

**SHREWSBURY SCHOOL**

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2021**

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## SHREWSBURY SCHOOL

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## SHREWSBURY SCHOOL

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### REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISORS FOR THE YEAR ENDED 31 JULY 2021

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<b>Governors</b>	<p>T.H.P. Haynes, BA, PGCE (Co-opted member), Chairman <sup>1, 2, 6</sup> S.R. Baker, BSc, FCA, CF (Co-opted member) <sup>1, 4</sup> Councillor T.H. Biggins MA (Appointed by Shropshire Council) (resigned 14 July 2021) <sup>1, 3, 4</sup> R. Boys-Stones, BSc, FCA (Co-opted member) <sup>3</sup> D. Chance MBA (Co-opted member) <sup>1, 4</sup> J.R. Clark MA (Co-opted member) <sup>3, 5, 6</sup> Sir Peter Davis (Co-opted member) <sup>5</sup> D. Flint, DL (Appointed by the Lord Lieutenant of the County of Shropshire <sup>1, 2, 5</sup> S.L. Hankin BA (Co-opted member) (appointed 16 September 2021) <sup>5</sup> C. Howarth, LLB (Co-opted member) <sup>2, 6</sup> Dr S. Jones-Perrott MB, BS (Co-opted member) <sup>1, 3, 7</sup> Professor A.J. McCarthy BSc, PhD (Co-opted member) <sup>2, 5</sup> J.M.H. Moir, BA, MBA (Co-opted member) <sup>1, 7</sup> Councillor D. Morris BA, (Appointed by Shropshire Council) (appointed 16 September 2021) <sup>3, 6</sup> Councillor C.M. Motley, BA (Appointed by Shropshire Council) <sup>1, 2</sup> J.D.C. Pitt, MBA, BSc (Co-opted member) <sup>1, 4</sup> F.L. Schofield, BA, PGCE (Co-opted member) <sup>5, 7</sup> D.R. Stacey, DL (Co-opted member) <sup>1, 3, 7</sup> G. Walters, BBLs (Co-opted member) <sup>6</sup> G. Woods MA (Co-opted member) (resigned 17 March 2021) <sup>5</sup></p> <p><sup>1</sup> Finance and General Purposes Committee <sup>2</sup> Nominations and Remuneration Committee <sup>3</sup> Audit Committee <sup>4</sup> Investment Committee <sup>5</sup> Education and Safeguarding Committee <sup>6</sup> International Development Committee <sup>7</sup> Prep School Committee</p>
<b>Charity registered number</b>	528413
<b>Principal address and Registered office</b>	The Bursary Kingsland House Shrewsbury School The Schools Shrewsbury SY3 7AA
<b>Headmaster</b>	N L Winkley, MA
<b>The Bailiff, Bursar and Clerk to the Governing Body</b>	M J Ware, MA, ACA

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## SHREWSBURY SCHOOL

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### REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISORS FOR THE YEAR ENDED 31 JULY 2021

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<b>Independent auditor</b>	Crowe U.K. LLP Fourth Floor St James House St James Square Cheltenham GL50 3PR
<b>Bankers</b>	Barclays Bank Plc 44-46 Castle Street Shrewsbury SY1 2BU  Handelsbanken Plc 1st Floor, Willow House West Shrewsbury Business Park Shrewsbury SY2 6LG  Lloyds Bank Plc 1 Pride Hill Shrewsbury SY1 1DG
<b>Investment Advisors</b>	Sarasin & Partners Juxton House 100 St Paul's Churchyard London EC4M 8BU  Rathbone Investment Management 8 Finsbury Circus London EC2M 7AZ

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## SHREWSBURY SCHOOL

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### GOVERNORS' REPORT FOR THE YEAR ENDED 31 JULY 2021

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The Governors present their annual report for the year ended 31 July 2021, 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 2019.

#### 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. The current Master of St John's has decided not to take up her post as a Governor of Shrewsbury School in line with the policy of the College council. 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.

**GOVERNORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2021**

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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 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 (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)
- Shrewsbury School Trading 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.

**GOVERNORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2021**

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**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, who in turn delegates review of each risk type to the relevant sub-Committees. In this review, the Governing Body sub-Committees are assisted by the School's leadership 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.

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 and 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](http://www.shrewsbury.org.uk)). Since August 2019, Packwood Haugh School has become part of the overall Shrewsbury School charitable entity.

**GOVERNORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2021**

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Our aim is that a Shrewsbury education will educate and empower each individual to flourish in life and contribute positively to the world around them. Shrewsbury School delivers whole person education in a thriving and inclusive boarding and day school community that champions the individual. We believe that the true purpose of education is the cultivation of inner virtues, life skills and character strengths that equip our young people with the confidence and direction to pursue meaningful and successful lives.

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 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 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 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, 351 (2020 - 317) pupils were assisted of whom 194 were means tested (2020 - 170). The value of this means tested support was £2,731,977 (2020 - £2,452,712). This figure includes 11 pupils (2020-11) who were in receipt of 100% means tested remissions.

Packwood offered £336,075 (2020-£319,273) in bursary and scholarship support in 2020-21, of which £245,031 (2020-£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".

The 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 socially and economically disadvantaged local community. In addition to fund raising, the School is actively involved in governance, 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.

**GOVERNORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2021**

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During the 2020-21 academic year the School continued to develop partnership activity with state schools, charities and other organisations, both locally and nationally. Programmes covered academics, co-curricular (sport, music and arts), support with careers and pastoral aspects of school life. During periods of lockdown, we shared our innovative remote programmes with our partners – ranging from enrichment subject lectures to careers webinars and sporting challenges.

Amongst the highlights of 2020-21 are the following case studies:

**Case Study 1 – STEM Potential Shrewsbury**

In collaboration with Imperial College and Oundle School we started STEM Potential Shrewsbury to identify and to support bright and able Yr10 scientists across Shropshire. Forced into remote teaching, we offered a stimulating, engaging and challenging programme of independent access materials and on-line lectures together with our partners. Our aim is to raise ambition and ability amongst the target cohort which is selected on ability and background criteria including income and parental education.

**Case Study 2 – DFE Systems Partnership Grant – development of Maths and Careers Programmes** with the Marches Academy Trust Together with the Marches Academy Trust the School was successful in securing a £20k expansion grant from the DFE (to be match funded by the School) which will enable us to give extra support to Maths teaching at Shrewsbury Academy School and also provide a bespoke Careers programme targeting Yr10 students across the Trust in order to raise ambitions for further study to A Level and beyond into university.

**Case Study 3 – Support for Oxbridge, Medical and Veterinary applications**

Teachers from the School across a wide range of subjects provided support with applications into competitive universities. Support often including additional subject tuition, guidance about the application process, help with personal statements and interview practice. Support was also given to state school colleagues responsible for supporting such candidates.

**Other community engagement:**

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

During 2020-21 we planned for the use of our facilities during holiday time in support of the work done by Into University and Royal Springboard – but sadly these plans were postponed due to Covid concerns. We were able to welcome the charity 'Action For Children' to use our outdoor spaces to support respite care for families with children who have physical or learning disabilities.

As well as supporting charitable fundraising by pupils and staff (in 2020-21 raising over £70k for 25 different charities in total), the 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 performances in the performing arts.

The 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 School's Partnership and Community Engagement work can be found at <https://www.shrewsbury.org.uk/pce>

In addition, both schools record partnership activity on the [schoolstogether.org](https://www.schoolstogether.org) website.

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## SHREWSBURY SCHOOL

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### GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

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#### Fundraising

Shrewsbury School did not participate in any fundraising activities on its own account 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 and commission of the Barnes Theatre for the start of 2020/21.
- Implementation of the strategic plan adopted by the Governing Body in September 2019.
- Planning for the refurbishment of Riggs, which commenced in July 2021.
- Planning work for a Fifth Girls' house, scheduled to open in September 2023.

