

Registered number: 01657702  
Charity number: 513031

**STAFFORD INDEPENDENT GRAMMAR SCHOOL**  
(A company limited by guarantee)

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**



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**STAFFORD INDEPENDENT GRAMMAR SCHOOL**

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### REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2020

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<b>Governors</b>	Mr B J Baggott, Chair (retired as Chair 20 January 2020) Mrs J Causer, Chair (appointed as Chair 20 January 2020) Mrs J Colman Rev J Davis Mr J C Lotz Mr D M Pearsall Mrs P Pearsall (retired 1 May 2020) Mrs S Burns (appointed 20 January 2020) Mr A Wright Mr T Carson Mr J Johnson
<b>Company Registered Number</b>	01657702
<b>Charity Registered number</b>	513031
<b>Registered Office</b>	Burton Manor Stafford Staffordshire ST18 9AT
<b>Company Secretary</b>	Mr J Downes (resigned 21 August 2020) Mr S R Baum (appointed 21 August 2020)
<b>Chief Executive Officer</b>	Mr L H Thomas (appointed 1 September 2019)
<b>Senior Leadership Team</b>	Mr L H Thomas, Headmaster Ms C T Martin, Head of Preparatory School Dr P A Johnson, Deputy Head (Academic and Operations) Mr R C Green, Deputy Head (Pupils and Teaching Staff) Mr R Baum, Bursar and Clerk to the Governor's
<b>Independent Auditor</b>	RSM UK Audit LLP Chartered Accountants Festival Way Festival Park Stoke-On-Trent ST1 5BB

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## **STAFFORD INDEPENDENT GRAMMAR SCHOOL**

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### **GOVERNORS' REPORT (incorporating Strategic Report) FOR THE YEAR ENDED 31 August 2020**

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The Governors present their annual report together with the audited financial statements for the year ended 31 August 2020.

Stafford Independent Grammar School ("the School") also operates under the name Stafford Grammar School.

#### **AIMS AND OBJECTIVES**

##### **Policies and objectives**

The School's principal objective is to promote and advance education. The School principally provides education for boys and girls in Stafford and the surrounding areas from the ages of 4-18. Stafford Grammar School comprises the Preparatory School (4-11), Senior School (11-16) and Sixth Form (16-18). Stafford Grammar School aims to ensure that all pupils fulfil their academic and personal potential within a caring and nurturing environment. The School strives to create a grammar school community of happy, caring and confident individuals.

In pursuance of the School's principal objective, the School:

- awards Scholarships and Bursaries to encourage excellence and to enable children from families, who would not otherwise be able to afford to pay fees, to access the education the School offers; and
- also has the necessary powers to conduct and develop (and if appropriate make acquisitions relating to) the School undertaking known as Stafford Independent Grammar School.

##### **Strategies for achieving objectives**

Our main objectives at the start of the year were:

- to maintain pupil rolls at realistic levels;
- to continue to widen access and provide a public benefit;
- to maintain current high levels of academic achievement through consistent excellent performance in public examinations, at the same time as maintaining our sporting and cultural activities; and
- to maintain consistent and sustainable financial resilience.

However, when the Coronavirus pandemic struck in March 2020, our objective became the financial survival of the School as a business entity.

##### **Considerations relevant to achieving objectives**

- the effect of the current economic climate and the affordability of fees by our parents.
- to keep tuition fees as low as possible given the aims and objectives of the School.
- class sizes of 20, at Key Stage 2 and above, thereby maintaining pupil/teacher ratios of around 10:1, which allows pupils time to develop academically and attain well-rounded personalities.
- maintaining the current high level of academic achievement as measured by external public examinations and independent standardised assessment criteria.
- maintaining a reasonable net surplus level against a continuing threatening political environment and unfavourable changes to teaching staff pensions, by ensuring that strategies for controlling costs and capital expenditure continue to be robust and effective.
- maintaining access to the School still further by the provision of means - tested bursaries equivalent to 23 full fee-paying places for the year commencing on 1 September 2019.
- From March 2020 onwards, the main consideration became making the fees affordable for financially hard-pressed parents such that keeping their child at Stafford Grammar School continued to be viable.

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### GOVERNORS' REPORT (incorporating Strategic Report continued) FOR THE YEAR ENDED 31 August 2020

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#### PUBLIC BENEFIT

The School remains committed to the aim of providing public benefit and offering wider access to the education the School offers, by awarding Scholarships and means tested Bursaries to those unable to pay for an independent education.

