

Charity number: 528413

SHREWSBURY SCHOOL

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

SHREWSBURY SCHOOL

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS FOR THE YEAR ENDED 31 JULY 2022

Governors

T.H.P. Haynes, BA, PGCE (Co-opted member), Chair^{1,2,6}
S.R. Baker, BSc, FCA, CF (Co-opted member) (resigned 1 July 2022)^{1,4}
R. Boys-Stones, BSc, FCA (Co-opted member)^{1,4}
D Chance MBA (Co-opted member)^{1,4}
J.R. Clark MA (Co-opted member)^{3,5,6}
Sir Peter Davis (Co-opted member) (resigned 1 July 2022)⁵
D. Flint, DL (Appointed by the Lord Lieutenant of the County of Shropshire)^{1,2,5}
S.L.Hankin BA (Co-opted member) (appointed 16 September 2021)⁵
C. Howarth LLB, MA (Co-opted member)^{2,6}
Dr S. Jones-Perrott BA, MBBS, FRCP (Co-opted member)^{3,5,7}
W. Kenyon MA, FCA (Co-opted member) (appointed 1 July 2022)³
Professor A.J. McCarthy BSc, PhD (Co-opted member)^{2,5}
J.M.H. Moir, BA, MBA (Co-opted member)^{1,7}
Councillor D. Morris BA, (Appointed by Shropshire Council) (appointed 16 September 2021)³
Councillor C.M. Motley BA (Appointed by Shropshire Council)^{1,2}
J.D.C. Pitt, MBA, BSc (Co-opted member)^{1,4}
F.L. Schofield BA, PGCE (Co-opted member)^{5,7}
D.R. Stacey DL (Co-opted member)^{1,3,7}
G. Walters BBLs (Co-opted member)⁶

- ¹ Finance and General Purposes Committee
- ² Nominations and Remuneration Committee
- ³ Audit Committee
- ⁴ Investment Committee
- ⁵ Education and Safeguarding Committee
- ⁶ International Development Committee
- ⁷ The Prep School Committee

Charity registered number

528413

Principal address and Registered Office

The Bursary
Kingsland House
Shrewsbury School
The Schools
Shrewsbury
SY3 7AA

Headmaster

L Winkley MA, MEd

The Balliff, Bursar and Clerk to the Governing Body

M J Ware, MA, ACA

SHREWSBURY SCHOOL

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022**

Independent auditor	Crowe U.K. LLP Fourth Floor St James House St James Square Cheltenham GL50 3PR
Bankers	Handelsbanken Plc 1st Floor, Willow House West Shrewsbury Business Park Shrewsbury SY2 6LG Lloyds Bank Plc 1 Pride Hill Shrewsbury SY1 1DG Barcalys Bank UK Plc 44/46 Castle Street Shrewsbury SY1 1BU
Investment Advisors	Sarasin & Partners LLP Juxon House 100 St. Paul's Churchyard London EC2M 8BU

SHREWSBURY SCHOOL

GOVERNORS' REPORT FOR THE YEAR ENDED 31 JULY 2022

The Governors present their annual report for the year ended 31 July 2022, under the Charities Act 2011, together with the audited accounts for the year, and confirm that the latter comply with the Act, the Shrewsbury School 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

Shrewsbury 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 Governors, Officers and principal address and particulars of the Charity'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 late HM Queen Elizabeth II in Council on 12 October 2016.

Recruitment and Training of Governors

The 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 Shrewsbury School's Statutes and effectively provide an informal link with Shrewsbury Town and its County. One member is elected by the Assistant Teachers of Shrewsbury 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 Charity and the Governing Body largely by past financial statements, management accounts, minutes of Governor and sub-committee meetings, and a day's visit to Shrewsbury School, including meeting representatives of staff and employees. General information is provided in 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 both schools and meet as the full decision making Governing Body at least three times a year.

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

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

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GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

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 W. Kenyon; 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 Shrewsbury School itself 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 Leadership Team. These groups form the key management personnel.

The Shrewsbury Headmaster and the Shrewsbury 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 Shrewsbury School's and Packwood's activities.

Policies and guidelines for the effective governance and management of Shrewsbury School are regularly reviewed by the Audit Committee and their recommendations passed to the F&GP and the Governing Body for action. The Prep School Committee performs a similar function for Packwood.

The remuneration of the key management personnel of both schools 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 success of both schools.

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

Group Structure and Relationships

During the year, the Charity 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 Charity 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 Charity will incur these costs to the extent that Shrewsbury School Foundation exercises and continues to exercise its charitable objects (the "Shrewsbury School Charitable Objects") as set out in the Foundation Trust Deed.

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

Risk Management

The Governing Body is responsible for the management of the risks faced by both schools. 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 leadership team from each school. 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 Charity and the concomitant risk management processes is performed annually by the Governing Body.

SHREWSBURY SCHOOL

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

The key controls used by the Charity 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 both schools 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 Shrewsbury 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. 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. Since August 2019, Packwood Haugh School has been part of the overall Shrewsbury School charitable entity.

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. A member of the Shrewsbury School Leadership Team has specific responsibility for Partnership and Community Engagement in order to focus the different strands of activity in this area and to measure the impact on beneficiaries.

SHREWSBURY SCHOOL

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

Educational grants and widening access to Shrewsbury School and Packwood.

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 both schools. In the year, 376 (2021 - 351) Shrewsbury pupils were assisted of whom 204 were means tested (2021 - 194). The value of this means tested support at Shrewsbury was £3,129,208 (2021 - £2,731,977). This figure includes 9 pupils (2020 - 11) who were in receipt of 100% means tested remissions.

Packwood offered £366,370 (2021-£336,075) in bursary and scholarship support in 2021-22, of which £262,852 (2021-£245,031) was means tested.

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

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

Shrewsbury School engages in substantial charitable fund raising for both local and national organisations. Of special interest is the on-going financial support for Shrewsbury House, a youth club in Liverpool established by Shrewsbury School in 1903 to serve the needs of the socially and economically disadvantaged local community. In addition to fund raising, Shrewsbury 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. On 23 September 2021 the whole school took part in a sponsored walk which raised £85,000 including gift aid to support the Shewsy.

During the 2021-22 academic year Shrewsbury 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 2021-22 are the following case studies:

Case Study 1 – 'Expert Ed'

Shrewsbury School was a member of the steering group of 'Expert Ed' – a national collaborative project between independent and state schools working to share and develop resources to provide free access to live curriculum enrichment, keynote inspirational speakers, careers advice and homework clubs. As well as helping form the overall shape of the offering, the School provided content with access to speakers and development of materials with the Marches Academy Trust. This involved the creation of modules related to the geography topic of 'Settlements' and to Darwin and Evolution. Open to Year 5-9 students across the country in pilot mode, 'Expert Ed' had an estimated 20,000+ pupil engagements.