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

Yet again COVID 19 had significant impact on both school sites during 2020-21.

In September 2020, both Schools started the academic year, in anticipation that gradually the restrictions still in place would be lifted and a full range of academic, sporting and arts activities would be able to take place, and over the first term this was the case. Based on government instructions both Schools moved to on-line supported learning (OSL), with effect from January 2021, with the exception of children of key workers. In addition, the School also had some pupils from overseas who remained resident during the OSL phase of the Lent Term in their boarding households. Pastoral support and co-curricular activities were also provided remotely for a seven-week period, with pupils returning to school for the final three weeks of the Lent Term. 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'. Both schools were fully open for the Summer Term 2021.

The Governing Body agreed to make adjustments to reduce the fees at both schools for the Summer Term 2021, approved via an Extra-ordinary Governing Body meeting in March 2021. This reduction reflects savings made during the Lent Term period in remote. 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 2021. Cleaners, Matrons and non-teaching site-based staff who were not needed during the period of OSL were put on furlough leave for January, February and March 2021. The charity received £400,538 in furlough payments under the CJRS.

This year, Shrewsbury School numbers averaged 816 (2020 - 808) pupils of whom 615 (2020 - 612) were boarders and 201 (2020 - 196) were day pupils. Packwood Haugh School numbers averaged 182 (2020 - 180) of whom 68 were boarders.

Shrewsbury School pupil numbers at the start of the 2021/22 academic year were 817, and Packwood Haugh had 208 pupils.

**GOVERNORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2021**

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A Levels and GCSEs assessments were completed via Teacher Assessed Grades (TAGs) owing to the pandemic. Therefore, the results are not a precise comparison to previous years but are in line with the Centrally Assessed Grades in 2020. 86.9% of A Level candidates received the equivalent of A\* to B, and 76.0% of GCSE candidates received grades 9 to 7. In exceptional circumstances, these results are a fair set of outcomes for this cohort of pupils. It is also important to note the diligence and care taken by teaching staff when implementing the TAG processes in a relatively short time frame.

Outside the classroom Shrewsbury School and Packwood Haugh School continued provide a wide range of co- curricular activities in spite of the COVID 19 restrictions in place through much of the year. The Summer Term 2021 saw a welcome return to competition with other schools and live artistic performances.

#### Grants and Awards

The Charity in total awarded bursaries, scholarships and allowances of £4,234,576 (2020 - £3,636,848). 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 £3,898,501 (2020 - £3,317,575) of scholarships, grants, bursaries and other allowances to pupils, of which £505,497 came from restricted funds, including £490,810 (2020 - £541,259) from Shrewsbury School Foundation. Packwood made awards to pupils totalling £336,075 (2020 - £319,273).

Shrewsbury 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 Shrewsbury School Foundation. In total, Shrewsbury School Foundation financially supported 24 pupils (2020 -28 pupils) of whom 6 pupils (2020-6 pupils) received 100% funding.

The Governors publish a detailed grant making policy 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.

#### 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 £2,569,333 (2020 - £6,305,161, including a £4,443,847 donation on the merger with Packwood Haugh) for the year. This result (without the Packwood donation) is similar to the previous year but bolstered by the sale of a substantial school owned property towards the year end. The proceeds of this sale will be used to purchase more suitable accommodation (one such property was purchased after the year end).

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## SHREWSBURY SCHOOL

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### GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

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Planning permission was received during the year, for the construction of fifth girls house, with construction commencing in June 2022. The house will welcome the first intake of pupils in September 2023.

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 £42,839,413 from £38,775,296. The increase comprised net incoming resources of £2,569,333; an increase in the market value of School investments of £721,784; and £773,000 actuarial gain 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) reduced by £773,000, compared to the previous year and as valued under FRS102 assumptions is now £1,998,000. The reduction in the deficit is mainly due to the increased value of the Scheme's investments, recovering from the low position, due to the COVID 19 impact, in the previous year.

Capital expenditure totalled £1,357,246. This is significantly less than in previous years and is a direct impact of COVID 19. A further £271,256 was expended on completing the Barnes Theatre; £139,500 on planning the refurbishment of Riggs Boarding House (this project should have commenced in June 2020 but was delayed until June 2021); £164,538 on the planning and design work for the fifth girls' house. £130,604 was spent on Information Technology; £110,690 on grounds equipment.

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 COVID 19, all the commercial lettings were cancelled over Summer 2020 and Easter 2021, the swimming academy was closed for a substantial part of the year and 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 School.

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## SHREWSBURY SCHOOL

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### GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

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#### 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 third successful year of operation.

Further information regarding the Bangkok Schools can be found at [www.shrewsbury.ac.th](http://www.shrewsbury.ac.th) and for the Hong Kong School at [www.shrewsbury.hk](http://www.shrewsbury.hk)

#### Fundraising Performance

The School received donations of £1,411,066 during the year (2020 - £5,766,183 included £4,443,847 related to the transfer of assets and liabilities from Packwood Haugh).

Shrewsbury School Foundation (a separate Charity) raises funds to donate to the School for bursary support, capital and educational projects. In the current year the School received from the Foundation a total of £664,127 of this £158,317 related to capital projects and £490,810 to support bursaries.

In addition, the School received two very generous donations. A legacy was received of £610,000 from a friend of the School in February 2021 and the Salopian Club transferred investments of £89,519, which the Governors have designated towards future bursarial support. Smaller donations were received for specific 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 £1,513,959 and Restricted Funds totalled £798,172, because of the particular spending constraints attached to them they are not available for funding the general operations of the School. Unrestricted Funds totalling £40,527,282 are expendable in accordance with the Objects of the School. The School has no current free reserves as the unrestricted reserves are less than the net book value of fixed assets. 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 are 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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## SHREWSBURY SCHOOL

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### GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

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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 and reflecting the deferral of some infrastructure projects.

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 over the forthcoming years, with income from it being used to provide bursarial support to pupils attending the School. During the year, the Trustees allocated £888,164 to the fund. At the year end the value of this designated fund was £2,749,870.

#### 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 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. During the year the School undertook a review of investment managers, and as a result appointed Sarasin & Partners to replace Rathbone Investment Managers, early in 2021. As a result of this decision the investment held by Rathbones (excluding the Fees in Advance) were sold, and the proceeds reinvested in the Sarasin Endowments Fund Class A Income Fund, a global multi-asset portfolio with an integrated socially responsible investment policy. The transfer of funds took several months. The fund seeks to provide growth (in terms of investment value and growth) of 4% per year more than the CPI over a rolling five-year period. The School's investments increased in capital value by £721,784 (11.8%) over the previous year.

#### 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 carefully monitors 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.

**GOVERNORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2021**

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The School has also considered non-financial risks. As the health and safety of the pupils and staff is paramount, the Trustees consider any potential breach of health and safety to be a principal risk. To mitigate the School has 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
- Focus on funding and increasing the number of means tested transformative bursaries (75% to 110% off fees).
- The extension and renovation of Rigg's Hall (construction phase July 2021 to March 2022) as part of the objective to re-invest and refurbish boys' houses.
- Planning and construction of a fifth girls' house to provide girls' additional capacity as part of the maturation of co-education.
- The continued development of a cross sector programme of partnership and community engagement.

**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 with in 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.

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SHREWSBURY SCHOOL

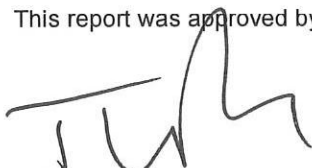
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GOVERNORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2021

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

This report was approved by the Governors, on 27 November 2021 and signed on their behalf by:



T.H.P. Haynes  
Chair



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## SHREWSBURY SCHOOL

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### INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF SHREWSBURY SCHOOL

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#### Opinion

We have audited the financial statements of Shrewsbury School (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 July 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2021 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

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

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

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

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## SHREWSBURY SCHOOL

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

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#### Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Governors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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## SHREWSBURY SCHOOL

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

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#### **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.

