

# Sherborne School for Girls

(Company limited by Guarantee)  
Registered Charity

## ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended

31 August 2018



Company Number  
Registered Charity Number

00306828  
307427

# Sherborne School for Girls

## for the year ended 31 August 2018

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# Sherborne School for Girls

## REPORT OF THE COUNCIL

for the year ended 31 August 2018

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### GOVERNORS AND CHARITY TRUSTEES

The Sherborne School for Girls Governors are the charity trustees of Sherborne School for Girls ("the Charity", "The School", "Sherborne Girls"). They have all served in office throughout the year except where indicated. They are:

Mr R W Strang (Chairman of Governors) ^ >  
Lady Arthur (Vice-Chairman) \* >  
Ms J S Blanch (Chairman of the Finance Committee) >  
Mrs K Brock CBE LVO DL \* > - (Resigned 31 August 2018)  
Mrs I A C Burke +  
Dr S G Connors (Chairman of the Academic and Pastoral Committee)  
Mr I R Davenport  
Lieutenant General Sir Robert Fry KCB CBE \* - (Resigned 31 August 2018)  
Mr W J A Gordon >  
The Rt Revd K M Gorham  
Mrs L D Hall (Chairman of the Investments Committee) ^ >  
Mrs A Harris \* ^  
Mr R A L Leach  
Mr R de G Pilkington (Chairman of the Property Committee) \*  
Mr R T B Price \*  
Mrs A L M Simon +  
The Honourable Mrs C A Townshend DL ~ - (Resigned 31 August 2018)  
Mr P C Ward +  
Mrs M Wingfield Digby ~  
Mr N J S Wordie ~

Rt Hon Sir Oliver Letwin (Honorary Governor)  
Mr S H Wingfield Digby (Life President)

\* Member of the Finance Committee

+ Member of the Academic and Pastoral Committee

^ Member of the Investments Committee

~ Member of the Property Committee

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> Member of the Nominations Committee

The Council is a self-appointing body. Service on the Council is for a period of five years, subject to re-election for a further term.

### OFFICERS

Headmistress	Mrs J C Dwyer (Retired 31 August 2018) Dr R M Sullivan (Appointed 1 September 2018)
Bursar and Clerk to the Governors	Mr S D Miller (Resigned 31 July 2018) Mrs F J L Clapp (Appointed 31 August 2018)
Address	Bradford Road Sherborne DT9 3QN
Website	<a href="http://www.sherborne.com">www.sherborne.com</a>

# Sherborne School for Girls

## REPORT OF THE COUNCIL *(continued)*

### for the year ended 31 August 2018

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#### KEY MANAGEMENT PERSONNEL

Mrs J C Dwyer	Headmistress
Mr S D Miller	Bursar and Clerk to the Governors
Mrs L J Orton	Deputy Head – Teaching and Learning
Mrs F Clapp	Deputy Head – External Affairs
Mr B D Gudgeon	Deputy Head – Pastoral

#### ADVISERS

Principal Bankers	National Westminster Bank plc 50 Cheap Street Sherborne Dorset DT9 3BH
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Solicitors	Farrer and Co 66 Lincoln's Inn Fields London WC2A 3LH
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Independent Auditor	Crowe U.K LLP Carrick House Lypiatt Road Cheltenham Gloucestershire GL50 2QJ
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Investment Advisers	Cazenove Capital Management Schroder & Co. Limited 12 Moorgate London EC2R 6DA
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Insurance Brokers	Hettle Andrews Eleven Brinleyplace 2 Brunswick Square Brinleyplace Birmingham B1 2LP
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COMPANY NUMBER	00306828
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REGISTERED CHARITY NUMBER	307427
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# Sherborne School for Girls

## REPORT OF THE COUNCIL (*continued*)

### For the year ended 31 August 2018

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#### ANNUAL REPORT OF COUNCIL

The members of the Council, who are also directors of the Charity, submit their annual report under the Charities Act 2011, incorporating the Report of the Council and the Strategic Report under the Companies Act 2006, together with the audited financial statements for the year ended 31 August 2018.

#### REFERENCE AND ADMINISTRATIVE INFORMATION

Sherborne Girls was founded as a Church of England School in 1899. The Charitable Company limited by guarantee was set up on 7 November 1935.

The Council of Governors, principal executives, key management and professional advisers are listed on pages 1 and 2.

#### GOVERNANCE AND MANAGEMENT

##### *Governing Documents*

The Charity is governed by its Memorandum and Articles of Association which were last amended in November 2011.

##### *Governing Body*

Members of the Council of Governors are selected to provide a balance of skills, experience and professional expertise, as well as a willingness to serve, and a deep interest in, the School. Council members serve for two 5-year periods.

##### *Recruitment and Training of Governors*

Appointment to the Governing Body is considered and conducted by the Council on the basis of advice and recommendation from its Nominations Committee. The induction of new Governors follows an individually tailored and structured format. The process comprises a "New Governor" induction day, which focuses on the role and responsibility of being a Trustee, and introductory briefings. This is conducted at the School by senior staff, particularly the Headmistress and the Bursar. All new Governors would be expected to attend, subject to availability, a New Governor training course within six months of their appointment. Details of AGBIS seminars for Governors and seminars and conferences offered by professional bodies are circulated to all members of Council.

New and existing Governors have attended a wide range of general and specific external training courses and seminars throughout the year.

##### *Organisation and Structure*

The School's governance structure underpins the Governing Body's work. Committees meet as follows in the year:

- Finance Committee – three times.
- Academic and Pastoral Committee – three times.
- Investment Committee – once.
- Nominations Committee – as required.
- Property Committee – three times.

The full Council meets on a minimum of three occasions per year; the majority of its business will have been scrutinised by one of the five standing committees. The day-to-day running of the School is delegated to the Headmistress, the Bursar and the Senior Leadership Team. Implementation of the Council's decisions is the responsibility of the Headmistress. Remuneration of the School's senior staff

# Sherborne School for Girls

## REPORT OF THE COUNCIL *(continued)*

For the year ended 31 August 2018

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is considered by Council annually, benchmarking against the AGBIS Remuneration and Baines Cutler Teacher Salary and Benefits Surveys.

### *Group Structure and Relationships*

The Charity has a wholly-owned non-charitable subsidiary, Mulliner Trading (Sherborne) Limited. The principal activity of the company is the management of the trading activities on behalf of Sherborne Girls.

Another wholly-owned charitable trading subsidiary, Sherborne Sports and Leisure Limited, manages and operates swimming and other sports and leisure facilities for the benefit of the School and the local community.

Another wholly-owned charitable subsidiary is The Sherborne Girls Foundation, which manages the schools fund raising activity.

### **OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

#### *Charitable Objects*

The Objects of the Charity are, for the public benefit, to carry on a school in Sherborne in the County of Dorset for providing a sound and systematic education and training for girls and/or boys, wherein shall be taught the duties and doctrines of Christianity as the same are received, understood and taught by the Church of England; and/or such other charitable purposes or ancillary educational activities beneficial to the community consistent with these Objects as the Governors in their absolute discretion determine. These same Objects underlie all aspects of the day-to-day running of the School.

#### *Vision*

To be the leading full boarding girls' school for all-round personal development and academic fulfilment, and to create a community of empowered learners who will be an influence for good in a challenging world.

#### *Mission*

To provide a broad and enriching full boarding education that develops the unique talents of every girl within a supportive community. To send out into the world girls of character, commitment and compassion who are able to think clearly and creatively, choose wisely and have the courage to make a difference.

#### *Values*

- **Curious** – Sherborne girls will be intellectually enquiring and imaginative; they will seek challenge and inspiration in the pursuit of excellence.
- **Courageous** – Sherborne girls will be bold and adventurous; they will have the courage to take risks, the resilience to overcome adversity and the inner confidence to lead others.
- **Compassionate** – Sherborne girls will be principled, considerate and kind; they will have a sense of responsibility to make a positive contribution to the communities in which they live and work.
- **Adaptable** – Sherborne girls will be resilient and flexible; they will be able to adapt to the demands of the modern day and to respect and celebrate the differences of others.
- **Spiritual** – Sherborne girls understand Christian values, they value reflection and well-being in themselves and others.

# Sherborne School for Girls

## REPORT OF THE COUNCIL (*continued*)

For the year ended 31 August 2018

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### *Strategic Aims*

- **Full boarding** – To deliver the highest standard of boarding provision through exceptional facilities, resources, care and experiences.
- **Culture of ambition** – To engender a culture of excellence in all aspects of school life and with all members of the community.
- **21st century women** – To nurture and inspire a vibrant community of fulfilled, inquisitive, confident women who are thoroughly prepared for higher education and their future lives, with the desire to make a difference.
- **Community** – To continue to grow both collaboration and communication with the wider community.
- **Leadership & Management** - To provide value through high quality, sustainable resources with effective and responsible governance, leadership and management.

The Charity is also committed to academic strength allied to a full boarding ethos. Partly in co-operation with Sherborne School, the Charity maintains a full, balanced curriculum which enables each member of its community to flourish.

The primary medium to long term objectives of the School's strategy are to:

- grow the school to a pupil body of 500;
- educate girls from a broad and diverse range of abilities, skills, nationalities and backgrounds who are likely to benefit from the opportunities offered, aided as appropriate and where possible by the provision of means-tested bursaries;
- remain committed to a process of continual improvement in educational delivery; providing facilities to enable the highest standards of educational excellence;
- offer an exceptional range of co-curricular opportunities, while remaining focused on academic excellence;
- recruit first-class teachers and staff committed to the ethos of the school;
- enable appropriate use of the School's facilities and resources by local schools and other community groups, thereby providing significant public access; and
- develop stronger partnerships with the local community, particularly Sherborne School and the Gryphon School.

The Governors measure the success of the strategy through a comprehensive review of the School's strategic, operational and development plans and through discussion of the Headmistress's termly reports.

In setting our objectives and planning our 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 on fee-charging.

### *Objectives*

The Governor's key objectives for the year were:

- delivering the Arts Centre;
- revisiting the Estates Masterplan;
- increasing capacity for additional girls into 6<sup>th</sup> form;
- supporting Sherborne Schools Worldwide;
- fundraising for bursaries; and
- delivering key elements of the school's strategy.

# Sherborne School for Girls

## REPORT OF THE COUNCIL *(continued)*

For the year ended 31 August 2018

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### *Performance against Objectives*

The £11 million Arts Centre is the biggest capital project to be undertaken by the school and has been the primary focus for development during this year. The main build began in October 2017, following enabling works carried out throughout the summer. The project continues on-time and on-budget and the music school section will be completed in March 2019. Work is planned for the completion of the Drama facility by September 2019. The Chairman of the Property Committee has been an invaluable source of support for this project.