Case Study 2 – Working with Severndale Specialist School

Shrewsbury developed its partnership with Severndale Specialist School. Shrewsbury's Head of Learning Support served as a governor at Severndale and the School worked closely at leadership level to find meaningful and sustainable ways of bringing young people together in a mutually beneficial way. Amongst other developments, Medical Volunteering students from Shrewsbury go across to Severndale on Thursdays to learn about support for young people with complex additional needs. Young people from Severndale have visited the Shrewsbury School site for regular dance and singing sessions and for a carousel of activities on Field Day. We also hosted the Severndale Sports Day on the school site.

Case Study 3 – Support for the town's Darwin Festival 2022

The School engaged more than ever previously with the town's annual festival to celebrate Charles Darwin, its most famous son. We developed materials (audiovisual and educational resources) with the Marches Academy

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GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

Trust to share with schools across the county and more widely. These included interviews related to Darwin's schooling at Shrewsbury, his early years in his home town, the voyage of the 'Beagle' and his life as a family man and scientist at Down House in Kent. We sourced and hosted lectures, with academics from the UK and USA. In addition, we held a charity concert in town and opened up access to the public to see the Darwin collection in the Shrewsbury School Ancient Library.

Other community engagement:

Activity with school partners centred around education (subject support and enrichment for state sector colleagues and students, student mentoring and support for university applications), sport (providing facilities for individuals and events) and cultural activity (regular and individual events in art, dance, music and singing). Much of the above support is pro bono, or at rates below commercial levels.

At Easter Shrewsbury School ran a shared residential with 'The Shewsy' at Talargenwyn, the School's bothy in Snowdonia, centred around teambuilding and outdoor pursuits. During the summer of 2022 we hosted another Shewsy group from Everton, this time in School House. Young pupils from inner cities in the North West of England who came to a residential programme on the Shrewsbury campus as part of the 'Into University' programme.

As well as supporting charitable fundraising by pupils and staff (in 2021-22 raising over £110,000k for 20 different charities in total, including £85,000k for The Shewsy via the whole school sponsored walk), 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.

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:

- Continued implementation of the strategic plan adopted by the Governing Body in September 2019 and evaluation of options for the reconfiguration of boys' houses.
- Refurbishment of Rigg's Hall, which was completed in May 2022.
- Focus on funding and increasing the number of means tested transformative bursaries (75% to 110% off fees).
- Packwood project planning for the new Science Building
- Commenced construction of Queen Elizabeth Hall (Fifth Girls' house). This is scheduled to open in September 2023.

SHREWSBURY SCHOOL

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational Performance of the schools

This year, Shrewsbury School numbers averaged 816 (2021 - 816) pupils of whom 611 (2021 - 615) were boarders and 205 (2021 - 201) were day pupils. Packwood Haugh School numbers averaged 208 (2021 - 182) of whom 54 were boarders.

Shrewsbury School pupil numbers at the start of the 2022/23 academic year were 832, and Packwood Haugh had 223 pupils.

A Levels and GCSEs assessments returned to the traditional format of public examinations. 81.3% of A Level candidates received the equivalent of A* to B, and these results enabled 90% of our leavers to take up their first choice university destination. At GCSE 72.9% of candidates received grades 9 to 7. These results were in line with performance prior to COVID.

Outside the classroom Shrewsbury School and Packwood Haugh School continued provide a wide range of co-curricular opportunities. In September 2021, the 1st XI girls' cricket team won The Cricket Paper's National Schools 100 Ball competition, and more recently the U17 boys' cricket team won the 2022 National Championship. The boys' 1st XI football team were unbeaten in the 21-22 Independent Schools Hudl league. A company of 42 Salopians took the musical "Gatsby" to the seventy fifth Edinburgh Fringe Festival, and a team of pupils took part in the 3 Peaks yacht race.

Grants and Awards

The Charity in total awarded bursaries, scholarships and allowances of £4,720,015 (2021-£4,234,579). Shrewsbury School, despite not possessing a large endowment reserve, continues to support and assist pupils to come to Shrewsbury. During the year Shrewsbury School awarded a total of £4,353,644 (2021- £3,898,501) of scholarships, grants, bursaries and other allowances to pupils, of which £643,613 came from restricted funds, including £613,662 (2021 - £490,810) from Shrewsbury School Foundation. Packwood made awards to pupils totalling £366,370 (2021 - £336,075).

Shrewsbury School holds a scholarship competition for suitably qualified candidates under the age of 14 each year. It awards up to four Butler Scholarships 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 Shrewsbury 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 27 pupils (2021 -24 pupils) of whom 6 pupils (2021-6 pupils) received 100% funding.

The Governors publish a detailed grant making policy on Shrewsbury 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.

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GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

The group had net incoming resources of £1,533,731 (2021 - £2,569,333) for the year. This result reflects a full year without the impact of COVID adjustments.

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 (for instance for the construction of Queen Elizabeth Hall), 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 £46,046,466 from £42,839,413. The increase comprised net incoming resources of £1,533,731; a decrease in the market value of Charity's investments of £230,678; and £1,904,000 actuarial gain relating to Shrewsbury 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) was eliminated by a revaluation of £1,904,000. Under FRS102 assumptions there is no longer a deficit but based on the transitory nature of the revaluation the Charity did not regard it as prudent to record the resulting asset on its balance sheet. The elimination of the deficit is mainly due to the increased discount rate used to calculate the present value of future liabilities of the Scheme.

Capital expenditure totalled £5,128,378. This represents a return to a more normal level of activity. £2,618,704 was spent on the completion of the Rigg's Hall refurbishment, with £983,996 on the planning and preliminary phases of Queen Elizabeth Hall. Following the disposal of a large staff house in the previous year, the School purchased a replacement staff house more suitable to Shrewsbury School's requirements at a cost of £391,753.

The Charity's two subsidiary companies continued to trade during the year. Shrewsbury School Enterprises Limited remained the vehicle through which Shrewsbury 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.

While the swimming academy had a successful year of operations, uncertainties about travel restrictions in August 2021 and worries about the geopolitical situation in Spring and Summer 2022 reduced income from holiday courses. This had a significant impact on the trading results of Shrewsbury School Trading Company Limited, but there is room for optimism following successful business in August 2022 immediately after the financial year end. Any profits made by these companies, in excess of operating needs, are gift aided to the School.

International School Developments

The International Development Director has continued to work with the international development committee to cement relationships with Shrewsbury International Asia (SIA), as well as to develop and execute opportunities in new countries.

Shrewsbury International School Bangkok (Riverside) provides an important income stream, reflecting the success of the venture. The school opened on a purpose-built greenfield site in 2003 and has just completed an expansion project to keep up with demand. It currently has just under 1900 pupils, aged between 3 to 18. There

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GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

is a close working relationship between the schools.

