



# MILLFIELD

## ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

for the year ended

31 August 2022

---

Company number: 00522385  
Registered Charity Number: 310283

SATURDAY



\*AC1YGZKQ\*

A04 22/04/2023 #140

COMPANIES HOUSE

## **CONTENTS**

REPORT OF THE GOVERNING BODY	3
INDEPENDENT AUDITOR'S REPORT	20
CONSOLIDATED STATEMENTS OF FINANCIAL ACTIVITIES	23
BALANCE SHEETS	24
CONSOLIDATED CASH FLOW STATEMENTS	25
NOTES TO THE FINANCIAL STATEMENTS	26
GOVERNORS, ADVISORS AND KEY STAFF	43

REPORT OF THE GOVERNING BODY  
for the year ended 31 August 2022

The Governors present their Annual Report and Consolidated Financial Statements for the year ended 31 August 2022 and confirm that they comply with the requirements of the Charities Act 2011, the Companies Act 2006, and the Charities SORP FRS 102.

The Governing Body confirms that the financial statements comply with the charity's governing document, with current statutory requirements, with applicable accounting standards in the United Kingdom, and with the Charities Statement of Recommended Practice (FRS 102) – Second Edition. The Governors of Millfield ("the School") are the School's charity trustees under charity law and the directors of the charitable company. The School's Governors, advisors and key staff are set out on pages 43-44.

## REVIEW OF THE YEAR

### Principal Achievements and Performance

#### *Educational performance*

Millfield is a large, non-selective independent school with around 1,300 students at the senior school site and 480 at the prep school site. Our students are a diverse cohort with over 250 international students from 70 different countries represented within the student body, and a further 200 or so British students living abroad. The scale of our community, combined with the resources and facilities we offer means our scale brings educational opportunity. Our unique selling point is the wide range of sporting and other activities, coaching and facilities that students enjoy alongside their academic education.

With an average year group size of 223 students in Year 11 and 320 students in the Upper Sixth, Millfield has a much larger number of candidates sitting GCSEs, A levels or equivalent Sixth Form courses, than other independent schools. For that reason, we publish results that reflect both the whole student group as well as our Top 100 highest achieving candidates. The Top 100 results show that this group regularly achieve grades which compare well with highly selective Schools.

A level or equivalent results			GCSE results		
	Top 100	Year Group		Top 100	Year Group
A* - A grades	77.5%	39.2%	9 - 7 or A* - A grades	84.1%	51.8%
A* - B grades	98.5%	66.3%	9 - 5 or A* - B grades	97.5%	85.7%
A* - C grades	100.0%	85.5%	9 - 4 or A* - C grades	99.3%	93.3%
A* - E grades	100.0%	99.2%	9 - 2 or A* - E grades	100.0%	99.1%

There were strong results from students who took the Advanced Vocational Qualifications. Upper Sixth students were offered A level equivalent (level 3) BTEC courses during the 2020/22 session: the BTEC Extended Diploma in Art & Design; the BTEC Diploma in Business; the BTEC National Diploma in Enterprise & Entrepreneurship and the BTEC Diploma in Sport. Students also had the options of a single A level equivalent qualification in BTEC Extended Certificate in Music Performance or the Level 3 Diploma in Food and Nutrition.

BTEC results		
	BTEC Only	Inc. level 3 Food Science & Nutrition
%Dist.* - Dist.	71.8%	68.4%
%Dist.* - Merits	91.8%	92.3%
%Dist.* - Pass	100.0%	100.0%

## Principal Achievements and Performance (*continued*)

### *University Destinations*

Every year we encourage students to apply to UCAS prior to leaving Millfield. This year, 86% of our leavers applied to UCAS, with 92% of them successfully obtaining places and the remainder taking a gap year and making post-results day applications, applying overseas or direct into creative arts-based courses, or going straight into employment or sport. All students who do not have any career or HE plans are offered 1:1 specialist career advice before leaving Millfield and are supported by the Futures Department and the Old Millfieldian "OMs" Society after they leave.

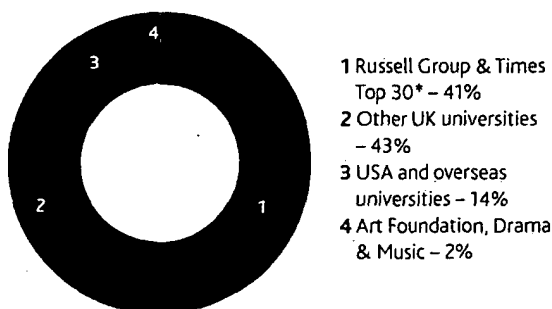
This year saw 102 Millfield leavers confirming places into Russell Group universities or Times Top 30 universities. The most popular Russell Group choices this year were Exeter, Durham, Newcastle and Cardiff. Other popular university choices included Loughborough, Oxford Brookes and Bath.

In recent years we have seen an increase in the number of applicants from Millfield to overseas universities, in particular the USA and Canada. 29 students secured places at USA or Canadian universities and two OMs also took up places. Millfield provides specialist guidance for applications to American universities and employs a Tutor in Charge as well as a SAT advisor. They ensure candidates get the best possible advice and are guided throughout the process. The most popular US establishments this year were Stanford University, Columbia University, The University of Chicago, University of California, Los Angeles (UCLA), University of San Francisco, Indiana University Bloomington, Amherst College and Berklee College of Music.

---

### WHERE MILLFIELD STUDENTS GO

---



---

\*In addition to the Russell Group of universities, The Times top 30 (2022) includes other selective universities. Students most popular choices include University of Exeter, University of Bath, Loughborough, Durham University, Cardiff University and King's College London.

---

### *Students*

A review of the students' principal achievements and performance in the year is available from the School's website in 'The Year at Millfield 2021/22' and 'The Year at Millfield Prep 2021/22' publications.

Millfield continues to develop two unique programmes, the "Year 9 Programme" and the "Sixth Form Programme". The Year 9 Programme is designed to help new students assimilate and absorb themselves into Millfield through opportunities in academic, sports, co-curricular and outdoor adventure activities. The programme also provides a platform for their development within the school. The outdoor adventure aspect allows them the opportunity to try things they might otherwise not experience and to participate in the Duke of Edinburgh Bronze Award challenge should they wish. The Sixth Form Programme recognises the academic, sporting and co-curricular opportunities already in place and complements these with the Millfield Brilliance Award ("MBA") to assist the students' development as young adults across a range of areas.

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



#### *Staff*

The student: teacher ratio stands at 6.9:1 (2021: 6.5:1).

The School continues to strive to recruit dynamic, high-quality staff across all areas, including teaching, sports coaches, welfare and support, and invests significant amounts of its income to recruit, retain and motivate staff.

#### *Development of Facilities and Resources*

The focus this year has been to maintain our existing facilities and resources as we emerge from the COVID pandemic. Investment has increased to £3.1 million (2021: £2.0 million) and work included the following:

- Completion of junior/senior girls changing rooms (£0.2 million)
- Squash Courts upgrade and refurbishment (£0.2 million)
- Boarding house (Kernick and Chestnut) bathroom facilities upgrade and refurbishment (£0.3 million)
- Fire detection system upgrades (£0.2 million)
- LED lighting upgrades (£0.1 million)
- Completion of Wellbeing Centre refurbishment (£0.2 million)
- Boarding house "wi-fi" upgrade (£0.2 million)
- IT infrastructure i.e. Servers, Switches and PC replacement (£0.4 million)
- Sports pitches, riding arenas and other grounds works (£0.3 million)

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

#### **Public Benefit**

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

The School also brings significant economic benefits. On the basis of a model developed by Oxford Economics in conjunction with the Independent Schools Council, the School estimates that its economic impact on the UK and local economy is as follows:

### Economic Impact of Millfield 2021/22



#### *Access, scholarships and bursaries*

Scholarships and bursaries enable access to the school for talented students who would benefit from an education at Millfield. Scholarships may be supplemented with means-tested bursaries of up to 110%, to uphold our powerful principle of diversity that is the Millfield Mix, making sure that those children who would best benefit from a Millfield education and outstanding opportunities are able to do so. Every child matters, and at Millfield we are passionate in our goal to identify the potential in each individual and do everything we can to ensure they discover their brilliance.