The Arts Centre has remained the focus for fundraising, with a good degree of success. The case for support for bursaries was developed during the 2017/18 year. As yet, the financial support for bursaries is small and this will become the fundraising priority and will be rolled-out on the completion of the Arts Centre. The development of the Arts Centre facility has required a new consideration of the Estates Master plan. A competition was held to involve pupils in the landscaping design surrounding the Arts Centre and many of the proposed ideas have been included.

In September 2017 Sherborne Girls was awarded the accolade of 'Tatler Independent School of the Year', which was fitting testimony to the achievements of the last ten years. Having led the school so impressively Jenny Dwyer decided that 2017/18 would be her final year as Headmistress. Following a rigorous search process, the Governors appointed Dr Ruth Sullivan to the position of Headmistress from September 2018. Dr Sullivan was previously Deputy Master at Haileybury College.

The change of Headmistress has necessitated a pause in the development of the full strategic plan. Nevertheless, work has continued to investigate the options for Sixth Form accommodation and in October 2018 planning permission was granted for an extension to Mulliner House.

Collaboration with Sherborne School has been reinvigorated with a number of joint initiatives, including the launch of a joint marketing strategy and brand. The joint international venture of Sherborne Schools Worldwide however, has not progressed as rapidly as expected. A number of the planned projects have experienced set-backs. As a positive result, SSW has developed a more focused strategy.

### *Public Benefit*

The School provides benefit to the public in accordance with its widely drawn objects clause and has paid due regard to the Charity Commission guidance in deciding what activities the charity should undertake. In advancing education, the school relieves public funds of considerable expense and also provides means-tested awards that allow attendance by those who would otherwise not be able to benefit from the outstanding educational opportunities offered by the School. In terms of ancillary and educational activities and other associated activities for the benefit of the community, the School is proactive and during the reporting year has again sought to make a significant contribution to the benefit of the public.

### *Strand 1 – Established Partnerships*

- The Sherborne Girls Foundation – The Foundation reviewed its terms of reference in 2017 resulting in a much greater focus on community. It aims to find new ways for Sherborne Girls to provide active support to the community.
- The Gryphon School – This is now a Multi Academy Trust and a member of the Sherborne Girls Senior Leadership Team is one of the Trustees. Sherborne Girls has formed strong links to deliver a range of shared programmes and experiences. Sherborne Girls has offered two IB places to qualifying girls from the Gryphon. SG girls are studying computer science at the Gryphon and we have students for Textiles. Other links include university preparation sessions, a Lower School Gifted and Talented Quiz for Year 9 students and an exchange programme for year 7 and 8 girls. There are also joint visiting speakers, a joint educational visit to India and a joint trip to Waterloo for charitable carol singing.

# Sherborne School for Girls

## REPORT OF THE COUNCIL (*continued*)

For the year ended 31 August 2018

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- The Ogden Trust – Now in its fourth year, this science partnership was set up with a number of local state schools (Gryphon School, Wadham College, Preston Academy, Yeovil College, Huish Episcopi School) and is run by the Sherborne Girls Head of Physics.
- Parmiter's School – Sherborne Girls has a longstanding link with Parmiter's School in Watford and a number of Sixth Form students take part in annual exchanges.
- Local primary schools – We have established a formal link with Preston Primary in Yeovil which involves links across a range of disciplines including sport and outdoor education and collaborative Art and DT projects.
- Global partnerships – Sherborne Girls has developed a number of links with schools abroad to create exchange opportunities. The schools involved are: Branksome Hall, Toronto; Launceston School Tasmania; St Peter's School Adelaide; St Mary's Waverley South Africa; and Sherborne School Qatar. Although this does not directly influence public benefit the visitors are encouraged to become involved with the local community, increasing the awareness of global perspectives, eg sharing Chinese New Year in local primary schools. 2018 saw the first teacher exchange with the Head of Music from St Peter's visiting in January and one of our Science teachers going to Australia in July.
- Springboard – in 2013 we reviewed our bursary policy and established a new bursary scheme (the Candlelight Bursary) to support pupils for whom boarding would be a life-changing experience. We work with the Springboard Foundation to identify suitable 100% bursary candidates. At present we have 4 girls recommended and supported by Springboard and we aim to grow this number over time.

### **Strand 2 – Community Collaboration**

- Music – Youth music is well-established within Sherborne. Students from all the schools (independent and state) are members of the Sherborne Schools Symphony Orchestra and the Symphonia. Community outreach is an important part of the music philosophy and smaller ensemble groups regularly perform for no charge at Cheap Street Church and the local hospitals (Yeovil and Sherborne). The school assists the annual Sherborne Abbey Festival by providing one of the venues at no cost. With a focus on involving the young in music-making, the Jazz Band and our various woodwind ensembles travelled to St Nicholas's Primary School in Abbotsbury for a hands-on interactive session. The same musicians have also kept up their commitment to Sherborne Open Gate Club, explaining and demonstrating their instruments as part of a concert for the Club's physically and mentally handicapped members.
- Visiting Speakers – The school hosts regular visiting speakers and pastoral seminars which are often open to members of the public, e.g. Dr Aric Sigmund, an expert on the effects of social media. The school assists the annual Sherborne Literary Festival by providing one of the venues at no cost.
- Sport – The sports facilities of the Oxley Sports Centre are used by the local community, and swimming for primary schools is at a reduced rate. We have made other facilities available to local schools at either a reduced rate or no charge, e.g. sports hall, astro-turf, climbing wall. Girls involved in the Sports Leaders programme organise a netball tournament for local primary schools each year.
- Science – Local schools regularly attend the Chemistry Symposia and the Eureka lectures organised by Sherborne Girls. There were ten events in the 2017/18 year. Collaborative planning is underway for two Physics teachers to deliver an outreach science programme to six local primary schools who are part of the Sherborne Area Schools Trust.
- Community Service – Numerous pupils participate in community service activities as part of their Duke of Edinburgh award. The activities include such things as litter picking and time spent in primary schools, charity shops, local hospitals, and old people's homes. Two pupils are youth advisors for the Sherborne Town Council. There are staff representatives on the Police and Community team and the Sherborne Area Partnership. Several members of the Sherborne Girls' community serve as governors at local maintained schools. Those doing bronze Duke of Edinburgh help with service activities such as 'Missing Maps' and 'Blankets for Refugees'.

# Sherborne School for Girls

## REPORT OF THE COUNCIL *(continued)*

For the year ended 31 August 2018

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We believe that the activities which have been established through both the formalised partnerships and the community collaboration, enhance the experience for both our girls and the wider community. The opportunities for exchange of ideas promotes the values of courage, compassion, curiosity, spirituality and adaptability which are central to the aims of the School.

### ***Bursary Policy***

The School's grant-making policy is to make awards on the basis of their educational value and the potential of the recipient. This is overlaid by an assessment of the means and circumstances of the individual, subject to any particular conditions laid down in the Trust deeds.

At the heart of the School's Bursary Awards Policy is the need to ensure that children from families who would otherwise not be able to afford the fees can access the education we offer. The School has continued to reduce the monetary value of scholarship awards in favour of means-tested bursaries. The value of means tested awards totalled £788,264 (2017: £760,066) and represented 5% of our gross fees. They provided assistance to 92 (2017: 82) pupils.

These bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk. However, the School does not have a large endowment from which to make awards; indeed, the majority of bursary awards are funded from fee income. In its Bursary Awards Policy, therefore, the School is mindful of a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from such awards.

In the context of the ever-increasing demands on fee income and the continuing need to broaden access to the School, a fundraising campaign to establish an endowed Scholarship and Bursary Fund was launched in June 2009. This campaign, together with fundraising for a new Arts Centre, will be the prime focus of our fund-raising efforts in the coming years.

To underline the value we place on continuity for families, the School offers small discounts where parents have more than two children at Sherborne Girls, Sherborne School and Sherborne Preparatory School.

### ***Admissions and Equal Opportunities***

We welcome pupils to Sherborne Girls from all backgrounds. Before admitting a prospective pupil we need to be satisfied that we will be able to educate and develop her to the best of her potential and in line with the general standards achieved by her peers. Entrance interviews and assessments are undertaken to satisfy not only ourselves but also parents that potential pupils will be able to cope with the pace of learning and will benefit from the education provided. An individual's economic status, ethnicity, race, religion or physical disability do not form part of our assessment process.

The School is an equal opportunity organisation and we are committed to a working environment that is free from any form of discrimination on grounds of colour, race, religion, sex, sexual orientation or physical disability. We make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

# Sherborne School for Girls

## REPORT OF THE COUNCIL (*continued*)

### For the year ended 31 August 2018

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#### STRATEGIC REPORT

#### REVIEW OF ACTIVITIES AND ACHIEVEMENTS

The school provides a broad and enriching education that develops the unique talents of every girl in a single-sex learning environment with the added advantage of a close relation with Sherborne School for co-curricular and academic enrichment opportunities.

##### **Academic**

An ISI inspection carried out in 2017 found both the quality of pupils' academic and other achievements and the quality of their personal development to be excellent. At the heart of the ethos of Sherborne Girls is the desire to create an environment where intellectual curiosity, determination and a love of learning are developed. Girls are encouraged to question, explore and debate with confidence, whatever their level of ability.

In years 7, 8 and 9 girls study a broad curriculum including Latin, Music and Product Design. IT is taught across the curriculum and specifically in year 9 pupils follow a short course in robotics and coding and another in digital media. Language options include French, Spanish, German and Mandarin. This curriculum is all encompassed within the SG Diploma programme which aims to integrate academic study with personal growth. Girls record their learning journey throughout each academic year identifying their talents, self-respect and to respect others within the context of the school's core values:

**Adaptable** - resilient and flexible, able to adapt to the demands of the modern day and to respect and celebrate the differences of others.

**Courageous** - bold and adventurous with the courage to take risks, the resilience to overcome adversity and the inner confidence to lead others.

**Compassionate** - principled, considerate and kind, with a sense of responsibility to make a positive contribution to the communities in which you live and eventually work.

**Curious** - intellectually enquiring and imaginative, seek challenge and inspiration in the pursuit of excellence.

**Spiritual** - understand Christian values, value reflection and wellbeing in yourself and others

A focus on the ten learning attributes of the Sherborne Girls Learner profile enables all pupils to develop skills associated with our core values.

In years 10 and 11 girls study for a minimum of 8 GCSEs. IGCSEs are offered in English, Maths, Modern Languages, Sciences and History. A broad range of subjects are on offer including Classical Greek, Textiles Technology and Drama.