During the year, the School awarded Bursaries and Scholarships totalling £736,398 (2019: £826,257) to 155 (2019: 115) pupils. Within this total, means-tested awards, based on a sliding scale according to financial circumstances totalling £266,125 (2019: £291,135), were awarded to 101 pupils (2019: 63 pupils), equivalent to 21 (2019: 23) full fee places.

In addition to Bursaries, the School has engaged in a number of activities that provide a public benefit. As an example, the School enters into arrangements with local maintained schools, under which their pupils attend an annual choral day event involving a series of teaching workshops culminating in an evening show for parents. Also, several local groups and organisations have benefited from being able to use the wide range of facilities and resources available at the School. The School has also provided support with university applications and interview preparation for sixth form students at a local maintained secondary school.

#### Charitable support and activities

Each year, the School nominates a charity as the focus of our fundraising efforts. Last year, the School raised money for charity through a range of Form and House events. The nominated school charity last year was Katherine House Hospice. The School also engages in other charitable activities throughout the year, such as raising money for Children in Need, Save the Children and Birmingham Children's Hospital. In addition, pupils raised £5,912 in School for a range of different charitable causes.

#### ACHIEVEMENTS AND PERFORMANCE

##### Review of significant activities

##### a. Curriculum

The National Curriculum provides the basis for Stafford Grammar School's broad and balanced curriculum. The School encourages excellence in all areas. Class sizes are small, which enables individual attention for each pupil and personalised tracking of progress. Options are chosen at the end of Year 9 (although some subjects introduce GCSE content in Year 9) for GCSE, and support is provided for pupils in making their choices.

Stafford Grammar School currently enters sixth form students for AS level qualifications where they exist. Typically, students begin the Sixth Form with 4 AS subjects, continuing with 3 to the full A-level at the end of the second year. Almost all students go on to study at university (with a small number choosing degree apprenticeships), many at Russell Group universities and the majority of students go on to study at their first choice university.

During the year the School averaged 420 pupils (2019: 412). At the Preparatory School, most Year 6 pupils moved into the Senior School with 2 pupils obtaining scholarships.

##### b. Teaching and learning during lockdown

Following the national school closures of 20<sup>th</sup> March 2020, as part of the Government's response to the COVID-19 pandemic, Stafford Grammar School implemented a full online teaching and learning programme. The curriculum was delivered to pupils in live, online lessons taught by our dedicated team of specialist teachers. Our online teaching and learning received very positive coverage in the local press.

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### GOVERNORS' REPORT (incorporating Strategic Report continued) FOR THE YEAR ENDED 31 August 2020

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#### c. Examination results

This year we achieved excellent results at A-level, enabling students to get into their first choice university, 89% (2019: 65%) of A-level results were A\*- B grades and 65% (2019: 27%) were A\*-A grades, our A\*-E grades were at 100%. The GCSE results were also excellent. 66% (2019: 51%) were 9-7 and 100% were at 9-4 (2019: 97%). National league tables in newspapers place our results above those of most local independent and maintained schools.

#### d. The House system

Inter-House competition continues to thrive at the School, with events taking place throughout the year. This provides opportunities for the School to instil the values of teamwork and commitment. Sporting competitions include: football, cricket, cross-country, hockey, netball and tennis. In addition, the Houses compete in an annual sports day at a local sports stadium. The Houses also compete in a technology competition, ('The Great Egg Race'), a baking competition and a public speaking competition. The three Houses significantly add to the spirit of Stafford Grammar School and the Heads of House maintain pastoral and academic management for all pupils in their House.

#### e. Other activities

The School is fortunate in having staff who are willing to devote time to a wide range of extra-curricular activities, designed to enrich pupils' experiences over and above the school curriculum. The aim of these activities is to develop pupils as confident, articulated and well-rounded individuals who are well-prepared for life beyond School.

From September 2020, the Forest School is being introduced for all year groups in the Prep. School to enable pupils to experience the outdoors in a woodland area of our extensive school site. The Forest School also builds pupils' confidence, self-esteem and a sense of wellbeing.