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

We obtained an understanding of the legal and regulatory frameworks within which the Charity and Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011, taxation legislation, employment legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income from non-fee income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures over non-fee income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

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SHREWSBURY SCHOOL

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

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**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 U.K. LLP**  
Statutory Auditor  
Fourth Floor  
St James House  
St James Square  
Cheltenham  
GL50 3PR

Date:

3 February 2022

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 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income and endowments from:</b>						
Grants and donations	3	700,043	711,023	-	1,411,066	5,766,183
<b>Charitable activities:</b>						
School fees	4	26,325,672	-	-	26,325,672	25,705,526
Other educational income	5	332,256	-	-	332,256	333,528
Other ancillary trading income	5	611	-	-	611	116,930
Other trading activities	6	1,382,044	-	-	1,382,044	1,483,465
Investments	7	68,263	36,161	2,349	106,773	122,323
Other income	8	1,285,743	-	-	1,285,743	707,984
<b>Total income and endowments</b>		<b>30,094,632</b>	<b>747,184</b>	<b>2,349</b>	<b>30,844,165</b>	<b>34,235,939</b>
<b>Expenditure on:</b>						
<b>Raising funds:</b>						
Trading activities	9	722,436	-	-	722,436	762,416
Fundraising costs	9	269,874	-	-	269,874	362,546
Financing costs	10	325,118	-	-	325,118	512,139
<b>Charitable activities:</b>	11					
Education and grant making		26,399,993	557,411	-	26,957,404	26,293,677
<b>Total expenditure</b>		<b>27,717,421</b>	<b>557,411</b>	<b>-</b>	<b>28,274,832</b>	<b>27,930,778</b>
<b>Net income before net gains/(losses) on investments</b>		<b>2,377,211</b>	<b>189,773</b>	<b>2,349</b>	<b>2,569,333</b>	<b>6,305,161</b>
Net gains/(losses) on investments		547,814	-	173,970	721,784	(88,536)
<b>Net income before transfers</b>		<b>2,925,025</b>	<b>189,773</b>	<b>176,319</b>	<b>3,291,117</b>	<b>6,216,625</b>
Transfers between funds	22	178,286	(178,286)	-	-	-
<b>Net movement in funds before other recognised gains/(losses) carried forward</b>		<b>3,103,311</b>	<b>11,487</b>	<b>176,319</b>	<b>3,291,117</b>	<b>6,216,625</b>

SHREWSBURY SCHOOL

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2021**

		<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Endowment funds 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
	<b>Note</b>					
<b>Net movement in funds before other recognised gains brought forward</b>		<b>3,103,311</b>	<b>11,487</b>	<b>176,319</b>	<b>3,291,117</b>	<b>6,216,625</b>
Actuarial gains/(losses) on defined benefit pension schemes	27	773,000	-	-	773,000	(1,499,000)
<b>Net movement in funds</b>		<b>3,876,311</b>	<b>11,487</b>	<b>176,319</b>	<b>4,064,117</b>	<b>4,717,625</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		36,650,971	786,685	1,337,640	38,775,296	34,057,671
Net movement in funds		3,876,311	11,487	176,319	4,064,117	4,717,625
<b>Total funds carried forward</b>		<b>40,527,282</b>	<b>798,172</b>	<b>1,513,959</b>	<b>42,839,413</b>	<b>38,775,296</b>

The notes on pages 26 to 65 form part of these financial statements.

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**SHREWSBURY SCHOOL**

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**CONSOLIDATED BALANCE SHEET  
AS AT 31 JULY 2021**

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	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	14	41,108,674	42,324,161
Investments	15	7,462,922	6,116,746
		<u>48,571,596</u>	<u>48,440,907</u>
<b>Current assets</b>			
Stocks	16	291,891	310,020
Debtors	17	1,941,495	1,842,073
Cash at bank and in hand		8,256,938	4,496,043
		<u>10,490,324</u>	<u>6,648,136</u>
Creditors: amounts falling due within one year	18	<u>(6,411,746)</u>	<u>(5,675,029)</u>
<b>Net current assets</b>		4,078,578	973,107
<b>Total assets less current liabilities</b>		<u>52,650,174</u>	<u>49,414,014</u>
Creditors: amounts falling due after more than one year	19	(7,812,761)	(7,780,718)
<b>Net assets excluding pension liability</b>		<u>44,837,413</u>	<u>41,633,296</u>
Defined benefit pension scheme liability	27	(1,998,000)	(2,858,000)
<b>Total net assets</b>		<u><u>42,839,413</u></u>	<u><u>38,775,296</u></u>

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**SHREWSBURY SCHOOL**


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**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 31 JULY 2021**

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	Note	2021 £	2020 £
<b>Charity funds</b>			
Endowment funds	22	1,513,959	1,337,640
Restricted funds	22	798,172	786,685
<b>Unrestricted funds</b>			
Unrestricted funds excluding pension asset	22	42,525,282	39,508,971
Pension reserve	22	(1,998,000)	(2,858,000)
Total unrestricted funds	22	<u>40,527,282</u>	<u>36,650,971</u>
<b>Total funds</b>		<u><u>42,839,413</u></u>	<u><u>38,775,296</u></u>

The financial statements were approved and authorised for issue by the Governors on 27 November 2021 and signed on their behalf by:



**T.H.P. Haynes**  
Chairman



**S.R. Baker**

The notes on pages 26 to 65 form part of these financial statements.

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**SHREWSBURY SCHOOL**

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**CHARITY BALANCE SHEET  
AS AT 31 JULY 2021**

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	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	14	41,101,751	42,315,229
Investments	15	7,462,922	6,116,746
		<u>48,564,673</u>	<u>48,431,975</u>
<b>Current assets</b>			
Stocks	16	64,165	80,218
Debtors	17	2,194,012	2,153,777
Cash at bank and in hand		8,094,321	4,322,045
		<u>10,352,498</u>	<u>6,556,040</u>
Creditors: amounts falling due within one year	18	(6,250,311)	(5,580,314)
<b>Net current assets</b>		<u>4,102,187</u>	<u>975,726</u>
<b>Total assets less current liabilities</b>		<u>52,666,860</u>	<u>49,407,701</u>
Creditors: amounts falling due after more than one year	19	(7,812,761)	(7,780,718)
<b>Net assets excluding pension liability</b>		<u>44,854,099</u>	<u>41,626,983</u>
Defined benefit pension scheme liability	27	(1,998,000)	(2,858,000)
<b>Total net assets</b>		<u><u>42,856,099</u></u>	<u><u>38,768,983</u></u>

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SHREWSBURY SCHOOL

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CHARITY BALANCE SHEET (CONTINUED)  
AS AT 31 JULY 2021

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	Note	2021 £	2020 £
<b>Charity funds</b>			
Endowment funds	22	1,513,959	1,337,640
Total restricted funds	22	798,172	786,685
<b>Unrestricted funds</b>			
Unrestricted funds excluding pension liability	22	42,541,968	39,502,658
Pension reserve	22	(1,998,000)	(2,858,000)
Total unrestricted funds	22	40,543,968	36,644,658
<b>Total funds</b>		42,856,099	38,768,983

The financial statements were approved and authorised for issue by the Governors on 27 November 2021 and signed on their behalf by:

  
**T.H.P. Haynes**  
(Chair of Trustees)

  
**S.R. Baker**

The notes on pages 26 to 65 form part of these financial statements.

