursary Kingsland House Shrewsbury School The Schools Shrewsbury SY3 7AA
Headmaster	L Winkley MA, MEd
The Bailiff, Bursar and Clerk to the Governing Body	M J Ware, MA, ACA

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Independent auditor	Crowe U.K. LLP Carrick House Lypiatt Road Cheltenham GL50 2QJ
Bankers	Handelsbanken Plc 1st Floor, Willow House West Shrewsbury Business Park Shrewsbury SY2 6LG Lloyds Bank Plc 1 Pride Hill Shrewsbury SY1 1DG
Investment Advisors	Rathbone Investment Managers 8 Finsbury Circus London EC2M 7AZ

SHREWSBURY SCHOOL

GOVERNORS' REPORT FOR THE YEAR ENDED 31 JULY 2020

The Governors present their annual report for the year ended 31 July 2020, under the Charities Act 2011, together with the audited accounts for the year, and confirm that the latter comply with the Act, the School's Statutes and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities", the Charities SORP (FRS102) effective 1 January 2015.

REFERENCE AND ADMINISTRATIVE INFORMATION

The School was founded in 1552 as "The Free Grammar School of King Edward VI" and is registered with the Charity Commission under charity number 528413. The School's Governors, Officers and principal address and particulars of the School's professional advisers are as listed on pages 1-2.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Shrewsbury School is governed in accordance with the Shrewsbury School Statutes, approved by the Queen's Most Excellent Majesty, in Council on 12 October 2016.

Recruitment and Training of Governors

The School's Governing Body consists of both appointed and co-opted members.

The Master of St John's College Cambridge is an ex-officio member of the Governing Body. Three members are appointed to the Governing Body by persons or a body of persons as specified in the School's Statutes and effectively provide an informal link with Shrewsbury Town and its County. One member is elected by the Assistant Teachers of the School (Common Room).

Fourteen members (maximum) are co-opted by the current Governors, their names being brought forward for appointment by the Nominations and Remuneration Committee of the Governing Body. There is a regular audit of Governors' qualifications, skills and experience. Governors are encouraged to attend appropriate training courses and seminars.

New Governors are introduced to the workings of the School and the Governing Body largely by past financial statements, management accounts, minutes of Governor and sub-committee meetings, and a day's visit to the School, including meeting representatives of staff and employees. General information is provided in the School Statutes, the School Handbook, information for pupils, and Charity Commission regulations. Specific issues are addressed at an academic-year-end strategy meeting with the Headmaster. Governors are encouraged to keep abreast of new regulations. All Governors are required to undergo a Disclosure and Barring check for child protection purposes.

Organisational Management

The members of the Governing Body, as Trustees of the Charity, are legally responsible for the overall management and control of the School and meet as the full decision-making Governing Body of the School at least three times a year.

There are seven committees to which powers of investigation and recommendation are delegated, and which meet regularly under their respective chairmen. Minutes are kept of all meetings of the Trustees and of the Committees. Draft minutes are circulated to all Governors for discussion at meetings of the full Governing Body.

The Finance and General Purposes Committee (F&GP) is the working Committee responsible for making recommendations on the financial and operational policy to the Governing Body and for ensuring that the decisions and policies of the Governing Body are implemented. The F&GP meets at least three times a year, prior to full Governing Body meetings. The F&GP during the year was chaired by S. Baker.

The other committees are the Nominations and Remuneration Committee, chaired by L. O'Loughlin until 31

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GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

December 2019 and from 1 January 2020 by T Haynes; the International Development Committee, chaired by C. Howarth; the Audit Committee, chaired by R. Boys-Stones; the Investment Committee, chaired by D. Chance; the Education and Safeguarding Committee, chaired by Sir Peter Davis; and the Prep School Committee, chaired by M. Moir. Each Committee meets at least once a year.

The Governing Body has approved the terms of reference for each of the committees.

The day-to-day running of the School is delegated to the Headmaster, who is supported by the Bursar and their various management teams. The Packwood Haugh School Headmaster reports into the Headmaster of Shrewsbury School, and is supported by the Packwood Bursar and Packwood SLT. These groups form the key management personnel.

The Headmaster and the Bursar attend Governing Body and F&GP Committee meetings, and the meetings of other committees as appropriate. Other teaching and support staff attend Governing Body and committee meetings on an ad hoc basis to advise and inform Governors on specific areas of the School's activities.

Policies and guidelines for the effective governance and management of the School are regularly reviewed by the Audit Committee and their recommendations passed to the F&GP and the Governing Body for action.

The remuneration of the key management personnel of the School (Senior Leadership Team) is set by the Nominations and Remuneration Committee. The policy objectives are to provide appropriate incentives to encourage enhanced performance and to reward fairly and responsibly individual contributions to the School's success.

The appropriateness and relevance of the remuneration policy is reviewed annually, including references to comparisons with other independent schools to ensure that the School remains sensitive to broader issues of pay and employment conditions elsewhere.

Group Structure and Relationships

During the year, the School had two wholly owned subsidiaries:

- Shrewsbury School Enterprises Limited (non-charitable); and
- Shrewsbury School Trading Company Limited (formerly Shrewsbury School Development Company Limited) (non-charitable).

The activities of these companies are discussed later in this report.

In addition, the School pays the employment, administrative and other costs and expenses of Shrewsbury School Foundation. These costs are categorised as fund raising costs within the Consolidated Statement of Financial Activities. The Governors have agreed that the School will incur these costs to the extent that Shrewsbury School Foundation exercises and continues to exercise its charitable objects (the "Shrewsbury School Charitable Objects") as set out in the Foundation Trust Deed.

Shrewsbury School and Packwood Haugh School both operate within the Shrewsbury School charity.

Risk Management

The Governing Body is responsible for the management of the risks faced by the School. Detailed analysis of the risks is delegated to the Audit Committee, assisted by the School's senior team. Risks are identified, assessed and controls established throughout the year. The risks are identified under the following headings; mission and objects; law and regulations; governance and management; external factors; marketing/pupil recruitment; academic factors; operational factors; human resources; environmental; technological and financial. A formal review of the major risks facing the School and the concomitant risk management processes is performed annually by the Governing Body.

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GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

The key controls used by the School include:

- formal agendas and papers where appropriate for all Committee and Governing Body meetings with detailed minutes taken for each and circulated in draft to relevant participants and members unable to attend.
- clear and detailed terms of reference for each Committee.
- comprehensive strategic planning, budgeting and management accounting.
- timely, clear and accurate management financial information readily available.
- formal written policies agreed.
- established organisational management structure and lines of reporting.
- clear authorisation and approval levels for payments.
- Governors who have designated responsibility for child protection, health and safety, estates and admissions.

It is recognised that these control systems provide a reasonable, but not an absolute, assurance that risks are being managed properly. The Governors are satisfied that the major risks being faced by the School this year have been identified and are being adequately addressed in order to avoid each, or to mitigate the effects of an unavoidable occurrence.

OBJECTS, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

Charitable Objects

The Objects of the Charity are the advancement of education, including the provision of boarding and day schooling.

Within these Objects the Charity has a number of permanent endowed funds held for special purposes in connection with the development of the School's facilities and for scholarships, bursaries, prizes and other educational purposes.

Public Benefit Aims and Intended Impact

Shrewsbury School was founded in 1552 by Royal Charter to provide charitable education in the Shrewsbury area. Today Shrewsbury attracts entrants from all over the United Kingdom – and also from abroad – whilst still retaining its strong links with the town and its citizens. Its many distinguished Alumni have occupied high office and achieved hugely in the fields of science, the artistic and cultural life of the country, sport, academia, the professions, politics, business and in many other ways as may be seen from the School's website (www.shrewsbury.org.uk). Since August 2019 Packwood Haugh School has become part of the overall Shrewsbury School charitable entity.

Shrewsbury School's aim is to offer a first class education to pupils between the age of 13 and 18, which at least matches – and hopefully exceeds – that found in the best independent boarding schools in the United Kingdom. Those at Shrewsbury experience depth of educational excellence, the opportunity to participate in a wide range of sporting and other extra-curricular activities, adventure and community responsibility.

Packwood Haugh School operates as an independent boarding and day Preparatory School for boys and girls aged from 4 to 13. Packwood covers all that is required by the National Curriculum Key Stages 1 and 2, and the first two years of Key Stage 3 and substantially more. Packwood aims for the highest quality of academic tuition and pastoral care and the development of wider sporting, artistic and social skills in all its pupils, while offering an environment in which each pupil can develop and fulfil their potential.

In short, at both schools the purpose is to encourage young people to become fully rounded, well educated, and responsible citizens able and keen to contribute to their communities.

In setting both schools' objectives and planning of activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit

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GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

guidance on advancing education and fee charging.

Shrewsbury and Packwood provide substantial public benefit not only to the recipients of educational grants but also to the local community and a wider public. With effect from September 2019, Shrewsbury School appointed a member of its Senior Leadership Team as Head of Partnership and Community Engagement in order to focus the different strands of activity in this area and to measure the impact on beneficiaries. In October 2020, Shrewsbury School shared the award for Community Outreach at the Independent School of the Year Awards.

Educational grants and widening access to the School

Scholarships, bursaries and other awards are made available from three sources: funds controlled by the Governing Body as Trustees; funds managed by the Trustees of the Shrewsbury School Foundation; and the general income of the School. In the year, 317 (2019 - 299) pupils were assisted of whom 170 were means tested (2019 -164). The value of this means tested support was £2,452,712 (2019 - £2,281,139). This figure includes 11 pupils (2019 - 8) who were in receipt of 100% means tested remissions.

Packwood offered £319,273 in bursary and scholarship support in 2019-20, of which £201,718 was means tested.

Such a significant level of fee support is in keeping with the aims of the schools and underscores the charitable purpose.

Partnerships with local schools and the Shrewsbury House, Everton "The Shewsy"

Shrewsbury School engages in substantial charitable fund raising for both local and national organisations. Of special interest is the School's on-going financial support for Shrewsbury House, a youth club in Liverpool established by the School in 1903 to serve the needs of the deprived local community. In addition to fund raising, Shrewsbury School provides accounting and other services, free of charge, to Shrewsbury House and regularly makes arrangements for members of 'The Shewsy' to come to Shrewsbury School during the course of a year.