Girls in the sixth form study for either A Levels or the IB. There are some subjects taught across three schools which includes partnership with The Gryphon School, a secondary school with academy status in Sherborne. Two students from The Gryphon are currently studying for the IB at the sixth form here and we offer German and Textiles A Level courses to pupils at this Academy, enabling them to offer a broader range of subjects to their pupils.

Pupil performance is continually assessed to measure the quality and effectiveness of teaching and learning in providing an outstanding education for our pupils. Our assessment involves processes by which both teachers and learners seek and interpret evidence in and outside the classroom to make decisions about current and future learning. Teachers use these assessments to plan and modify provision for our students. This is covered by public examination results, our assessment policy, the SG Diploma and the effective use of baseline data.

Examination results are consistently high. Value added is exceptional and most significant at GCSE where pupils achieve on average nearly two grades above baseline predictions. This year 71% of

# Sherborne School for Girls

## REPORT OF THE COUNCIL (*continued*)

For the year ended 31 August 2018

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GCSE papers were passed at A\*-A with 45% A\*, 9 or 8, and 27% of all reformed entries being awarded a grade 9. At A Level 73% of papers achieved A\*-B. 17 girls took the International Baccalaureate. The average point score was 32.1 compared to the national average of 29.8, and 31% of the pupils achieved straight 6/7 (top) grades for Higher Level subjects.

### *Pastoral Care and co-curricular provision*

We aim to provide excellent pastoral care and co-curricular opportunities for all our girls and rank the personal development of pupils to be one of our highest priorities. With the majority of the pupils being full boarders, the pastoral care in the boarding houses continues to be a focus of the school management. This year has seen investment in additional staff to support the supervision of boarders on Sundays. The health centre has been given attention in the form of refurbishment of the sickbays and the lounges, new equipment in the surgery, and additional nursing hours to support the management of the facility. A full activities programme exists throughout the school, running every day of the week (including weekends). All girls attend an activities fair at the start of the academic year and sign up for clubs and societies. Both Music and Drama run collaborative groups with Sherborne School and collaboration with prep/primary schools is also encouraged when possible; there are excellent links with Sherborne Prep School and The Gryphon, and both schools are keen to continue to develop shared activities.

**Sport and Fitness.** Developing an understanding and appreciation of the health-related benefits associated with physical activity and a healthy lifestyle is very important at Sherborne Girls and is achieved, in part, through a comprehensive and inclusive sports and physical education programme. Girls are provided with the opportunity to participate in a wide range of sporting activities from traditional team-based sports such as hockey and lacrosse through to more personalised events such as target-sprint. Underpinning these activities is an evolving strength and condition programme which aims to minimise the risk of injuries occurring and aid in athlete rehabilitation. For those girls competing at the highest level, expert advice on nutrition and performance-management is provided as well as bespoke training programmes and access to a high-performance gym. 2017-18 was a successful year for swimming at Sherborne Girls, including 2 girls being selected for the South West Regional Talent Beacon Project. The senior swimming team gained qualification for the National finals at the London Aquatics Centre in November. Cross country is another sport at which Sherborne Girls excels and over the last 5 years we have developed a close association with Wimborne Athletics Club. Over 30 girls train regularly and of these, 4 girls were called up to represent Dorset at the South West Championships in Devon and the National finals in Leeds. In association with running we have also developed a Target Sprint team as part of British Shooting's new initiative and 1 pupil was successful in gaining a place in the GB squad having secured silver at the National finals in Cardiff. The school has increased the use of external coaches to provide expertise in a specific sport, and support is given to pupils to travel to local clubs or performance centres. Approximately 350 girls are regularly competing for the school and of these, around 10% have progressed to county or regional standard.

**Adventure and Leadership.** The Adventure and Leadership department encompasses a variety of outdoor activities as well as overseeing the delivery of the Duke of Edinburgh (DofE) programme at Bronze, Silver and Gold level. In addition to activities such as kayaking, riding, sailing, shooting, orienteering and climbing, pupils also receive lectures and workshops on team-building, problem solving and Leadership. This is delivered in the junior part of the school through a busy schedule of weekend activities including tree-climbing, coasteering and zorbing as well as an adventurous weekend camp for L4-U4 and an overseas ski trip for L4-L5. Pupils in L5 have timetabled provision for Adventure and leadership and approximately 80% of the year group took part in the Bronze DofE award which included a training expedition to Cranborne Chase and a final expedition to the Purbecks. Both the Silver and Gold DofE awards were well supported with walking expeditions taking place on Dartmoor and in the Picos mountains, cycling in northern France and canoeing across the Great Glenn.

Pupils in year 10 embarked on the newly introduced Institute of Leadership and Management - Level 2 award, which focussed on developing self-leadership as well as exploring aspects of equality and

# Sherborne School for Girls

## REPORT OF THE COUNCIL (*continued*)

For the year ended 31 August 2018

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diversity in school. Skills developed included effective time-management, goal-setting, resilience and positive reflection. Many pupils chose to develop their leadership skills further through student led-initiatives such as Model United Nations and the Feminist Society as well as applying for the many leadership opportunities that exist throughout every level of the school.

**Music.** The Music Department continues its longstanding tradition of excellence. Following the regional round of the Pro Corda Chamber Music Competition, two of our Under 19 ensembles, the Cantilena Trio and the Baroque Quintet (won through to the semi-finals with the Quintet progressing to the finals held in Cambridge. Approximately 50% of pupils learn a musical instrument and a third of the pupils sing in one of the choirs. Members of the Senior Choir combined with Sherborne Schools' the income Chamber Choir and local adults to sing as the Choral Society and performed St John's Passion in Sherborne Abbey. Sally Rounswell, the Director of Music at St Peter's Adelaide, joined us as our first teacher exchange and brought a fresh and dynamic set of ideas to the department. A particularly memorable event this year was a visit from the renowned ensemble The Kings' Men, who presented a workshop to the Madrigal Society and the Boys' Chamber Choir, with all three groups singing in an uplifting evening public concert at Sherborne School.

Concerts take place regularly in the county of Dorset and further afield. During the year 2017 – 2018, The Madrigal Society, the String Orchestra and the Cantilena Woodwind Trio collaborated for concerts in the local parish churches. Our musical outreach programme to the community goes from strength to strength and the biggest single charity event was once again our carol singing extravaganza at Waterloo Station. The eighty members of Sherborne Girls Senior Choir joined forces with 35 singers from the Gryphon School and a combined Brass Ensemble to raise an impressive £3,500 for the Waterloo and Sherborne Foodbanks.

**Drama.** Drama has put on a number of excellent productions during the year. The two joint school productions were '1984' and 'The Secret Life of Walter Mitty', which allowed the older students to stretch their performance skills in either musical theatre or slick ensemble work. The Year 7 and 8 production was 'A Midsummer Night's Dream' involving all of Year 7 and 8 either on stage or as backstage crew, which was a huge undertaking, but imaginatively staged with great energy. In the Trinity term the year 9 and 10 students embarked on creating a verbatim piece based on interviews with past and current pupils, creating a fascinating living history document of the school. We continued to run the New Views playwriting course where a professional playwright from the National Theatre comes to teach the girls how to write their own 30-minute play, one girl was long-listed to the top 80 in the country. The Arts Award continues to grow in strength across the school with 39 girls achieving their Bronze, Silver or Gold awards this year. We also had great success in the Speech and Drama exams, with 106 entries and 55% distinctions. We took the girls to a wide variety of theatre performances this year and had workshops from Complicite, and practitioners specialising in Berkoff and Stanislavski.

**Art & Design.** 2017-18 was a year that initiated many exciting changes in Art and Design, reflecting the current response to delivery of Art and Design. New links have been established with The Gryphon School, and two students have joined SG to take DT Textiles A Level. The Horsington Primary School Sculpture was installed and celebrated. Art scholars designed and created a mural on the hoardings, based on the new build construction site. Scholars also contributed to a joint schools Scholars Exhibition at the Holt Gallery, Sherborne School. Trips to Amsterdam and London allowed students to see and discuss work in major galleries and museums. L5 trips to Oxford to the Pitt Rivers Museum and to The Natural History Museum led to the creation of the Avatars that were on display at SS Holt Gallery. Links with Hauser and Wirth Gallery Bruton were maintained including a one-day workshop led by their artist in residence and U6 students attending their Arthus Youth Group. A full range of creative activities continued to be offered after lessons with girls developing skills for D of E awards, ceramics club and textiles. Analogue photography was promoted in an extended after school activity which proved very popular.

**Weekend Socials Activities.** As part of our mission to provide a broad and enriching, full boarding education, we are committed to offering an exciting and varied programme of activities each

# Sherborne School for Girls

## REPORT OF THE COUNCIL *(continued)*

For the year ended 31 August 2018

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weekend. Girls are encouraged to be bold and adventurous and over the past year we have run various trips including Dorset Waterpark, coasteering, paddle boarding, an outdoor adventure weekend and Longleat Safari Park. Within our school grounds girls have been able to take part in pool parties, zorbing, bubble football, big tree climbing and tag archery. As well as whole house socials during which girls have been able to enjoy activities such as quizzes, crafts and karaoke competitions, there are various inter-house events which have been hotly contested, not least the Glee Cup which included races such as the three-legged race and the egg and spoon race. We also recognise that reflection and wellbeing are important and this year we ran some wellbeing evenings, which included yoga, hand massage, and mindful activities.

**Friday Lectures.** As part of our endeavours to bring the outside world in, our Friday Lecture Series this year has offered a varied programme of speakers talking about everything from the effects of alcohol and screen time on the teenage brain to an Everest expedition and astronaut training. It was fascinating to hear about Bonita Norris' adventures on Everest; Lt Col Lucy Giles, the first female College Commander at Sandhurst in its 200-year history, discussed her leadership journey; we had some fascinating political insight from Maria Miller MP and the Rt. Hon Iain Duncan Smith and practical advice from parent Alison MacMillan who talked about her career in the diplomatic service. Michael Bowes QC facilitated a stimulating discussion on legal ethics and Dr Suzanne Imber entertained us with anecdotes of her challenging NASA astronaut training and her studies in space weather. Every talk brings a different perspective where the speaker shares experiences and life-lessons that everyone can learn from.

### FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The results for the year are shown in the attached financial statements. The Group made a net surplus for the year of £557,555 (2017: a surplus of £1,290,484). In spite of the difficult economic circumstances, pupil numbers continue to rise and the school continues to invest in capital projects and existing infrastructure. Governors are satisfied with this year's financial performance. They closely monitor the School's cash flow projections and are also satisfied that the School will continue to generate sufficient cash to meet requirements. The School continues to identify more efficient ways to operate in order to enable it to improve further its academic and pastoral standards and facilities, and to increase its operational surplus.