Shrewsbury International School Bangkok (City Campus) and Shrewsbury School International School, Hong Kong completed a fourth successful year of operation and continue to grow to capacity. SIA intend to open a new purpose-built school in Guangzhou, China in September 2023.

Shrewsbury International School Phnom Penh recently opened its Early Years provision in the Cambodian capital, with a purpose-built main campus for primary and secondary children due to open in September 2024.

Other projects are due to be confirmed shortly.

Further details on our international schools can be found at the website www.shrewsbury.org.uk/ShrewsburySchoolInternational

Fundraising Performance

The School received donations of £718,457 during the year (2021 - £1,411,066).

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 £634,162 of this £613,662 was to support bursaries.

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 £1,438,722 and Restricted Funds totalled £782,842, because of the particular spending constraints attached to them they are not available for funding the general operations of the School. Unrestricted Funds totalling £43,824,902 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. In 2021-22 an insurance valuation was produced following an inspection by a team from Sotheby's.

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.

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 on selected projects.

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 £569,865 to the fund. At the year end the value of this

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GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

designated fund was £3,245,393.

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. The School's investments are managed by Sarasin & Partners. The School funds are held in the Sarasin Endowments Fund Class A Income Fund, a global multi-asset portfolio with an integrated socially responsible investment policy. 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 decreased in capital value by £230,678 (3%) over the previous year, but this was offset by additional investments in the designated fund of £910,854 a portion of international schools' income, the investment of cash assets received as part of the Connell bequest (received in 2020/21) and investment income reinvested.

PRINCIPAL RISKS AND UNCERTAINTIES

As explained above, the Governors have considered the principal risks and uncertainties facing the School. The economic climate 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. An updated buildings insurance valuation was completed in 2022, and a condition survey is planned for 2023.

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.

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, including the integration of day boys into existing boys' boarding houses. Girls are already accommodated in integrated boarding and day houses.
- Focus on funding and increasing the number of means tested transformative bursaries (75% to 110% off fees).
- Construction of Queen Elizabeth Hall 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.

SHREWSBURY SCHOOL

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

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.

Taking into account the specific economic and geopolitical risks, the Governing Body has 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 late HM Queen Elizabeth II 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.

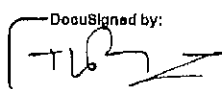
In determining how amounts are presented in the statement of financial activities and balance sheet, the Governors have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

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

- There is no relevant audit information of which the company's auditors are unaware; and
- The Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Approved by order of the members of the board of Governors on 26 November 2022 and signed on their behalf by:

DocuSigned by:

32B888DA491F47F...
T.H.P. Haynes
Chair

SHREWSBURY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF SHREWSBURY SCHOOL

Opinion

We have audited the financial statements of Shrewsbury School (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 July 2022 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 2022 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.

SHREWSBURY SCHOOL

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

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.

SHREWSBURY SCHOOL

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

Auditor's responsibilities for the audit of the financial statements

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

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

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, General Data Protection Regulation (GDPR), Health and Safety legislation and Employment legislation.

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 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, 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. This description forms part of our Auditor's report.

SHREWSBURY SCHOOL

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

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:

9 December 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 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:						
Grants and donations	3	28,469	689,988	-	718,457	1,411,066
Charitable activities:						
School fees	4	29,135,472	-	-	29,135,472	26,325,672
Other educational income	5	343,919	-	-	343,919	332,256
Other ancillary trading income	5	92,786	-	-	92,786	611
Other trading activities	6	1,968,956	-	-	1,968,956	1,382,044
Investments	7	119,462	37,602	2,443	159,507	106,773
Other income	8	-	-	-	-	1,285,743
Total income and endowments		31,689,064	727,590	2,443	32,419,097	30,844,165
Expenditure on:						
Raising funds:						
Trading activities	9	1,165,251	-	-	1,165,251	722,436
Fundraising costs	9	335,809	-	-	335,809	269,874
Financing costs	10	208,291	-	-	208,291	325,118
Charitable activities:						
Education and grant making	11	28,459,990	716,025	-	29,176,015	26,957,404
Total expenditure		30,169,341	716,025	-	30,885,366	28,274,832
Net income before net gains/(losses) on investments		1,519,723	11,565	2,443	1,533,731	2,569,333
Net (losses)/gains on investments		(152,998)	-	(77,680)	(230,678)	721,784
Net income before transfers		1,366,725	11,565	(75,237)	1,303,053	3,291,117
Transfers between funds	22	26,895	(26,895)	-	-	-
Net movement in funds before other recognised gains carried forward		1,393,620	(15,330)	(75,237)	1,303,053	3,291,117

SHREWSBURY SCHOOL

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
Net movement in funds before other recognised gains/(losses) brought forward		1,393,620	(15,330)	(75,237)	1,303,053	3,291,117
Actuarial gains on defined benefit pension schemes	27	1,904,000	-	-	1,904,000	773,000
Net movement in funds		<u>3,297,620</u>	<u>(15,330)</u>	<u>(75,237)</u>	<u>3,207,053</u>	<u>4,064,117</u>
Reconciliation of funds:						
Total funds brought forward		40,527,282	798,172	1,513,959	42,839,413	38,775,296
Net movement in funds		3,297,620	(15,330)	(75,237)	3,207,053	4,064,117
Total funds carried forward		<u>43,824,902</u>	<u>782,842</u>	<u>1,438,722</u>	<u>46,046,466</u>	<u>42,839,413</u>

The notes on pages 24 to 63 form part of these financial statements.

SHREWSBURY SCHOOL

**CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2022**

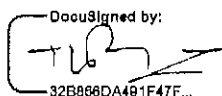
	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	43,749,295	41,108,674
Investments	15	8,163,967	7,462,922
		<u>51,913,262</u>	<u>48,571,596</u>
Current assets			
Stocks	16	275,643	291,891
Debtors	17	1,978,173	1,941,495
Cash at bank and in hand		6,956,037	8,256,938
		<u>9,209,853</u>	<u>10,490,324</u>
Creditors: amounts falling due within one year	18	(7,430,777)	(6,411,746)
Net current assets		<u>1,779,076</u>	<u>4,078,578</u>
Total assets less current liabilities		<u>53,692,338</u>	<u>52,650,174</u>
Creditors: amounts falling due after more than one year	19	(7,645,872)	(7,812,761)
Net assets excluding pension asset / liability		<u>46,046,466</u>	<u>44,837,413</u>
Defined benefit pension scheme asset / liability	27	-	(1,998,000)
Total net assets		<u><u>46,046,466</u></u>	<u><u>42,839,413</u></u>

SHREWSBURY SCHOOL

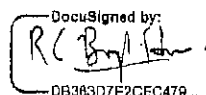
CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2022

	Note	2022 £	2021 £
Charity funds			
Endowment funds	22	1,438,722	1,513,959
Restricted funds	22	782,842	798,172
Unrestricted funds			
Unrestricted funds excluding pension asset	22	43,824,902	42,525,282
Pension reserve	22	-	(1,998,000)
Total unrestricted funds	22	43,824,902	40,527,282
Total funds		46,046,466	42,839,413

The financial statements were approved and authorised for issue by the Governors on 26 November 2022 and signed on their behalf by:

DocuSigned by:

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T.H.P. Haynes
 Chair

DocuSigned by:

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R. Boys-Stones

The notes on pages 24 to 63 form part of these financial statements.