#### *Partnerships with state schools*

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

- Providing facilities for SAT test candidates for US university entrance to pupils from across the South West of England;
- Our Combined Cadet Force (CCF) joint programme with St Dunstan's School in Glastonbury continues to flourish
- School children from local primary Elmhurst Junior have been visiting Millfield to learn a variety of skills from the students. Year 11 students and Sixth Formers on the new Millfield Brilliance Award (MBA) initiative helped develop the the children's skills in art, drama, English and Chinese
- The Headmaster, Mr Horgan, attended the "Made By Dyslexia's first World Dyslexia Assembly" at the Swedish Royal Palace by invitation of Her Majesty the Queen of Sweden. This event called for systemic change to empower Dyslexic Thinking in every school and workplace.
- The Oxbridge Preparation Day saw over 100 students from a range of local schools come to Millfield to experience a unique series of sessions delivered by staff. Each session enabled students to tap into their curiosity around medicine, philosophy, engineering and other subjects. Students were engaged in critical thinking, text analysis and complex mathematical challenges.

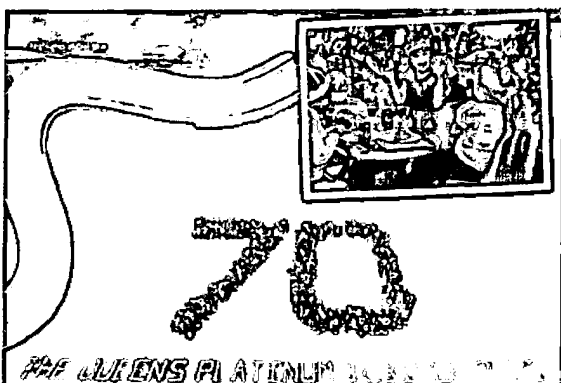
#### *Community engagement*

- It was Millfield's second Giving Day event this year. On 26 & 27 May 2022, Giving Day brought together the whole Millfield community. We carried out lots of fun and exciting challenges to raise money for the Discover Brilliance Fund and more than £220,000 was raised. The aim of the Discover Brilliance Fund is for it to enable us to significantly increase opportunities for children to attend Millfield and we are grateful for everyone who has supported the fundraising efforts.



- Millfield Music School Faure's Requiem event at Wells Cathedral was a spectacle to behold, highlighting the hard work of both students, staff, and members of the local community, celebrating singers of all ages coming together to produce an incredible musical extravaganza in a stunning venue. We raised over £1,500 in aid of two charities: CALM: Children's Cancer and Leukaemia Movement and Somerset Arts Therapies Centre.
- For Remembrance Day, Year 2 children made some beautiful collages using scrap paper, string and their own poppy designs. They held great symbolism and meaning for a poignant time of year. Our whole school act of remembrance saw all the children wear their poppies with pride and give thanks to the brave men and women who gave their lives for our freedom today.
- The Queen's Platinum Jubilee fell during the summer half term, so we had an early celebration on bank holiday Monday to mark the event. Pupils took part in a range of activities in the morning such as a 1950's-style sports day, crown-making and learning about the history of the monarchy. The afternoon saw the Mayor of Glastonbury, Jon Cousins, and the Shepton Mallet Town Crier, Andy Neal, join the school to sing the national anthem. They also joined with the Heads of School to plant a Glastonbury Thorn tree, to honour the incredible legacy of Queen Elizabeth II. The children had a fantastic day celebrating together. Millfield planted trees on campus as part of The Queen's Green Canopy in the presence of Annie Maw, Lord Lieutenant of Somerset.
- An amazing response from all of the school with food hamper donations pouring in for our local food bank charity Bridging the Gap.
- Millfield Community Day returned after three years, welcoming those with learning disabilities, and their carers, onto campus for a day of fun activities, shows and events.
- The bi-annual musical returned to the Meyer Theatre with the students performing Little Shop of Horrors. As well as on stage performers, 37 students supported backstage, with lighting and sound.

- The boys of Orchards boarding house remain very proud of our focus on charity and this year they have contributed significantly to a number of gifts for a local Christmas gift appeal, supported school charities, the Glastonbury and Street Lions Club and Mr Horn (house tutor and old Orchardian) in his 900-mile charity cycle.



#### *Supporting Charities*

Millfield fundraises for many other charities, including:

- Moana was the first live production at Millfield Prep for over two years following the hiatus caused by Covid. Four shows were performed at the Meyer theatre at Millfield senior school, raising money for "UNICEF" in the process.
- For "BBC children in need" this year Millfield Pre-prep held a "Strictly Come Dancing" - inspired Danceathon. All of the children and staff put on their best sparkly party clothes and superhero outfits to dance throughout the entire day and £1,600 was raised.
- A fantastic coming together of the whole boarding community at Prep School raising money for "Young Minds". Young Minds are a mental health charity for children, young people and their parents, making sure all young people can get the mental health support they need. The boarders climbed Mount Everest in a stairs challenge, rowed the English Channel and did other inspiring tasks. They have raised over £1,000 across all 5 houses. The day finished with a fabulous colour run.
- Millfield Prep pupils wore mismatched socks again to support and raise awareness for Anti-Bullying Week. The children showed their support of inclusivity and all being ourselves. They were taught the importance of living by the school's value of 'Be Kind' and how an individuals' differences are valued at Millfield.
- Harvest festival went al fresco this year and over £500 was kindly donated to the local food bank charity Bridging the Gap.
- The children chose their own charity and came up with the Alzheimer's Society which is one dear to a lot of families hearts. The play, "Mr Humbug sees the light" was a wonderful way to end the Autumn term and over £400 was raised for the charity.
- A Millfield prep student set up a book fair. Donations of old books were brought in by the pupils and sold on raising £170 for the Ocean Conservation charity.
- Millfield students took to the Meyer Theatre stage once again for this year's Showcase, which raised just over £8,000 for the schools three charities selected by Millfield's pupil-led charity committee
- Millfield "Billy Goes Platinum" evening event saw a wonderful collaboration of the very best of Millfield's creative arts performances with a stellar line up of contemporary and classic musicians, alongside some fantastic dance accompaniment. A marvellous £1,300 on the night was raised for Ukraine Humanitarian Appeal.
- There were doughnut sales for IDAHOBIT day which was single-handedly organised by an upper Sixth student to support Breast Cancer Awareness.

#### *Promoting the Value of Sport to the Community*

- A record number of 24 Millfieldians competed in the 2022 Commonwealth Games hosted in Birmingham. If Millfield were a country, they would have placed 15th in the overall medal standings this year, bringing home three gold, five silver and six bronze medals.

- Millfield hosted the regional IAPS U11 cricket and football finals competition which a number of schools attended who are not normally on the regular fixture list
- Millfield Prep hosted the fencing British Youth Championships and Somerset LTA Summer National Club Tennis League
- South West Fencing Championships were again hosted by Millfield, with schools attending from across our region
- Multi-activity courses are available for local children during school holidays
- Millfield Enterprises offer summer holiday sport and activity courses for children
- Hosting, organising and providing facilities for clubs, schools and representative organisations, including swimming, athletics, hockey, netball, cricket, tennis, basketball, golf, football and fencing, as well as running lifeguard training courses

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

- Millfield concerts continue to be free for the local community. In addition, Millfield Music School continues to host several community-based music projects each year
- *In February, selected pupil musicians were taken to the Anchor retirement community in Shepton Mallet to put on a concert for the residents. Past restrictions have prevented us from visiting for two years so it was wonderful to have the opportunity to return. The pupils played and sang beautifully, and it was clear that the residents all enjoyed listening to the wide variety of music*
- One of our larger events this year featured music from Billy Joel's Platinum albums, *Greatest Hits Volume I & II*, to celebrate the Queen's Platinum Jubilee, and the Johnson Hall was transformed with patriotic bunting, balloons, staging, props and customised lighting. As well as collaborating with the student dancers for several numbers, the evening saw many of our major ensembles perform alongside student vocalists and a professional band to perform 17 tracks from the album. This exceptional and hugely memorable event raised £1,200 for the Disasters Emergency Committee's Ukraine Humanitarian Appeal to aid their continued work with refugees.
- Millfield's Music School first community event saw all 1,300 Millfield students participate in an ABBA themed House Song competition, one of the annual highlights in many of our students' calendars! Our second event saw an audience of over 650 enjoy Faure's Requiem in Wells Cathedral, sung by a massed Festival Chorus of over 180, including Millfield Chorale, one of our student choirs and Millfield Community Choir, our Tuesday evening community choir, combining forces to perform alongside a professional orchestra



*Section 172 (1) Companies Act 2006*

The Governors comply with the requirements of section 172 (1)(a)-(f) using the proven organisational management approach included within the Structure, Governance and Management section of this report (see page 11) as follows:

- (a) "The likely consequences of any decision in the long term" – all strategic matters are considered by Governors in one or more of the four committee termly meetings with papers provided in advance by the Millfield Executive Group ("EG"). Once the matter has been considered and discussed, the relevant committee makes a formal recommendation to the Full Governing Body for it to consider at its meeting before a final decision can be made. This "three" tiered approach ensures strategic long-term decisions are rigorously considered.
- (b) "The interests of the company's employees" - as a leading independent school, Millfield's employees and facilities are the key variables for its community. The approach to employee interests is included under the Employee Involvement and Equal Opportunities section on pages 12-14. The Head of HR is part of the Executive Group and employee matters are considered as appropriate at each of the four governor committee meetings as well as at full governing body meetings.
- (c) "The need to foster the company's business relationships with suppliers, customers and others" – Millfield makes a significant contribution to the local economy as is evidenced from the data included under the Public Benefit section on pages 6 to 9 and the Governors in both the "Building and Finance Committee" and "Audit, Compliance and Risk Committee" review processes and procedures in place to ensure consistency and fairness of approach in dealings with suppliers and customers.
- (d) "The impact of the company's operations on the community and the environment" – as an independent school with charitable status, Governors appreciate the importance of our impact on the local community and the environment. Millfield takes this aspect very seriously as shown by the initiatives included within the "Public Benefit" sections on pages 5 to 9 of this report.
- (e) "The desirability of the company maintaining a reputation for high standards of business conduct" – the Governors rely on the Executive Group ("EG") and the Senior Leadership Teams ("SLT") at Millfield to both maintain and comply with internal policies and procedures approved by the governor committees to ensure high standards of business conduct are maintained.
- (f) "The need to act fairly as between members of the company" – The Governors, as members, sign a "Code of Conduct for Governors of Millfield School" which includes a requirement to comply with the Nolan principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership and there are policies and procedures in place to support the adherence to this code of conduct.

### **Future Plans**

The School's strategic vision for the period 2019-2024 is available on the School's website at <https://www.millfieldschool.com/discover-brilliance/purpose-vision-mission>. Work is currently underway considering a number of strategic themes to be refined and implemented by 2035, Millfield's 100<sup>th</sup> anniversary. A strategy associated with some of these themes will be incorporated within our next 5 year plan for 2025-2030 and the themes currently under review include:

*Academic School curriculum:* looking at the variables to continually develop our brilliance curriculum which focuses on developing curiosity, and appreciating how topics covered within different subject areas are inextricably linked.

*Wellbeing development:* pupil and staff welfare is an overriding consideration of everything we do and so initiatives around "PSHEE" (Personal, Social, Health and Economic Education) are being developed to continually improve the wellbeing of all within the Millfield community.

*Future of Youth Sport:* reviewing trends in youth sport so we are best able to be at the heart of youth sport development in education (state and independent) in the UK and beyond. This will include looking at what, why, how and with whom we engage to continue to develop our sporting offer.

*School Shape & Size:* Our academic, sporting and pastoral aspirations means it makes sense to review our organisation and structure to ensure we are best placed to achieve our strategic goals. Research and modelling

is currently being undertaken looking at a range of scenarios to ensure Millfield achieves and maintains its target of being the world leader for the development of children.

*The Brilliance Campaign and Fundraising:* Our Discover Brilliance campaign which began just over two years ago remains critical for us to maintain and develop the Millfield Mix, whilst supporting the school's future cost base. The aim is to raise sufficient funds by 2035 so as to be able to fully fund 100 boarding places at Millfield School.

*Public Benefit & Charitable Status:* Initiatives are being considered to expand the contribution Millfield already provides to the general public. Given its positive disruptor status, Millfield is looking at ways it can assist in the development of children outside the independent education and sporting sector.

*International Schools:* Millfield is currently reviewing options to work in partnership with others overseas to develop schools based on the Millfield model. This theme would have the benefit of expanding the Millfield Way and generate revenue to support the Discover Brilliance campaign.

## **Structure, Governance and Management**

### *Governing Documents*

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

### *Group Structure and Relationships*

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

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

### *Investment Powers, Policy and Performance*

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

### *Governing Body*

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

### *Governor training*

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

All Governors receive safeguarding training as part of their induction and receive regular updates. Indemnity insurance is in place for Governors. During the year, Millfield paid £435 (2021: £435) in respect of indemnity insurance for its Governors.

### *Organisational management*

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

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

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

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

### *Employee involvement and equal opportunities*

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

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools, to ensure the School remains sensitive to the broader issues of pay and employment conditions elsewhere. The School aims to recruit, develop and retain high quality teaching and support staff who support the School's ethos and objectives. Delivery of the School's charitable vision and purpose is primarily dependent on its key management personnel and staff; staff costs are the largest single element of the School's charitable expenditure.

Specific consideration is given to ensuring staff interests are considered by offering competitive:

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

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

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

<b>Gender Role Profile by Function - over the past 3 years</b>						
Year	All Staff		Teaching		Support	
	Male	Female	Male	Female	Male	Female
2022	378	737	145	222	233	515
	34%	66%	40%	60%	31%	69%
2021	403	733	143	207	260	526
	35%	65%	41%	59%	33%	67%
2020	458	773	172	245	286	528
	37%	63%	41%	59%	35%	65%

Whilst there has been a reduction in roles post covid, it is pleasing to see there has been an overall increase in those undertaken by women, from 63% to 66% of the total. There has also been a slight increase in the number of teaching roles occupied by women, from 59% to 60% of the total.

Whilst women and men are paid equally for doing equal roles, Millfield does have a gender pay gap. This is due to the significantly greater number of women employed compared to men combined with a higher proportion of them undertaking traditionally lower paid support roles. As you can see from the previous table, 69% of support roles (2022: 515 in number) are undertaken by women compared to 31% of those (2022: 233 in number) undertaken by men. This compares to women undertaking 60% of the teaching roles (2022: 222 in number) compared to 40% (2022: 145 in number) undertaken by men.

Looking at the data another way, we see that for 2022, out of a total of 737 women, 515 worked in support whilst 222 worked in teaching. This compared to a total of 378 men, of which 233 worked in support and 145 in teaching roles. This trend becomes clearer when considering the data analysed further into pay quartiles in the table below. You clearly see that the number of women undertaking support roles in the "lower" (2022: 202 women vs 70 men) and in the "lower middle" (2022: 190 women vs 72 men) will significantly affect the overall gender pay gap.

REPORT OF THE GOVERNING BODY  
for the year ended 31 August 2022

Gender Split in Pay Quartiles - over the last 3 years																
Year	Lower				Lower Middle				Upper Middle				Upper			
	Teaching		Support		Teaching		Support		Teaching		Support		Teaching		Support	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
2022	0	7	70	202	7	10	72	190	22	68	78	111	116	137	13	12
2021	0	8	72	204	5	11	72	196	15	50	102	117	123	138	14	9
2020	0	6	67	235	4	20	107	177	28	71	100	109	140	148	12	7

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

Women's average hourly pay is:	5 April 2022	5 April 2021	5 April 2020
Mean gender pay gap	20.7% lower	22.7% lower	17.9% lower
Median gender pay gap	36.6% lower	37.6% lower	36.8% lower

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

When looking at the pay quartiles difference (table below), we see the percentage differences by quarter are significantly less. Two of the four quartiles ("lower middle" and "upper") show gender pay gaps favouring women. There is also an improvement in the "upper middle" quartile which we shall continue as we promote and recruit more women in more senior roles. A review of the "lower" quartile indicates this has been affected by the predominance of men in roles towards the top of the quartile in roles such as "lifeguard/leisure assistant", "minibus driver" and "community officer (security)" which are paid higher than the minimum wage paid to "facility cleaners". Further work is required to recruit women into those roles in this quartile attracting higher market pay rates.

Gender Pay Gap: Quartile Average Hourly Pay Differences								
Year	Lower		Lower Middle		Upper Middle		Upper	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
2022	(1.3%)	(4.6%)	2.5%	1.8%	(1.0%)	(1.3%)	6.0%	3.5%
2021	(1.4%)	(0.2%)	2.5%	0.6%	(7.4%)	(9.8%)	5.4%	6.5%
2020	0.4%	3.7%	1.8%	3.7%	(5.2%)	(16.9%)	5.0%	3.1%

*Note: Where average mean/median pay for men exceeds that for women, the difference is indicated in the table above as negative and where the reverse is true, the difference is positive.*

#### Business relationships with suppliers, customers and others

The Governors' main focus remains to ensure Millfield provides its educational and sporting services to our pupils at the standard promoted to their parents. Millfield works closely with suppliers, many of whom have changed their operating arrangements and/or charges post covid. We continue to expand contractual relationships with preferred suppliers after conducting due diligence for quality and continuity of supply.