#### *Trading Companies*

A wholly-owned trading subsidiary, Mulliner Trading (Sherborne) Limited, continues to operate the School Shop and hire of the School's facilities throughout the year. The Company has contributed £255,373 (2017: £269,685) to the School's operating surplus and will make a Gift Aid payment of this amount.

A further wholly-owned subsidiary, Sherborne Sports and Leisure Limited (SSLL), provides sports and leisure facilities for the School and local community. SSLL made a net surplus for the year of £9,464 (2017: £40,684).

The Sherborne Girls Foundation, an entity of Sherborne Girls, manages the School's fundraising. The Foundation made a net loss for the year of £571,847 (2017: net surplus £578,322).

#### *Reserves Policy*

As stated in note 17 to the accounts, the funds are split as follows: unrestricted fund £16,391,489 (2017: £16,144,126), restricted fund £2,729,617 (2017: £2,422,790) and endowed funds £685,900 (2017: £682,535). Sherborne Girls does not hold any free reserves; all operating surpluses are invested in fixed assets in order to ensure the continued development of the School. Investment in the School's

# Sherborne School for Girls

## REPORT OF THE COUNCIL (*continued*)

For the year ended 31 August 2018

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infrastructure and facilities remains essential to ensure momentum is maintained in the recruitment of healthy pupil numbers. A general reserve has been retained to provide a buffer against fluctuations in income resultant from any significant adverse variations in pupil numbers.

### *Investment Policy*

The School's investment powers are governed by the Memorandum and Articles of Association, which permits the Charity's funds to be invested in any security listed on the London Stock Exchange.

- General Fund. The School has a General Fund held within investments which represents a reserve to be called upon in case of emergency. The Governors have deemed a suitable level for this reserve to be £2.3m and this value will be preserved over time in real terms. It is possible that sums will be added to the fund should the school produce a surplus for a number of years, but withdrawals could then subsequently be made to fund capital projects. Income from this portfolio is not required so the investment objective is to provide capital growth.
- Performing Arts Fund. The money from this fund has now been drawn down and the portfolio closed.
- Restricted Funds. There are five funds set up to provide bursaries and scholarships:
  - Sherborne School for Girls Scholarship Fund.
  - The Verdon-Smith Sixth Form Bursary Fund (Endowed).
  - Sherborne School for Girls Prize Fund.
  - Mary Boughey's Leaving Scholarship Fund (Endowed).
  - The Bursaries and Scholarship Fund.

The aim of these portfolios is to produce sufficient income each year to allow bursaries, scholarships and prizes to be awarded in line with the underlying restricted purposes of each trust. There are no specific income targets and income will not necessarily be distributed each year, but the real value of the income generated should be maintained over time. The Investment Committee has adopted a prudent approach and aims to withdraw 3% per annum from these portfolios. The assets within the Restricted Funds are invested in the Charity Multi-Asset Fund managed by Cazenove Capital Management. This fund has a target of RPI plus 4% and to accord with the desire to withdraw only 3%, the Restricted Fund portfolios are invested 75% in the income units and 25% in the accumulation units. The income units pay out 4% per annum. This aligns with the requirement for these portfolios to produce a prudent level of income each year to fund bursaries, scholarships and prizes.

- Development Funds. Other funds include:
  - Where the school needs it most.
  - Scholarship & Bursaries.
  - Annual Fund.
  - Art Centre Fund.
  - The Harriet Tory Fund.
  - Buildings and Facilities.
  - Candlelight Fund, for bursaries.

# Sherborne School for Girls

## REPORT OF THE COUNCIL *(continued)*

For the year ended 31 August 2018

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### FUTURE PLANS

In the coming year, the School will place particular emphasis on:

- increase the pupil body to 485;
- develop the recruitment of first-class teachers and staff;
- draw up a plan to ensure the timely refurbishment of the houses and other facilities;
- fundraising for bursaries;
- developing stronger links with Sherborne School and the Gryphon School;
- developing Sherborne Schools Worldwide;
- delivery and commissioning of the Arts Centre; and
- improving communication with parents, pupils and other constituents.

### *Risk Management*

The Council has ultimate responsibility for the management of risk faced by Sherborne Girls. Detailed consideration of risk is delegated to the various sub-committees and the Senior Leadership Team. Risks are identified and assessed, and controls established; this process is continuous throughout the year. The Governors have reviewed the principal areas of the school's operations and considered the major risks faced in each area. We believe the principal risks are a failure to meet our pastoral duties to our pupils; a failure to recruit pupils in sufficient numbers; and a failure to develop our staff, facilities and systems in such a way as to enable us to remain a leading independent school. These risks are considered in detail by sub-committees each term and by the full Council at least once a year. The key controls used by the Charity include:

- formal agendas for all Committee and Council activity;
- detailed terms of reference for all Committees;
- comprehensive strategic planning, budgeting and management accounting;
- established organisational structures and clearly recognised lines of reporting;
- formal written policies;
- clear authorisation and approval levels;
- vetting procedures as required by law for the protection of the vulnerable; and
- appointment of persons with special responsibilities relating to the safeguarding and pastoral care of pupils and staff.

In the opinion of the Governors, the school has established resources and a review system which, under normal conditions, should allow risks to be mitigated to an acceptable level.

### *Fundraising*

Fundraising during the year was carried out solely by The Sherborne Girls Foundation. No external fundraising individuals or companies were employed. There were no incidences of failure to comply with fundraising standards and complaints received. The School adheres to GDPR regulation and only contacts those for whom our communication will be relevant and of interest.

# Sherborne School for Girls

## REPORT OF THE COUNCIL *(continued)*

### For the year ended 31 August 2018

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#### ***Statement of Governor's Responsibilities***

The purpose of this statement is to distinguish the responsibilities of the Members of the Council for the accounts from those of the auditor as stated in their report.

The Council members, (who are also directors of Sherborne Girls for the purposes of company law) are responsible for preparing the Report of the Council, including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Members of the Council to prepare financial statements for each financial year. Under company law the Council members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure of the charitable group for that period. In preparing these financial statements, the Council members are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The Members of the Council are responsible for keeping proper accounting records that are sufficient to show and explain the charitable group transactions, disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Members of the Council confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

#### ***Relevant audit information***

In so far as each of the Council members of the charitable group at the date of approval of this report is aware, there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charitable group's auditor is unaware. Each council member has taken all the steps that they should have taken as a council member to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

# Sherborne School for Girls

## REPORT OF THE COUNCIL *(continued)*

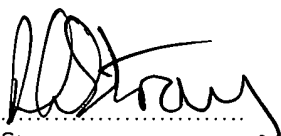
For the year ended 31 August 2018

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### AUDITOR

A resolution will be proposed at the annual general meeting to reappoint Crowe U.K LLP, who have indicated their willingness to continue in office.

The Report of the Council was approved by the board of Sherborne School for Girls on 22 MARCH 2019, in their capacity as company directors, approving the Report of the Council and the Strategic Report contained therein, and signed on its behalf by:



R W Strang  
Chairman

# Sherborne School for Girls

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

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### Opinion

We have audited the financial statements of Sherborne School for Girls for the year ended 31 August 2018 which comprise consolidated statement of financial activities, the consolidated and charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2018 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 Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are

# Sherborne School for Girls

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

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required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

### Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the [strategic report or the] directors' report included within the trustees' report.

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

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

### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report

# Sherborne School for Girls

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

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that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

### Use of our report

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

Guy Biggin (Senior Statutory Auditor)  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor  
Carrick House  
Lypiatt Road  
Cheltenham  
Gloucestershire  
GL50 2QJ

26 March 2019

# Sherborne School for Girls

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(incorporating the consolidated income and expenditure account and total recognised gains and losses)  
for the year ended 31 August 2018

	Notes	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2018 £	Total 2017 £
<b>Income from:</b>						
<b>Charitable activities</b>						
School fees receivable	1	14,239,046	-	-	14,239,046	13,290,917
Ancillary trading income	2	1,133,220	-	-	1,133,220	1,101,056
<b>Other trading activities</b>						
Non-Ancillary Trading income	3	1,145,453	-	-	1,145,453	1,183,671
<b>Investments</b>						
Investment income and interest	5	130,051	74,500	-	204,551	184,517
<b>Voluntary Sources</b>						
Donations and Legacies	4	-	326,798	-	326,798	798,771
<b>Total income</b>		<b>16,647,770</b>	<b>401,298</b>	<b>-</b>	<b>17,049,068</b>	<b>16,558,932</b>
<b>Expenditure on</b>						
<b>Raising funds</b>						
Fundraising costs		68,193	-	-	68,193	92,831
Non-Ancillary Trading		1,528,242	-	-	1,528,242	1,409,845
Financing costs		420,467	423	-	420,890	283,972
Investment management costs		8,588	3,628	2,728	14,944	13,998
Share of Joint Venture loss		148,837	-	-	148,837	-
<b>Charitable activities</b>						
Education and grant making		14,243,231	103,196	-	14,346,427	13,727,179
<b>Total expenditure</b>	6	<b>16,417,558</b>	<b>107,247</b>	<b>2,728</b>	<b>16,527,533</b>	<b>15,527,825</b>
<b>Net income/(deficit) from operations before investments gains or losses</b>		<b>230,212</b>	<b>294,051</b>	<b>(2,728)</b>	<b>521,535</b>	<b>1,031,107</b>
Net gains on investments	11	17,151	12,776	6,093	36,020	259,377
<b>Net income for year</b>		<b>247,363</b>	<b>306,827</b>	<b>3,365</b>	<b>557,555</b>	<b>1,290,484</b>
<b>Net movement in funds</b>		<b>247,363</b>	<b>306,827</b>	<b>3,365</b>	<b>557,555</b>	<b>1,290,484</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		16,144,126	2,422,790	682,535	19,249,451	17,958,967
<b>Total funds carried forward</b>	17	<b>16,391,489</b>	<b>2,729,617</b>	<b>685,900</b>	<b>19,807,006</b>	<b>19,249,451</b>

All of the group's activities are classed as continuing.

The notes on pages 23 to 46 form part of these financial statements.