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**SHREWSBURY SCHOOL**

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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JULY 2021**

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	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	23	5,873,925	3,771,970
<b>Cash flows from investing activities</b>			
Dividends and interest from investments		106,773	122,323
Proceeds from the sale of tangible fixed assets		910,466	-
Purchase of tangible fixed assets		(1,357,246)	(3,899,685)
Proceeds from sale of investments		3,418,774	423,427
Purchase of investments		(4,574,637)	(469,458)
<b>Net cash used in investing activities</b>		(1,495,870)	(3,823,393)
<b>Cash flows from financing activities</b>			
Cash inflows from new borrowing		-	2,000,000
Repayments of borrowing		(1,045,299)	(907,347)
Interest paid on borrowings		(103,332)	(99,402)
<b>Net cash (used)/provided in financing activities</b>		(1,148,631)	993,251
<b>Change in cash and cash equivalents in the year</b>		3,229,424	941,828
Cash and cash equivalents at the beginning of the year		5,031,187	4,089,359
<b>Cash and cash equivalents at the end of the year</b>	24	8,260,611	5,031,187

The notes on pages 26 to 65 form part of these financial statements

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## SHREWSBURY SCHOOL

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

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#### 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), 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 £4,087,116 (2020 - £4,711,413).

##### 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021

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**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.

**Useful economic lives of tangible assets**

The annual depreciation charges for the tangible assets are sensitive to changes in the estimate useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the tangible assets and note 2.8 for the useful lives for each class of asset.

**Impairment of debtors**

The group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. See note 17 for the net carrying amount of the debtors.

**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.

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## SHREWSBURY SCHOOL

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

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#### 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 or facilities.

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

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

##### 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

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## SHREWSBURY SCHOOL

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

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#### 2. Accounting policies (continued)

##### 2.6 Expenditure (continued)

and finance. School trip expenditure is included under support costs.

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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021

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**2. Accounting policies (continued)**

**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.

**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.

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## SHREWSBURY SCHOOL

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

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#### 2. Accounting policies (continued)

##### 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.

##### 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 £331,446 (2020 - £323,667).

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 £71,332 (2020 - £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 £1,725,910 (2020 - £1,708,402).

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 £17,448 (2020 - £11,409).

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**SHREWSBURY SCHOOL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

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**3. Income from grants and donations**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	700,043	711,023	-	1,411,066	1,322,336
Transfer in of assets and liabilities from Packwood Haugh School	-	-	-	-	4,443,847
<b>Total 2021</b>	<u>700,043</u>	<u>711,023</u>	<u>-</u>	<u>1,411,066</u>	<u>5,766,183</u>
<i>Total 2020</i>	<u><u>4,358,558</u></u>	<u><u>1,384,154</u></u>	<u><u>23,471</u></u>	<u><u>5,766,183</u></u>	

On 1 August 2019 all of the assets and liabilities of the Packwood Haugh School were transferred into Shrewsbury School. The transfer was recorded as a donation into Shrewsbury School in the year ended 31 July 2020.

**4. Charitable activities - School fees receivable**

	2021 £	2020 £
<b>The School's fee income comprised:</b>		
Gross fees	30,054,751	28,780,869
Less: Total bursaries, scholarships and allowances	(4,234,576)	(3,636,849)
	<u>25,820,175</u>	<u>25,144,020</u>
Add back bursaries, scholarships and allowances paid for by Restricted Funds	505,497	561,506
	<u><u>26,325,672</u></u>	<u><u>25,705,526</u></u>

Scholarships, bursaries and other awards were paid to 440 pupils (2020 - 388).

Within this means tested bursaries totaling £2,977,008 paid to 248 pupils (2020 - £2,648,304 to 210 pupils).

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SHREWSBURY SCHOOL

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021

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5. Charitable activities - Other income

	2021 £	2020 £
<b>Other educational charitable income</b>		
Entrance and registration fees	127,793	138,608
Courses and sub-lettings	145,527	135,295
Royalties received	58,936	59,625
	<u>332,256</u>	<u>333,528</u>
	2021 £	2020 £
<b>Other ancillary activities</b>		
Commissions received	611	3,442
School trips	-	113,188
Late payment surcharges	-	300
	<u>611</u>	<u>116,930</u>

6. Other trading activities

	2021 £	2020 £
Trading activities SSEL	938,212	919,548
Trading activities SSTCL	443,832	563,917
	<u>1,382,044</u>	<u>1,483,465</u>

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## SHREWSBURY SCHOOL

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

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#### 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:

	2021 £	2020 £
Turnover	938,119	919,299
Administration	(254,091)	(224,492)
<b>Operating profit</b>	<b>684,028</b>	<b>694,807</b>
Interest payable	(1,514)	(2,040)
Interest receivable	93	249
<b>Profit for the year</b>	<b>682,607</b>	<b>693,016</b>
Gift aid payment	(682,607)	(687,434)
<b>Retained profit</b>	<b>-</b>	<b>5,582</b>

Shrewsbury School Enterprises Limited made a gift aid donation of £682,607 (2020 - £687,434) to Shrewsbury School during the year.

The net assets of Shrewsbury School Enterprises Limited at 31 July 2021 amounted to £5,583 (2020 – £5,583).

At the year end Shrewsbury School Enterprises Limited owed Shrewsbury School £833,020 (2020 - £841,140). Of which £137,635 (2020 - £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 £194,314 (2020 - £187,228). In addition there is a licence fee of £10,000 (2020 - £10,000).

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## SHREWSBURY SCHOOL

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

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#### 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:

	2021 £	2020 £
Turnover	433,614	546,453
Cost of sales	(251,188)	(299,860)
<b>Gross profit</b>	<b>182,426</b>	<b>246,593</b>
Administration	(215,643)	(236,024)
Other operating income	10,126	16,487
<b>Operating (loss)/profit</b>	<b>(23,091)</b>	<b>27,056</b>
Interest receivable	92	977
<b>(Loss)/profit for the year</b>	<b>(22,999)</b>	<b>28,033</b>
Gift aid payment	-	(27,403)
<b>Retained (loss)/profit</b>	<b>(22,999)</b>	<b>630</b>

Shrewsbury School Trading Company Limited made a gift aid donation of £Nil (2020 - £27,403) to Shrewsbury School during the year.

The net liabilities of Shrewsbury School Trading Company Limited at 31 July 2021 amounted to £22,269 (2020 – assets of £730).

At the year end Shrewsbury School Trading Company Limited owed Shrewsbury School £108,100 (2020 - £122,850).

The management charge from the School to Shrewsbury School Trading Company Limited was £82,320 (2020 – £91,634).

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**SHREWSBURY SCHOOL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

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**7. Investment income**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Interest	7,383	-	-	7,383	17,236
Dividend income	60,880	36,161	2,349	99,390	105,087
<b>Total 2021</b>	<u>68,263</u>	<u>36,161</u>	<u>2,349</u>	<u>106,773</u>	<u>122,323</u>
<i>Total 2020</i>	<u><u>83,818</u></u>	<u><u>36,156</u></u>	<u><u>2,349</u></u>	<u><u>122,323</u></u>	

**8. Other incoming resources**

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Government grant	400,538	400,538	707,984
Profit on the sale of fixed assets	885,205	885,205	-
<b>Total 2021</b>	<u>1,285,743</u>	<u>1,285,743</u>	<u>707,984</u>
<i>Total 2020</i>	<u><u>707,984</u></u>	<u><u>707,984</u></u>	

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

The profit on the sale of fixed assets mainly relates to the sale of a residential property.