Partnership activity with local schools includes Shrewsbury School providing rehearsal and other facilities, welcoming participation from local students at weekly careers lectures and annual conferences, and academic teaching in classics, which is offered at a local state school at zero cost to that school.

Examples of other partnership activities are described below.

Case Study 1 - Shrewsbury Academy

During the year, Shrewsbury School has run two sessions each week of Maths for Year 11 pupils from Shrewsbury Academy followed by tea in the school canteen (except during COVID 19 period). The aim is to boost the top and re-engage the bottom Year 11 pupils. We have received good feedback from pupils and staff on the impact of these sessions.

Case Study 2 - Priory School

The Hispanic Fellow, employed by Shrewsbury School, was seconded one morning a week at no charge to Priory School to support GCSE Spanish oral work for Year 10 and Year 11 pupils.

Case Study 3 - Marches Multi Academy Trust (MMAT)

Pupils from MMAT given access to UCAS and HE talks hosted by Shrewsbury School. Heads of Faculties and teachers are offered one-to-one or small group subject specific tutorials to pupils from MMAT as part of their Oxbridge preparation.

In March 2020 it was confirmed that Shrewsbury School's joint bid with MMAT for the DfE Systems Partnership grant had been successful, with a development grant of £20,000 which will be match-funded by the Shrewsbury School in support of wider Maths provision and Year 10 careers programmes.

SHREWSBURY SCHOOL

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

Other community engagement

More broadly, local schools, clubs and other organisations make use of both schools' facilities either free of charge or at rates below commercial levels.

As well as supporting charitable fundraising by pupils and staff, Shrewsbury School regularly makes available its facilities to various external charities, either at no cost to the charity or at heavily discounted rates to cover school costs.

School staff are encouraged to participate in the local and wider community, providing their time free of charge. Such participation ranges from acting as Governors of local schools to assisting organisations with productions in the performing arts.

Shrewsbury School's annual concert series is open to the public and is well attended by members of the local community.

A detailed inventory of the extensive charitable activity has been compiled and is updated periodically. In addition, the schools record partnership activity on the schoolstogether.org website.

Fundraising

Shrewsbury School did not participate in any fundraising activities during the year and therefore there are no fundraising disclosures necessary under S162A of the Charities Act.

Objectives for the Year

This year, the focus has been on:

- Continuing to provide broad access to the School via the provision of scholarship and bursary funding to enable pupils to attend the School who otherwise would not have the financial resources to do so.
- The completion of the Barnes Theatre in Summer 2020.
- Implementation of the strategic plan adopted by the Governing Body in September 2019.

In addition, there has been considerable focus on maintaining the continuity of educational provision for all our pupils during the COVID 19 pandemic at both Shrewsbury School and Packwood Haugh.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational Performance of the School

There were two major events affecting the School during 2019-20, the merger with Packwood Haugh in August 2019, and the evacuation of pupils from both school sites during the COVID 19 lockdown, starting in March 2020.

Packwood Haugh merger

The assets, liabilities, employees and trading activities of Packwood Haugh were transferred to Shrewsbury School on 1 August 2019. Packwood Haugh is a prep school, providing both boarding and day schooling to girls and boys between the ages of 4 to 13. Packwood Haugh, under the Headship of Rob Fox, retains its own identity, name, uniform and distinctiveness. The Headmaster of Packwood reports directly to the Headmaster of Shrewsbury School. The Prep School Governors' Committee has responsibility for overseeing the running of Packwood Haugh.

COVID 19 adjustments

In March 2020 based on government instructions both school sites closed, except for the children of key workers, and education of pupils was continued via on-line transmission of lessons (Remote Learning). Pastoral support and co-curricular were also provided remotely. It is worth noting the drive and ingenuity of Shrewsbury School and Packwood Haugh staff in developing and delivering an effective programme of 'education in remote'.

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GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

The Governing Body agreed to make adjustments to reduce the fees at both schools for Summer Term via an Extra-ordinary Governing Body meeting in March 2020. Although the schools have been able to recoup some of the costs of boarding staff via the furlough scheme (CJRS), both schools had an operational deficit for the Summer Term 2020. Boarding and other staff who had no work while the school sites were shut were put on furlough leave for April, May and June 2020. The charity received £707,984 in furlough payments under the CJRS.

This year, Shrewsbury School numbers averaged 808 (2019 – 790) pupils of whom 612 (2019 – 619) were boarders and 196 (2019 – 171) were day pupils. Packwood Haugh School numbers averaged 180 of whom 68 were boarders.

Shrewsbury School pupil numbers at the start of the 2020/21 academic year were 819, and Packwood Haugh had 174 pupils.

It was an extra-ordinary year for A Levels and GCSEs. The exams were cancelled and, after some last minute changes, pupils had a choice between their Centre Assessed Grades which were subject to adjustment via an algorithm and the original grades set by the school. As a result of this 84.6% of A Level candidates received the equivalent of A* to B, and 71.4% of GCSE candidates received grades A* to A. Given the confusion of the assessment process it is not really appropriate to make the usual comparatives to previous years. What can be said is that these results are a fair set of outcomes for the pupils in question. Nobody has received a grade that is lower than what is just, and several have exceeded even the school's appraisal of their ability as a result of the Ofqual Algorithm.

Outside the classroom Shrewsbury School and Packwood Haugh School continued provide a wide range of co-curricular activities with many notable artistic performances, and achievements on the playing field.

Grants and Awards

The School, despite not possessing a large endowment reserve, continues to support and assist pupils to come to Shrewsbury. During the year the School awarded a total of £3,636,849 (2019 - £3,430,766) of scholarships, grants, prizes, bursaries and other allowances to pupils, of which £561,506 came from restricted funds, including £541,259 (2019 - £559,016) from Shrewsbury School Foundation.

The balance of scholarships, grants, prizes, bursaries and other allowances were made from the School's own general reserves.

The School holds a scholarship competition for suitably qualified candidates under the age of 14 each year. It awards four Butler Scholarships up to a value of 30% of fees; up to four Kennedy Scholarships; and two Moss Scholarships worth up to one-fifth of fees; and up to seven Alington Exhibitions worth £2,000 per year. There are also up to four Music Scholarships worth up to 30% of fees, each year, and two Art Scholarships worth one-fifth of fees. For entrants to the School at Sixth Form level, there are a range of academic, music and sporting awards. In addition, the School offers two means tested Sixth Form sporting scholarships worth up to 100% of fees.

Foundation Bursaries are awarded to pupils who will make a significant contribution to the School whether it be academically, in sport or through the arts. The funding for these awards comes from the Shrewsbury School Foundation, which raises funds from former pupils who were residents in the particular house. In the year these awards totalled £86,101 (2019 - £159,649) and assisted 8 (2019 - 11) pupils. In addition to the Foundation Awards, Shrewsbury School Foundation provided a further £455,158 (2019 - £399,366) in funding to support other bursaries.

The Governors approved a detailed grant making policy in June 2008 and this policy is published on the School's website. In short, the Governors' policy is to make bursary awards on the basis of the individual's educational ability and his or her family's ability to pay, subject to the particular conditions imposed by the original donor where the award is taken from restricted funds.

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GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

Financial Review and Results for Year

The financial statements reflect the activities and results of the Charity (Shrewsbury School and Packwood) and its two subsidiary companies, Shrewsbury School Enterprises Limited and Shrewsbury School Trading Company Limited.

The group had net incoming resources of £6,216,625 (2019 - £2,158,178) for the year. This surplus included, as a donation, £4,443,847 relating to the transfer of the assets and liabilities of Packwood Haugh on the merger of the Schools on 1 August 2019. Excluding the aforementioned donation, the group had net incoming resources of £1,772,778. This shortfall compared to the previous year, reflected the reduction in school fees charged for the Summer Term, the significant reduction in commercial letting, offset by the receipts under the Government's furlough scheme and reduction in expenditure due to closure of both School sites for the Summer Term (particularly in relation to boarding and catering facilities).

During the year, the School completed the extension and refurbishment of the Barnes Theatre. Although this was delayed several months during the COVID 19 lockdown, this was completed in Summer 2020. In order to assist with the funding of the Barnes Theatre the School, in April 2020, secured a £2,000,000 loan from Handelsbanken Plc, over a six year (the first year being interest only, the capital being repaid over 5 years).

The School's strategic plan assumes the following means of financing the continued investment in the School's facilities:

- Achieving operating surpluses that generate substantial cash flows. This involves continuously reviewing the cost base of the School in all areas to ensure best use is being made of the School's resources, while maintaining a commitment to excellence; and
- Shrewsbury School Foundation will continue to provide financial support for the School. This is primarily in the form of funding for scholarships and bursaries, including Foundation Bursaries, but also includes donations towards specific building projects; and
- For large capital projects, the School will consider borrowing funds in the medium term, whilst ensuring that the overall level of borrowing is prudent; and
- Further increasing the commercial income of the School: new or refurbished School facilities are designed not only for use by the School, but also for commercial lettings, and to maximise the opportunity for the wider community; and
- Increase income generated by the School's overseas activities.

Net assets increased to £38,775,296 from £34,057,671. The increase comprised net incoming resources of £6,216,625 (including the Packwood asset/ liability donation of £4,443,847, and reduction in the market value of School investments of £88,536) and a £1,499,000 actuarial loss relating to School's defined benefit pension scheme under FRS 102.

The School's defined benefit scheme deficit, as calculated under the requirements of Financial Reporting Standard 102 (FRS102) increased by £1,499,000 compared to the previous year and as valued under FRS102 assumptions is now £2,858,000. The increase in the deficit is the result of the market conditions at the year-end (due to COVID19), with liabilities increasing substantially due to the reduction in corporate bond yields which are used to value the liabilities of the Scheme.