Sherborne School for Girls  
CONSOLIDATED AND CHARITY BALANCE SHEET  
as at 31 August 2018 – Company Number 00306828

		Group		Charity	
	Notes	2018 £	2017 £	2018 £	2017 £
FIXED ASSETS					
Intangible assets	9	39,486	39,486	39,486	39,486
Tangible assets	10	24,206,098	19,727,354	21,971,897	17,482,315
Investments	11	5,097,947	4,913,021	5,098,047	4,913,121
TOTAL FIXED ASSETS		29,343,531	24,679,861	27,109,430	22,434,922
CURRENT ASSETS					
Stocks	12	149,940	147,433	76,310	76,767
Debtors	13	487,544	443,809	2,791,196	2,868,642
Short term cash deposits		108,317	568,000	108,317	568,000
Cash at bank and in hand		913,441	3,400,909	452,193	2,258,183
TOTAL CURRENT ASSETS		1,659,242	4,560,151	3,428,016	5,771,592
CURRENT LIABILITIES: amounts payable in less than one year	14	(5,338,209)	(4,727,040)	(5,270,364)	(4,657,928)
NET CURRENT (LIABILITIES)/ASSETS		(3,678,967)	(166,889)	(1,842,348)	1,113,664
TOTAL ASSETS LESS CURRENT LIABILITIES		25,664,564	24,512,972	25,267,082	23,548,586
CREDITORS: Amounts payable in more than one year	15	(5,857,558)	(5,263,521)	(5,857,558)	(5,259,002)
NET ASSETS		19,807,006	19,249,451	19,409,524	18,289,584
TOTAL FUNDS OF THE GROUP/CHARITY					
Restricted funds	17	2,729,617	2,422,790	2,536,835	1,658,157
Unrestricted funds	17	16,391,489	16,144,126	16,186,789	15,948,892
Endowed funds		685,900	682,535	685,900	682,535
TOTAL FUNDS	17	19,807,006	19,249,451	19,558,361	18,289,584

The parent charity's income was £17,005,348 (2017: 14,714,973) and expenditure was £15,885,408 (2017: 13,885,751) resulting in a surplus of £1,119,940 (2017: £829,222).

Approved by the Members of the Council and authorised for issue on

22 MARCH 2019

R W Strang

J S Blanch

The notes on pages 23 to 46 form part of these financial statements.

**Sherborne School for Girls**  
**CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 31 August 2018

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	Notes	2018 £	2017 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash provided by operating activities	21	<u>2,639,360</u>	<u>3,301,860</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for tangible fixed assets		(5,345,048)	(1,745,295)
Additions to securities investments portfolio		(166,788)	(431,566)
Withdrawals from securities investments portfolio		45,387	1,028,926
Investment income and bank interest received		204,551	184,517
Transfer in cash with investment manager		(27,505)	(1,009,504)
Net cash used in investing activities		<u>(5,289,403)</u>	<u>(1,972,922)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of loans		(234,264)	(216,736)
New hire purchase		410,000	-
Repayment of hire purchase		(37,010)	(9,584)
Finance costs paid		(420,890)	(283,972)
Investment manager charges		(14,944)	(13,998)
Net cash used in financing activities		<u>(297,108)</u>	<u>(524,290)</u>
<b>Reconciliation of net cash flow to movement in net funds:</b>	21		
Change in cash and cash equivalents in the year		(2,947,151)	804,648
Cash and cash equivalents at the beginning of the year		<u>3,968,909</u>	<u>3,164,261</u>
Cash and cash equivalents at the end of the year		<u><u>1,021,758</u></u>	<u><u>3,968,909</u></u>

The notes on pages 23 to 46 form part of these financial statements.

# Sherborne School for Girls

## ACCOUNTING POLICIES

for the year ended 31 August 2018

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### CHARITY INFORMATION

Sherborne School for Girls ('the School') is a private charitable company limited by guarantee. The School is registered with the Charity Commission England and Wales (registered no: 307427). The charity was incorporated as a company limited by guarantee with Companies House England and Wales (registered no: 00306828). Its registered and principal office is Bradford Road, Sherborne, Dorset, DT9 3QN. The members of the company are the trustees named on page 1. In the event of the Charity being wound up, liability in respect of the guarantee is limited to £1 per member of the Charity.

### BASIS OF PREPARATION AND CONSOLIDATION

The consolidated financial statements have been prepared in sterling, which is the functional currency of the group, under the historical cost convention in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The 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 notes.

The statement of financial activities and balance sheet consolidate the financial statements of the School and its subsidiary undertakings, Mulliner Trading (Sherborne) Limited, Sherborne Sports and Leisure Limited and The Sherborne Girls Foundation. The results of the subsidiary undertakings are consolidated on a line by line basis.

No separate statement of financial activities has been presented for the School alone as permitted by Section 408 of the Companies Act 2006 and paragraph 1.12 (c) of the SORP. The net result of the parent (the charity) is shown on the balance sheet.

The School has entered into a joint venture arrangement with Sherborne School. Each school owns 50% interest in Sherborne Schools Worldwide limited. Further information on this joint venture is detailed in note 19.

### GOING CONCERN

The Governors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable group to continue as a going concern. The Governors have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Governors have considered the charitable group's forecasts and projections and have taken account of pressures on fee income. After making enquires the Governors have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future. The charitable group therefore continues to adopt the going concern basis in preparing its financial statements.

### DONATIONS AND FUND ACCOUNTING

Donations are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the school/group is considered probable. For legacies, entitlement is the earliest of the school being notified of an impending distribution or the legacy being received.

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the School and which have not been designed for other purposes.

# Sherborne School for Girls

## ACCOUNTING POLICIES

for the year ended 31 August 2018

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Donations received for the general purposes of the School are included as unrestricted funds. Donations for activities restricted by the wishes of the donor are taken to "restricted funds" when these wishes are legally binding on the Governors.

Endowed funds generate income from two Trust Funds, the incoming resources from endowed funds are restricted.

### INCOME

All income is included in the SOFA when the School is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Gross School fees comprises gross fees receivable and fees for extra tuition etc. after deducting introductory commission.

All other incoming resources are accounted for on an accruals basis.

### ADVANCE FEES SCHEME

The School offers parents the opportunity to pay for up to seven years tuition fees in advance in accordance with a written contract. The amount received is invested and interest is accrued to contracts. This is treated as deferred income until the pupil joins the School whereupon the fees for each School term are charged against the remaining balance and taken to income. Any shortfall is treated as a deduction from School fee income and any excess accrued is treated as additional School income.

### EXPENDITURE

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. The irrecoverable element of VAT is included with the item of expense to which it relates.

All costs associated with the provision of education are allocated to Charitable Activities. Only the costs directly associated with, or incurred solely in, Charitable Activities are allocated to this category. Support and governance costs comprise the costs of running the School, including strategic planning for its future development, external audit, and all other costs of complying with constitutional and statutory requirements. Trading costs are costs that link directly to the generation of trading income.

### INTANGIBLE FIXED ASSETS

Intangible assets costing £39,486 are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Trademarks	10% of cost
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### FIXED ASSETS AND DEPRECIATION

Fixed assets are held for charitable purposes and are shown in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. All assets costing more than £1,000 are capitalised, those costing less are written off in the year of acquisition unless they form part of a larger project.

# Sherborne School for Girls

## ACCOUNTING POLICIES

for the year ended 31 August 2018

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Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Buildings, including swimming pool	2-10% of cost
Fire precautions*	5% of cost
Boilers*	10% of cost
Furniture, machinery and equipment	10% of cost
Vehicles*	20-25% of cost
Computer and office equipment*	33.3% of cost

*\*included within furniture, machinery and equipment*

No depreciation is provided on freehold land or assets in the course of construction.

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

### STOCKS

Stocks are valued at the lower of cost and net realisable value. Stock consists of goods held for sale and other consumables.

### INVESTMENTS AND INVESTMENT INCOME

Investments listed on a recognised stock exchange are valued at the market value at the balance sheet date. Any gain or loss on revaluation is taken to the SOFA. Investment income is accounted for in the period in which the charity is entitled to receipt.

Provision is made for any permanent diminution in the value of fixed asset investments.

Investments in subsidiaries are stated at cost.

### PENSION CONTRIBUTIONS

The Charity contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The Scheme is a multi-employer pension Scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme. The Charity also contributes to individual personal pension schemes for non-teaching staff.

### FINANCE AND OPERATING LEASES

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred. Assets purchased under finance lease are capitalised as fixed assets. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charges. Finance charges are written-off to the SOFA over the period of the lease so as to produce a constant periodic rate of charge.

### EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when committed to terminate the employment of an employee or to provide termination benefits.

# Sherborne School for Girls

## ACCOUNTING POLICIES

for the year ended 31 August 2018

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### DEBTORS

Trade debtors, other debtors and accrued income are recognised at the settlement amount due after any trade discount which is measured at amortised cost less any impairment. Prepayments are valued at the amount prepaid net of any trade discounts due.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include, cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within current liabilities.

### CREDITORS AND PROVISIONS

Creditors and Provisions are recognised when the charity has a present obligation as a result of a past event, these are measured at amortised cost less any impairment, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

### BASIC FINANCIAL INSTRUMENTS

The School has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value (see note 16).

### JOINT VENTURE

The School has a 50% share in a jointly controlled entity, Sherborne School Worldwide Limited. This entity commenced trading in May 2017, and its first audited accounts will be drawn up to 30 June 2018. The school recognises its interest in the joint venture using the equity method. Further information is provided in note 19.

### JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The items on the financial statements where these estimates and judgements have been made include the following:

#### Useful economic lives

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated 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 assets. See note 10 for the carrying amount and useful economic life of each class of asset.

#### Recoverable value of fee debtors

The company 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 current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 13 for the carrying amount for fee debtors.

# Sherborne School for Girls

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

### 1 CHARITABLE ACTIVITIES – FEES RECEIVABLE

	2018 £	2017 £
Fees receivable consist of:		
School Fees	15,819,806	14,831,193
Less: Bursaries, Scholarships & allowances	(1,642,409)	(1,602,046)
	<hr/>	<hr/>
	14,177,397	13,229,147
Add back bursaries and other awards paid for by restricted funds	61,649	61,770
	<hr/>	<hr/>
	14,239,046	13,290,917
	<hr/>	<hr/>

Scholarships, bursaries and other awards were paid to 228 pupils (2017: 220). Within this, means-tested bursaries totalling £788,264 were paid to 92 pupils (2017: £760,066 to 82 pupils).