#### Objects, Aims, Objectives and Activities

##### Charitable Objects

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

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

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

### Financial Review

For the financial year ended 31 August 2022 Millfield generated a surplus of £3.7million (2021: £0.5 million surplus) after charging £5.5 million for depreciation (2021: £5.5 million). The net £3.2 million improvement is as a result of increased income of £10.3 million (driven largely by an increase in fee income of £8.4 million), offset by a growth in our cost base of £7.1 million (mainly due to increased staff costs and external cost inflationary pressures). Millfield remains committed to maintaining broad access for talented students who would benefit from an education at its Prep and Senior schools, by offering financial support with the payment of fees to families who are otherwise unable to afford them. Bursaries totalling £3.1 million (2021: £3.6 million) were provided to students.

There is a pension liability of £1.1 million (2021: £6.0 million) as reported in accordance with Financial Reporting Standard Number 102 ("FRS 102") in respect of the Millfield Retirement Benefit Scheme (the Scheme) for some support staff as set out in note 21. The Scheme was closed to future benefit accrual and salary linkage on 31 December 2014.

The School's trading subsidiary, Millfield School Enterprises Limited, contributed turnover, profit and net assets as outlined in note 11 to the Financial Statements.

Millfield's operating activities generated positive cash flow of £4.8 million (2021: £1.4 million) as set out in note 22. The improvement of £3.4 million is due to the increased surplus of £3.2 million generated during the year.

### Fundraising

As part of its operations the School engages in fundraising activities to seek donations from former students, parents and other members of the School community. The School complies with the Fundraising Regulator's code of practice and seeks to build positive long-term relationships with potential donors. Fundraising is conducted through the School's foundation office. There are no matters to report under the Charities (Protection and Social Investment) Act 2016.

### Reserves

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

Reserves as at 31 August:	Note	2022 £ million	2021 £ million
Total Funds	18	50.4	42.3
Less: Restricted Funds	18	(0.7)	(0.9)
Unrestricted Funds	18	49.7	41.4
Less: unrestricted tangible fixed assets	10	(56.9)	(59.4)
<i>Free Reserves</i>		<b>(7.2)</b>	<b>(18.0)</b>

*Free Reserves:*

There are no free reserves, but Governors are satisfied with this position given that there was "Cash at bank and in hand" of £20.0 million at 31 August 2022 (2021: £11.2 million), a bank overdraft facility of £5 million in place, together with anticipated future cash flows.

Included in free reserves is the actuarially calculated funding deficit of £1.1 million (2020: £6.0 million) on the School's defined benefit pension scheme that under FRS102 is accrued as a liability. It is intended this liability be repaid from operating cash flows, in accordance with the recovery plan agreed between the Governors and the Pension Scheme Trustees.

*Restricted Funds:*

The restricted funds comprise donations earmarked by the donors, or the terms of an appeal, for specific purposes. Restrictions are legally binding on the Governors.

The Governors expect the present level of activities to be sustained at broadly the same level for the current year despite the challenging environment and the financial position. The Governors do not envisage there being any difficulty in meeting current and/or future obligations of the Charity and note there is no financial dependence on key donors.

### **Streamlined Energy and Carbon Reporting (SECR)**

Millfield was fully operational throughout the year ended 31 August 2022. This is the first time since COVID that we have had both sites open throughout the year. The previous two years were affected by physical closures and our energy usage had reduced as a result. Millfield is serious about reducing our carbon footprint and in addition to investing in more energy efficient infrastructure, we have engaged a third party to assist us with our aim of achieving "net zero".

*Summary of data for the year*

All figures have been quoted in terms of Carbon dioxide equivalent. CO<sub>2</sub>e is a term for describing different greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO<sub>2</sub>e signifies the amount of CO<sub>2</sub> which would have the equivalent global warming impact.

	2021/22	2020/21
<b>Energy Use kWh*</b>	20,937,218 kWh	20,515,536 kWh
<b>Associated Tonnes: CO<sub>2</sub> equivalent**</b>	5,063 tonnes CO <sub>2</sub> e	4,578 tonnes CO <sub>2</sub> e
<b>Intensity Ratio: Emissions per capita (staff &amp; students)</b>	1.87 tonnes CO <sub>2</sub>	1.85 tonnes CO <sub>2</sub>

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

\*\*Associated Tonnes CO<sub>2</sub> does include water and refrigerant gases in its total. Associated Greenhouse gases have been calculated using the GHG Reporting Protocol – Corporate Standard with the DEFRA conversion factors issued in June 2022

*Breakdown of energy between utilities and transport & other:*

<b>Tonnes CO<sub>2</sub>e</b>	<b>2021/22</b>	<b>2020/21</b>
Electricity	898	908
Gas	2,946	2,453
Oil	673	634
LPG	209	235
Fuel & mileage	289	173
Water	31	62
Refrigerant gases	17	113
<b>Total</b>	<b>5,063</b>	<b>4,578</b>

### *Energy efficiency measures*

In the year 2021/2022, Millfield benefitted from the following investments in energy efficiency initiatives:

- New plant and building management control for the indoor swimming pool at the senior school which allows the boilers and air handling units to operate at optimal levels when the pool is not in use i.e. during the night-time and some holiday periods.
- Investment in insulating the junior and senior girls changing rooms and bursary building to reduce energy through heat loss.
- Refurbishment of the Wellbeing Centre including the replacement of all original single glazed timber windows with modern double glazed, thermally broken aluminium units throughout. The first floor roof space(s) have also been fitted with insulation which, in combination with the window replacement will significantly reduce heat loss from this building.
- Old and inefficient boilers with limited controls at Kingweston and Mantell sports pavilions have been replaced with modern efficient gas fired boilers with controls.
- The LED lighting upgrade program continued.
- Appointment of specialist advisors to develop the schools' Net Zero Consultants strategy and roadmap.

### *Plans for energy efficiency in the year ahead*

- Working towards a roadmap of carbon reduction pathways, supported with feasibility and long-term implementation support for a program of initiatives to achieve the net zero roadmap.
- Upgrading the B Block teaching facility (40 classrooms) will include the use of more energy efficient heating and cooling systems, LED lighting upgrades and improved roof insulation.
- The upgrade of poor roof insulation across both school sites will continue.
- The upgrade of LED lighting project and controls across all sites will continue.
- Undertake a vehicle fleet feasibility study to determine which vehicles should be replaced with electric equivalents.

## **Risk Management**

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

The key controls used include:

- The Governing Body has responsibility for overseeing risk management within the school
- Formal agendas and minutes for all Committee and Board activity
- The Governing body meet at least termly and there are further subcommittee meetings, which include Building and Finance, Education, Audit and Appointments Committee.
- Clearly defined organisational responsibilities
- A comprehensive risk register is compiled by the Executive Group and helps to identify, assess and monitor major risks to which the school is exposed. The document is formally reviewed annually but emerging risks are added as required, and improvement actions and risk indicators are monitored regularly.
- Members of the Senior Leadership Team are encouraged to ensure that significant risks in their area are identified, assessed and monitored through each department's risk management systems and procedures.
- Comprehensive strategic planning, revenue and capital budgeting, cash flow and management accounting
- Formal written policies. The policies are approved by the Governing Body through its Committees and implemented and communicated by the Executive Group to staff, parents and pupils.
- Clear authorisation and approval levels
- Compliance with statutory requirements and external guidelines as appropriate
- External audit of the financial statements provides feedback to the Governing Body on the operation of the internal financial controls reviewed as part of the annual audit. Other external audits (e.g. ISI inspection reports) are also the subject of periodic reports to the Governing Body.
- Safeguarding procedures, as required by law, for the protection of children

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

Millfield has previously identified six key strategic risks:

**1. Government policy**

The Independent Education sector has continued to be the subject of ongoing debate amongst UK political parties. There remains a risk that changes to government policy targeted to Independent Schools (such as amendments to VAT legislation on educational supplies, business rates relief, levy charges) would have a significant impact on Millfield's ability to operate, and links closely with another key strategic risk of affordability. This in turn would likely have a significant impact on the demand for places, and therefore on fee income. Millfield mitigates this risk by regularly reviewing its reserves policy, by preparing long-term forecasts which include contingency planning in the event of changes in policy and by taking an active role in supporting the Independent Schools Council in promoting public affairs and parliamentary engagement on behalf of the sector.