SHREWSBURY SCHOOL

CHARITY BALANCE SHEET
AS AT 31 JULY 2022

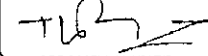
	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	43,738,583	41,101,751
Investments	15	8,163,967	7,462,922
		<u>51,902,550</u>	<u>48,564,673</u>
Current assets			
Stocks	16	65,120	64,165
Debtors	17	2,839,351	2,194,012
Cash at bank and in hand		6,055,384	8,094,321
		<u>8,959,855</u>	<u>10,352,498</u>
Creditors: amounts falling due within one year	18	(7,179,148)	(6,250,311)
Net current assets		<u>1,780,707</u>	<u>4,102,187</u>
Total assets less current liabilities		<u>53,683,257</u>	<u>52,666,860</u>
Creditors: amounts falling due after more than one year	19	(7,645,872)	(7,812,761)
Net assets excluding pension asset / liability		<u>46,037,385</u>	<u>44,854,099</u>
Defined benefit pension scheme asset / liability	27	-	(1,998,000)
Total net assets		<u><u>46,037,385</u></u>	<u><u>42,856,099</u></u>

SHREWSBURY SCHOOL

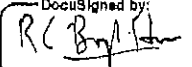
CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2022

	Note	2022 £	2021 £
Charlty funds			
Endowment funds	22	1,438,722	1,513,959
Restricted funds	22	782,842	798,172
Unrestricted funds			
Unrestricted funds excluding pension asset / liability	22	43,815,821	42,541,968
Pension reserve	22	-	(1,998,000)
Total unrestricted funds	22	43,815,821	40,543,968
Total funds		46,037,385	42,856,099

The financial statements were approved and authorised for issue by the Governors on 26 November 2022 and signed on their behalf by:

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T.H.P. Haynes
Chair

DocuSigned by:

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R. Boys-Stones

The notes on pages 24 to 63 form part of these financial statements.

SHREWSBURY SCHOOL

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2022**

		2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	23	5,215,606	5,873,925
Cash flows from Investing activities			
Dividends and interest from investments		159,507	106,773
Proceeds from the sale of tangible fixed assets		35,075	910,466
Purchase of tangible fixed assets		(5,128,378)	(1,357,246)
Proceeds from sale of investments		-	3,418,774
Purchase of investments		(910,854)	(4,574,637)
Net cash used in Investing activities		(5,844,650)	(1,495,870)
Cash flows from financing activities			
Repayments of borrowing		(586,072)	(1,045,299)
Interest paid on borrowings		(64,916)	(103,332)
Net cash (used)/provided in financing activities		(650,988)	(1,148,631)
Change In cash and cash equivalents In the year		(1,280,032)	3,229,424
Cash and cash equivalents at the beginning of the year		8,260,611	5,031,187
Cash and cash equivalents at the end of the year	24	6,980,579	8,260,611

The notes on pages 24 to 63 form part of these financial statements

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

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 £3,181,286 (2021 - £4,087,116).

2.2 Going concern

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 12.

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

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.

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

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

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

2.6 Expenditure (continued)

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

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated 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.

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

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 artefacts which are considered to be heritage assets. During the year a formal valuation of these assets was undertaken by Sotheby's who valued the assets on both an insurance basis and an auction basis. The valuations provided ranged between £6.050M and £12.214M. Given the highly specialist nature of the items and the resulting broad valuation range, the Governors have concluded that there is insufficient information to recognise them with material accuracy and therefore no value has been attributed to them in the Balance Sheet and no depreciation charged, on the basis that reliable information is not available, as permitted by the Charity SORP.

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.

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

2.12 Debtors

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

2.13 Creditors

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

2.14 Fees In advance

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

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

2.15 Financial Instruments

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

2.16 Concessionary Loans

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

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

2.17 Pensions

The School operates a defined contribution pension scheme for non-teaching staff (Shrewsbury School (2001) Retirements Benefits Scheme). This scheme gives exemption from the requirement to offer a stakeholder pension scheme. During the year the total contributions were £348,710 (2021 - £331,446).

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 £43,606 (2021 - £71,332).

On 1 September 2021, Shrewsbury School and Packwood Haugh School, gave notice to the Teachers' Pension Scheme, that they would be implementing the "phased withdraw" regulations. New teaching staff at both Schools would be enrolled into defined contribution pension schemes, at each School (Shrewsbury School 2021 DC Pension Scheme and Shrewsbury School – Packwood Haugh 2021 DC pension Scheme). The Schemes are administered by Legal & General. During the year the total contributions were £91,639 (2020-£Nil)

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 £1,777,014 (2021 - £1,725,910).

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 £12,913 (2021 - £17,448).

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

3. Income from grants and donations

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	28,469	689,988	718,457	1,411,066
Total 2022	28,469	689,988	718,457	1,411,066
<i>Total 2021</i>	<i>700,043</i>	<i>711,023</i>	<i>1,411,066</i>	

4. Charitable activities - School fees receivable

	2022 £	2021 £
The School's fee income comprised:		
Gross fees	33,211,874	30,054,751
Less: Total bursaries, scholarships and allowances	(4,720,015)	(4,234,576)
	28,491,859	25,820,175
Add back bursaries, scholarships and allowances paid for by Restricted Funds	643,613	505,497
	29,135,472	26,325,672

Scholarships, bursaries and other awards were paid to 457 pupils (2021 - 440).

Within this means tested bursaries totaling £3,388,880 paid to 254 pupils (2021 - £2,977,008 to 248 pupils).

SHREWSBURY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

5. Charitable activities - Other Income

	2022 £	2021 £
Other educational charitable Income		
Entrance and registration fees	108,044	127,793
Courses and sub-lettings	174,061	145,527
Royalties received	61,814	58,936
	<u>343,919</u>	<u>332,256</u>
	2022 £	2021 £
Other ancillary activities		
Commissions received	4,746	611
School trips	87,840	-
Late payment surcharges	200	-
	<u>92,786</u>	<u>611</u>

6. Other trading activities

	2022 £	2021 £
Trading activities SSEL	995,844	938,212
Trading activities SSTCL	973,112	443,832
	<u>1,968,956</u>	<u>1,382,044</u>

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

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:

	2022 £	2021 £
Turnover	995,665	938,119
Administration	(384,152)	(254,091)
Operating (loss)/profit	611,513	684,028
Interest payable	(1,161)	(1,514)
Interest receivable	179	93
(Loss)/profit for the year	610,531	682,607
Gift aid payment	(612,071)	(682,607)
Retained loss	(1,540)	-

Shrewsbury School Enterprises Limited made a gift aid donation of £612,071 (2021 - £682,607) to Shrewsbury School during the year.