### 2 CHARITABLE ACTIVITIES – ANCILLARY TRADING INCOME

	2018 £	2017 £
Extras	952,737	919,632
Trips	157,315	159,693
Registration fees	23,168	21,731
	<hr/>	<hr/>
	1,133,220	1,101,056
	<hr/>	<hr/>

### 3 OTHER TRADING ACTIVITIES

	2018 £	2017 £
Non-Ancillary Trading Income		
Sherborne School for Girls	273,873	293,749
Sherborne Sports & Leisure Ltd	182,671	207,802
Mulliner Trading (Sherborne) Ltd	688,909	682,120
	<hr/>	<hr/>
	1,145,453	1,183,671
	<hr/>	<hr/>

### 4 VOLUNTARY SOURCES

	2018 £	2017 £
Legacy	-	5,754
Donations	326,798	793,017
	<hr/>	<hr/>
	326,798	798,771
	<hr/>	<hr/>

Sherborne School for Girls  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2018

5 INVESTMENT INCOME

	2018 £	2017 £
Dividends received	97,783	113,517
Interest	106,768	71,000
Total	<u>204,551</u>	<u>184,517</u>

6 (a) ANALYSIS OF EXPENDITURE

	Staff costs £	Other £	Depreciation £	2018 Total £	2017 Total £
Charitable expenditure					
Teaching costs	5,394,988	842,647	55,158	6,292,793	5,898,883
Support and governance costs	1,710,102	1,138,204	126,075	2,974,381	2,660,418
Establishment costs	518,720	1,334,741	606,737	2,460,198	2,596,110
Commission on fees	-	27,456	-	27,456	61,666
House expenses	316,954	2,212,996	-	2,529,950	2,448,332
Grants and awards	-	61,649	-	61,649	61,770
Expenditure on raising funds					
Fundraising costs	-	68,193	-	68,193	92,831
Joint Venture	-	148,837	-	148,837	-
Financing costs	-	420,890	-	420,890	283,972
Investment	-	14,944	-	14,944	13,998
management costs					
	<u>7,940,764</u>	<u>6,270,557</u>	<u>787,970</u>	<u>14,999,291</u>	<u>14,117,980</u>
Subsidiary trading expenditure	631,052	818,856	78,334	1,528,242	1,409,845
Group	<u>8,571,816</u>	<u>7,089,413</u>	<u>866,304</u>	<u>16,527,533</u>	<u>15,527,825</u>

6 (b) GOVERNANCE COSTS INCLUDED IN SUPPORT COSTS

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Auditor's remuneration	18,710	18,710	14,500	14,500
Auditor's remuneration – additional services	3,930	1,000	3,930	-
Reimbursement of personal expenses to Trustees	4,085	1,428	4,085	1,428
	<u>26,725</u>	<u>21,138</u>	<u>22,515</u>	<u>15,928</u>

Travel expenses were reclaimed by 10 members (2017: 6) of the governing body.

Sherborne School for Girls  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2018

7 STAFF COSTS

	Group 2018 £	2017 £	Charity 2018 £	2017 £
Wages and salaries	7,081,797	6,631,565	6,492,932	6,108,067
Social security costs	654,091	612,861	629,430	589,076
Teachers' pension costs	653,727	615,129	653,727	615,129
Other pension costs	182,201	146,992	164,676	134,909
	<u>8,571,816</u>	<u>8,006,547</u>	<u>7,940,765</u>	<u>7,447,181</u>

The average weekly number of employees during the year was as follows:

	Group 2018 No.	2017 No.	Charity 2018 No.	2017 No.
Teaching staff	108	103	108	103
Administrative and domestic staff etc.	222	210	144	141
	<u>330</u>	<u>313</u>	<u>252</u>	<u>244</u>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	2018 No.	2017 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	2	2
£90,001 - £100,000	-	1
£110,001 - £120,000	1	-
£160,001 - £170,000	-	1
£190,001 - £200,000	1	-

Contributions amounting to £71,838 (2017: £67,447) were made to the Teachers' Superannuation Scheme, which is a defined benefit scheme, for four higher paid employees (2017: four employees). Contributions amounting to £8,432 (2017: £9,018) were made to an alternative defined contribution scheme for one higher paid employee (2017: one employee).

No emoluments were paid to the trustees in respect of their services to the School during the year, nor have they received any other form of disclosable trustee benefit (2017: £Nil).

	2018 £	2017 £
Aggregate employee benefits of key management personnel	667,420	612,867

# Sherborne School for Girls

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 August 2018

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The Key Management Personnel – Headmistress, Bursar, Deputy Head – Teaching and Learning, Deputy Head – External Affairs and Deputy Head Pastoral.

During the year there were termination payments made which amounted to £73,850 (2017: £46,652). These amounts relate to agreements made with employees to end employment contracts. There was £15,000 amount outstanding at the year-end (2017: £9,668)

## 8 PENSIONS

### TEACHING STAFF - 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 653,727 (2017: £615,129) and at the year-end £86,080 (2017 - £80,548) 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 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also currently required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the completion and outcome of the next actuarial valuation which is being prepared as at 31 March 2016. Her Majesty's Treasury published draft Directions for the TPS on 6 September 2018 to allow the Department for Education to finalise this valuation. Early indications from the valuation are that the amount employers will be required to pay towards the scheme may increase substantially from September 2019.

There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023.

### NON TEACHING STAFF

The group operates a defined contribution scheme for non-teaching staff. The assets are held separately from those of the group in an independently administered fund.

The pension charge for the period represents contributions payable by the group and amounted to £182,201 (2017: £146,992). At the year end the group had a non-teaching staff pension creditor of £968 (2017: 1,890).

Sherborne School for Girls  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2018

9 INTANGIBLE FIXED ASSETS

GROUP AND CHARITY	Trademarks £	Total £
Cost: 1 September 2017	39,486	39,486
31 August 2018	39,486	39,486

10 TANGIBLE FIXED ASSETS

GROUP	Freehold land £	Buildings £	Swimming pool £	Furniture, machinery and equipment £	Assets in the course of construction £	Total £
Cost: 1 September 2017	17,256	24,363,491	2,222,675	5,345,532	1,922,994	33,871,948
Additions	-	110,464	-	148,359	5,086,225	5,345,048
31 August 2018	17,256	24,473,955	2,222,675	5,493,891	7,009,219	39,216,996
Depreciation: 1 September 2017	-	9,326,136	451,488	4,366,970	-	14,144,594
Charge for year	-	558,199	45,220	262,885	-	866,304
31 August 2018	-	9,884,335	496,708	4,629,855	-	15,010,898
Net book values: 31 August 2018	17,256	14,589,620	1,725,967	864,036	7,009,219	24,206,098
31 August 2017	17,256	15,037,355	1,771,187	978,562	1,922,994	19,727,354

At 31 August 2018 the group was contracted to future expenditure of £3,739,532 (2017: £nil).

Included in the above are assets with a total net book value of £497,865 (2017: £56,845) that are held under hire purchase contracts. Depreciation charged on these assets in the year amounted to £9,198 (2017: £9,198).

Sherborne School for Girls  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2018

10 TANGIBLE FIXED ASSETS (continued)

CHARITY	Freehold land £	Buildings £	Swimming pool £	Furniture, machinery equipment £	Assets in the course of construction £	Total £
Cost:						
1 September 2017	17,256	23,862,143	188,014	4,994,736	1,922,994	30,985,143
Additions	-	110,464	-	80,863	5,086,225	5,277,552
31 August 2018	17,256	23,972,607	188,014	5,075,599	7,009,219	36,262,695
Depreciation:						
1 September 2017	-	9,291,320	47,732	4,163,776	-	13,502,828
Charge for year	-	548,053	4,527	235,390	-	787,970
31 August 2018	-	9,839,373	52,259	4,399,166	-	14,290,798
Net Book values:						
31 August 2018	17,256	14,133,234	135,755	676,433	7,009,219	21,971,897
31 August 2017	17,256	14,570,823	140,282	830,960	1,922,994	17,482,315

At 31 August 2018 the Charity was contracted to future capital expenditure of £3,739,532 (2017: £nil).

Included in the above are assets with a total net book value of £450,217 (2017: £nil) that are held under hire purchase contracts. Depreciation charged on these assets in the year amounted to £nil (2017: £nil).

# Sherborne School for Girls

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

### 11 INVESTMENTS

Group	2018 £	2017 £
Listed Investments at market value		
Brought forward	3,853,381	4,191,365
Acquisitions at cost	166,788	431,566
Increase in market value	36,020	259,377
Disposals at market value	(45,387)	(1,028,927)
	<u>          </u>	<u>          </u>
Carried forward	4,010,802	3,853,381
Cash held by investment manager	1,087,145	1,059,640
	<u>          </u>	<u>          </u>
Total investments (excluding subsidiary shares)	5,097,947	4,913,021
Charity		
Shares in subsidiary trading company at cost	100	100
	<u>          </u>	<u>          </u>
Total Fixed Asset Investments	5,098,047	4,913,121
	<u>          </u>	<u>          </u>
Summary	2018 £	2017 £
Unrestricted:		
General investments	3,200,663	3,097,170
Restricted funds:		
Other specific funds (Scholarship & Prizes)	473,944	459,951
Boughey Trust	19,110	7,811
Verdon-Smith	35,489	22,073
Bursaries & Scholarships	437,620	432,266
Tory fund	158,865	152,469
Winifred Spooner	86,356	58,746
Endowed funds:		
Boughey Trust	378,364	376,503
Verdon-Smith	307,536	306,032
	<u>          </u>	<u>          </u>
	5,097,947	4,913,021
	<u>          </u>	<u>          </u>

Restricted Investments are held in respect of specific restricted funds. For full analysis of funds please refer to Note 17.

Sherborne School for Girls  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2018

12 STOCK

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Finished goods	149,940	147,433	76,310	76,767

13 DEBTORS

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Fees and extras less provision for doubtful debts	178,945	171,865	178,945	171,865
Other debtors	127,593	52,462	32,421	21,005
Prepayments and accrued income	129,843	159,482	112,527	145,326
Amounts owed by subsidiaries	-	-	2,416,140	2,470,446
Amounts owed by joint venture	51,163	60,000	51,163	60,000
	487,544	443,809	2,791,196	2,868,642

At the year end the school loan to its subsidiary, Sherborne Sports and Leisure Limited, amounted to £2,133,945 (2017: £2,163,945). The loan is secured over the property and assets of the company, with interest being charged at 1.25% above the base rate. The whole of this debtor is due greater than one year.