#### f. Performing arts – music and drama

Music continues to thrive at Stafford Grammar School, with the music department performing around 40 concerts a year. The Music Department runs numerous groups and ensembles, including: Big Band, Concert Band, Orchestra, Choir, Chamber Choir, Flute Group, Saxophone Group. The music groups perform in national and international competitions, regularly receiving platinum, gold and silver awards. The Music Department also organises a biennial international tour. Major concerts take place in School at Christmas and Easter. This year has been different with the lockdown situation, but our music department performed and recorded songs for virtual online concerts shown widely on social media.

Drama goes from strength to strength at Stafford Grammar School, with very high-quality productions taking place each year. Typically, there is a junior play (Years 7-9) and a whole-School musical production in the Senior School. Last year, students in all year groups from Y7 to U6th joined forces with a professional band to produce 'The Addams Family', following the huge success of '9-to-5' the year before. The Prep School produces at least two plays each year, as well as performing in their own Christmas concert.

Stafford Grammar School pupils are also prepared for LAMDA examinations, with a wide range of students achieving success each year.

#### g. Sport

The School continues to play competitive football, rugby, cricket, hockey, netball and rounders. In addition, pupils are entered for competitions in cross country, athletics and swimming. We have a team of pupils who enter national skiing competitions. Individual successes this year include a range of pupils who have been selected for national teams in their various sports.

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### GOVERNORS' REPORT (incorporating Strategic Report continued) FOR THE YEAR ENDED 31 August 2020

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#### **h. Duke of Edinburgh's Award**

The Duke of Edinburgh scheme has gone from strength to strength with pupils achieving a very high number of bronze, silver and gold awards each year.

#### **i. School trips**

School trips support the curriculum and enrich pupils' education. Due to the lockdown, our usual trips to France and Germany could not take place and our international music tour has been postponed. We look forward to starting our wide-ranging day and residential trips again as soon as the restrictions are relaxed.

### **FINANCIAL REVIEW**

#### **Results for the year**

The School's net income surplus for the year amounted to £2,890 (2019: £88,156), which the Governors consider to be a good result given the unprecedented impact of the COVID-19 pandemic and the decision of the Governing Body to give a 20% discount on School fees for the summer term 2020.

The hiring out of the School's sports hall and facilities during evenings and holiday periods contributed towards the School's income surplus.

The School's total income for the year increased by £4,745, 0.10% (2019: 0.77% decrease), on the previous year due to an increase in the average number of pupils which was offset by the 20% discount on school fees for the summer term 2020 due to the COVID-19 pandemic. However total expenditure for the year increased by £90,011, 2.01% (2019: 2.06% reduction) mainly due to payroll increases. The average number of pupils during the year was 420 compared to 415 during the year ended 31 August 2019.

One of the main objectives of the School is to maintain pupil rolls at realistic levels and the Governors, principally through the Finance and Development Committee, regularly review pupil retention and recruitment, including strategies to be adopted and activities to be undertaken in support of this key objective of the School. This became a major focus during the pandemic.

The School received a generous donation from a parent, which will enable the first phase of our theatre renovation to take place in the summer of 2021.

#### **Going concern**

It is critical that shortfalls are tackled in turbulent times as financial resilience will help the School to stay flexible and adaptable to unexpected changes in pupil numbers and to manage unplanned costs. The expenditure of the School is dominated by staff salaries which amount to 77% of net income, nevertheless opportunities for reducing costs are identified and actioned when possible. During the summer term of 2020 the School took advantage of HMRC's Corona Virus Job Retention Scheme which led to most of the support staff being furloughed; a minimum of support staff were retained on site during the summer lockdown period in order to help maintain the premises for the teaching provision for the children of key workers. No teaching staff were furloughed because tuition was provided throughout the lockdown period both on site and remotely. Online learning became the norm for most pupils and led to a reduction in costs since the School was not fully operational and allowed the Governors scope for reducing the summer term fees by 20%. Tuition fees are paid termly in advance which makes cashflow forecasting more predictable.