Capital expenditure totalled £3,899,685, of this £2,827,454 related to the redevelopment of the Barnes Theatre; £283,964 on information technology, £182,015 on the design and planning of the refurbishment of Riggs Boarding House; £89,800 on the purchase of laundry machinery and £76,788 on the establishment of a Lower School Common Room;

The School's two subsidiary companies continued to trade during the year. Shrewsbury School Enterprises Limited remained the vehicle through which the School conducts its overseas school business; Shrewsbury School Trading Company Limited, continued to operate the School shop, sporting and leisure activities and commercial lets of the School premises. As a result of COVID19, all the commercial lettings were cancelled over Easter and the Summer, this had a significant impact on the trading results of Shrewsbury School Trading Company Limited. Any profits made by these companies, in excess of operating needs, are gift aided to the

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GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

School.

International School Developments

The International Development Director has continued to work with the IDC committee to cement relationships with Shrewsbury International Asia (SIA), as well as to review opportunities in other parts of the world.

- Shrewsbury International School Bangkok (Riverside) provides an important income stream, reflecting the success of the venture. The site was a new build and opened in 2003, it currently has 1,783 pupils, aged between 3 to 18. There is a close working relationship between the schools.
- Shrewsbury International School Bangkok (City Campus) and Shrewsbury School International School, Hong Kong completed a second successful year of operation.
- The SIA high schools in mainland China moved closer to the operating stage

Further information regarding the Bangkok Schools can be found at www.shrewsbury.ac.th and for the Hong Kong School at www.shrewsbury.hk

Fundraising Performance

The School received £5,766,183 (2019 - £885,592) in donations during the year of this £4,443,847, related to the transfer of assets and liabilities from Packwood Haugh. Actual donations received totalled £1,322,336, of this amount £1,252,092 was donated by Shrewsbury School Foundation to the School.

Shrewsbury School Foundation (a separate Charity) raise funds to donate to the School for bursary support, capital and educational projects. In the current year the School received from the Foundation, £639,857 for capital projects (mainly the Barnes Theatre), £541,259 to support bursaries, £10,975 to fund small capital and educational projects and £60,000 for marketing activities.

In addition, £17,292 was received from the Salopian Club relating to staff and the Salopian Magazine. Other donations received were, £23,471 to be invested in the Endowment Fund; £19,590 to assist in future costs relating to COVID19; £6,422 to support bursaries and £3,469 to support educational projects.

RESERVES POLICY

The School does not possess large endowment reserves to generate income to assist in the financing of the School.

At the year-end Endowed Funds totalled £1,337,640 and Restricted Funds totalled £786,685, because of the particular spending constraints attached to them they are not available for funding the general operations of the School. Unrestricted Funds totalled £36,650,971 are expendable in accordance with the Objects of the School. However, these unrestricted funds, together with specific long-term bank finance, have already been invested by the Governing Body in the building, development and refurbishment of School buildings and other fixed assets used by the School. Accordingly, there are no current free reserves (unrestricted funds less the net book value of fixed assets financed by those funds).

Given our plans for new buildings, this nil balance will continue for several years. This is in accordance with the long-term plans of the Trustees for the development of the School and they are satisfied that the resources available to the School through external bank finance is adequate for its projected requirements. In addition to the operational land and buildings, the School owns residential properties for housing some of its staff.

There are also artefacts and works of art, which have been acquired and accumulated over very many years. These are of huge educational and wider cultural benefit to the School community and some are made available, under appropriate conditions, to external researchers and scholars. They are not revalued in the Balance Sheet and the Governors are of the view that there is no benefit to be gained from incurring the costs of valuations other than for insurance purposes.

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GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

The annual revenue expenditure requirements of the School are generally met from annual income. Prudent budgeting and tight financial control are designed to ensure that adequate but not excessive cash headroom is maintained, and this is supported by a seasonal overdraft facility. Cash balances have been held at a higher than usual level during the recent pandemic as a precaution against uncertainty.

The Governors are confident that the capital development plan can be achieved by the policies set out above, supported by prudent borrowing and support from Shrewsbury School Foundation.

The Governors have established a designated fund, which aims to provide bursarial support to enable pupils to attend the School. The intention of the Governors is to allocate a proportion of the School's commercial income each year, based on an agreed calculation, subject to operating requirements. The intention is to build up the fund in the next 2 to 3 years, and at that point, income from it will be used to provide bursarial support to pupils attending the School. During the year, the Trustees allocated £381,531 to the fund. At the year end the value of this designated fund was £1,606,097.

INVESTMENT POLICY

The Governors, as Trustees, have wide powers to invest in property and securities, including stocks and shares.

The Governors review, on a regular basis, the investment profile of the School, the risks and returns achieved and the likely future performance.

The fees in advance funds are invested in a targeted return fund with the aim of generating above inflation returns, while providing the security of investments backing the two years fees in advance liabilities.

The policy of the School with regard to endowed and designated investments is to ensure that they produce a regular and growing income stream, together with capital growth. This policy is implemented by the School's investment advisors Rathbones Investment Managers. Funds are invested either directly in equities and corporate bonds, or in unitised funds and other authorised instruments both in the UK and overseas. The Investment Committee has agreed an internal benchmarking target, with Rathbones and the performance of the investments are benchmarked against this target. The benchmark performance for the year to 31 July 2020 was a negative 3.96%. The School's investments averaged a negative return for the same period of 7.20%.

PRINCIPAL RISKS AND UNCERTAINTIES

As explained above, the Governors have considered the principal risks and uncertainties facing the School. The economic climate, especially during the COVID 19 pandemic, affects the ability of parents to afford the school fees, and the affordability of fees is considered as an important factor in the long term financial planning. In terms of unexpected costs, the Governors ensure that insurance is in place for known and insurable risks. With a large built estate, the School also monitors and plans for foreseeable future building repairs, referencing to the condition survey conducted in 2010. The management team also monitor carefully the level of scholarships and bursaries to ensure that grant commitments are maintained at a sustainable level, carefully reviewing the future grant funding available from Shrewsbury School Foundation.

The School has also considered non-financial risks and as the health and safety of the pupils and staff is paramount, they consider any potential breach to be a principal risk. To mitigate this they have developed policies to ensure the regulations and guidelines for the welfare of pupils and staff are observed.

FUTURE PLANS

- The communication and implementation of the revised strategic plan for the next decade
- The continued development of a cross sector programme of partnership and community engagement
- Revision of the Bursaries policy with a focus on transformative bursaries
- The extension and renovation of Rigg's Hall (construction phase July 2020 to March 2021).

SHREWSBURY SCHOOL

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

ACCOUNTING AND REPORTING RESPONSIBILITIES

The Governing Body is required by law to prepare financial statements for each financial year, which give a true and fair view of the financial activities of the Charity and of its financial position at the end of that year. In preparing those financial statements the Governing Body is required to:

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

In the current uncertain economic climate the Governing Body has specifically reviewed future school cashflows and is confident that it is appropriate to produce financial statements on a going concern basis.

The Governing Body is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the charity and enable it to ensure that the financial statements comply with the Charities Act 2011 and the Shrewsbury School Statutes, approved by the Queen's Most Excellent Majesty, in Council on 12 October 2016. It is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

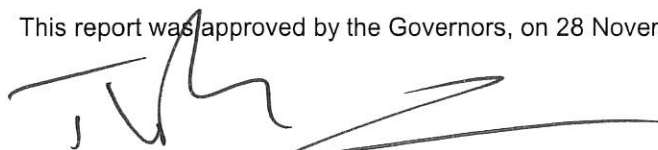
In determining how amounts are presented within items in the statement of financial activities and balance sheet, the Governors have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

So far as each of the Governors is aware at the time the report is approved:

- There is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

Auditors Crowe U.K. LLP have indicated their willingness to remain in office.

This report was approved by the Governors, on 28 November 2020 and signed on their behalf by:



T.H.P. Haynes
Chairman

SHREWSBURY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF SHREWSBURY SCHOOL

Opinion

We have audited the financial statements of Shrewsbury School (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 July 2020 set out on pages 16 to 63. 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 31 July 2020 and of the Group's incoming resources and application of resources, including its 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 Charities Act 2011.

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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the 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 charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

SHREWSBURY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF SHREWSBURY SCHOOL (CONTINUED)

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Governors' report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept sufficient accounting records; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

As explained more fully in the Governors' responsibilities statement, the Governors are responsible for the preparation of the financial statements which 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

SHREWSBURY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF SHREWSBURY SCHOOL (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Use of our report

This report is made solely to the charity's Governors, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Governors, as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe U.K. LLP
Statutory Auditor
Carrick House
Lypiatt Road
Cheltenham
GL50 2QJ

Date: 6 January 2021

Crowe U.K. LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

SHREWSBURY SCHOOL

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income and endowments from:						
Grants and donations	3	4,358,558	1,384,154	23,471	5,766,183	885,592
Charitable activities:						
School fees	4	25,705,526	-	-	25,705,526	23,476,512
Other educational income	5	333,528	-	-	333,528	310,329
Other ancillary trading income	5	116,930	-	-	116,930	334,448
Other trading activities	6	1,483,465	-	-	1,483,465	1,935,863
Investments	7	83,818	36,156	2,349	122,323	111,339
Other income	8	707,984	-	-	707,984	-
Total income and endowments		32,789,809	1,420,310	25,820	34,235,939	27,054,083
Expenditure on:						
Raising funds:						
Trading activities	9	762,416	-	-	762,416	1,076,367
Fundraising costs	9	362,546	-	-	362,546	396,813
Financing costs	10	512,139	-	-	512,139	239,877
Charitable activities:						
Education and grant making	11	25,702,360	591,317	-	26,293,677	23,396,901
Total expenditure		27,339,461	591,317	-	27,930,778	25,109,958
Net gains/(losses) on investments		54,637	-	(143,173)	(88,536)	214,053
Net income/ (expenditure) before transfers		5,504,985	828,993	(117,353)	6,216,625	2,158,178
Transfers between funds	22	639,907	(639,907)	-	-	-
Net movement in funds before other recognised gains/(losses) carried forward		6,144,892	189,086	(117,353)	6,216,625	2,158,178

SHREWSBURY SCHOOL

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
	Note					
Net movement in funds before other recognised gains/(losses) brought forward		6,144,892	189,086	(117,353)	6,216,625	2,158,178
Actuarial losses on defined benefit pension schemes	27	(1,499,000)	-	-	(1,499,000)	(165,000)
Net movement in funds		<u>4,645,892</u>	<u>189,086</u>	<u>(117,353)</u>	<u>4,717,625</u>	<u>1,993,178</u>
Reconciliation of funds:						
Total funds brought forward		32,005,079	597,599	1,454,993	34,057,671	32,064,493
Net movement in funds		4,645,892	189,086	(117,353)	4,717,625	1,993,178
Total funds carried forward	22	<u>36,650,971</u>	<u>786,685</u>	<u>1,337,640</u>	<u>38,775,296</u>	<u>34,057,671</u>

The notes on pages 23 to 63 form part of these financial statements.