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**SHREWSBURY SCHOOL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

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**9. Expenditure on raising funds**

**Trading costs of the subsidiaries**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Other costs	331,377	<b>331,377</b>	<b>367,176</b>
Staff costs	389,050	<b>389,050</b>	<b>393,150</b>
Depreciation	2,009	<b>2,009</b>	<b>2,090</b>
<b>Total 2021</b>	<u>722,436</u>	<u><b>722,436</b></u>	<u><b>762,416</b></u>
<i>Total 2020</i>	<u><b>762,416</b></u>	<u><b>762,416</b></u>	

**Fundraising for voluntary resources**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Other costs	104,655	<b>104,655</b>	<b>130,764</b>
Staff costs	165,219	<b>165,219</b>	<b>231,782</b>
<b>Total 2021</b>	<u>269,874</u>	<u><b>269,874</b></u>	<u><b>362,546</b></u>
<i>Total 2020</i>	<u><b>362,546</b></u>	<u><b>362,546</b></u>	

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**SHREWSBURY SCHOOL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

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**10. Financing costs**

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Fees in advance financing cost	91,595	<b>91,595</b>	<b>92,670</b>
Bad debts and debt collection	54,867	<b>54,867</b>	<b>227,242</b>
Bank and investment manager charges	38,324	<b>38,324</b>	<b>63,825</b>
Loan interest	103,332	<b>103,332</b>	<b>99,402</b>
Pension scheme financing cost	37,000	<b>37,000</b>	<b>29,000</b>
<b>Total 2021</b>	<u>325,118</u>	<u><b>325,118</b></u>	<u><b>512,139</b></u>
<i>Total 2020</i>	<u><b>512,139</b></u>	<u><b>512,139</b></u>	

**11. Analysis of expenditure on charitable activities**

**Summary by fund type**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Teaching	12,366,406	-	<b>12,366,406</b>	<b>12,603,128</b>
Welfare	4,008,013	-	<b>4,008,013</b>	<b>3,442,817</b>
Premises	6,709,697	-	<b>6,709,697</b>	<b>6,320,614</b>
Support and governance	3,315,877	-	<b>3,315,877</b>	<b>3,335,801</b>
Grants, awards and prizes	-	557,411	<b>557,411</b>	<b>591,317</b>
<b>Total 2021</b>	<u>26,399,993</u>	<u>557,411</u>	<u><b>26,957,404</b></u>	<u><b>26,293,677</b></u>
<i>Total 2020</i>	<u><b>25,702,360</b></u>	<u><b>591,317</b></u>	<u><b>26,293,677</b></u>	

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**SHREWSBURY SCHOOL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

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**11. Analysis of expenditure on charitable activities (continued)**

**Summary by expenditure type**

	<b>Staff costs 2021 £</b>	<b>Depreciation 2021 £</b>	<b>Other costs 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Teaching	11,123,381	-	1,243,025	<b>12,366,406</b>	<b>12,603,128</b>
Welfare	1,107,017	-	2,900,996	<b>4,008,013</b>	<b>3,442,817</b>
Premises	2,204,272	2,545,472	1,959,953	<b>6,709,697</b>	<b>6,320,614</b>
Support and governance	2,071,389	-	1,244,488	<b>3,315,877</b>	<b>3,335,801</b>
Grants, awards and prizes	-	-	557,411	<b>557,411</b>	<b>591,317</b>
<b>Total 2021</b>	<b>16,506,059</b>	<b>2,545,472</b>	<b>7,905,873</b>	<b>26,957,404</b>	<b>26,293,677</b>
<i>Total 2020</i>	<b>16,390,607</b>	<b>2,498,062</b>	<b>7,405,008</b>	<b>26,293,677</b>	

**Grants, awards and prizes**

	<b>2021 £</b>	<i>2020 £</i>
<b>From restricted funds:</b>		
Bursaries and scholarships	<b>505,497</b>	<b>561,506</b>
Prizes and awards	<b>51,914</b>	<b>29,811</b>
	<b>557,411</b>	<b>591,317</b>

**Governance included in support costs:**

	<b>2021 £</b>	<i>2020 £</i>
Remuneration paid to auditor for audit services	<b>42,360</b>	<b>41,640</b>
Remuneration paid to auditor for non- audit services	<b>15,252</b>	<b>14,076</b>
Other governance costs	<b>135,303</b>	<b>87,143</b>
	<b>192,915</b>	<b>142,859</b>

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**SHREWSBURY SCHOOL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

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**12. Governors' remuneration and expenses**

During the year, no Governors received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 July 2021, expenses totalling £Nil were reimbursed or paid directly to Governors (2020 - £2,288 to 7 Governors). The expenses related to travel and accommodation.

**13. Staff costs**

	<b>Group 2021 £</b>	<i>Group 2020 £</i>	<b>Charity 2021 £</b>	<i>Charity 2020 £</i>
Wages and salaries	13,559,480	13,594,684	13,225,958	13,241,094
Social security costs	1,377,142	1,376,131	1,344,618	1,352,611
Other pension costs (Note 27)	2,146,137	2,069,754	2,123,133	2,053,714
	<u>17,082,759</u>	<u>17,040,569</u>	<u>16,693,709</u>	<u>16,647,419</u>
Less capitalised labour costs	(22,431)	(25,030)	(22,431)	(25,030)
	<u><u>17,060,328</u></u>	<u><u>17,015,539</u></u>	<u><u>16,671,278</u></u>	<u><u>16,622,389</u></u>

During the year there were redundancy or termination payments made which amounted to £25,968 (2020 - £84,474). There was £Nil (2020 - £46,380) outstanding at the year end.

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

	<b>Group 2021 No.</b>	<i>Group 2020 No.</i>
Teaching	233	244
Welfare	56	58
Premises	123	121
Support	68	68
Other activities	12	13
	<u><u>492</u></u>	<u><u>504</u></u>

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SHREWSBURY SCHOOL

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021

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13. Staff costs (continued)

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

	Group 2021 No.	Group 2020 No.
In the band £60,001 - £70,000	31	31
In the band £70,001 - £80,000	12	11
In the band £80,001 - £90,000	1	3
In the band £90,001 - £100,000	2	1
In the band £130,001 - £140,000	1	1
In the band £140,001 - £150,000	1	1
In the band £230,001 - £240,000	-	1
In the band £240,001 - £250,000	1	-

Aggregate employee benefits of key management personnel	<u>1,531,074</u>	<u>1,492,717</u>
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Key management includes the Senior Leadership team.

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SHREWSBURY SCHOOL

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021

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14. Tangible fixed assets

Group

	Assets in course of construction £	Freehold Land & Buildings £	Furniture, Fixtures and fittings £	Boats £	Ground Machines & Vehicles £	Total £
<b>Cost or valuation</b>						
At 1 August 2020	3,615,531	53,187,806	10,389,863	982,687	1,286,156	69,462,043
Additions	580,687	275,000	296,005	80,050	125,504	1,357,246
Disposals	-	-	-	(15,769)	(104,155)	(119,924)
Transfers between classes	(3,556,080)	3,539,866	22,936	-	(6,722)	-
At 31 July 2021	<u>640,138</u>	<u>57,002,672</u>	<u>10,708,804</u>	<u>1,046,968</u>	<u>1,300,783</u>	<u>70,699,365</u>
<b>Depreciation</b>						
At 1 August 2020	-	17,634,986	7,908,087	697,951	896,858	27,137,882
Charge for the year	-	1,705,854	701,292	58,682	81,644	2,547,472
On disposals	-	-	-	(15,769)	(78,894)	(94,663)
At 31 July 2021	<u>-</u>	<u>19,340,840</u>	<u>8,609,379</u>	<u>740,864</u>	<u>899,608</u>	<u>29,590,691</u>
<b>Net book value</b>						
At 31 July 2021	<u>640,138</u>	<u>37,661,832</u>	<u>2,099,425</u>	<u>306,104</u>	<u>401,175</u>	<u>41,108,674</u>
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>

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**SHREWSBURY SCHOOL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

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**14. Tangible fixed assets (continued)**