The net assets of Shrewsbury School Enterprises Limited at 31 July 2022 amounted to £4,043 (2021 - £5,583).

At the year end Shrewsbury School Enterprises Limited owed Shrewsbury School £976,740 (2021 - £833,020). Of which £137,635 (2021 - £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 £210,275 (2021 - £194,314). In addition there is a licence fee of £10,000 (2021 - £10,000).

SHREWSBURY SCHOQL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

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:

	2022 £	2021 £
Turnover	972,904	433,614
Cost of sales	(522,837)	(251,188)
Gross profit	450,067	182,426
Administration	(257,101)	(215,643)
Other operating income	-	10,126
Operating profit/(loss)	192,966	(23,091)
Interest receivable	208	92
Profit/(loss) for the year	193,174	(22,999)
Gift aid payment	(165,867)	-
Retained profit/(loss)	27,307	(22,999)

Shrewsbury School Trading Company Limited made a gift aid donation of £165,867 (2021 - £Nil) to Shrewsbury School during the year.

The net assets of Shrewsbury School Trading Company Limited at 31 July 2022 amounted to £5,038 (2021 – liabilities of £22,269).

At the year end Shrewsbury School Trading Company Limited owed Shrewsbury School £679,125 (2021 - £108,100).

The management charge from the School to Shrewsbury School Trading Company Limited was £130,454 (2021 – £82,320).

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

7. Investment Income

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
Interest	5,812	-	-	5,812	7,383
Income from listed investments	113,650	37,602	2,443	153,695	99,390
Total 2022	119,462	37,602	2,443	159,507	106,773
<i>Total 2021</i>	<i>68,263</i>	<i>36,161</i>	<i>2,349</i>	<i>106,773</i>	

8. Other Incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Government grant	-	-	400,538
Profit on the sale of fixed assets	-	-	885,205
Total 2022	-	-	1,285,743
<i>Total 2021</i>	<i>1,285,743</i>	<i>1,285,743</i>	

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

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

SHREWSBURY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

9. Expenditure on raising funds

Trading costs of the subsidiaries

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Other costs	721,075	721,075	331,377
Staff costs	441,210	441,210	389,050
Depreciation	2,966	2,966	2,009
Total 2022	<u>1,165,251</u>	<u>1,165,251</u>	<u>722,436</u>
<i>Total 2021</i>	<u>722,436</u>	<u>722,436</u>	

Fundraising for voluntary resources

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Other costs	166,208	166,208	104,655
Staff costs	169,601	169,601	165,219
Total 2022	<u>335,809</u>	<u>335,809</u>	<u>269,874</u>
<i>Total 2021</i>	<u>269,874</u>	<u>269,874</u>	

SHREWSBURY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

10. Financing costs

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Fees in advance financing cost	122,461	122,461	91,595
Bad debts and debt collection	(41,016)	(41,016)	54,867
Bank and investment manager charges	32,930	32,930	38,324
Loan interest	64,916	64,916	103,332
Pension scheme financing cost	29,000	29,000	37,000
Total 2022	208,291	208,291	325,118
<i>Total 2021</i>	<i>325,118</i>	<i>325,118</i>	

11. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Teaching	13,543,414	-	13,543,414	12,366,406
Welfare	4,413,946	-	4,413,946	4,008,013
Premises	6,846,548	-	6,846,548	6,709,697
Support and governance	3,656,082	-	3,656,082	3,315,877
Grants, awards and prizes	-	716,025	716,025	557,411
Total 2022	28,459,990	716,025	29,176,015	26,957,404
<i>Total 2021</i>	<i>26,399,993</i>	<i>557,411</i>	<i>26,957,404</i>	

SHREWSBURY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

11. Analysis of expenditure on charitable activities (continued)

Summary by expenditure type

	Staff costs 2022 £	Depreciation 2022 £	Other costs 2022 £	Total 2022 £	Total 2021 £
Teaching	11,869,610	-	1,673,804	13,543,414	12,366,406
Welfare	1,112,149	-	3,301,797	4,413,946	4,008,013
Premises	2,173,558	2,435,982	2,237,008	6,846,548	6,709,697
Support and governance	2,203,177	-	1,452,905	3,656,082	3,315,877
Grants, awards and prizes	-	-	716,025	716,025	557,411
Total 2022	17,358,494	2,435,982	9,381,539	29,176,015	26,957,404
Total 2021	16,506,059	2,645,472	7,905,873	26,957,404	

Grants, awards and prizes

	2022 £	2021 £
From restricted funds:		
Bursaries and scholarships	643,613	505,497
Prizes and awards	72,412	51,914
	716,025	557,411

Governance included in support costs:

	2022 £	2021 £
Remuneration paid to auditor for audit services	45,300	42,360
Remuneration paid to auditor for non- audit services	20,550	15,252
Other governance costs	100,060	135,303
	165,910	192,915

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

12. Governors' remuneration and expenses

During the year, no Governors received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 July 2022, expenses totalling £1,639 were reimbursed or paid directly to 6 Governors (2021 - £Nil). The expenses related to travel and accommodation.

13. Staff costs

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Wages and salaries	14,210,323	13,559,480	13,833,728	13,225,958
Social security costs	1,494,732	1,377,142	1,455,921	1,344,618
Other pension costs (Note 27)	2,273,883	2,146,137	2,248,079	2,123,133
	<u>17,978,938</u>	<u>17,082,759</u>	<u>17,537,728</u>	<u>16,693,709</u>
Capitalised labour	(9,633)	(22,431)	(9,633)	(22,431)
	<u>17,969,305</u>	<u>17,060,328</u>	<u>17,528,095</u>	<u>16,671,278</u>

During the year there were redundancy or termination payments recognised which amounted to £38,394 (2021 - £25,968). There was £38,394 (2021 - £Nil) outstanding at the year end.

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

	Group 2022 No.	Group 2021 No.
Teaching	236	233
Welfare	59	56
Premises	120	123
Support	70	68
Other activities	11	12
	<u>496</u>	<u>492</u>

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

13. Staff costs (continued)

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

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	27	31
In the band £70,001 - £80,000	11	12
In the band £80,001 - £90,000	3	1
In the band £90,001 - £100,000	3	2
In the band £130,001 - £140,000	-	1
In the band £140,001 - £150,000	2	1
In the band £210,001 - £220,000	1	-
In the band £240,001 - £250,000	-	1

Aggregate employee benefits of key management personnel	<u>1,305,981</u>	<u>1,531,074</u>
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Key management includes the Senior Leadership team.