SHREWSBURY SCHOOL

**CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2020**


	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	42,324,161	36,271,726
Investments	15	6,116,746	5,796,650
		<u>48,440,907</u>	<u>42,068,376</u>
Current assets			
Stocks	16	310,020	260,773
Debtors	17	1,842,073	1,459,936
Cash at bank and in hand		4,496,043	3,916,824
		<u>6,648,136</u>	<u>5,637,533</u>
Creditors: amounts falling due within one year	18	(5,675,029)	(5,552,985)
Net current assets		<u>973,107</u>	<u>84,548</u>
Total assets less current liabilities		<u>49,414,014</u>	<u>42,152,924</u>
Creditors: amounts falling due after more than one year	19	(7,780,718)	(6,633,253)
Net assets excluding pension liability		<u>41,633,296</u>	<u>35,519,671</u>
Defined benefit pension scheme liability	27	(2,858,000)	(1,462,000)
Total net assets		<u><u>38,775,296</u></u>	<u><u>34,057,671</u></u>

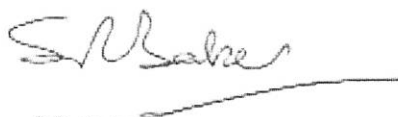
SHREWSBURY SCHOOL

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2020

	Note	2020 £	2019 £
Charity funds			
Endowment funds	22	1,337,640	1,454,993
Restricted funds	22	786,685	597,599
Unrestricted funds			
Unrestricted funds excluding pension asset	22	39,508,971	33,467,079
Pension reserve	22	(2,858,000)	(1,462,000)
Total unrestricted funds	22	<u>36,650,971</u>	<u>32,005,079</u>
Total funds		<u><u>38,775,296</u></u>	<u><u>34,057,671</u></u>

The financial statements were approved and authorised for issue by the Governors on 28 November 2020 and signed on their behalf by:


T.H.P. Haynes
Chairman


S.R. Baker

The notes on pages 23 to 63 form part of these financial statements.

SHREWSBURY SCHOOL

**CHARITY BALANCE SHEET
AS AT 31 JULY 2020**


	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	42,315,229	36,266,782
Investments	15	6,116,746	5,796,650
		<u>48,431,975</u>	<u>42,063,432</u>
Current assets			
Stocks	16	80,218	72,156
Debtors	17	2,153,777	1,898,397
Cash at bank and in hand		4,322,045	3,471,631
		<u>6,556,040</u>	<u>5,442,184</u>
Creditors: amounts falling due within one year	18	(5,580,314)	(5,352,793)
Net current assets		<u>975,726</u>	<u>89,391</u>
Total assets less current liabilities		<u>49,407,701</u>	<u>42,152,823</u>
Creditors: amounts falling due after more than one year	19	(7,780,718)	(6,633,253)
Net assets excluding pension liability		<u>41,626,983</u>	<u>35,519,570</u>
Defined benefit pension scheme liability	27	(2,858,000)	(1,462,000)
Total net assets		<u><u>38,768,983</u></u>	<u><u>34,057,570</u></u>

SHREWSBURY SCHOOL

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2020

	Note	2020 £	2019 £
Charity funds			
Endowment funds	22	1,337,640	1,454,993
Restricted funds	22	786,685	597,599
Unrestricted funds			
Unrestricted funds excluding pension liability	22	39,502,658	33,466,978
Pension reserve	22	(2,858,000)	(1,462,000)
Total unrestricted funds	22	<u>36,644,658</u>	<u>32,004,978</u>
Total funds		<u><u>38,768,983</u></u>	<u><u>34,057,570</u></u>

The financial statements were approved and authorised for issue by the Governors on 28 November 2020 and signed on their behalf by:



T.H.P. Haynes
Chairman



S.R. Baker

The notes on pages 23 to 63 form part of these financial statements.

SHREWSBURY SCHOOL

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2020**

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	23	3,771,970	4,220,590
Cash flows from investing activities			
Dividends and interest from investments		122,323	111,339
Purchase of tangible fixed assets		(3,899,685)	(1,326,061)
Proceeds from sale of investments		423,427	213,513
Purchase of investments		(469,458)	(695,380)
Net cash used in investing activities		(3,823,393)	(1,696,589)
Cash flows from financing activities			
Cash inflows from new borrowing		2,000,000	-
Repayments of borrowing		(907,347)	(853,231)
Interest paid on borrowings		(99,402)	(121,516)
Net cash provided/(used) in financing activities		993,251	(974,747)
Change in cash and cash equivalents in the year		941,828	1,549,254
Cash and cash equivalents at the beginning of the year		4,089,359	2,540,105
Cash and cash equivalents at the end of the year	24	5,031,187	4,089,359

The notes on pages 23 to 63 form part of these financial statements

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

1. Legal status of the Charity

The School is governed in accordance with the Shrewsbury School Statutes approved by the Queen's Most Excellent Majesty in Council on 12 October 2016, whose registered office and primary place of business is Shrewsbury School, The Schools, Shrewsbury, SY3 7AA. It has no share capital. Its principal activity is the provision of boarding and day schooling. It is a registered Charity in England and Wales and its Charity registration number is 528413.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. Please see note 6 for further details on the subsidiaries.

No separate SOFA has been presented for the Charity alone. The net result for the year relating to the School amounted to a surplus of £4,711,413 (2019 - £1,998,760).

2.2 Going concern

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected 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 were no material uncertainties over the School's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 12.

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.3 Critical accounting estimates and areas of judgment

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

2.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes.

Endowment funds are donations required to be retained as capital in accordance with the donors' wishes – permanent or expendable according to the nature of the restrictions. The costs of raising and administering such funds are charged against the specific fund.

The aim and use of each restricted and endowment fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.5 Income

All incoming resources are included in the Statement of Financial Activities when the School has entitlement to the income, the amount can be quantified with reasonable accuracy and the economic benefit to the School is considered probable.

Fees receivable and 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.

Income from other trading activities comprises revenue recognised by the School's wholly owned subsidiaries in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Voluntary income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Reserve. Where through the terms of an appeal or from the donor there is a trust law restriction on the use of any voluntary income, the income is credited to the relevant restricted fund or endowment. Gifts in Kind would be valued at estimated open market value at the date of the gift, in the case of assets for retention or consumption or at the value to the School in the case of donated services of facilities.

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis.

2.6 Expenditure

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Expenditure is accrued as soon as a liability is considered probable discounted to present value for longer term liabilities and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources. Liabilities are recognised where there is a legal or constructive obligation committing the entities to the expenditure.

Fundraising costs are those incurred in seeking voluntary contributions in relation to Shrewsbury School Foundation, a connected charity (Charity number 528415). Provided that, and so long as, Shrewsbury School Foundation exercises and continues to exercise its charitable objects in furtherance of the objects (the "Shrewsbury School Charitable Objects") set out in the Foundation Trust Deed, the School shall pay the employment, administrative and other costs and expenses of the Foundation in furthering Shrewsbury School's Charitable Objects.

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. Included in support costs of the School are bursary costs, payroll administration, budgeting and accounting, information technology, human resources and finance. School trip expenditure is included under support costs.

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.6 Expenditure (continued)

Governance costs comprise the costs of running the charity including strategic planning for its future development, also internal and external audit, any legal advice for the Governors and all costs of complying with constitutional and statutory requirements such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

2.7 Government grants

Government grants are credited to the Consolidated statement of financial activities as the related expenditure is incurred.

2.8 Tangible fixed assets and depreciation

Computer equipment costing more than £300 is capitalised and carried in the Balance Sheet at historical cost.

Major refurbishment expenditure, equipment, boats and vehicles costing more than £1,000 are capitalised and carried in the Balance Sheet at historical cost.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 10-50 years
Furniture, fixtures and fittings and equipment	- 3-10 years
Boats	- 10 years
Ground machines and vehicles	- 4-10 years

Depreciation is not charged on freehold land or assets under the course of construction.

Leasehold property is depreciated over the term of the lease.

Depreciation is calculated on a monthly basis.

The School owns a number of cultural and historic artifacts which are considered to be heritage assets. No value is attributed to them in the Balance Sheet and no depreciation is charged on the grounds that, for many of the assets, reliable historic cost information is not available and the depreciated historical cost of the assets is likely to be immaterial. In line with the Charity SORP, Shrewsbury School has not recognised these assets, as information to obtain their cost or value cannot be obtained at a cost commensurate with the benefit to the users of the accounts.

2.9 Investments

Investments are stated at market value at the Balance Sheet date. The Consolidated statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Investments in subsidiaries are valued at cost less provision for impairment.

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.10 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised costs using the effective interest method, less any impairment.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Fees in advance

Parents may, subject to contractual terms and conditions, pay to the School tuition fees in advance. The money may be returned, subject to specific conditions.

Investments are held to cover the next two years capital liabilities.

2.15 Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the Balance Sheet date at an appropriate year end exchange rate.

2.16 Concessionary Loans

The loans from Shrewsbury School Foundation and Shropshire Council (see note 19) are considered to meet the criteria of concessionary loans under FRS 102. They have been recorded in the financial statements at face value.