**Charity**

	Assets in course of construction £	Freehold Land & Buildings £	Furniture, Fixtures & fittings £	Boats £	Ground Machines & Vehicles £	Total £
<b>Cost or valuation</b>						
At 1 August 2020	3,615,531	53,187,806	10,375,939	982,687	1,286,156	69,448,119
Additions	580,687	275,000	296,005	80,050	125,504	1,357,246
Disposals	-	-	-	(15,769)	(104,155)	(119,924)
Transfers between classes	(3,556,080)	3,539,866	22,936	-	(6,722)	-
At 31 July 2021	<u>640,138</u>	<u>57,002,672</u>	<u>10,694,880</u>	<u>1,046,968</u>	<u>1,300,783</u>	<u>70,685,441</u>
<b>Depreciation</b>						
At 1 August 2020	-	17,634,986	7,903,095	697,951	896,858	27,132,890
Charge for the year	-	1,705,854	699,283	58,682	81,644	2,545,463
On disposals	-	-	-	(15,769)	(78,894)	(94,663)
At 31 July 2021	<u>-</u>	<u>19,340,840</u>	<u>8,602,378</u>	<u>740,864</u>	<u>899,608</u>	<u>29,583,690</u>
<b>Net book value</b>						
At 31 July 2021	<u>640,138</u>	<u>37,661,832</u>	<u>2,092,502</u>	<u>306,104</u>	<u>401,175</u>	<u>41,101,751</u>
At 31 July 2020	<u>3,615,531</u>	<u>35,552,820</u>	<u>2,472,844</u>	<u>284,736</u>	<u>389,298</u>	<u>42,315,229</u>

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**SHREWSBURY SCHOOL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

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**15. Fixed asset investments**

<b>Group and charity</b>	<b>Designated Fund £</b>	<b>Endowed Funds £</b>	<b>Fees in Advance £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
At 1 August 2020	1,588,511	1,315,789	3,212,446	6,116,746
Additions	3,014,237	1,560,400	-	4,574,637
Disposals	(1,906,745)	(1,512,029)	-	(3,418,774)
Net investment gains	213,516	174,100	334,168	721,784
Movement in cash deposits	(444,310)	(47,718)	(39,443)	(531,471)
At 31 July 2021	<u>2,465,209</u>	<u>1,490,542</u>	<u>3,507,171</u>	<u>7,462,922</u>
<b>Net book value</b>				
At 31 July 2021	<u>2,465,209</u>	<u>1,490,542</u>	<u>3,507,171</u>	<u>7,462,922</u>
At 31 July 2020	<u>1,588,511</u>	<u>1,315,789</u>	<u>3,212,446</u>	<u>6,116,746</u>

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

**Investments at market value comprise:**

	<b>2021 £</b>	<b>2020 £</b>
Actively managed securities	3,504,519	3,170,350
Quoted stocks	3,954,730	2,411,251
Cash	3,673	535,144
<b>Total market value</b>	<u>7,462,922</u>	<u>6,116,745</u>

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**SHREWSBURY SCHOOL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

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**Fixed asset investments (continued)**

**Material investments**

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

	2021 £	2020 £
Link Fund Solutions - Ruffer Total Return	1,803,162	1,524,716
Link Fund Solutions - Trojan Inc	1,701,356	1,645,634
Sarasin Endowments Fund Class A Inc	3,953,396	-
	<u>          </u>	<u>          </u>

**16. Stocks**

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Goods for resale and consumables	291,891	310,020	64,165	80,218
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Stock recognised as an expense during the year was £250,438 (2020 - £299,860).

**17. Debtors**

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
School fees	563,854	458,327	563,854	458,327
Amounts owed by group undertakings	-	-	941,120	963,990
Other debtors	1,123,749	1,155,805	447,326	524,335
Prepayments and accrued income	253,892	227,941	241,712	207,125
	<u>1,941,495</u>	<u>1,842,073</u>	<u>2,194,012</u>	<u>2,153,777</u>

An impairment loss of £44,138 (2020 - £219,288) 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 (2020 - £137,635). The is unsecured and repayable with one year's notice and is charged at 1% above Lloyds Bank Plc base rate.

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**SHREWSBURY SCHOOL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

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**18. Creditors: Amounts falling due within one year**

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	598,362	194,237	592,556	183,304
Other taxation and social security	369,610	345,029	356,133	343,237
Fee deposits	860,844	910,966	860,844	910,966
Fees in advance (see note 20)	2,492,062	1,765,438	2,492,062	1,765,438
Other creditors	1,087,851	1,037,280	1,068,614	998,737
Accruals and deferred income	416,944	375,287	294,029	331,840
Other loan	65,000	65,000	65,000	65,000
Term loan 1	146,049	428,593	146,049	428,593
Term loan 2	-	461,486	-	461,486
Term loan 3	375,024	91,713	375,024	91,713
	<u>6,411,746</u>	<u>5,675,029</u>	<u>6,250,311</u>	<u>5,580,314</u>

Within other creditors is £269,564 (2020 - £214,096) payable in respect of pension contributions.

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

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Loan from Shrewsbury School Foundation	1,296,046	1,296,046	1,296,046	1,296,046
Fees deposits	2,765,080	2,671,920	2,765,080	2,671,920
Fees in advance (see note 20)	1,590,038	1,066,575	1,590,038	1,066,575
Other loan	628,334	693,334	628,334	693,334
Term loan 1	-	144,556	-	144,556
Term loan 3	1,533,263	1,908,287	1,533,263	1,908,287
	<u>7,812,761</u>	<u>7,780,718</u>	<u>7,812,761</u>	<u>7,780,718</u>

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

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SHREWSBURY SCHOOL

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021

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**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:

	2021 £	2020 £
Between 1-2 years	65,000	65,000
Between 2-5 years	195,000	195,000
Over 5 years	368,334	433,334
	<u>628,334</u>	<u>693,334</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:

	2021 £	2020 £
Between 1-2 years	-	144,556
	<u>-</u>	<u>144,556</u>

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SHREWSBURY SCHOOL

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021

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

**Term loan 2**

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

The term loan was fully repaid during the year.

**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:

	2021 £	2020 £
Between 1-2 years	388,815	374,985
Between 2-5 years	1,144,448	1,209,813
Over 5 years	-	323,489
	<u>1,533,263</u>	<u>1,908,287</u>

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**SHREWSBURY SCHOOL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

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**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:

	2021 £	2020 £
Within 1-2 years	707,543	582,974
Within 2-5 years	882,495	451,079
Over 5 years	-	32,522
	<u>1,590,038</u>	<u>1,066,575</u>
Within 1 year	2,492,062	1,765,438
	<u>4,082,100</u>	<u>2,832,013</u>

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

	2021 £	2020 £
Balance at 1 August 2020	2,832,013	3,097,448
Transfer in from Packwood Haugh School	-	183,128
New contracts	3,346,009	2,299,176
Amounts accrued to contracts	91,595	92,670
	<u>6,269,617</u>	<u>5,672,422</u>
Amounts utilised in payment of fees to the School	(2,187,517)	(2,840,409)
Balance at 31 July 2021	<u>4,082,100</u>	<u>2,832,013</u>

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**SHREWSBURY SCHOOL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

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**21. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	41,108,674	-	-	41,108,674
Fixed asset investments	5,972,380	-	1,490,542	7,462,922
Current assets	9,668,735	798,172	23,417	10,490,324
Creditors due within one year	(6,411,746)	-	-	(6,411,746)
Creditors due in more than one year	(7,812,761)	-	-	(7,812,761)
Provisions for liabilities and charges	(1,998,000)	-	-	(1,998,000)
<b>Total</b>	<b>40,527,282</b>	<b>798,172</b>	<b>1,513,959</b>	<b>42,839,413</b>

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Endowment funds 2020 £</i>	<i>Total funds 2020 £</i>
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)
<b>Total</b>	<b>36,650,971</b>	<b>786,685</b>	<b>1,337,640</b>	<b>38,775,296</b>