SHREWSBURY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

14. Tangible fixed assets

Group

	Assets in course of construction £	Freehold Land & Buildings £	Furniture, Fixtures and fittings £	Boats £	Ground Machines & Vehicles £	Total £
Cost or valuation						
At 1 August 2021	640,138	57,002,672	10,708,804	1,046,968	1,300,783	70,699,365
Additions	3,875,883	391,753	553,894	80,369	226,479	5,128,378
Disposals	-	-	-	-	(378,630)	(378,630)
Transfers between classes	(3,138,561)	3,138,561	-	-	-	-
At 31 July 2022	<u>1,377,460</u>	<u>60,532,986</u>	<u>11,262,698</u>	<u>1,127,337</u>	<u>1,148,632</u>	<u>75,449,113</u>
Depreciation						
At 1 August 2021	-	19,340,840	8,609,379	740,864	899,608	29,590,691
Charge for the year	-	1,707,798	569,143	63,562	98,445	2,438,948
On disposals	-	-	-	-	(329,821)	(329,821)
At 31 July 2022	<u>-</u>	<u>21,048,638</u>	<u>9,178,522</u>	<u>804,426</u>	<u>668,232</u>	<u>31,699,818</u>
Net book value						
At 31 July 2022	<u>1,377,460</u>	<u>39,484,348</u>	<u>2,084,176</u>	<u>322,911</u>	<u>480,400</u>	<u>43,749,295</u>
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>

SHREWSBURY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

14. Tangible fixed assets (continued)

Charlty

	Assets in course of construction £	Freehold Land & Buildings £	Furniture, Fixtures & fittings £	Boats £	Ground Machines & Vehicles £	Total £
Cost or valuation						
At 1 August 2021	640,138	57,002,672	10,694,880	1,046,968	1,300,783	70,685,441
Additions	3,875,883	391,753	547,139	80,369	226,479	5,121,623
Disposals	-	-	-	-	(378,630)	(378,630)
Transfers between classes	(3,138,561)	3,138,561	-	-	-	-
At 31 July 2022	<u>1,377,460</u>	<u>60,532,986</u>	<u>11,242,019</u>	<u>1,127,337</u>	<u>1,148,632</u>	<u>75,428,434</u>
Depreciation						
At 1 August 2021	-	19,340,840	8,602,378	740,864	899,608	29,583,690
Charge for the year	-	1,707,798	566,177	63,562	98,445	2,435,982
On disposals	-	-	-	-	(329,821)	(329,821)
At 31 July 2022	<u>-</u>	<u>21,048,638</u>	<u>9,168,555</u>	<u>804,426</u>	<u>668,232</u>	<u>31,689,851</u>
Net book value						
At 31 July 2022	<u>1,377,460</u>	<u>39,484,348</u>	<u>2,073,464</u>	<u>322,911</u>	<u>480,400</u>	<u>43,738,583</u>
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>

SHREWSBURY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

15. Fixed asset investments

Group and charity	Designated Fund £	Endowed Funds £	Fees in Advance £	Total £
Cost or valuation				
At 1 August 2021	2,465,209	1,490,542	3,507,171	7,462,922
Additions	910,854	-	-	910,854
Net investment losses	(152,869)	(77,739)	(70)	(230,678)
Movements in cash deposits	22,222	1,300	(2,653)	20,869
At 31 July 2022	<u>3,245,416</u>	<u>1,414,103</u>	<u>3,504,448</u>	<u>8,163,967</u>
Net book value				
At 31 July 2022	<u>3,245,416</u>	<u>1,414,103</u>	<u>3,504,448</u>	<u>8,163,967</u>
At 31 July 2021	<u>2,465,209</u>	<u>1,490,542</u>	<u>3,507,171</u>	<u>7,462,922</u>

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

Investments at market value comprise:

	2022 £	2021 £
Actively managed securities	3,504,448	3,504,519
Quoted stocks	4,634,977	3,954,730
Cash	24,542	3,673
Total market value	<u>8,163,967</u>	<u>7,462,922</u>

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

Fixed asset Investments (continued)

Material Investments

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

	2022 £	2021 £
Link Fund Solutions - Ruffer Total Return	1,678,172	1,803,162
Link Fund Solutions - Trojan Inc	1,826,246	1,701,356
Sarasin Endowments Fund Class A Inc	4,633,793	3,953,396

16. Stocks

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Goods for resale and consumables	275,643	291,891	65,120	64,165

17. Debtors

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
School fees	719,951	563,854	719,951	563,854
Amounts owed by group undertakings	-	-	1,655,591	941,120
Other debtors	960,810	1,123,749	168,074	447,326
Prepayments and accrued income	297,412	253,892	295,735	241,712
	1,978,173	1,941,495	2,839,351	2,194,012

An impairment gain of £45,423 (2021 - loss £44,138) 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 (2021 - £137,635). The is unsecured and repayable with one year's notice and is charged at 1% above Lloyds Bank Plc base rate.

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

18. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade creditors	915,577	598,362	907,657	592,556
Other taxation and social security	434,048	369,610	392,350	356,133
Fee deposits	952,855	860,844	952,855	860,844
Fees in advance (see note 20)	2,165,483	2,492,062	2,165,483	2,492,062
Other creditors	1,601,071	1,087,851	1,547,027	1,068,614
Accruals and deferred income	907,942	416,944	759,975	294,029
Other loan	65,000	65,000	65,000	65,000
Term loan 1	-	146,049	-	146,049
Term loan 2	388,801	375,024	388,801	375,024
	<u>7,430,777</u>	<u>6,411,746</u>	<u>7,179,148</u>	<u>6,250,311</u>

Within other creditors is £279,761 (2021 - £269,564) payable in respect of pension contributions.