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.17 Pensions

The School operates a defined contribution pension scheme for non-teaching staff (Shrewsbury School (2001) Retirements Benefits Scheme). This scheme gives exemption from the requirement to offer a stakeholder pension scheme. During the year the total contributions were £323,667 (2019 - £251,924).

The School also contributes to a personal pension scheme for the benefit of certain Packwood Haugh School employees. The scheme is a defined contribution scheme administered by Scottish Widows. During the year the total contributions were £26,276.

The School contributes to a defined benefit pension scheme (final salary scheme) for the academic staff, which is a national scheme operated for the Department for Education and Skills, which requires contributions to be made to a separately administered fund. The total premiums paid during the year were £1,708,402 (2019 - £1,025,306).

In addition, the School operates a defined benefit pension scheme for non teaching staff (Shrewsbury School (1971) Pension and Life Assurance Scheme), which is closed to new members. The basis of contributions to the Scheme is calculated according to the advice of the Scheme actuary. During the year the total contributions were £11,409 (2019 - £17,875).

SHREWSBURY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

3. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Donations	-	1,298,865	23,471	1,322,336	885,592
Transfer in of assets and liabilities from Packwood Haugh School	4,358,558	85,289	-	4,443,847	-
Total 2020	<u>4,358,558</u>	<u>1,384,154</u>	<u>23,471</u>	<u>5,766,183</u>	<u>885,592</u>
<i>Total 2019</i>	<u>-</u>	<u>885,592</u>	<u>-</u>	<u>885,592</u>	

On 1 August 2019 all of the assets and liabilities of the Packwood Haugh School were transferred into Shrewsbury School. The transfer is recorded as a donation into Shrewsbury School.

4. Charitable activities - School fees receivable

	2020 £	2019 £
The School's fee income comprised:		
Gross fees	28,780,869	26,312,093
Less: Total bursaries, scholarships and allowances	(3,636,849)	(3,430,766)
	<u>25,144,020</u>	<u>22,881,327</u>
Add back bursaries, scholarships and allowances paid for by Restricted Funds	561,506	595,185
	<u>25,705,526</u>	<u>23,476,512</u>

Scholarships, bursaries and other awards were paid to 388 pupils (2019 - 299).

Within this means tested bursaries totaling £2,648,304 paid to 210 pupils (2019 - £2,281,139 to 164 pupils).

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

5. Charitable activities - Other income

	2020 £	2019 £
Other educational charitable income		
Entrance and registration fees	138,608	81,305
Courses and sub-lettings	135,295	164,682
Royalties received	59,625	64,342
	<u>333,528</u>	<u>310,329</u>

	2020 £	2019 £
Other ancillary activities		
Commissions received	3,442	6,104
School trips	113,188	327,444
Late payment surcharges	300	900
	<u>116,930</u>	<u>334,448</u>

6. Other trading activities

	2020 £	2019 £
Trading activities SSEL	919,548	798,364
Trading activities SSTCL	563,917	1,137,499
	<u>1,483,465</u>	<u>1,935,863</u>

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

Other trading activities (continued)

Shrewsbury School Enterprises Limited (SSEL)

The Charity owns the whole of the £1 ordinary share capital of Shrewsbury School Enterprises Limited (Company registration number 4535585), incorporated in England. The Company's principle activity is the provision of consulting services to international Schools.

Its trading results for the period, as extracted from the audited accounts, are summarised below:

	2020 £	2019 £
Turnover	919,299	798,245
Administration	(224,492)	(189,002)
Operating profit	694,807	609,243
Interest payable	(2,040)	(2,409)
Interest received	249	119
Profit for the year	693,016	606,953
Gift aid payment	(687,434)	(612,535)
Retained profit/(loss)	5,582	(5,582)

Shrewsbury School Enterprises Limited made a gift aid donation of £687,434 (2019 - £612,535) to Shrewsbury School during the year.

The net assets of Shrewsbury School Enterprises Limited at 31 July 2020 amounted to £5,583 (2019 - £1).

At the year end Shrewsbury School Enterprises Limited owed Shrewsbury School £841,140 (2019 - £841,483). Of which £137,635 (2019 - £137,635) is an unsecured loan, repayable with one year's notice and interest charges at 1% above Lloyds Bank Plc base rate.

The management charge from the School to Shrewsbury Enterprises Limited was £187,228 (2019 - £54,169). In addition there is a licence fee of £10,000 (2019 - £10,000).

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

Other trading activities (continued)

Shrewsbury School Trading Company Limited (SSTCL)

The Charity owns the whole of the £100 ordinary share capital of Shrewsbury School Trading Company Limited (Company registration number 5580019), incorporated in England. The principal activity of the Company was the operation of the School shop and other recreational activities.

Its trading results for the period, as extracted from the audited accounts, are summarised below:

	2020 £	2019 £
Turnover	546,453	1,136,366
Cost of sales	(299,860)	(624,227)
Gross profit	246,593	512,139
Administration	(236,024)	(260,729)
Other operating income	16,487	-
Operating profit	27,056	251,410
Interest receivable	977	1,133
Profit for the year	28,033	252,543
Gift aid payment	(27,403)	(252,543)
Retained profit	630	-

Shrewsbury School Trading Company Limited made a gift aid donation of £27,403 (2019 - £252,543) to Shrewsbury School during the year.

The net assets of Shrewsbury School Trading Company Limited at 31 July 2020 amounted to £730 (2019 - £100).

At the year end Shrewsbury School Trading Company Limited owed Shrewsbury School £122,850 (2019 - £351,082).

The management charge from the School to Shrewsbury School Trading Company Limited was £91,634 (2019 - £109,802).

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

7. Investment income

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Interest	17,236	-	-	17,236	13,400
Dividend income	66,582	36,156	2,349	105,087	97,939
Total 2020	83,818	36,156	2,349	122,323	111,339
<i>Total 2019</i>	<i>68,080</i>	<i>40,620</i>	<i>2,639</i>	<i>111,339</i>	

8. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Government grant	707,984	707,984	-

The government grant received during the year related to the Coronavirus Job Retention Scheme.

9. Expenditure on raising funds

Trading costs of the subsidiaries

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Other costs	367,176	367,176	797,752
Staff costs	393,150	393,150	277,531
Depreciation	2,090	2,090	1,084
Total 2020	762,416	762,416	1,076,367
<i>Total 2019</i>	<i>1,076,367</i>	<i>1,076,367</i>	

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

9. Expenditure on raising funds (continued)

Fundraising for voluntary resources

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Other costs	130,764	130,764	182,814
Staff costs	231,782	231,782	213,999
Total 2020	<u>362,546</u>	<u>362,546</u>	<u>396,813</u>
<i>Total 2019</i>	<u>396,813</u>	<u>396,813</u>	

10. Financing costs

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Fees in advance financing cost	92,670	92,670	98,302
Bad debts and debt collection	227,242	227,242	(63,515)
Bank and investment manager charges	63,825	63,825	48,574
Loan interest	99,402	99,402	121,516
Pension scheme financing cost	29,000	29,000	35,000
Total 2020	<u>512,139</u>	<u>512,139</u>	<u>239,877</u>
<i>Total 2019</i>	<u>239,877</u>	<u>239,877</u>	

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

11. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Teaching	12,603,128	-	12,603,128	10,187,747
Welfare	3,442,817	-	3,442,817	3,504,809
Premises	6,320,614	-	6,320,614	5,882,907
Support and governance	3,335,801	-	3,335,801	3,181,705
Grants, awards and prizes	-	591,317	591,317	639,733
Total 2020	25,702,360	591,317	26,293,677	23,396,901
<i>Total 2019</i>	<i>22,757,168</i>	<i>639,733</i>	<i>23,396,901</i>	

Summary by expenditure type

	Staff costs 2020 £	Depreciation 2020 £	Other costs 2020 £	Total funds 2020 £	Total funds 2019 £
Teaching	11,286,173	-	1,316,955	12,603,128	10,187,747
Welfare	1,086,607	-	2,356,210	3,442,817	3,504,809
Premises	2,050,238	2,498,062	1,772,314	6,320,614	5,882,907
Support and governance	1,967,589	-	1,368,212	3,335,801	3,181,705
Grants, awards and prizes	-	-	591,317	591,317	639,733
Total 2020	16,390,607	2,498,062	7,405,008	26,293,677	23,396,901
<i>Total 2019</i>	<i>13,006,786</i>	<i>2,369,629</i>	<i>8,020,486</i>	<i>23,396,901</i>	

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

Grants, awards and prizes

	2020 £	2019 £
From restricted funds:		
Bursaries and scholarships	561,506	595,185
Prizes and awards	29,811	44,548
	<u>591,317</u>	<u>639,733</u>

Governance included in support costs:

	2020 £	2019 £
Remuneration paid to auditor for audit services	41,640	38,400
Remuneration paid to auditor for non- audit services	14,076	44,791
Other governance costs	87,143	256,320
	<u>142,859</u>	<u>339,511</u>

12. Governors' remuneration and expenses

During the year, no Governors received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 July 2020, expenses totalling £2,288 were reimbursed or paid directly to 7 Governors (2019 - £1,537 to 7 Governors). The Governors reimbursement of expenses related to travel and accommodation.

SHREWSBURY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

13. Staff costs

	Group 2020 £	<i>Group 2019 £</i>
Wages and salaries	13,594,684	11,136,491
Social security costs	1,376,131	1,129,891
Other pension costs (Note 27)	2,069,754	1,295,105
	17,040,569	13,561,487
less capitalised labour costs	(25,030)	(63,171)
	17,015,539	13,498,316

During the year there were redundancy or termination payments made which amounted to £84,474 (2019 - £36,100). There was £46,380 (2019 - £36,100) outstanding at the year end.