14 CREDITORS

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Amounts payable within one year:				
Composition of fees	26,844	57,025	26,844	57,025
Advanced fees scheme	634,582	510,705	634,582	510,705
Bank loan	235,350	235,350	235,350	235,350
Social security and other taxes	289,818	260,997	247,461	227,343
Other creditors and accruals	1,269,080	843,099	1,161,593	768,626
Fees received in advance	1,963,350	1,939,590	1,963,350	1,939,590
Fee deposits	874,788	865,533	874,788	865,533
Hire purchase creditor	44,397	14,741	39,878	-
Owed to group undertakings	-	-	86,518	53,756
	5,338,209	4,727,040	5,270,364	4,657,928

# Sherborne School for Girls

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

### 15 CREDITORS (continued)

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Amounts payable in more than one year:				
Composition of fees and interest	66,451	92,416	66,451	92,416
Advanced fees scheme	1,650,682	1,139,750	1,650,682	1,139,750
Bank loan	3,792,572	4,026,836	3,792,572	4,026,836
Hire purchase creditor	347,853	4,519	347,853	-
	<u>5,857,558</u>	<u>5,263,521</u>	<u>5,857,558</u>	<u>5,259,002</u>
Repayable by instalments				
Bank loan:				
within one year			235,350	235,350
between two and five years			941,400	941,400
after five years			2,851,172	3,085,436
			<u>4,027,922</u>	<u>4,262,186</u>
Hire purchase:				
within one year			39,878	-
between two and five years			159,512	-
after five years			188,341	-
			<u>387,731</u>	<u>-</u>

At the year end all borrowings are at a fixed rate and are secured with a fixed charge over the property of the School in favour of the bank. Borrowings have fixed interest rates ranging from 3.45% - 6.24% and capital repayment profiles of 20-25 years. In November 2017, the school entered into a loan agreement with National Westminster Bank plc for £2m. At the year end the school had not drawn down any of the facility. Interest and other similar charges on bank loans and overdrafts totalling £225,022 (2017: £207,843) were incurred in the year.

#### (a) COMPOSITION OF FEES

Composition of fees represents amounts paid in advance to the School which will be credited to incoming resources in more than one year. In the event of a pupil not being offered a place, or who leaves early, a repayment of the composition will fall due upon notice by the parent.

Assuming pupils will remain in the School composition of fees will be applied as follows:

	2018	2017
	£	£
After more than five years	-	-
Within two to five years	39,607	65,572
Within one to two years	26,844	26,844
Over more than one year	<u>66,451</u>	<u>92,416</u>
Within one year (see note 14)	26,844	57,025
Balance at 31 August 2018	<u>93,295</u>	<u>149,441</u>

# Sherborne School for Girls

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 August 2018

#### Summary in movements in liability

	2018
Balance at 1 September 2017	£
Amounts used to pay fees	149,441
Amounts accrued to contract as debt financing cost	(57,024)
Balance at 31 August 2018	<u>878</u>
	<u>93,295</u>

#### (b) ADVANCED FEES SCHEME

Advance fees scheme represents amounts paid in advance to the School which will be credited to incoming resources in more than one year. In the event of a pupil not being offered a place, or who leaves early, a repayment of the advanced fee will fall due upon notice by the parent.

Assuming pupils will remain in the School advanced fees will be applied as follows:

	2018	2017
	£	£
After more than five years	36,621	69,255
Within two to five years	1,029,511	650,977
Within one to two years	584,550	419,518
Over more than one year	<u>1,650,682</u>	<u>1,139,750</u>
Within one year (see note 13)	<u>634,583</u>	<u>510,705</u>
Balance at 31 August 2018	<u>2,285,265</u>	<u>1,650,455</u>

#### Summary in movements in liability

	2018
	£
Balance at 1 September 2017	1,650,455
New contracts	1,176,205
Amounts used to pay fees	(579,976)
Amounts accrued to contract as debt financing cost	38,581
Balance at 31 August 2018	<u>2,285,265</u>

## 16 FINANCIAL INSTRUMENTS

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Financial assets measured at Fair Value	5,098,047	4,913,121	5,098,047	4,913,121
Financial assets measured at amortised cost	1,509,302	4,253,236	3,500,543	5,549,499
Financial liabilities measured at amortised cost	11,195,767	9,995,080	11,127,922	9,916,930

Financial assets measured at amortised cost comprise of trade and other debtors, accrued income, amounts owed from subsidiary undertakings, bad debt write off and movement in bad debt provision.

Financial liabilities measured at amortised cost comprise of cash, trade creditors, pension contributions due, obligations under finance leases, accruals, fee deposits, amounts owed to group undertakings and bank overdrafts and loans.

# Sherborne School for Girls

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

### 17 STATEMENT OF FUNDS

	As restated At September 2017 £	Incoming resources £	Resources expended £	Investment Gains £	At 31 August 2018 £
Unrestricted funds:					
General	15,969,408	16,647,770	(16,417,558)	17,151	16,216,771
Designated Arts Centre	140,624	-	-	-	140,624
Where the School Needs It Most	34,094	-	-	-	34,094
	<u>16,144,126</u>	<u>16,647,770</u>	<u>(16,417,558)</u>	<u>17,151</u>	<u>16,391,489</u>
Restricted Funds:					
Verdon-Smith	28,060	12,099	(4,670)	-	35,489
Bouhey Trust	22,053	14,674	(17,617)	-	19,110
Scholarship Fund	367,752	14,257	(14,979)	3,244	370,274
Prize Fund	104,226	3,883	(5,322)	883	103,670
Bursaries & Scholarships	432,266	16,961	(15,457)	3,850	437,620
Winifred Spooner	80,926	5,430	-	-	86,356
Development funds:					
Scholarship & Bursaries	41,424	165	-	-	41,589
Annual Fund	1,600	-	-	-	1,600
Arts Centre Fund	1,131,744	301,685	-	-	1,433,429
Tory Masterclass	152,472	7,196	(5,602)	4,799	158,865
Buildings and Facilities	2,205	-	-	-	2,205
Candlelight Fund	14,750	21,848	(29,582)	-	7,016
Sports	43,312	3,100	(14,018)	-	32,394
	<u>2,422,790</u>	<u>401,298</u>	<u>(107,247)</u>	<u>12,776</u>	<u>2,729,617</u>
Total Restricted Funds	2,422,790	401,298	(107,247)	12,776	2,729,617
Endowed funds:					
Verdon-Smith	306,032	-	(1,250)	2,754	307,536
Bouhey Trust	376,503	-	(1,478)	3,339	378,364
	<u>682,535</u>	<u>-</u>	<u>(2,728)</u>	<u>6,093</u>	<u>685,900</u>
Total Endowed Funds	682,535	-	(2,728)	6,093	685,900
Total funds	<u>19,249,451</u>	<u>17,049,068</u>	<u>(16,527,533)</u>	<u>36,020</u>	<u>19,807,006</u>

#### Transfer of funds

Following a fund review, the opening funds of £14,750 have been reclassified as Candlelight Funds and £43,312 to Sport. This is in line with donor requests. The opening reserves have been restated.

Sherborne School for Girls  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2018

17 STATEMENT OF FUNDS (Continued)

	As restated At 1 September 2016 £	Incoming resources £	Resources expended £	Investment Gains £	At 31 August 2017 £
Unrestricted funds:					
General	15,515,758	15,701,700	(15,425,041)	176,991	15,969,408
Designated Arts Centre	140,624	-	-	-	140,624
Where the School Needs It Most	31,116	3,420	(442)	-	34,094
	<u>15,687,498</u>	<u>15,705,120</u>	<u>(15,425,483)</u>	<u>176,991</u>	<u>16,144,126</u>
Restricted Funds:					
Verdon-Smith	21,967	10,590	(4,497)	-	28,060
Boughey Trust	14,420	14,627	(6,994)	-	22,053
Scholarship Fund	326,408	33,576	(12,791)	20,559	367,752
Prize Fund	93,007	7,991	(2,791)	6,019	104,226
Bursaries & Scholarships	415,602	10,361	(10,822)	17,125	432,266
Winifred Spooner	-	80,926	-	-	80,926
Development funds:					
Scholarship & Bursaries	39,455	1,969	-	-	41,424
Annual Fund	1,600	-	-	-	1,600
Arts Centre Fund	566,717	601,255	(36,228)	-	1,131,744
Tory Masterclass	80,700	74,581	(10)	(2,799)	152,472
Buildings and Facilities	2,205	-	-	-	2,205
Candlelight Fund	23,009	17,936	(26,195)	-	14,750
Sports	43,312	-	-	-	43,312
	<u>1,628,402</u>	<u>853,812</u>	<u>(100,328)</u>	<u>40,904</u>	<u>2,422,790</u>
Total Restricted Funds	1,628,402	853,812	(100,328)	40,904	2,422,790
Endowed funds:					
Verdon-Smith	288,212	-	(923)	18,743	306,032
Boughey Trust	354,855	-	(1,091)	22,739	376,503
	<u>643,067</u>	<u>-</u>	<u>(2,014)</u>	<u>41,482</u>	<u>682,535</u>
Total Endowed Funds	643,067	-	(2,014)	41,482	682,535
Total funds	<u>17,958,967</u>	<u>16,558,932</u>	<u>(15,527,825)</u>	<u>259,377</u>	<u>19,249,451</u>

# Sherborne School for Girls

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 August 2018

#### 17 STATEMENT OF FUNDS (Continued)

The designated funds represent a legacy donation which is currently held for contribution to the Arts Centre project as agreed by Council. These funds are aimed to be utilised within the next financial year.

The Where the School Needs It Most fund is the accumulation of donations for the School's development with no other specific restrictions.

Differences between the fund balances and the corresponding investment accounts are represented by cash held in the School's bank accounts.

The restricted funds comprise Bursaries & Scholarships, Prizes and Development funds.

The Endowed funds comprise of The Verdon-Smith and Boughey funds.

The Bursaries & Scholarships, Verdon-Smith and Boughey Trust funds provide bursaries and scholarships for girls attending the School. The Prize Fund provides prizes in recognition of either academic or artistic excellence.

The Development Funds were set up to receive donations from individuals. The donors select an option on how the money can be spent. The various funds are as follows:

- The Scholarship and Bursaries Fund is used to pay out scholarship and bursaries.
- The Annual Fund provides relatively small, every day, enhancements to the pastoral and/or academic functions of the School.
- The Arts Centre Fund is earmarked to finance a high quality performance venue to cover the needs of music and drama.
- The purpose of the Tory Masterclass fund is to establish an annual Music Masterclass and Concert at the School in memory of Harriet Tory.
- The Buildings and Facilities fund is for capital expenditure and maintenance of the School's buildings.
- The purpose of the Candlelight Fund is to support socially disadvantaged children (with the promise and character to thrive at Sherborne Girls) in order to give them a greater chance in life.