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**SHREWSBURY SCHOOL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

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**22. Statement of funds**

**Statement of funds - current year**

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 July 2021 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Designated funds	1,606,097	42,094	-	888,164	213,515	2,749,870
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Unrestricted funds</b>						
General funds	37,896,561	28,670,494	(27,081,985)	(27,271)	334,299	39,792,098
Subsidiary trading	6,313	1,382,044	(722,436)	(682,607)	-	(16,686)
Pension scheme funding deficit	(2,858,000)	-	87,000	-	773,000	(1,998,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	35,044,874	30,052,538	(27,717,421)	(709,878)	1,107,299	37,777,412
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Unrestricted funds</b>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	36,650,971	30,094,632	(27,717,421)	178,286	1,320,814	40,527,282
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Endowment funds</b>						
Capital	1,195,506	-	-	-	163,356	1,358,862
Re-endowment fund	141,634	2,349	-	-	10,614	154,597
Hentschrew Prize Fund	500	-	-	-	-	500
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,337,640	2,349	-	-	173,970	1,513,959
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021

22. Statement of funds (continued)

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 July 2021 £
<b>Restricted funds</b>						
Shrewsbury School Foundation	60,800	664,128	(495,653)	(178,286)	-	50,989
Guyer Family Prize	180	40	(40)	-	-	180
Hentschrew Prize	80	-	-	-	-	80
Darwin Scholarship	7,212	-	-	-	-	7,212
Hargreaves Legacy	500	-	-	-	-	500
Salopian Club	-	16,120	(16,120)	-	-	-
Duffell Prize Fund	4,940	-	-	-	-	4,940
Shrewsbury School Parents' Association	-	365	(365)	-	-	-
Consolidated Fund: Unappropriated income	605,431	36,161	(15,088)	-	-	626,504
COVID Support	17,956	8,110	(26,066)	-	-	-
Art Fund	2,000	-	-	-	-	2,000
DFE Grant - Cross Partnership Grant	-	20,000	(922)	-	-	19,078
Gym Fund	-	1,400	-	-	-	1,400
External Bursaries	-	860	(860)	-	-	-
Packwood - Redevelopment of Science Facilities	85,289	-	-	-	-	85,289
Packwood - COVID Support	2,297	-	(2,297)	-	-	-
	<u>786,685</u>	<u>747,184</u>	<u>(557,411)</u>	<u>(178,286)</u>	<u>-</u>	<u>798,172</u>
<b>Total of funds</b>	<u>38,775,296</u>	<u>30,844,165</u>	<u>(28,274,832)</u>	<u>-</u>	<u>1,494,784</u>	<u>42,839,413</u>

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021

22. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 August 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/(out) £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 July 2020 £</i>
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Designated Funds - all funds	1,317,388	32,279	-	381,531	(125,101)	1,606,097
<b>Unrestricted funds</b>						
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)
	30,687,691	32,757,530	(27,339,461)	258,376	(1,319,262)	35,044,874
<b>Total Unrestricted funds</b>	32,005,079	-	(27,339,461)	639,907	(1,444,363)	36,650,971
<b>Endowment funds</b>						
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
	1,454,993	25,820	-	-	(143,173)	1,337,640

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021

22. Statement of funds (continued)

	<i>Balance at 1 August 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/(out) £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 July 2020 £</i>
<b>Restricted funds</b>						
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>
 <b>Total of funds</b>	 <u>34,057,671</u>	 <u>1,446,130</u>	 <u>(27,930,778)</u>	 <u>-</u>	 <u>(1,587,536)</u>	 <u>38,775,296</u>

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## SHREWSBURY SCHOOL

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

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#### 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 £664,127 (2020 - £1,252,092) of which £490,810 (2020 - £541,259) was given to support bursaries awarded to pupils, £133,288 (2020 - £639,859) to assist with the construction and refurbishment of building (Barnes Theatre, Library and the Chatri Design Centre), £25,019 (2020 - £Nil) towards a new boat, £15,010 (2020 - £10,976) to assist in funding educational activities and £Nil (2020 - £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.

##### Salopian Club Fund

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

##### Duffell Prize Fund

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

##### Shrewsbury School Parents' Association

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

##### 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.

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## SHREWSBURY SCHOOL

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

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#### Statement of funds (continued)

##### Sports Leaders Fund

A donation received to support pupil activities.

##### DFE Grant - Cross Partnership Grant

Grant received, to support impactful, sustainable, and mutually beneficial partnerships with School's in the State Sector.

##### Gym Fund

Donations received to assist improving the gym facilities in one of the School's boarding houses.

##### External Bursaries

Donations received assist pupils who would not otherwise be able to attend Shrewsbury School.

##### 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 £178,286 (2020 - £639,907) 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 £888,164 (2020 - £381,531) represents the transfer approved to the designated fund by the Trustees during the year.

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**SHREWSBURY SCHOOL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

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

	<b>Group 2021 £</b>	<i>Group 2020 £</i>
Net income for the year (as per Statement of Financial Activities)	<b>3,291,117</b>	<b>6,216,625</b>
<b>Adjustments for:</b>		
Depreciation charges	<b>2,547,472</b>	<b>2,500,152</b>
(Gains)/losses on investments	<b>(721,784)</b>	<b>88,536</b>
Dividends and interest from investments	<b>(106,773)</b>	<b>(122,323)</b>
(Profit)/loss on the sale of fixed assets	<b>(885,205)</b>	<b>422</b>
Decrease/(increase) in stocks	<b>18,129</b>	<b>(49,247)</b>
Increase in debtors	<b>(99,422)</b>	<b>(382,137)</b>
Increase in creditors	<b>1,814,059</b>	<b>176,864</b>
Pension scheme movement	<b>(87,000)</b>	<b>(103,000)</b>
Interest paid on borrowings	<b>103,332</b>	<b>99,402</b>
Packwood Haugh School fixed assets transferred in	<b>-</b>	<b>(4,653,324)</b>
<b>Net cash provided by operating activities</b>	<b>5,873,925</b>	<b>3,771,970</b>

**24. Analysis of cash and cash equivalents**

	<b>Group 2021 £</b>	<i>Group 2020 £</i>
Cash at bank	<b>8,256,938</b>	<b>4,496,043</b>
Cash held in investments	<b>3,673</b>	<b>535,144</b>
<b>Total cash and cash equivalents</b>	<b>8,260,611</b>	<b>5,031,187</b>

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**SHREWSBURY SCHOOL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

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**25. Analysis of changes in net debt**

	At 1 August 2020 £	Cash flows £	Other non- cash changes £	At 31 July 2021 £
Cash at bank	4,496,043	3,760,895	-	8,256,938
Cash held in investments	535,144	(531,471)	-	3,673
Debt due within 1 year	(1,046,792)	1,045,299	(584,580)	(586,073)
Debt due after 1 year	(4,042,223)	-	584,580	(3,457,643)
	<u>(57,828)</u>	<u>4,274,723</u>	<u>-</u>	<u>4,216,895</u>

**26. Capital commitments**

At 31 July 2021 the group and charity had capital commitments as follows:

	Group 2021 £	Group 2020 £
Contracted for but not provided in these financial statements	<u>2,510,994</u>	<u>218,271</u>

NOTES TO THE FINANCIAL STATEMENTS  
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**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 £1,725,910 (2020 - £1,708,402) and at the year-end £213,270 (2020 - £214,096) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019, the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal, as well as employer and member representatives, to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

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.

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## SHREWSBURY SCHOOL

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

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#### 27. Pension commitments (continued)

##### 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 2021.

The amounts in the financial statements for the year ended 31 July 2021, 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.