The average number of persons employed by the charity during the year was as follows:

	Group 2020 No.	<i>Group 2019 No.</i>
Teaching	244	172
Welfare	58	46
Premises	121	115
Support	68	57
Other activities	13	16
	504	406

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

13. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2020 No.	<i>Group 2019 No.</i>
In the band £60,001 - £70,000	31	29
In the band £70,001 - £80,000	11	11
In the band £80,001 - £90,000	3	1
In the band £90,001 - £100,000	1	1
In the band £120,001 - £130,000	-	1
In the band £130,001 - £140,000	1	1
In the band £140,001 - £150,000	1	-
In the band £190,001 - £200,000	-	1
In the band £230,001 - £240,000	1	-
Aggregate employee benefits of key management personnel	<u>1,492,717</u>	<u>1,236,676</u>

Key management includes the Senior Leadership team.

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

14. Tangible fixed assets

Group

	Assets in course of construction £	Freehold Land & Buildings £	Furniture, Fixtures and fittings £	Boats £	Ground Machines & Vehicles £	Total £
Cost or valuation						
At 1 August 2019	624,398	48,623,336	9,509,714	936,527	1,238,649	60,932,624
Additions	3,178,622	-	609,069	46,160	65,834	3,899,685
Transfers in from Packwood Haugh School	-	4,376,981	271,626	-	4,717	4,653,324
Disposals	-	-	(546)	-	(23,044)	(23,590)
Transfers between classes	(187,489)	187,489	-	-	-	-
At 31 July 2020	<u>3,615,531</u>	<u>53,187,806</u>	<u>10,389,863</u>	<u>982,687</u>	<u>1,286,156</u>	<u>69,462,043</u>
Depreciation						
At 1 August 2019	-	16,002,135	7,182,855	638,847	837,061	24,660,898
Charge for the year	-	1,632,851	725,356	59,104	82,841	2,500,152
On disposals	-	-	(124)	-	(23,044)	(23,168)
At 31 July 2020	<u>-</u>	<u>17,634,986</u>	<u>7,908,087</u>	<u>697,951</u>	<u>896,858</u>	<u>27,137,882</u>
Net book value						
At 31 July 2020	<u>3,615,531</u>	<u>35,552,820</u>	<u>2,481,776</u>	<u>284,736</u>	<u>389,298</u>	<u>42,324,161</u>
At 31 July 2019	<u>624,398</u>	<u>32,621,201</u>	<u>2,326,859</u>	<u>297,680</u>	<u>401,588</u>	<u>36,271,726</u>

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

14. Tangible fixed assets (continued)

Charity

	Assets in course of construction £	Freehold Land & Buildings £	Furniture, Fixtures & fittings £	Boats £	Ground Machines & Vehicles £	Total £
Cost or valuation						
At 1 August 2019	624,398	48,623,336	9,501,744	936,527	1,238,649	60,924,654
Additions	3,178,622	-	602,569	46,160	65,834	3,893,185
Transfers in from Packwood Haugh School	-	4,376,981	271,626	-	4,717	4,653,324
Disposals	-	-	-	-	(23,044)	(23,044)
Transfers between classes	(187,489)	187,489	-	-	-	-
At 31 July 2020	3,615,531	53,187,806	10,375,939	982,687	1,286,156	69,448,119
Depreciation						
At 1 August 2019	-	16,002,135	7,179,829	638,847	837,061	24,657,872
Charge for the year	-	1,632,851	723,266	59,104	82,841	2,498,062
On disposals	-	-	-	-	(23,044)	(23,044)
At 31 July 2020	-	17,634,986	7,903,095	697,951	896,858	27,132,890
Net book value						
At 31 July 2020	3,615,531	35,552,820	2,472,844	284,736	389,298	42,315,229
At 31 July 2019	624,398	32,621,201	2,321,915	297,680	401,588	36,266,782

SHREWSBURY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

15. Fixed asset investments

Group and charity	Designated Fund £	Endowed Funds £	Fees in Advance £	Total £
Cost or valuation				
At 1 August 2019	1,307,229	1,459,045	3,030,376	5,796,650
Additions	171,867	297,591	-	469,458
Disposals	(122,016)	(301,411)	-	(423,427)
Net investments gains/(losses)	(125,101)	(143,281)	179,846	(88,536)
Movement in cash deposits	356,532	3,845	2,224	362,601
At 31 July 2020	1,588,511	1,315,789	3,212,446	6,116,746
Net book value				
At 31 July 2020	1,588,511	1,315,789	3,212,446	6,116,746
<i>At 31 July 2019</i>	<i>1,307,229</i>	<i>1,459,045</i>	<i>3,030,376</i>	<i>5,796,650</i>

Investments are primarily held to provide an investment return to the School.

Investments at market value comprise:

	2020 £	2019 £
Actively managed securities	3,170,350	2,990,504
Quoted stocks	2,411,251	2,633,603
Cash	535,144	172,543
Total market value	6,116,745	5,796,650

SHREWSBURY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

Fixed asset investments (continued)

Material investments

The following investments are held which represent more than 5% of the total market value of investments held:

	2020 £	2019 £
Link Fund Solutions - Ruffer Total Return	1,524,716	1,429,956
Link Fund Solutions - Trojan Inc	1,645,634	1,560,548
	<u>1,524,716</u>	<u>1,429,956</u>

16. Stocks

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Goods for resale and consumables	310,020	260,773	80,218	72,156
	<u>310,020</u>	<u>260,773</u>	<u>80,218</u>	<u>72,156</u>

Stock recognised as an expense during the year was £299,860 (2019 - £624,227).

17. Debtors

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
School fees	458,327	263,760	458,327	263,760
Amounts owed by group undertakings	-	-	963,990	1,192,666
Other debtors	1,155,805	938,125	524,335	210,395
Prepayments and accrued income	227,941	258,051	207,125	231,576
	<u>1,842,073</u>	<u>1,459,936</u>	<u>2,153,777</u>	<u>1,898,397</u>

An impairment loss of £219,288 (2019 - gain of £65,445) was recognised against the School fee debtors.

Included within amounts due from group undertakings is a loan to Shrewsbury School Enterprises Limited of £137,635 (2019 - £137,635). The is unsecured and repayable with one year's notice and is charged at 1% above Lloyds Bank Plc base rate.

SHREWSBURY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

18. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade creditors	194,237	644,843	183,304	606,560
Other taxation and social security	345,029	340,454	343,237	290,271
Fee deposits	910,966	732,591	910,966	732,591
Fees in advance (see note 20)	1,765,438	2,022,271	1,765,438	2,022,271
Other creditors	1,037,280	631,934	998,737	622,187
Accruals and deferred income	375,287	277,409	331,840	175,430
Other loan	65,000	65,000	65,000	65,000
Term loan 1	428,593	398,568	428,593	398,568
Term loan 2	461,486	439,915	461,486	439,915
Term loan 3	91,713	-	91,713	-
	5,675,029	5,552,985	5,580,314	5,352,793

Within other creditors is £214,096 (2019 - £189,407) payable in respect of pension contributions.

19. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Loan from Shrewsbury School Foundation	1,296,046	1,296,046	1,296,046	1,296,046
Fees deposits	2,671,920	2,465,197	2,671,920	2,465,197
Fees in advance (see note 20)	1,066,575	1,075,177	1,066,575	1,075,177
Other loan	693,334	758,334	693,334	758,334
Term loan 1	144,556	577,013	144,556	577,013
Term loan 2	-	461,486	-	461,486
Term loan 3	1,908,287	-	1,908,287	-
	7,780,718	6,633,253	7,780,718	6,633,253

The loan from Shrewsbury School Foundation is unsecured, interest free and has no fixed payment terms. The loan is considered a concessionary loan.

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

Creditors: Amounts falling due after more than one year (continued)

Other loan

The other loan has been provided by Shropshire Council. The loan is repayable by April 2032 paid by monthly instalments. The loan is interest free and is secured on the following properties: Mosers Hall, The New House, 6 Ashton Road, 13 and 15 Ashton Road. This loan is considered to be a concessionary loan.

The other loan falls due as follows:

	2020 £	2019 £
Between 1-2 years	65,000	65,000
Between 2-5 years	195,000	195,000
Over 5 years	433,334	498,334
	<u>693,334</u>	<u>758,334</u>

Term loan 1

The term loan from Lloyds Bank is secured by a first legal charge over the freehold land and buildings at The Tudors, Tudor House, including Emma Darwin Hall. The term loan is repayable by September 2021 in 30 termly instalments. The interest rate is fixed at 5.94%.

The term loan falls due as follows:

	2020 £	2019 £
Between 1-2 years	144,556	448,475
Between 2-5 years	-	128,538
	<u>144,556</u>	<u>577,013</u>

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

Creditors: Amounts falling due after more than one year (continued)

Term loan 2

The term loan from Handelsbanken is unsecured. The term loan is repayable by May 2021 in 20 quarterly instalments. The interest rate is fixed at 4.85%.

The term loan falls due as follows:

	2020 £	2019 £
Between 1-2 years	-	461,486

Term loan 3

The loan from Handelsbanken is unsecured. The loan is repayable by April 2026 in 24 quarterly instalments. The interest rate is fixed at 3.63%.