**2. Financial viability**

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

**3. Affordability**

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

**4. Safety and security of pupils, staff and premises**

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

**5. Recruitment and retention of key staff**

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

**6. Effectiveness of Governance**

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

### Statement of Governors' Responsibilities

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

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

In so far as the Governors are aware:

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

The Report (incorporating the Strategic Report) was approved by the Board of Governors of Millfield on 17 March 2023 and signed on its behalf by:



Roland Rudd  
Chair of Governors

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILLFIELD  
for the year ended 31 August 2022

---

**Opinion**

We have audited the financial statements of Millfield for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2022 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILLFIELD  
for the year ended 31 August 2022**

---

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

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

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

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

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

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

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

**Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to The Education (Independent School Standards) 2014, safeguarding regulations, health and safety laws, GDPR, employment law, charity law and company law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILLFIELD  
for the year ended 31 August 2022

---

preparation of the financial statements such as Companies Act 2006 and the Charities Act 2011, and considered other factors such as payroll taxes and VAT.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to improper recognition of revenue and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing a selection of journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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



Tracey Young (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditors  
Date: 20 April 2023

10 Queen Street Place  
London  
EC4R 1AG

CONSOLIDATED STATEMENTS OF FINANCIAL ACTIVITIES  
for the year ended 31 August 2022

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 £'000
<b>Income from:</b>					
<b>Charitable Activities:</b>					
- Fees receivable	3	50,432	-	50,432	42,024
- Other educational income	4	3,758	-	3,758	2,468
<b>Other Trading Activities:</b>					
- Other fees and external hiring		2,188	-	2,188	1,030
- Subsidiary trading income		1,024	-	1,024	707
Donations, grants and legacies	5	2	373	375	1,250
Other income	6	102	-	102	107
<b>Total Income</b>		<b>57,506</b>	<b>373</b>	<b>57,879</b>	<b>47,586</b>
<b>Expenditure on:</b>					
<b>Charitable Activities</b>					
		(49,970)	(511)	(50,481)	(44,746)
<b>Raising Funds:</b>					
- Other fees and external hiring		(2,405)	-	(2,405)	(1,310)
- Subsidiary trading expenditure		(837)	-	(837)	(591)
- Fundraising		(131)	-	(131)	(119)
Finance and Other Costs		(367)	-	(367)	(273)
<b>Total Expenditure</b>	7	<b>(53,710)</b>	<b>(511)</b>	<b>(54,221)</b>	<b>(47,039)</b>
<b>Net income/(expenditure)</b>		<b>3,796</b>	<b>(138)</b>	<b>3,658</b>	<b>547</b>
<b>Other Recognised Gains:</b>					
Re-measurement of the net defined benefit pension liability	21	4,473	-	4,473	1,457
<b>Net Movement in Funds</b>		<b>8,269</b>	<b>(138)</b>	<b>8,131</b>	<b>2,004</b>
<b>Total Funds Brought Forward</b>		<b>41,415</b>	<b>868</b>	<b>42,283</b>	<b>40,279</b>
<b>Total Funds Carried Forward</b>	18	<b>49,684</b>	<b>730</b>	<b>50,414</b>	<b>42,283</b>

All amounts relate to continuing operations.  
Comparative table included on page 42, note 25.

The notes on pages 26 – 42 form part of these financial statements.

BALANCE SHEETS  
for the year ended 31 August 2022

	Note	<u>Group</u>		<u>Company</u>	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
<b>Fixed Assets</b>					
Tangible fixed assets	10	56,947	59,378	56,938	59,364
Investments	11	-	-	325	325
		<u>56,947</u>	<u>59,378</u>	<u>57,263</u>	<u>59,689</u>
<b>Current Assets</b>					
Stocks	12	476	315	-	-
Debtors	13	1,420	1,377	1,286	1,263
Cash at bank and in hand		20,036	11,245	20,033	11,223
		<u>21,932</u>	<u>12,937</u>	<u>21,319</u>	<u>12,486</u>
Creditors: amounts falling due within one year	14	<u>(18,710)</u>	<u>(18,185)</u>	<u>(18,627)</u>	<u>(18,081)</u>
<b>Net Current Assets/(Liabilities)</b>		<u>3,222</u>	<u>(5,248)</u>	<u>2,692</u>	<u>(5,595)</u>
<b>Total Assets add Current Assets/(Liabilities)</b>		<u>60,169</u>	<u>54,130</u>	<u>59,955</u>	<u>54,094</u>
Creditors: amounts falling due after more than one year	15	<u>(8,689)</u>	<u>(5,825)</u>	<u>(8,689)</u>	<u>(5,825)</u>
<b>Net Assets Excluding Pension Liability</b>		<u>51,480</u>	<u>48,305</u>	<u>51,266</u>	<u>48,269</u>
Defined benefit pension liability	21	<u>(1,066)</u>	<u>(6,022)</u>	<u>(1,066)</u>	<u>(6,022)</u>
<b>Net Assets</b>		<u>50,414</u>	<u>42,283</u>	<u>50,200</u>	<u>42,247</u>
<b>Funds</b>					
Unrestricted funds					
- General		50,750	47,437	50,536	47,401
- Pension reserve	21	<u>(1,066)</u>	<u>(6,022)</u>	<u>(1,066)</u>	<u>(6,022)</u>
	18	<u>49,684</u>	<u>41,415</u>	<u>49,470</u>	<u>41,379</u>
Restricted funds	18	<u>730</u>	<u>868</u>	<u>730</u>	<u>868</u>
<b>Total Funds</b>		<u>50,414</u>	<u>42,283</u>	<u>50,200</u>	<u>42,247</u>

The parent company's net income for the year, before movement in the pension reserve was £2,997,000 (2021: net income £79,000).

The financial statements were approved and authorised for issue by the Board of Governors of Millfield on 17 March 2023 and signed on its behalf by:



Roland Rudd  
Chair of Governors

The notes on pages 26-42 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 August 2022

	Note	2022 £'000	2021 £'000
<b>Operating Activities</b>			
Cash generated from/(used by) operations	22	4,846	1,389
<b>Investing Activities</b>			
Interest received		-	-
Purchase of tangible fixed assets	10	(3,089)	(1,960)
Proceeds on sale of tangible fixed assets		34	23
<b>Net cash used in Investing Activities</b>		<u>(3,055)</u>	<u>(1,937)</u>
<b>Financing Activities</b>			
Repayment of borrowings		(654)	(622)
Interest paid		(13)	(61)
Receipts from new advance fee contracts		7,752	6,516
Advanced fees repaid		(85)	(40)
<b>Net cash generated from Financing Activities</b>		<u>7,000</u>	<u>5,793</u>
Change in cash and cash equivalents in year		8,791	5,245
Cash and cash equivalents at beginning of the year		11,245	6,000
Cash and cash equivalents at end of the year		<u>20,036</u>	<u>11,245</u>
<b>Relating to:</b>			
Bank balances included in cash at bank and in hand		<u>20,036</u>	<u>11,245</u>

Analysis of movements in net cash	2021 £'000	Cash flows £'000	Other Movements £'000	2022 £'000
Cash at bank and in hand	11,245	8,791	-	20,036
Total cash and cash equivalents	11,245	8,791	-	20,036
Loan (Due in less than one year)	(654)	654	-	-
<b>Total</b>	<u>10,591</u>	<u>9,445</u>	-	<u>20,036</u>

The notes on pages 26-42 form part of these financial statements.

**1. General Information & Principal Accounting Policies**

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

The School consolidated accounts consist of the Company and all of its subsidiaries detailed in note 11. The Company's and subsidiary's principal activities and nature of operations are detailed on pages 11 and 14.

A summary of the more important accounting policies, including those affecting the most significant items in these financial statements, is set out below:

**a) Basis of accounting**

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

**b) Reduced disclosure**

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

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

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

**c) Basis of consolidation**

The group consolidates on a line by line basis the financial statements of the charity and its subsidiary undertakings made up to 31 August 2022. All intragroup transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

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

**d) Going concern**

The group had net current assets of £3.2 million (2021: net current liabilities of £5.2 million) at the balance sheet date. In considering whether the going concern basis is appropriate, the Governors have considered surplus and cash-flow projections prepared for the period to 31 August 2024. These projections indicate that the School will be able to meet its liabilities as they fall due and together with current arrangements with the School's bankers and other lenders, forecast that the School will be able to operate within the facilities currently available.

In light of the above the Governors have concluded that it is appropriate to use the going concern basis in the preparation of these financial statements.

**e) Funds**

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

**f) Fees and similar income**

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

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

**g) Donations**

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

Grants received under the furlough scheme have been accounted for on the accruals basis, when the employees were placed on temporary leave.

**h) Expenditure**

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

**i) Operating leases**

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

**j) Stocks**

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

**k) Investments**

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

**l) Tangible fixed assets**

Expenditure on fixed assets is capitalised except for expenditure incurred on the replacement of assets of low value with a short life. Subsequent costs of repair, renovation and replacement expenditure are written off as incurred in the Consolidated Statement of Financial Activities ("SOFA"), unless it is probable that such costs will generate future economic benefits. Items costing less than £5,000 are written off as an expense as acquired.