Term loan 1

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

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

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Loan from Shrewsbury School Foundation	1,296,046	1,296,046	1,296,046	1,296,046
Fees deposits	2,885,525	2,765,080	2,885,525	2,765,080
Fees in advance (see note 20)	1,756,505	1,590,038	1,756,505	1,590,038
Other loan	563,334	628,334	563,334	628,334
Term loan 2	1,144,462	1,533,263	1,144,462	1,533,263
	<u>7,645,872</u>	<u>7,812,761</u>	<u>7,645,872</u>	<u>7,812,761</u>

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

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

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:

	2022 £	2021 £
Between 1-2 years	65,000	65,000
Between 2-5 years	195,000	195,000
Over 5 years	303,334	368,334
	<u>563,334</u>	<u>628,334</u>

Term loan 2

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:

	2022 £	2021 £
Between 1-2 years	403,075	388,815
Between 2-5 years	741,387	1,144,448
	<u>1,144,462</u>	<u>1,533,263</u>

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

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:

	2022 £	2021 £
Within 1-2 years	837,143	707,543
Within 2-5 years	767,103	882,495
Over 5 years	152,259	-
	<u>1,756,505</u>	<u>1,590,038</u>
Within 1 year	2,165,483	2,492,062
	<u>3,921,988</u>	<u>4,082,100</u>

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

	2022 £	2021 £
Balance at 1 August 2020	4,082,100	2,832,013
New contracts	3,159,485	3,346,009
Amounts accrued to contracts	122,906	91,595
	<u>7,364,491</u>	<u>6,269,617</u>
Amounts utilised in payment of fees to the School	(3,442,503)	(2,187,517)
Balance at 31 July 2021	<u>3,921,988</u>	<u>4,082,100</u>

SHREWSBURY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	43,749,295	-	-	43,749,295
Fixed asset investments	6,749,864	-	1,414,103	8,163,967
Current assets	8,402,392	782,842	24,619	9,209,853
Creditors due within one year	(7,430,777)	-	-	(7,430,777)
Creditors due in more than one year	(7,645,872)	-	-	(7,645,872)
Total	43,824,902	782,842	1,438,722	46,046,466

Analysis of net assets between funds - prior 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)
Total	40,527,282	798,172	1,513,959	42,839,413

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

22. Statement of funds

Statement of funds - current year

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers In/(out) £	Gains/ (Losses) £	Balance at 31 July 2022 £
Unrestricted funds						
Designated funds						
Designated funds	2,749,870	78,528	-	569,865	(152,870)	3,245,393
Unrestricted funds						
General funds	39,792,098	29,641,580	(28,320,152)	(542,970)	(128)	40,570,428
Subsidiary trading	(16,686)	1,968,956	(1,943,189)	-	-	9,081
Pension scheme funding deficit	(1,998,000)	-	94,000	-	1,904,000	-
	<u>37,777,412</u>	<u>31,610,536</u>	<u>(30,169,341)</u>	<u>(542,970)</u>	<u>1,903,872</u>	<u>40,579,509</u>
Total Unrestricted funds	<u>40,527,282</u>	<u>31,689,064</u>	<u>(30,169,341)</u>	<u>26,895</u>	<u>1,751,002</u>	<u>43,824,902</u>
Endowment funds						
Capital	1,358,862	-	-	-	(72,941)	1,285,921
Re-endowment fund	154,597	2,443	-	-	(4,739)	152,301
Hentschrew Prize Fund	500	-	-	-	-	500
	<u>1,513,959</u>	<u>2,443</u>	<u>-</u>	<u>-</u>	<u>(77,680)</u>	<u>1,438,722</u>

SHREWSBURY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

22. Statement of funds (continued)

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 July 2022 £
Restricted funds						
Shrewsbury School Foundation	50,989	634,162	(644,997)	(6,909)	-	33,245
Guyer Family Prize	180	40	(40)	-	-	180
Hentschrew Prize	80	-	-	-	-	80
Darwin Scholarship	7,212	-	-	-	-	7,212
Hargreaves Legacy	500	-	-	-	-	500
Salopian Club	-	19,175	(19,175)	-	-	-
Duffell Prize Fund	4,940	-	-	-	-	4,940
Shrewsbury School Parents' Association	-	902	(902)	-	-	-
Consolidated Fund: Unappropriated income	626,504	37,602	(14,710)	-	-	649,396
Art Fund	2,000	-	-	-	-	2,000
DFE Grant - Cross Partnership Grant	19,078	-	(19,078)	-	-	-
Gym Fund	1,400	-	(1,400)	-	-	-
Taylor Library Fund	-	150	(150)	-	-	-
External Bursaries	-	15,573	(15,573)	-	-	-
Packwood - Redevelopment of Science Facilities	85,289	-	-	-	-	85,289
Packwood - Boarding House Upgrade Fund	-	19,986	-	(19,986)	-	-
	<u>798,172</u>	<u>727,590</u>	<u>(716,025)</u>	<u>(26,895)</u>	<u>-</u>	<u>782,842</u>
Total of funds	<u>42,839,413</u>	<u>32,419,097</u>	<u>(30,885,366)</u>	<u>-</u>	<u>1,673,322</u>	<u>46,046,466</u>

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

22. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 July 2021 £
Unrestricted funds						
Designated funds						
Designated funds	1,606,097	42,094	-	888,164	213,515	2,749,870
Unrestricted funds						
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)
	35,044,874	30,052,538	(27,717,421)	(709,878)	1,107,299	37,777,412
Total Unrestricted funds	36,650,971	30,094,632	(27,717,421)	178,286	1,320,814	40,527,282
Endowment funds						
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
	1,337,640	2,349	-	-	173,970	1,513,959

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

22. Statement of funds (continued)

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 July 2021 £
Restricted funds						
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>
Total of funds	<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 2022

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 £634,162 (2021 - £664,127) of which £613,662 (2021 - £490,810) was given to support bursaries awarded to pupils, £16,500 (2021 - £Nil) to support educational activities and £4,000 (2021 - £Nil) for a commemorative boarding house window.

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.

SHREWSBURY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

Statement of funds (continued)

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.

Taylor Library Fund

Donations received to support the work of the School Archivist.

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 - Board House Upgrade Fund

A donation received to upgrade the boarding house common rooms at Packwood Haugh.

Transfers between funds

The transfer between restricted and general funds of £26,895 (2021 - £178,286) 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 £569,865 (2021 - £888,164) represents the transfer approved to the designated fund by the Trustees during the year.

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

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

	Group 2022 £	Group 2021 £
Net income for the year (as per Statement of Financial Activities)	1,303,053	3,291,117
Adjustments for:		
Depreciation charges	2,438,948	2,547,472
Losses/(gains) on investments	230,678	(721,784)
Dividends and interest from investments	(159,507)	(106,773)
Loss/(profit) on the sale of fixed assets	13,730	(885,205)
Decrease in stocks	16,248	18,129
Increase in debtors	(36,678)	(99,422)
Increase in creditors	1,438,218	1,814,059
Pension scheme movement	(94,000)	(87,000)
Interest paid on borrowings	64,916	103,332
Net cash provided by operating activities	5,215,606	5,873,925

24. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash at bank	6,956,037	8,256,938
Cash held in investments	24,542	3,673
Total cash and cash equivalents	6,980,579	8,260,611

SHREWSBURY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

25. Analysis of changes in net debt

	At 1 August 2021 £	Cash flows £	Other non- cash changes £	At 31 July 2022 £
Cash at bank	8,256,938	(1,300,901)	-	6,956,037
Cash held in investments	3,673	20,869	-	24,542
Debt due within 1 year	(586,073)	586,073	(453,801)	(453,801)
Debt due after 1 year	(3,457,643)	-	453,801	(3,003,842)
	<u>4,216,895</u>	<u>(693,959)</u>	<u>-</u>	<u>3,522,936</u>

26. Capital commitments

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

	Group 2022 £	Group 2021 £
Contracted for but not provided in these financial statements	<u>4,349,740</u>	<u>2,510,994</u>

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

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 £1,777,014 (2021 - £1,725,910) and at the year-end £220,326 (2021 - £213,270) was accrued in respect of contributions to this scheme.