The term loan falls due as follows:

	2020 £	2019 £
Between 1-2 years	374,985	-
Between 2-5 years	1,209,813	-
Over 5 years	323,489	-
	<u>1,908,287</u>	<u>-</u>

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

20. Fees in advance

Parents may, subject to contractual terms and conditions, pay to the School tuition fees in advance. The money may be returned, subject to specific conditions but, assuming the relevant pupils remain in the School, advance fees will be applied as follows:

	2020 £	2019 £
Within 1-2 years	582,974	683,271
Within 2-5 years	451,079	391,906
Over 5 years	32,522	-
	<u>1,066,575</u>	<u>1,075,177</u>
Within 1 year	1,765,438	2,022,271
	<u>2,832,013</u>	<u>3,097,448</u>

The balance represents the accrued liability under the contracts. The movement during the year was:

	2020 £	2019 £
Balance at 1 August 2019	3,097,448	3,243,481
Transfer in from Packwood Haugh School	183,128	-
New contracts	2,299,176	2,128,841
Amounts accrued to contracts	92,670	98,302
	<u>5,672,422</u>	<u>5,470,624</u>
Amounts utilised in payment of fees to the School	(2,840,409)	(2,373,176)
Balance at 31 July 2020	<u>2,832,013</u>	<u>3,097,448</u>

SHREWSBURY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Tangible fixed assets	42,324,161	-	-	42,324,161
Fixed asset investments	4,800,957	-	1,315,789	6,116,746
Current assets	5,839,600	786,685	21,851	6,648,136
Creditors due within one year	(5,675,029)	-	-	(5,675,029)
Creditors due in more than one year	(7,780,718)	-	-	(7,780,718)
Provisions for liabilities and charges	(2,858,000)	-	-	(2,858,000)
Total	<u>36,650,971</u>	<u>786,685</u>	<u>1,337,640</u>	<u>38,775,296</u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £
Tangible fixed assets	36,271,726	-	-	36,271,726
Fixed asset investments	4,337,605	-	1,459,045	5,796,650
Current assets	5,039,934	597,599	-	5,637,533
Creditors due within one year	(5,548,933)	-	(4,052)	(5,552,985)
Creditors due in more than one year	(6,633,253)	-	-	(6,633,253)
Provisions for liabilities and charges	(1,462,000)	-	-	(1,462,000)
Total	<u>32,005,079</u>	<u>597,599</u>	<u>1,454,993</u>	<u>34,057,671</u>

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

22. Statement of funds

Statement of funds - current year

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2020 £
Unrestricted funds						
Designated funds						
Designated funds	1,317,388	32,279	-	381,531	(125,101)	1,606,097
General funds						
General funds	32,149,590	31,274,065	(26,680,045)	973,213	179,738	37,896,561
Subsidiary trading	101	1,483,465	(762,416)	(714,837)	-	6,313
Pension scheme funding deficit	(1,462,000)	-	103,000	-	(1,499,000)	(2,858,000)
	<u>30,687,691</u>	<u>32,757,530</u>	<u>(27,339,461)</u>	<u>258,376</u>	<u>(1,319,262)</u>	<u>35,044,874</u>
Total Unrestricted funds	<u>32,005,079</u>	<u>32,789,809</u>	<u>(27,339,461)</u>	<u>639,907</u>	<u>(1,444,363)</u>	<u>36,650,971</u>
Endowment funds						
Capital	1,329,944	-	-	-	(134,438)	1,195,506
Re-endowment fund	124,549	25,820	-	-	(8,735)	141,634
Hentschrew Prize Fund	500	-	-	-	-	500
	<u>1,454,993</u>	<u>25,820</u>	<u>-</u>	<u>-</u>	<u>(143,173)</u>	<u>1,337,640</u>

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

22. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2020 £
Restricted funds						
Shrewsbury School Foundation	401	1,252,092	(551,836)	(639,857)	-	60,800
Guyer Family Prize	170	40	(30)	-	-	180
Hentschrew Prize	80	-	-	-	-	80
Darwin Scholarship	7,212	-	-	-	-	7,212
Hargreaves Legacy	500	-	-	-	-	500
Bursary Fund	-	6,423	(6,423)	-	-	-
Salopian Club	-	17,292	(17,292)	-	-	-
Duffell Prize Fund	4,940	-	-	-	-	4,940
Shrewsbury School Parents' Association	-	315	(315)	-	-	-
Consolidated Fund:						
Unappropriated income	584,296	36,156	(15,021)	-	-	605,431
COVID Support	-	17,956	-	-	-	17,956
Art Fund	-	2,000	-	-	-	2,000
Sports Leaders Fund	-	400	(400)	-	-	-
Packwood - Redevelopment of Science Facilities	-	85,289	-	-	-	85,289
Packwood - COVID Support	-	2,297	-	-	-	2,297
Packwood - Theatre development	-	50	-	(50)	-	-
	<u>597,599</u>	<u>1,420,310</u>	<u>(591,317)</u>	<u>(639,907)</u>	<u>-</u>	<u>786,685</u>
Total of funds	<u><u>34,057,671</u></u>	<u><u>34,235,939</u></u>	<u><u>(27,930,778)</u></u>	<u><u>-</u></u>	<u><u>(1,587,536)</u></u>	<u><u>38,775,296</u></u>

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

22. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2019 £
Unrestricted funds						
Designated funds						
Designated funds	743,816	23,427	-	489,484	60,661	1,317,388
General funds						
General funds	30,702,324	24,165,942	(23,452,858)	638,876	95,306	32,149,590
Subsidiary trading	5,683	1,935,863	(1,076,367)	(865,078)	-	101
Pension scheme funding deficit	(1,356,000)	-	59,000	-	(165,000)	(1,462,000)
	29,352,007	26,101,805	(24,470,225)	(226,202)	(69,694)	30,687,691
Total Unrestricted funds	30,095,823	26,125,232	(24,470,225)	263,282	(9,033)	32,005,079
Endowment funds						
Capital	1,275,402	-	-	-	54,542	1,329,944
Re-endowment fund	118,366	2,639	-	-	3,544	124,549
Hentschrew Prize Fund	500	-	-	-	-	500
	1,394,268	2,639	-	-	58,086	1,454,993

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

22. Statement of funds (continued)

Statement of funds - prior year (continued)

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2019 £
Restricted funds						
Shrewsbury School Foundation	403	789,303	(566,080)	(223,225)	-	401
Guyer Family Prize	160	40	(30)	-	-	170
Hentschrew Prize	80	-	-	-	-	80
Darwin Scholarship	7,212	-	-	-	-	7,212
Hargreaves Legacy	500	-	-	-	-	500
Sundry Bursary Donations	-	20,637	(20,637)	-	-	-
Salopian Club	-	30,641	(30,641)	-	-	-
Goulding Family Prize	60	-	(60)	-	-	-
Duffell Prize Fund	4,970	-	(30)	-	-	4,940
Sabrina Club	-	10,500	(500)	(10,000)	-	-
Shrewsbury School Parents' Association	-	2,254	(1,364)	(890)	-	-
Shropshire Squash Club	-	3,000	(3,000)	-	-	-
GMR Group	-	29,167	-	(29,167)	-	-
Friends of Shropshire Archives	-	50	(50)	-	-	-
Consolidated Fund: Unappropriated income	561,017	40,620	(17,341)	-	-	584,296
	<u>574,402</u>	<u>926,212</u>	<u>(639,733)</u>	<u>(263,282)</u>	<u>-</u>	<u>597,599</u>
Total of funds	<u>32,064,493</u>	<u>27,054,083</u>	<u>(25,109,958)</u>	<u>-</u>	<u>49,053</u>	<u>34,057,671</u>

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

Statement of funds (continued)

Designated Fund

A fund established by the Governors to assist future pupils with bursarial support to attend the School.

Re-endowment Fund

A fund established in 1924 to contribute to the upkeep of the estate and to the support of pupils at Shrewsbury School who are in financial need.

Shrewsbury School Foundation

A registered charity supporting a range of educational objectives through financial contributions to Shrewsbury School and its pupils. Donations received totalled £1,252,092 (2019 - £789,303) of which £541,259 (2019 - £559,016) was given to support bursaries awarded to pupils, £639,859 (2019 - £214,974) to assist with the construction and refurbishment of building (Barnes Theatre, Library and the Chatri Design Centre), £10,976 (2019 - £7,063) to assist in funding educational activities and £60,000 for marketing activities.

Guyer Family Prize

An annual prize for an outstanding contribution to the music department.

Hentschrew Prize

An annual prize to the boy in the School House who contributes most to the well running of the house, in a social rather than academic or sporting context.

Darwin Scholarship

A scholarship awarded to pupils attending the School from Hong Kong who are judged outstanding academically, in the arts, music or sport.

Hargreaves Legacy

A legacy left by an old boy, to be used for educational purposes.

Bursary Fund

A donation to assist in the provision of bursaries to pupils attending the School.

Sundry Bursary Donations

Donations received from The Knightsbridge School Educational Trust £NIL (2019 - £10,881), Walker Trust £NIL (2019 - £6,000) and Keasby Foundation £Nil (2019 - £3,756) to provide financial support for specific pupils who attend the School.

Salopian Club Fund

The donations received from the Salopian Club to assist with costs relating to staff and the Salopian magazine.

Goulding Family Prize

A donation received to fund the award of a music prize to a pupil who excels at music.

Duffell Prize Fund

A donation received to fund a prize to a pupil who excels in design and technology.

Sabrina Club

A donation to support the purchase of a boat and School rowing training courses.

Shrewsbury School Parents' Association

A donation received to assist with the purchase of books for new pupils joining the School.

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

Statement of funds (continued)

Shropshire Squash Club

A donation to assist with the lighting of the squash courts.

GMR Group

A donation to enhance the infrastructure of the School in order to provide a better education for pupils.

Friends of Shropshire Archives

A donation received to assist with the conservation of the Schools archives.

Consolidated Fund

A consolidation of 70 small funds the income from which, is used to provide prizes, scholarships and bursaries to pupils at Shrewsbury School.

COVID Support

Donations received to assist the School with additional costs relating to COVID 19.

Art Fund

A donation received to support the Art Department.

Sports Leaders Fund

A donation received to support pupil activities.

Packwood - Redevelopment of Science Facilities

Donations received to assist with the redevelopment costs of the science facilities at Packwood Haugh School.

Packwood - COVID Support

Donations received to assist the School, with additional costs relating to COVID 19.

Packwood - Theatre development

Donation received to assist with the development of the Theatre at Packwood Haugh School, which was completed in previous years.

Transfers between funds

The transfer between restricted and general funds of £639,907 (2019 - £263,282) represents capital items purchased from restricted funds (capital items purchased are in accordance with the donors wishes).

The transfer between general and designated funds of £381,531 (2019 - £489,484) represents the transfer approved to the designated fund by the Trustees during the year.