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

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

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

**m) Financial Instruments**

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

*Financial assets*

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

*Financial liabilities*

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

*Borrowings*

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

**n) Retirement benefits**

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

- i. The Millfield Retirement Benefit Scheme (a defined benefit scheme) was closed to new members on 1 September 2005, and closed to future accrual and salary linkage on 31 December 2014. This scheme is accounted for as a defined benefit scheme, with the annually calculated notional surplus or deficit on the funding of the Scheme shown in the financial statements as a liability entitled "Pension Reserve", which is deducted from Unrestricted Funds in the balance sheet.
- ii. The Millfield School Work Save Pension Plan is a defined contribution scheme administered by Legal & General Investment Management ("LGIM"). Following consultation with the teaching staff, Millfield School left the Teachers' Pension Scheme (a defined benefit scheme) on 31 August 2021. Teachers were enrolled into the Millfield School Pension Plan on 1 September 2021 alongside other staff already in that plan.

*Defined contribution plans*

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

*Defined benefit plans*

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

*Liability*

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

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

*Gains or losses*

Gains or losses recognised in the statement of financial activities:

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

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

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

In valuing the deficit on the School's defined benefit pension scheme judgements need to be made by management as to what are the most appropriate assumptions to use in the valuation. The closing deficit was £1.1 million (2021: £6.0 million) and the adoption of different assumptions could have a material impact on the deficit.

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2022

<b>2. Net Income/(Expenditure)</b>		
	2022	2021
	£'000	£'000
Net Income/(Expenditure) is stated after charging:		
Auditor's remuneration for:		
- External Audit (Company £40,230 (2021: £37,830))	40	38
- Taxation - compliance services to the Company and its subsidiaries	2	2
- Pension scheme audit	-	8
Depreciation of tangible fixed assets	5,519	5,475
Operating lease costs	174	111
Profit on disposal of tangible fixed assets	(33)	(13)
Stock		
- Amounts expensed to cost of sales	514	332
- Impairment losses recognised in cost of sales	-	1
Interest payable		
- Loan interest	13	61
- Net interest on the net defined benefit pension liability	100	130
- Interest on fees in advance	81	69
<b>3. Fees Receivable</b>		
	2022	2021
	£'000	£'000
School fees	58,551	50,799
Less: Scholarships	(2,828)	(3,048)
Bursaries	(3,108)	(3,592)
Other concessions	(2,183)	(2,135)
	<u>50,432</u>	<u>42,024</u>
<b>4. Other Educational Income</b>		
	2022	2021
	£'000	£'000
Registration and acceptance fees	325	341
Travel, School trips, examination fees and other charges to students	3,433	2,127
	<u>3,758</u>	<u>2,468</u>
<b>5. Donations, Grants and Legacies</b>		
	2022	2021
	£'000	£'000
Donation income	375	219
Coronavirus JRS Government Grant	-	1,031
	<u>375</u>	<u>1,250</u>
<b>6. Other Income</b>		
	2022	2021
	£'000	£'000
Interest on overdue fees	30	29
Rents received	72	78
	<u>102</u>	<u>107</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2022

7. Analysis of Expenditure

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

Prior year Analysis of Expenditure

	Staff costs £'000	Other £'000	Deprec -iation £'000	2021 Total £'000	2020 Total £'000
<b>Charitable activities:</b>					
Teaching costs	22,059	1,827	474	24,360	25,131
Welfare	2,824	3,921	90	6,835	6,392
Premises	1,804	2,808	4,520	9,132	10,882
Support costs of Schooling	2,593	1,355	389	4,337	4,771
Governance costs	-	82	-	82	64
Total Charitable Activities	<u>29,280</u>	<u>9,993</u>	<u>5,473</u>	<u>44,746</u>	<u>47,240</u>
<b>Raising Funds:</b>					
Ancillary fees and external hiring	862	448	-	1,310	1,150
Subsidiary trading	188	401	2	591	503
Fundraising	79	40	-	119	142
Finance and other costs	-	273	-	273	719
Total Expenditure	<u>30,409</u>	<u>11,155</u>	<u>5,475</u>	<u>47,039</u>	<u>49,754</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2022

**8. Employee Information**

	2022 Group Number	2021 Group Number	2022 Company Number	2021 Company Number
The average number of persons (full-time equivalent) employed during the year was:				
Teaching and coaching	253	258	253	258
Administration and support	364	374	357	367
	<u>617</u>	<u>632</u>	<u>610</u>	<u>625</u>
The average number of persons employed by the group during the year was:	<u>976</u>	<u>999</u>	<u>954</u>	<u>988</u>
Staff costs (for the above persons)	£'000	£'000	£'000	£'000
Wages and salaries	26,052	24,677	25,870	24,813
Social security costs	2,265	2,251	2,251	2,242
Defined benefit pension costs	-	2,910	-	2,910
Defined contribution pension costs	3,045	571	3,036	564
	<u>31,362</u>	<u>30,409</u>	<u>31,157</u>	<u>30,529</u>
Aggregate employee costs of key management personnel (including salary, benefits, pension contributions and national insurance)	<u>590</u>	<u>761</u>	<u>590</u>	<u>761</u>

The total amount relating to termination payments during the year was £117,000 (2021: £308,000). These amounts relate to agreements made with employees to end employment contracts.

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

	2022 Number	2021 Number
£60,001 - £70,000	42	45
£70,001 - £80,000	22	14
£80,001 - £90,000	5	5
£90,001 - £100,000	4	1
£100,001 - £110,000	1	1
£110,001 - £120,000	1	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
£230,001 - £240,000	-	1
£250,001 - £260,000	1	-
£280,001 - £290,000	-	1

No emoluments were paid to the Governors in respect of their services to Millfield during the year, nor have they received any other form of disclosable trustee benefit (2021: nil). During the year, 14 (2021: 13) Governors were reimbursed expenses totalling £12,387 (2021: £5,355) for travel and subsistence and the School paid £435 (2021: £389) for Governors indemnity insurance.

**9. Taxation**

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

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2022

10. Tangible Fixed Assets (Group)

	Freehold Property £'000	Assets under construct- ion £'000	Extensions and improve- ments to buildings £'000	Fixtures Fittings and Equipment £'000	Computers £'000	Motorised Plant and Vehicles £'000	Total £'000
<b>Cost</b>							
At 1 Sept 2021	76,907	814	29,318	6,522	2,433	796	116,790
Additions	-	296	1,435	759	599	-	3,089
Transfers	-	(815)	815	-	-	-	-
Disposals	-	-	(833)	(625)	(458)	(6)	(1,922)
At 31 Aug 2022	76,907	295	30,735	6,656	2,574	790	117,957
<b>Depreciation</b>							
At 1 Sept 2021	32,814	-	17,199	4,711	2,005	683	57,412
Charge for year	1,574	-	2,754	706	449	36	5,519
Disposals	-	-	(833)	(625)	(458)	(5)	(1,921)
At 31 Aug 2022	34,388	-	19,120	4,792	1,996	714	61,010
Net book value							
At 31 Aug 2022	42,519	295	11,615	1,864	578	76	56,947
At 1 Sept 2021	44,093	814	12,119	1,811	428	113	59,378

Tangible Fixed Assets (Company)

	Freehold Property £'000	Assets under construct- ion £'000	Extensions and improve- ments to buildings £'000	Fixtures Fittings and Equipment £'000	Computers £'000	Motorised Plant and Vehicles £'000	Total £'000
<b>Cost</b>							
At 1 Sept 2021	76,907	814	29,318	6,517	2,377	769	116,702
Additions	-	296	1,435	759	599	-	3,089
Transfers	-	(815)	815	-	-	-	-
Disposals	-	-	(833)	(625)	(458)	(6)	(1,922)
At 31 Aug 2022	76,907	295	30,735	6,651	2,518	763	117,869
<b>Depreciation</b>							
At 1 Sept 2021	32,814	-	17,199	4,706	1,963	656	57,338
Charge for year	1,574	-	2,754	706	444	36	5,514
Disposals	-	-	(833)	(625)	(458)	(5)	(1,921)
At 31 Aug 2022	34,388	-	19,120	4,787	1,949	687	60,931
Net book value							
At 31 Aug 2022	42,519	295	11,615	1,864	569	76	56,938
At 1 Sept 2021	44,093	814	12,119	1,811	414	113	59,364

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2022

The net book value of the Group and Company tangible fixed assets includes an amount of £4,288,098 (2021: £4,288,098) in respect of freehold land which is not depreciated. Included within the Group and Company's freehold property are assets which are licenced to the subsidiary under operating leases, where Millfield acts as the lessor, with a net book value of £165,725 (2021: £172,353).