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 2021 %	At 31 July 2020 %
Discount rate	1.50	1.30
Future salary increases - pre 2030	2.35	1.95
Future salary increases - post 2030	3.05	1.95
Inflation assumption (RPI) - pre 2030	3.25	2.85
Inflation assumption (RPI) - post 2030	3.05	2.85
Inflation assumption (CPI) - pre 2030	2.35	1.95
Inflation assumption (CPI) - post 2030	3.05	1.95
Pre 6/4/1997 (fixed 3%)	3.00	3.00
Post 6/4/1997 (RPI min 3%, max 5% - Option A members) - pre 2030	3.65	3.50
Post 6/4/1997 (RPI min 3%, max 5% - Option A members) - post 2030	3.55	3.50
Post 6/4/1997 (CPI min 3%, max 5% - Option B members) - pre 2030	3.30	3.20
Post 6/4/1997 (CPI min 3%, max 5% - Option B members) - post 2030	3.55	3.2

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**SHREWSBURY SCHOOL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

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**27. Pension commitments (continued)**

	<b>At 31 July 2021 Years</b>	<i>At 31 July 2020 Years</i>
Mortality rates (in years)		
- for a male aged 65 now	22.0	22.0
- at 65 for a male aged 45 now	23.0	23.0
- for a female aged 65 now	24.4	24.4
- at 65 for a female aged 45 now	25.6	25.5

**Sensitivity analysis**

	<b>At 31 July 2021 £</b>	<i>At 31 July 2020 £</i>
Discount rate +0.25%	(344,000)	(377,000)
RPI rate +0.25%	104,000	71,000
CPI rate +0.25%	37,000	25,000
Assumed life expectancy age 65 - increase by 1 year	280,000	292,000

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

	<b>At 31 July 2021 £</b>	<i>At 31 July 2020 £</i>
Equities	2,866,000	2,267,000
Bonds	722,000	697,000
Property	879,000	806,000
Target return	1,187,000	1,065,000
Insurance annuities	1,607,000	1,886,000
Cash	88,000	158,000
<b>Total fair value of assets</b>	<b>7,349,000</b>	<b>6,879,000</b>

The actual return on scheme assets was £649,000 (2020 - £(51,000)).

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**SHREWSBURY SCHOOL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

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**27. Pension commitments (continued)**

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

	2021 £	2020 £
Current service cost - within Schools and grant making	28,000	24,000
Net interest on pension scheme liabilities - within finance charges	37,000	29,000
<b>Total amount recognised in the Consolidated Statement of Financial Activities</b>	<b>65,000</b>	<b>53,000</b>

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

	2021 £	2020 £
Opening defined benefit obligation	9,737,000	8,615,000
Contributions by scheme participants	3,000	4,000
Actuarial (gains)/losses	(211,000)	1,300,000
Benefits paid	(335,000)	(383,000)
Current service cost	28,000	24,000
Interest cost	125,000	177,000
<b>Closing defined benefit obligation</b>	<b>9,347,000</b>	<b>9,737,000</b>

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

	2021 £	2020 £
Opening fair value of scheme assets	6,879,000	7,153,000
Interest income	88,000	148,000
Actuarial gains/(losses)	562,000	(199,000)
Contributions by employer	152,000	156,000
Contributions by scheme participants	3,000	4,000
Benefits paid	(335,000)	(383,000)
<b>Closing fair value of scheme assets</b>	<b>7,349,000</b>	<b>6,879,000</b>

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**SHREWSBURY SCHOOL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

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**Pension commitments (continued)**

Reconciliation of funded status:

	2021 £	2020 £
Opening deficit	(2,858,000)	(1,462,000)
Employer contributions	152,000	156,000
Charge recorded in Statement of Financial Activities	(65,000)	(53,000)
Actuarial loss received in Statement of Financial Activities	773,000	(1,499,000)
	<u>(1,998,000)</u>	<u>(2,858,000)</u>

**28. Operating lease commitments**

At 31 July 2021 the Group and the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group and Charity 2021 £</b>	<i>Group and Charity 2020 £</i>
<b>Group and Charity Amounts payable:</b>		
Within 1 year	39,543	52,287
Between 1 and 5 years	41,323	70,524
After more than 5 years	-	5,208
	<u>80,866</u>	<u>128,019</u>

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

	<b>Group 2021 £</b>	<i>Group 2020 £</i>
<b>Group and Charity</b>		
Operating lease rentals	<u>51,430</u>	<u>54,410</u>

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**SHREWSBURY SCHOOL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

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**29. Financial instruments**

	<b>Group 2021 £</b>	<i>Group 2020 £</i>	<b>Charity 2021 £</b>	<i>Charity 2020 £</i>
<b>Financial assets</b>				
Financial assets measured at fair value through income and expenditure	<u><b>7,462,922</b></u>	<u><b>6,116,746</b></u>	<u><b>7,462,922</b></u>	<u><b>6,116,746</b></u>

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

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

	<b>Group 2021 £</b>	<i>Group 2020 £</i>	<b>Charity 2021 £</b>	<i>Charity 2020 £</i>
Total investment income for financial assets measured at fair value through income and expenditure	<b>106,773</b>	<b>122,323</b>	<b>106,773</b>	<b>122,323</b>
Net (gain)/loss on financial assets measured at fair value through income and expenditure	<b>721,784</b>	<b>(88,536)</b>	<b>721,784</b>	<b>(88,536)</b>
Impairment loss /(gains) on financial assets measured at amortised cost	<b>44,138</b>	<b>219,288</b>	<b>44,138</b>	<b>219,288</b>
Total interest expense for financial liabilities held at amortised cost	<u><b>103,332</b></u>	<u><b>99,402</b></u>	<u><b>103,332</b></u>	<u><b>99,402</b></u>

**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 2021**

**31. Consolidated Statement of Financial Activities for the year ended 31 July 2020**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
<b>Income and endowments:</b>				
Grants and donations	4,358,558	1,384,154	23,471	5,766,183
<b>Charitable activities:</b>				
School fees	25,705,526	-	-	25,705,526
Other educational income	333,528	-	-	333,528
Other ancillary trading income	116,930	-	-	116,930
Other trading activities	1,483,465	-	-	1,483,465
Investments	83,818	36,156	2,349	122,323
Other income	707,984	-	-	707,984
<b>Total income</b>	<b>32,789,809</b>	<b>1,420,310</b>	<b>25,820</b>	<b>34,235,939</b>
<b>Expenditure on: Raising funds:</b>				
Trading activities	762,416	-	-	762,416
Fundraising costs	362,546	-	-	362,546
Financing costs	512,139	-	-	512,139
<b>Charitable activities:</b>				
Education and grant making	25,702,360	591,317	-	26,293,677
<b>Total expenditure</b>	<b>27,339,461</b>	<b>591,317</b>	<b>-</b>	<b>27,930,778</b>
<b>Net income before investment gains/(losses)</b>	<b>5,450,348</b>	<b>828,993</b>	<b>25,820</b>	<b>6,305,161</b>
Net gains/(losses) on investments	54,637	-	(143,173)	(88,536)
<b>Net income before transfers</b>	<b>5,504,985</b>	<b>828,993</b>	<b>(117,353)</b>	<b>6,216,625</b>
Transfers between Funds	639,907	(639,907)	-	-
<b>Net income before other recognised gains and losses</b>	<b>6,144,892</b>	<b>189,086</b>	<b>(117,353)</b>	<b>6,216,625</b>
Actuarial (losses)/gains on defined benefit pension schemes	(1,499,000)	-	-	(1,499,000)
<b>Net movement in funds</b>	<b>4,645,892</b>	<b>189,086</b>	<b>(117,353)</b>	<b>4,717,625</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward	32,005,079	597,599	1,454,993	34,057,671
<b>Total funds carried forward</b>	<b>36,650,971</b>	<b>786,685</b>	<b>1,337,640</b>	<b>38,775,296</b>