SHREWSBURY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

23. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2020 £	<i>Group 2019 £</i>
Net income for the period (as per Statement of Financial Activities)	6,216,625	2,158,178
Adjustments for:		
Depreciation charges	2,500,152	2,370,713
Gains/(losses) on investments	88,536	(214,053)
Dividends and interest from investments	(122,323)	(111,339)
Loss on the sale of fixed assets	422	16,284
Decrease/(increase) in stocks	(49,247)	19,234
Increase in debtors	(382,137)	(47,423)
Increase/(decrease) in creditors	176,864	(33,520)
Pension scheme movement	(103,000)	(59,000)
Interest paid on borrowings	99,402	121,516
Packwood Haugh School fixed assets transferred in	(4,653,324)	-
Net cash provided by operating activities	3,771,970	4,220,590

24. Analysis of cash and cash equivalents

	Group 2020 £	<i>Group 2019 £</i>
Cash at bank	4,496,043	3,916,824
Cash held in investments	535,144	172,535
Total cash and cash equivalents	5,031,187	4,089,359

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

25. Analysis of changes in net debt

	At 1 August 2019 £	Cash flows £	Transfer in of Packwood Haugh School £	Other non- cash changes £	At 31 July 2020 £
Cash at bank	3,916,824	157,232	421,987	-	4,496,043
Cash held in investments	172,535	362,609	-	-	535,144
Bank overdraft	-	130,576	(130,576)	-	-
Debt due within 1 year	(903,483)	907,347	-	(1,050,656)	(1,046,792)
Debt due after 1 year	(3,092,879)	(2,000,000)	-	1,050,656	(4,042,223)
	<u>92,997</u>	<u>(442,236)</u>	<u>291,411</u>	<u>-</u>	<u>(57,828)</u>

26. Capital commitments

At 31 July 2020 the group and charity had capital commitments as follows:

	Group and Charity 2020 £	Group and Charity 2019 £
Contracted for but not provided in these financial statements	<u>218,271</u>	<u>2,842,169</u>

27. Pension commitments

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 £1,708,402 (2019 - £1,025,306) and at the year-end £214,096 (2019 - £144,182) 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%.

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

27. Pension commitments (continued)

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 closes 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.

Shrewsbury School (1971) Pension and Life Assurance Scheme

The School has a defined benefit pension scheme for certain support staff (Shrewsbury School (1971) Pension and Life Assurance Scheme) and its assets are invested in pooled tracker investment funds and a property fund with Legal & General Investment Managers. The scheme has been closed to new members since 2001.

The amounts in the financial statements for the year ended 31 July 2020, relating to pensions, are based on a full actuarial valuation dated 31 May 2019.

The valuation, as of 31 May 2019, revealed a funding deficit of £753,000. In the Recovery Plan dated 7 May 2020, the School has agreed to pay contributions with the view to eliminating the shortfall by 31 May 2026. The School also pays contributions of 23.8% per annum of pensionable salaries to meet the cost of future accrual of benefits for active members of the Scheme, in line with the schedule of contributions dated 3 June 2020. In accordance with the Schedule of Contributions dated 3 June 2020, the School is expected to pay contributions of £138,000 over the next accounting period. The contributions paid by the School are reviewed every 3 years as part of each formal actuarial valuation. The Scheme's next actuarial valuation is due on 31 May 2022.

In addition, the School is expected to meet the cost of administrative expenses for the Scheme.

The liabilities of the Scheme are based on the current value of expected benefit payment cashflows to members approximately over the next 60 years. The average duration of the liabilities is approximately 15 years.

SHREWSBURY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

27. Pension commitments (continued)

The deficit is partly secured on the following properties: 33 Porthill Road, 23 and 23a Aston Road.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 July 2020 %	<i>At 31 July 2019 %</i>
Discount rate	1.30	2.10
Future salary increases	1.95	2.40
Inflation assumption - RPI	2.85	3.40
Inflation assumption - CPI	1.95	2.40
Pre 6/4/1997 (fixed 3%)	3.00	3.00
Post 6/4/1997 (RPI min 3%, max 5% - Option A members)	3.50	3.80
Post 6/4/1997 (CPI min 3%, max 5% - Option A members)	3.20	3.30

	At 31 July 2020 Years	<i>At 31 July 2019 Years</i>
Mortality rates (in years)		
- for a male aged 65 now	22.0	21.9
- at 65 for a male aged 45 now	23.0	22.9
- for a female aged 65 now	24.4	24.3
- at 65 for a female aged 45 now	25.5	25.4

Sensitivity analysis:

	At 31 July 2020 £
Discount rate +0.25%	(377,000)
RPI rate +0.25%	71,000
CPI rate +0.25%	25,000
Assumed life expectancy age 65 - increase by 1 year	292,000

SHREWSBURY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

27. Pension commitments (continued)

The Group's share of the assets in the scheme was:

	At 31 July 2020 £	At 31 July 2019 £
Equities	2,267,000	2,489,000
Bonds	697,000	667,000
Property	806,000	831,000
Target return	1,065,000	1,076,000
Insurance annuities	1,886,000	1,858,000
Cash	158,000	232,000
Total fair value of assets	<u>6,879,000</u>	<u>7,153,000</u>

The actual return on scheme assets was £-51,000 (2019 - £154,000).

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2020 £	2019 £
Current service cost - within Schools and grant making	24,000	30,000
Net interest on pension scheme liabilities - within finance charges	29,000	35,000
Total amount recognised in the Consolidated Statement of Financial Activities	<u>53,000</u>	<u>65,000</u>

Movements in the present value of the defined benefit obligation were as follows:

	2020 £	2019 £
Opening defined benefit obligation	8,615,000	8,736,000
Contributions by scheme participants	4,000	5,000
Actuarial losses	1,300,000	125,000
Benefits paid	(383,000)	(510,000)
Current service cost	24,000	30,000
Interest cost	177,000	229,000
Closing defined benefit obligation	<u>9,737,000</u>	<u>8,615,000</u>

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

27. Pension commitments (continued)

Movements in the fair value of the Group's share of scheme assets were as follows:

	2020 £	2019 £
Opening fair value of scheme assets	7,153,000	7,380,000
Interest income	148,000	194,000
Actuarial losses	(199,000)	(40,000)
Contributions by employer	156,000	124,000
Contributions by scheme participants	4,000	5,000
Benefits paid	(383,000)	(510,000)
Closing fair value of scheme assets	<u>6,879,000</u>	<u>7,153,000</u>

Pension commitments (continued)

Reconciliation of funded status:

	2020 £	2019 £
Opening deficit	(1,462,000)	(1,356,000)
Employer contributions	156,000	124,000
Charge recorded in Statement of Financial Activities	(53,000)	(65,000)
Actuarial (loss) received in Statement of Financial Activities	(1,499,000)	(165,000)
	<u>(2,858,000)</u>	<u>(1,462,000)</u>

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

28. Operating lease commitments

At 31 July 2020 the Group and the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group and Charity 2020 £	<i>Group and Charity 2019 £</i>
Group and Charity Amounts payable:		
Within 1 year	52,287	30,730
Between 1 and 5 years	70,524	54,281
After more than 5 years	5,208	394
	128,019	85,405

The following lease payments have been recognised as an expense in the Statement of financial activities:

	Group and Charity 2020 £	<i>Group and Charity 2019 £</i>
Group and Charity		
Operating lease rentals	54,410	54,756

SHREWSBURY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

29. Financial instruments

	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Financial assets				
Financial assets measured at fair value through income and expenditure	10,612,789	9,713,474	10,438,791	9,268,281
Financial assets measured at amortised cost	1,613,832	1,201,592	1,946,652	1,666,821
	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Financial liabilities				
Financial liabilities measured at amortised cost	9,527,832	8,647,996	9,434,909	8,497,987

Financial assets measured at fair value through income and expenditure comprises investments in UK listed securities and cash at bank.

Financial assets measured at amortised cost comprise School fees, group and other debtors, accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals, loans and fees in advance.

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Total investment income for financial assets measured at fair value through income and expenditure	122,323	111,339	122,323	111,339
Net (gain)/loss on financial assets measured at fair value through income and expenditure	(88,536)	214,053	(88,536)	214,053
Impairment loss /(gains) on financial assets measured at amortised cost	219,288	(65,445)	219,288	(65,445)
Total interest expense for financial liabilities held at amortised cost	99,402	121,516	99,402	121,516

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

30. Related party transactions

During the year Shrewsbury School had various transactions and balances outstanding at the year end with its two wholly owned trading subsidiaries, Shrewsbury School Enterprises Limited and Shrewsbury School Trading Company Limited. These are disclosed in note 6.

Governors remuneration and expenses are disclosed in note 12 and key management personal remuneration is disclosed in note 13.

There are no other related party transactions to disclose.

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

31. Consolidated Statement of Financial Activities for the year ended 31 July 2019

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £
Income and endowments:				
Grants and donations	-	885,592	-	885,592
Charitable activities:				
School fees	23,476,512	-	-	23,476,512
Other educational income	310,329	-	-	310,329
Other ancillary trading income	334,448	-	-	334,448
Other trading activities	1,935,863	-	-	1,935,863
Investments	68,080	40,620	2,639	111,339
Total income	26,125,232	926,212	2,639	27,054,083
Expenditure on:				
Raising funds:				
Trading activities	1,076,367	-	-	1,076,367
Fundraising costs	396,813	-	-	396,813
Financing costs	239,877	-	-	239,877
Charitable activities:				
Education and grant making	22,757,168	639,733	-	23,396,901
Total expenditure	24,470,225	639,733	-	25,109,958
Net income before investment gains/(losses)	1,665,007	286,479	2,639	1,944,125
Net gains/(losses) on investments	155,967	-	58,086	214,053
Net income before transfers	1,810,974	286,479	60,725	2,158,178
Transfers between Funds	263,282	(263,282)	-	-
Net income before other recognised gains and losses	2,074,256	23,197	60,725	2,158,178
Actuarial (losses)/gains on defined benefit pension schemes	(165,000)	-	-	(165,000)
Net movement in funds	1,909,256	23,197	60,725	1,993,178
Reconciliation of funds:				
Total funds brought forward	30,095,823	574,402	1,394,268	32,064,493
Total funds carried forward	32,005,079	597,599	1,454,993	34,057,671