**11. Fixed Asset Investments**

	2022	2021
<b>Company</b>	£'000	£'000
Interest in group undertakings at cost	<u>325</u>	<u>325</u>

The Company had the following subsidiary undertakings, at the year-end, all with the common registered office on page 44:

	Millfield Overseas Limited	Millfield School Enterprises Limited	Millfield Overseas Limited	Millfield School Enterprises Limited
	2022	2022	2021	2021
Nature of business	Dormant	Service	Dormant	Service
Company number	08339295	01553104	08339295	01553104
Proportion of nominal value of issued shares held by the Company	100%	100%	100%	100%
Country of incorporation	England	England	England	England

Results for the Subsidiary as at  
the 31 August

	£'000	£'000	£'000	£'000
Net assets	<u>-</u>	<u>539</u>	<u>-</u>	<u>346</u>
Turnover	-	1,593	-	998
Expenses	<u>-</u>	<u>(1,354)</u>	<u>-</u>	<u>(921)</u>
Profit	<u>-</u>	<u>239</u>	<u>-</u>	<u>77</u>
Distribution	<u>-</u>	<u>(61)</u>	<u>-</u>	<u>(62)</u>
Net Profit for financial year	<u>-</u>	<u>178</u>	<u>-</u>	<u>15</u>

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

**12. Stocks**

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Goods for resale	<u>476</u>	<u>315</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2022

**13. Debtors: amounts falling due within one year**

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade debtors	943	954	856	815
Other debtors	55	7	55	7
Amounts due from subsidiary	-	-	-	79
Prepayments	422	416	375	362
	<u>1,420</u>	<u>1,377</u>	<u>1,286</u>	<u>1,263</u>

**14. Creditors: amounts falling due within one year**

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fixed term bank loan (see note 16)	-	654	-	654
Amounts received under advance fee scheme (see note 17)	6,569	5,662	6,569	5,662
Amount due to subsidiary	-	-	31	-
Trade creditors	1,689	1,118	1,587	1,015
Taxation and social security costs	742	954	742	954
Other creditors	1,953	3,799	1,945	3,799
Accruals and deferred income	1,664	644	1,660	643
School fees paid in advance	5,272	4,609	5,272	4,609
School fee deposits held	821	745	821	745
	<u>18,710</u>	<u>18,185</u>	<u>18,627</u>	<u>18,081</u>

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

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts received under advance fee scheme (see note 17)	1,898	1,371	1,898	1,371
School fees deposits held	4,730	4,454	4,730	4,454
Accruals and deferred income	2,061	-	2,061	-
	<u>8,689</u>	<u>5,825</u>	<u>8,689</u>	<u>5,825</u>

**16. Fixed Term Bank Loan – Group and Company**

The fixed term loan was and repaid during the year

	2022 £'000	2021 £'000
Over one year:		
Within 1 to 2 years	-	-
Within one year	-	654
	<u>-</u>	<u>654</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2022

**17. Advance Fee Payments – Group and Company**

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

	2022 £'000	2021 £'000
Over one year:		
Within 1 to 2 years	959	623
Within 3 – 5 years	730	577
After 5 years	209	171
	<u>1,898</u>	<u>1,371</u>
Within one year	<u>6,569</u>	<u>5,662</u>
	<u>8,467</u>	<u>7,033</u>

Figures for advanced fee payments are included within the balance for School fees paid in advance (note 17). The balance represents the accrued liability under these arrangements. The movements during the year were:

	2022 £'000	2021 £'000
Balance at 1 September	7,033	4,128
New contracts	7,752	6,516
Amount accrued to contracts	81	69
	<u>14,866</u>	<u>10,713</u>
Amounts utilised in the payment of fees to the School	(6,313)	(3,640)
Refunds of fees paid in advance	(86)	(40)
	<u>8,467</u>	<u>7,033</u>

**18. Funds – Group**

	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Defined benefit liability/ transfers £'000	Balance 31 August 2022 £'000
Unrestricted funds:					
- General	47,437	57,506	(54,193)	-	50,750
- Pension reserve	(6,022)	-	483	4,473	(1,066)
	<u>41,415</u>	<u>57,506</u>	<u>(53,710)</u>	<u>4,473</u>	<u>49,684</u>
Restricted:					
- Sports Equipment Fund	104	6	(3)	-	107
- Other Funds	764	367	(508)	-	623
	<u>868</u>	<u>373</u>	<u>(511)</u>	<u>-</u>	<u>730</u>
Total Group	<u>42,283</u>	<u>57,879</u>	<u>(54,221)</u>	<u>4,473</u>	<u>50,414</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2022

	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Defined benefit liability/ transfers £'000	Balance 31 August 2021 £'000
Unrestricted funds:					
- General	47,435	47,488	(47,489)	3	47,437
- Pension reserve	(7,932)	-	453	1,457	(6,022)
	39,503	47,888	(47,036)	1,460	41,415
Restricted:					
- Sports Equipment Fund	1	103	(3)	3	104
- Other Funds	122	630	-	12	764
	776	98	(3)	(3)	868
<b>Total Group</b>	<b>40,279</b>	<b>47,586</b>	<b>(47,039)</b>	<b>1,457</b>	<b>42,283</b>

**Funds – Company**

	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Defined benefit liability/ transfers £'000	Balance at 31 August 2022 £'000
Unrestricted funds:					
- General	47,401	56,482	(53,441)	94	50,536
Pension reserve	(6,022)	-	483	4,473	(1,066)
	41,379	56,482	(52,958)	4,567	49,470
Restricted funds:					
- Sports Equipment Fund	104	6	(3)	-	107
- Other Funds	764	367	(508)	-	623
	868	373	(511)	-	730
<b>Total Company</b>	<b>42,247</b>	<b>56,855</b>	<b>(53,469)</b>	<b>4,567</b>	<b>50,200</b>

	Balance 1 September 2020 £'000	Income £'000	Expenditure £'000	Defined benefit liability/ transfers £'000	Balance at 31 August 2021 £'000
Unrestricted funds:					
- General	47,414	46,792	(46,903)	98	47,401
Pension reserve	(7,932)	-	453	1,457	(6,022)
	39,482	46,792	(46,450)	1,555	41,379
Restricted funds:					
- Millfield Centre Fund	653	(635)	-	(18)	-
- Sports Equipment Fund	1	103	(3)	3	104
- Other Funds	122	630	-	12	764
	776	98	(3)	(3)	868
<b>Total Company</b>	<b>40,258</b>	<b>46,890</b>	<b>(46,453)</b>	<b>1,552</b>	<b>42,247</b>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2022

**Restricted Funds**

Restricted Funds are restricted to the purchase of capital items specified by those donors. The fixed asset acquisition will discharge the restriction and the purchase of the asset will be reflected as a transfer from restricted to unrestricted funds in the year of acquisition.

**19. Allocation of Group Net Assets**

	Fixed assets £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	Pension reserve £'000	At 31 August 2022 £'000
Unrestricted funds:					
- General	56,947	2,492	(8,689)	-	50,750
- Pension reserve	-	-	-	(1,066)	(1,066)
Restricted funds					
- Sports Equipment Fund	-	107	-	-	107
- Other Funds	-	623	-	-	623
<b>Total Group as at 31 August 2022</b>	<b>56,947</b>	<b>3,222</b>	<b>(8,689)</b>	<b>(1,066)</b>	<b>50,414</b>

	Fixed assets £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	Pension reserve £'000	At 31 August 2021 £'000
Unrestricted funds:					
- General	59,378	(6,116)	(5,825)	-	47,437
- Pension reserve	-	-	-	(6,022)	(6,022)
Restricted funds					
- Sports Equipment Fund	-	104	-	-	104
- Other Funds	-	764	-	-	764
<b>Total Group as at 31 August 2021</b>	<b>59,378</b>	<b>(5,248)</b>	<b>(5,825)</b>	<b>(6,022)</b>	<b>42,283</b>

**20. Capital Commitments**

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Contracted but not provided as at 31 August	544	357	544	357

**21. Pension Obligations**

The total group pension contributions were £3,627,986 (2021: £4,064,193) of which £NIL (2021: £2,910,237) related to the Teachers' Pension Scheme; £583,100 (2021: £583,200) related to the Millfield Final Salary Scheme for support staff (the Millfield Retirement Benefit Scheme) and £3,044,886 (2021: £570,755) was paid into defined contribution schemes.

**Teachers' Pension Scheme**

The School left the Teachers' Pension Scheme ("the TPS") on 31 August 2021 and teachers were enrolled into the Millfield Pension Plan. This is a defined contribution scheme open and available for all Millfield School staff. The pension charge for the year includes contributions payable to the TPS £NIL (2021: £2,910,237) and at the year-end £NIL (2021 - £NIL) was accrued in respect of contributions to this scheme.