#### a) ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Endowed funds £	Total £
Fund balances at 31 August 2018 are represented by:				
Intangible fixed assets	39,486	-	-	39,486
Tangible fixed assets	24,206,098	-	-	24,206,098
Investments	3,200,663	1,211,384	685,900	5,097,947
Current assets	141,009	1,518,233	-	1,659,242
Current liabilities	(5,338,209)	-	-	(5,338,209)
Long term liabilities	(5,857,558)	-	-	(5,857,558)
	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	16,391,489	2,729,617	685,900	19,807,006
	<hr/>	<hr/>	<hr/>	<hr/>

# Sherborne School for Girls

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

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a) ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS - COMPARATIVE

	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Endowed funds £</i>	<i>Total £</i>
Fund balances at 31 August 2017 are represented by:				
Intangible fixed assets	39,486	-	-	39,486
Tangible fixed assets	19,727,354	-	-	19,727,354
Investments	3,338,270	892,216	682,535	4,913,021
Current assets	3,029,577	1,530,574	-	4,560,151
Current liabilities	(4,727,040)	-	-	(4,727,040)
Long term liabilities	(5,263,521)	-	-	(5,263,521)
	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	16,144,126	2,422,790	682,535	19,249,451
	<hr/>	<hr/>	<hr/>	<hr/>

# Sherborne School for Girls

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

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### 18 NET INCOME FROM ACTIVITIES OF THE SUBSIDIARIES

All subsidiary entities have the same registered office as the school which is detailed on page 1 of these financial statements. The charity has three wholly owned subsidiaries, Mulliner Trading (Sherborne) Limited (Company Registration Number: 03230791), Sherborne Sports and Leisure Limited (Company Registration Number: 05869779, Charity Registration Number: 1117024), and The Sherborne Girls Foundations (Company Registration Number: 09637231, Charity Registration Number: 1164053), which are all incorporated in England and Wales. Mulliner Trading (Sherborne) Limited manages the trading activities of the School, Sherborne Sports and Leisure Limited manages the School Sports Centre and The Sherborne Girls Foundation controls fundraising activity for the school. A summary of the trading position is shown below. Audited accounts have been filed with the Registrar of Companies.

(i) Mulliner Trading (Sherborne) Limited	2018	2017
	£	£
Profit and loss account		
Turnover	1,127,396	1,068,704
Cost of sales	(859,177)	(785,669)
	<hr/>	<hr/>
Gross profit	268,219	283,035
Administration	(12,846)	(13,358)
Investment income	-	8
	<hr/>	<hr/>
Net profit	255,373	269,685
	<hr/>	<hr/>
Distribution to Parent Company	(255,373)	(269,685)
	<hr/>	<hr/>
Retained in subsidiary	-	-
	<hr/>	<hr/>
The aggregate of assets, liabilities and funds was:		
Assets	402,428	362,493
Liabilities	(385,011)	(345,076)
	<hr/>	<hr/>
	17,417	17,417
	<hr/>	<hr/>
Representing:		
Share capital (100 ordinary shares of £1 each)	100	100
Profit and loss account	17,317	17,317
	<hr/>	<hr/>
	17,417	17,417
	<hr/>	<hr/>

# Sherborne School for Girls

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

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### 18 NET INCOME FROM ACTIVITIES OF THE SUBSIDIARIES (*continued*)

(ii) Sherborne Sports and Leisure Limited	2018 £	2017 £
Incoming resources	954,320	937,176
Cost of charitable activities	(944,856)	(896,491)
	<hr/>	<hr/>
Net movement in funds	9,464	40,685
	<hr/>	<hr/>
The aggregate of assets, liabilities and funds was:		
Assets	2,425,350	2,451,343
Liabilities	(2,237,967)	(2,273,424)
	<hr/>	<hr/>
	187,383	177,919
	<hr/>	<hr/>
Represented by:		
General funds	187,383	177,919
	<hr/>	<hr/>
	<hr/>	<hr/>
(iii) The Sherborne Girls Foundation	2018 £	2017 £
Incoming resources	568,998	613,815
Cost of charitable activities	(1,140,845)	(35,493)
	<hr/>	<hr/>
Net movement in funds	(571,847)	578,322
	<hr/>	<hr/>
The aggregate of assets, liabilities and funds was:		
Assets	194,996	770,556
Liabilities	(2,210)	(5,923)
	<hr/>	<hr/>
	192,786	764,633
	<hr/>	<hr/>
Represented by:		
Restricted funds	192,786	764,633
	<hr/>	<hr/>
	<hr/>	<hr/>

# Sherborne School for Girls

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

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### 19 JOINT VENTURE INTEREST

The School owns 50% of the share capital of Sherborne Schools Worldwide Limited (company no. 10730155), which was incorporated on 19 April 2017, and commenced trading on 1 May 2017. The company is jointly owned with Sherborne School, and has been incorporated to identify international opportunities, select, market to and enter into arrangements with third parties on behalf of the two Schools jointly, to generate income, increase the value of the School's brands and enhance the Schools' reputations.

Sherborne Schools Worldwide Limited's trading results for the 14 month period to 30 June 2018, are summarised below:

	2018
	£
Turnover	196,594
Cost of sales	(154,942)
	<hr/>
Gross profit	41,652
Administration	(339,325)
	<hr/>
Net (loss)	(297,673)
	<hr/>
50% share of loss	(148,837)
	<hr/>
The aggregate of assets, liabilities and funds was:	
Assets	25,629
Liabilities	(323,300)
	<hr/>
	(297,671)
	<hr/>
Representing:	
Share capital (2 ordinary shares of £1 each)	2
Profit and loss account	(297,673)
	<hr/>
	(297,671)
	<hr/>
50% share of shareholder's deficit	(148,836)

The School has provided loan funding to Sherborne Schools Worldwide Limited of £200k up to the period end date. The loan balance is included within debtors, note 13.

# Sherborne School for Girls

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 August 2018

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#### 20 RELATED PARTY TRANSACTIONS

##### a) Transactions with Governors

During the year the company paid no remuneration to Governors. Travel expenses were paid to 10 (2017: 6) Governors of £4,085 (2017: £1,428).

##### b) Related Parties

Sherborne School for Girls wholly own Sherborne Sports and Leisure Limited.

The company owed £59,441 to (2017: £9,857, owed from) its subsidiary for services and goods throughout the year which is repayable on demand.

The company was owed £2,133,945 (2017: £2,163,945) from its subsidiary for a loan. However, assurance has been given and this is not repayable for at least 12 months from the signing of these accounts.

The company has sold £68,100 (2017: £77,820) worth of services and goods to its subsidiary during the year.

The company has purchased £295,739 (2017: £251,836) worth of services and goods from its subsidiary during the year.

Sherborne School for Girls wholly own Mulliner Trading (Sherborne) Limited.

Sherborne School for Girls was owed £269,336 (2017: £257,730) by Mulliner Trading (Sherborne) Limited for services and goods throughout the year which is repayable on demand.

The company was owed £13,963 (2017: £nil) from its subsidiary, for an overpayment made during the year.

The company has purchased £438,487 (2017: £386,591) worth of services and goods from its subsidiary during the year.

The Sherborne Girls Foundation is a controlled entity of Sherborne School for Girls. During the year the company gifted £25,895 (2017: £25,539) of services to The Sherborne Girls Foundation.

The company was owed £720 (2017: £4,873) by The Sherborne Girls Foundation for monies paid on behalf of The Sherborne Girls Foundation.

The company donated £222,127 (2017: £nil) to The Sherborne Girls Foundation during the year.

The company received donations of £1,112,815 (2017: £nil) from The Sherborne Girls Foundation during the year.

Sherborne School for Girls  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2018

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21 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATIONS

	2018 £	2017 £
Net incoming resources	557,555	1,290,484
Investment income	(204,551)	(184,517)
Finance Costs	420,890	283,972
Investment gains	(36,020)	(259,377)
Investment management charges	14,944	13,998
Depreciation charges	866,304	872,250
(Increase)in stock	(2,507)	(671)
(Increase)/decrease in debtors	(43,735)	432,427
Decrease in creditors (excluding fees in advance scheme and deposit)	454,802	185,569
Increase in fees in advance scheme creditors	602,423	981,635
Decrease/(increase) in parents deposits	9,255	(313,910)
Net cash inflow from operations	<u>2,639,360</u>	<u>3,301,860</u>

Analysis of changes in net funds

	At 1 September 2017 £	Cash flows £	At 31 August 2018 £
Cash at bank	3,400,909	(2,487,468)	913,441
Short term cash deposits	568,000	(459,683)	108,317
	<u>          </u>	<u>          </u>	<u>          </u>
Total funds	3,968,909	(2,947,151)	1,021,758
	<u>          </u>	<u>          </u>	<u>          </u>

**Sherborne School for Girls**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2018

**22 CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE FIGURES BY FUND**

	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2017 £
<b>Income from:</b>				
<b>Charitable activities</b>				
School fees receivable	13,290,917	-	-	13,290,917
Ancillary trading income	1,101,056	-	-	1,101,056
<b>Other trading activities</b>				
Non-Ancillary Trading income	1,183,671	-	-	1,183,671
<b>Investments</b>				
Investment income and interest	129,476	55,041	-	184,517
<b>Voluntary Sources</b>				
Donations and Legacies	-	798,771	-	798,771
<b>Total income</b>	<b>15,705,120</b>	<b>853,812</b>	<b>-</b>	<b>16,558,932</b>
<b>Expenditure on:</b>				
<b>Raising funds</b>				
Fundraising costs	92,831	-	-	92,831
Non-Ancillary Trading	1,409,845	-	-	1,409,845
Financing costs	280,574	3,398	-	283,972
Investment management costs	8,919	3,065	2,014	13,998
<b>Charitable activities</b>	<b>13,633,314</b>	<b>93,865</b>	<b>-</b>	<b>13,757,179</b>
<b>Total Expenditure</b>	<b>15,425,483</b>	<b>100,328</b>	<b>2,014</b>	<b>15,527,825</b>
<b>Net income/(expenditure) from operations before investments gains or loses</b>	<b>279,637</b>	<b>753,484</b>	<b>(2,014)</b>	<b>1,031,107</b>
<b>Net gains on investments</b>	<b>176,991</b>	<b>40,904</b>	<b>41,482</b>	<b>259,377</b>
<b>Net income</b>	<b>456,628</b>	<b>794,388</b>	<b>39,468</b>	<b>1,290,484</b>
<b>Net movement in funds</b>	<b>456,628</b>	<b>794,388</b>	<b>39,468</b>	<b>1,290,484</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward	15,687,498	1,628,402	643,067	17,958,967
<b>Total funds carried forward</b>	<b>16,144,126</b>	<b>2,422,790</b>	<b>682,535</b>	<b>19,249,451</b>