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

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

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

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

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

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 2001.

The amounts in the financial statements for the year ended 31 July 2022, 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. Contributions will be reviewed following the completion of the next actuarial valuation as at 31 May 2022 which is currently underway. 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 as at 31 May 2022 is currently underway.

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.

Any 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 2022 %	At 31 July 2021 %
Discount rate	3.25	1.50
Future salary increases - pre 2030	2.35	2.35
Future salary increases - post 2030	3.05	3.05
Inflation assumption (RPI) - pre 2030	3.25	3.25
Inflation assumption (RPI) - post 2030	3.05	3.05
Inflation assumption (CPI) - pre 2030	2.35	2.35
Inflation assumption (CPI) - post 2030	3.05	3.05
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	3.65
Post 6/4/1997 (RPI min 3%, max 5% - Option A members) - post 2030	3.55	3.55
Post 6/4/1997 (CPI min 3%, max 5% - Option B members) - pre 2030	3.30	3.30
Post 6/4/1997 (CPI min 3%, max 5% - Option B members) - post 2030	3.55	3.55

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

27. Pension commitments (continued)

	At 31 July 2022 Years	At 31 July 2021 Years
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	24.5	24.4
- at 65 for a female aged 45 now	25.6	25.6

Sensitivity analysis

	At 31 July 2022 £	At 31 July 2021 £
Discount rate +0.25%	(222,000)	(344,000)
RPI rate +0.25%	68,000	104,000
CPI rate +0.25%	36,000	37,000
Assumed life expectancy age 65 - increase by 1 year	385,000	280,000

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

	At 31 July 2022 £	At 31 July 2021 £
Equities	2,971,000	2,866,000
Bonds	575,000	722,000
Property	1,070,000	879,000
Target return	1,147,000	1,187,000
Insurance annuities	1,217,000	1,607,000
Cash	112,000	88,000
Total fair value of assets	7,092,000	7,349,000

The actual return on scheme assets was £-17,000 (2021 - £649,000).

SHREWSBURY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

27. Pension commitments (continued)

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

	2022 £	2021 £
Current service cost - within Schools and grant making	28,000	28,000
Net interest on pension scheme liabilities - within finance charges	29,000	37,000
Total amount recognised in the Consolidated Statement of Financial Activities	57,000	65,000

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

	2022 £	2021 £
Opening defined benefit obligation	9,347,000	9,737,000
Contributions by scheme participants	3,000	3,000
Actuarial gains	(2,133,000)	(211,000)
Benefits paid	(393,000)	(335,000)
Current service cost	28,000	28,000
Interest cost	137,000	125,000
Closing defined benefit obligation	6,989,000	9,347,000

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

	2022 £	2021 £
Opening fair value of scheme assets	7,349,000	6,879,000
Interest income	108,000	88,000
Actuarial (losses)/gains	(229,000)	562,000
Contributions by employer	151,000	152,000
Contributions by scheme participants	3,000	3,000
Benefits paid	(393,000)	(335,000)
Closing fair value of scheme assets	6,989,000	7,349,000

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

Pension commitments (continued)

Reconciliation of funded status:

	2022 £	2021 £
Opening deficit	(1,998,000)	(2,858,000)
Employer contributions	151,000	152,000
Charge recorded in Statement of Financial Activities	(57,000)	(65,000)
Actuarial loss received in Statement of Financial Activities	1,904,000	773,000
	<u>-</u>	<u>(1,998,000)</u>

28. Operating lease commitments

At 31 July 2022 the Group and the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group and Charity 2022 £	Group and Charity 2021 £
Group and Charity Amounts payable:		
Within 1 year	17,337	39,543
Between 1 and 5 years	27,302	41,323
	<u>44,639</u>	<u>80,866</u>

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

	Group 2022 £	Group 2021 £
Group and Charity		
Operating lease rentals	<u>44,056</u>	<u>51,430</u>

29. Other financial commitments

On 19 July 2022, the School entered into a £5,000,000 variable rate development loan, which will convert into a 10 year fixed rate (4.528%) on the anniversary of the first drawdown of the development loan, to fund the construction of the new girls boarding house "Queens" which will be completed by August 2023. The first drawdown of the development loan occurred after the year end on 30 August 2022

SHREWSBURY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

30. Financial instruments

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Financial assets				
Financial assets measured at fair value through income and expenditure	8,163,967	7,462,922	8,163,967	7,462,922

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:

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Total investment income for financial assets measured at fair value through income and expenditure	159,507	106,773	159,507	106,773
Net (gain)/loss on financial assets measured at fair value through income and expenditure	230,678	(721,784)	230,678	(721,784)
Impairment loss /(gains) on financial assets measured at amortised cost	(45,423)	44,138	(45,423)	44,138
Total interest expense for financial liabilities held at amortised cost	64,916	103,332	64,916	103,332

31. 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 2022

32. Consolidated Statement of Financial Activities for the year ended 31 July 2021

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Income and endowments:				
Grants and donations	700,043	711,023	-	1,411,066
Charitable activities:				
School fees	26,325,672	-	-	26,325,672
Other educational income	332,256	-	-	332,256
Other ancillary trading income	611	-	-	611
Other trading activities	1,382,044	-	-	1,382,044
Investments	68,263	36,161	2,349	106,773
Other income	1,285,743	-	-	1,285,743
Total income	30,094,632	747,184	2,349	30,844,165
Expenditure on: Raising funds:				
Trading activities	722,436	-	-	722,436
Fundraising costs	269,874	-	-	269,874
Financing costs	325,118	-	-	325,118
Charitable activities:				
Education and grant making	26,399,993	557,411	-	26,957,404
Total expenditure	27,717,421	557,411	-	28,274,832
Net income before investment gains/(losses)	2,377,211	189,773	2,349	2,569,333
Net gains/(losses) on investments	547,814	-	173,970	721,784
Net income before transfers	2,925,025	189,773	176,319	3,291,117
Transfers between Funds	178,286	(178,286)	-	-
Net income before other recognised gains and losses	3,103,311	11,487	176,319	3,291,117
Actuarial (losses)/gains on defined benefit pension schemes	773,000	-	-	773,000
Net movement in funds	3,876,311	11,487	176,319	4,064,117
Reconciliation of funds:				
Total funds brought forward	36,650,971	786,685	1,337,640	38,775,296
Total funds carried forward	40,527,282	798,172	1,513,959	42,839,413