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

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

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2022

---

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

The final salary scheme is subject to triennial valuations by independent actuaries, the last full actuarial valuation was carried out as at 1 September 2019, using the projected unit method. At the valuation, the market value of the assets held was £13,493,000 and this value was sufficient to cover 63% of the benefits accrued to members after allowing for expected future increases in earnings, giving a shortfall of surplus of £7,914,000. Deficit contributions will continue to be paid at £583,100 per year up to 31 August 2036. Employer's deficit contributions made to the scheme in the period were £583,100 (2021: £583,100). From the 1 September 2020 the School also pays any insurance premiums, PPF levies and any costs relating to managing the scheme separately when due, except for investment management expenses. The Scheme's next triennial valuation is 1 September 2022. The level of contributions in respect of any deficit will be subject to review at the next actuarial valuation which is currently in progress.

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

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2022

	2022 £'000	2021 £'000
<b>Statement of financial position</b>		
Fair value of scheme assets	14,446	15,058
Present value of defined benefit obligation	(15,512)	(21,080)
<b>Net deficit in scheme</b>	<b>(1,066)</b>	<b>(6,022)</b>
<b>Changes in the defined benefit obligation</b>		
Defined benefit obligation at start of period	21,080	21,320
Interest cost on defined benefit obligation	363	357
Benefit paid	(669)	(705)
Actuarial (gain)/loss	(5,262)	108
<b>Defined benefit obligation at end of period</b>	<b>15,512</b>	<b>21,080</b>
<b>Changes in the fair value of scheme assets</b>		
Fair value of scheme assets at start of period	15,058	13,388
Interest income on scheme assets	263	227
Return less interest income on scheme assets	(789)	1,565
Contributions by the employer	583	583
Benefits paid	(669)	(705)
<b>Fair value of scheme assets at end of period</b>	<b>14,446</b>	<b>15,058</b>
<b>Total expense recognised in expenditure</b>		
Net interest on net defined benefit liability	100	130
Past service cost	-	-
<b>Expenditure charged in year</b>	<b>100</b>	<b>130</b>
<b>Total amount recognised in the statement of financial activities</b>		
Return less interest income on scheme assets	(789)	1,565
Actuarial (loss)/gain on liabilities	(144)	267
Change in assumptions	5,406	(375)
<b>Re-measurement gain recognised in the SOFA</b>	<b>4,473</b>	<b>1,457</b>
<b>Assets</b>		
Target return	7,451	13,056
Property	1,103	1,864
Insurance annuities	62	86
Cash and net current assets	164	52
Investment grade bonds	2,098	-
LDI	3,568	-
<b>Fair value of scheme assets</b>	<b>14,446</b>	<b>15,058</b>
<b>Actual return on scheme assets over period</b>	<b>(526)</b>	<b>1,792</b>
<b>Reconciliation of funded status</b>		
Opening deficit	(6,022)	(7,932)
Employer contribution	583	583
Charge recorded in SOFA	(100)	(130)
(Loss)/Gain recorded in statement of financial activities	4,473	1,457
<b>Closing deficit</b>	<b>(1,066)</b>	<b>(6,022)</b>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2022

	2022	2021
<b>Main financial assumptions</b>	% pa	% pa
Discount rate	4.2	1.8
Price inflation:		
- RPI	3.5	3.4
- CPI	2.7	2.6
Deferred pension increases:		
- Pensions accrued to 5/4/09	3.6	2.6
- Pensions accrued from 6/4/09	3.6	2.5
Pension increases in payment:		
- GMPs accrued from 6/4/88	3.0	3.0
- Non-GMPs accrued to 31/8/05	3.3	3.2
- Pension accrued from 1/9/05	2.3	2.2
<b>Mortality assumptions and life expectancies</b>	2022	2021
Expected future lifetime from age 65:	Years	Years
- Male currently aged 65	21.8	21.8
- Female currently aged 65	24.1	24.1
- Male currently aged 45	22.8	22.8
- Female currently aged 45	25.3	25.3

22. Reconciliation of Net Income/(Expenditure) to net cash generated from operations

	2022	2021
	£'000	£'000
Net Income	3,658	547
Adjustments for:		
Depreciation of tangible fixed assets	5,519	5,475
Defined benefit pension scheme adjustment	(583)	(583)
Interest payable	194	260
Gain on sale of tangible fixed assets	(33)	(13)
<b>Operating cash flows before movements in working capital</b>	<b>8,755</b>	<b>5,686</b>
Increase in stocks	(161)	(21)
Increase in debtors	(43)	(186)
Increase in creditors	2,609	(450)
Advance fees applied	(6,314)	(3,640)
	<b>(3,909)</b>	<b>(4,297)</b>
<b>Cash generated from operations</b>	<b>4,846</b>	<b>1,389</b>

23. Financial Commitments

At 31 August 2022 the group had total future minimum lease payments under non-cancellable operating leases, as follows:

	Other		Motor Vehicles	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Amounts due within one year	23	29	117	81
Amounts due in two to five years	20	42	317	241

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2022

**24. Related Party Transactions**

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

	2022	2021
	£'000	£'000
Purchases of goods in year	569	303
Rents received	33	33
Amounts owed to related parties at year end	31	-
Gift Aid received	61	62

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

The Governors made aggregate donations of £48,350 (2021: £35,160) during the year to Millfield. There have been no other related party transactions other than those listed in note 8.

**25. Prior year Consolidated Statement of Financial Activities by Fund**

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000
<b>Income from:</b>				
<b>Charitable Activities:</b>				
- Fees receivable	3	42,024	-	42,024
- Other educational income	4	2,468	-	2,468
<b>Other Trading Activities:</b>				
- Other fees and external hiring		1,030	-	1,030
- Subsidiary trading income		707	-	707
Donations and legacies	5	1,152	98	1,250
Other Income	6	107	-	107
<b>Total Income</b>		<u>47,488</u>	<u>98</u>	<u>47,586</u>
<b>Expenditure on:</b>				
<b>Charitable Activities</b>				
<b>Raising Funds:</b>				
- Other fees and external hiring		(1,310)	-	(1,310)
- Subsidiary trading expenditure		(591)	-	(591)
- Fundraising		(119)	-	(119)
Finance and Other Costs		(273)	-	(273)
<b>Total Expenditure</b>	7	<u>(47,036)</u>	<u>(3)</u>	<u>(47,039)</u>
<b>Net (expenditure)</b>		452	95	547
<b>Transfer between funds</b>		3	(3)	-
<b>Other recognised losses:</b>				
Re-measurement of the net defined benefit liability	21	1,457	-	1,457
<b>Net Movement in Funds</b>		<u>1,912</u>	<u>92</u>	<u>2,004</u>
<b>Total Funds Brought Forward</b>		<u>39,503</u>	<u>776</u>	<u>40,279</u>
<b>Total Funds Carried Forward</b>	18	<u>41,415</u>	<u>868</u>	<u>42,283</u>

**26. Capital**

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

**GOVERNORS, ADVISORS AND KEY STAFF**  
for the year ended 31 August 2022

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

		(1)	(2)	(3)	(4)	(5)	(6)	(7)
Roland Rudd	<b>Chairman</b>		*					
Behdad Alizadeh	Appointed 17 June 2022							
Wim Bushell				*c			*c	
Richard Clark			*				*	
Nicola Della Valle				*				
Frances Dickens			*					
Stephen East		*c	*					
Richard Exley	<b>Deputy Chair</b>		*	*				
Tim Griffiths			*				*	*
Kate Griggs					*			
Claire Harvey					*			
Christopher Hirst				*	*c			
Chris Macdonald			*c					*
John Maudslay		*				*c		
Janet Mitchell					*			
Douglas Pinto		*				*		
Marc Simon		*						
Rosiji Soluade	Appointed 19 March 2021				*			
Richard Tovey	Resigned 22 March 2022	*			*			
Peter Warner		*			*			
Oliver Welsby		*			*			

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

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

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

Gavin Horgan	Headmaster of Millfield Schools
Melissa Johnson	Finance Director of Millfield Schools
Dan Thornburn	Headmaster of Millfield Prep School (Appointed 1 January 2022)

**COMPANY SECRETARY AND CLERK TO THE GOVERNORS**

Rachel Summerhayes

**REGISTERED OFFICE**

Millfield  
Street  
Somerset  
BA16 0YD

**WEBSITE**

[www.millfieldschool.com](http://www.millfieldschool.com)

**AUDITOR**

Haysmacintyre LLP  
10 Queen Street Place  
London  
EC4R 1AG

**BANKERS**

Lloyds Bank plc  
25 Gresham Street  
London  
EC2V 7HN

**SOLICITORS**

Veale Wasbrough Vizards  
Narrow Quay House  
Narrow Quay  
Bristol  
BS1 4QA