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### GOVERNORS' REPORT (Incorporating Strategic Report continued) FOR THE YEAR ENDED 31 August 2020

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At the time of completing these accounts the COVID-19 outbreak had been declared a pandemic with a second wave hitting the UK throughout the autumn of 2020. Financial modelling with sensitivity analysis to look at a range of deteriorating situations was undertaken which demonstrated cash resilience to 31 August 2022 even with a massive reduction of pupils and without the need for support from the bank. After making appropriate enquiries, the Governors have concluded that it is reasonable to expect that the School will generate sufficient resources to continue in operational existence for the foreseeable future and meet all of its financial obligations. It is clear from the cash flow predictions for varying degrees of risk and the Statement of Financial Activities that the School can continue to pay its normal creditors when payments are due and satisfy the covenants required by the current bank loan. Additionally, it is considered that, after examining likely future risks to the business, that there will be sufficient funds to cope with any unexpected expenditure. For this reason, the Governors have continued to adopt a going concern basis in preparing the School's financial statements.

#### FINANCIAL AND GENERAL RISK MANAGEMENT

The Governors have assessed the major risks to which the School is exposed, in particular those related to the operations and finances of the School, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The principal short and long term risks facing the School are considered to be:

- Affordability of an independent school education for our parents in relation to household income and other financial pressures;
- The COVID-19 pandemic has posed both financial and general risk to the operation of the School. When a national lockdown was enforced in March 2020 the school was effectively closed for face to face teaching except for the children of key workers in the Prep School. A comprehensive virtual learning organisation was put in place very quickly to maintain teaching provision for all pupils who were not able to attend School. Initially it was anticipated that pupil numbers could fall as low as 360. As a result, the Governors agreed a 20% reduction in fees to assist parents and, on a case by case basis, further reductions were made to assist the most financially challenged parents in specific cases of hardship. At the end of the financial year pupil numbers were 406, so the risk mitigation was considered successful. Notwithstanding this significant reduction in income, after financial modelling, the School is forecast to remain financially viable as a going concern to at least 31 August 2022 even with a substantial reduction in pupil numbers due to subsequent waves of the virus requiring the reinstatement of lock-down measures. The Governing body and Senior Leadership Team of the School need to be mindful of the 'new norms' for schools and society in general.
- Operational costs of running an independent school, including staffing, facilities, assets, pensions and utilities;
- Teachers' Defined Benefit Pension Scheme employers' contributions rising from 16.48% to 23.68% in September 2019 which impacts on affordability. This risk was mitigated by the Governing Body making the strategic decision to withdraw from the Teachers' Pension Scheme with effect from 1st September 2020. The new pension scheme is called APTIS and is offered by Aviva as a defined contribution pension scheme.
- Cybercrime attacks on schools. The impact of this has been mitigated by having cybercrime insurance as well as having strong firewalls and IT protocols in place.
- Regulatory and compliance burdens such as safeguarding to ensure the health and well-being of our pupils and staff under the protection and guidance of the School;
- Culture and complacency due to the changing political and social environment and our responsiveness to changes;
- It is noted that Brexit continues to bring wide ranging uncertainty, therefore an ongoing review and decision process of all factors that may have a significant effect on the School will be implemented and follow up action taken to mitigate any risks ensuing;
- Recruitment and retention of quality teachers with relevant skills;
- Potential loss of business rate relief and charitable status, as well as the imposition of VAT on school fees due to political change
- Lack of a strategy to deal with future waves of the pandemic. This has been mitigated by regular communication with the various professional bodies associated with independent education who advise the School on legislative and regulatory measures to be taken or on sector best practice.



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### GOVERNORS' REPORT (incorporating Strategic Report continued) FOR THE YEAR ENDED 31 August 2020

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In the opinion of the Governors, the School has established resources and a review system whereby detailed considerations of risk are delegated to the appropriate Committees. Risks are identified, assessed and controls established throughout the year.

The generic controls used by the School to mitigate risks include:

- Formal agenda for all Committee and Board activity;
- Terms of reference for all Committees;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Hierarchical authorisation and approval levels;
- Vetting procedures as required by law for the protection of the vulnerable.

The Governors regularly review the effectiveness of current plans and strategies for managing all identified principal risks for the School.

Health and Safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks. These risks are managed by having thorough policies, planning and risk assessment.

#### Fees

The Governors are mindful of the economic outlook and are aware that fees need to be affordable but realistic. The Governors therefore decided that it would be fair and appropriate to limit the increase in general fees during the year to 3.5%, effective from January 2020. However, recognising the impact of the worldwide COVID-19 pandemic on the finances of fee-paying parents, the Governors subsequently made emergency provision for a 20% reduction in tuition fees for the summer 2020 term. This had an immediate impact on the income of the School but was essential to assist financially hard-pressed parents being able to afford the School fees.

#### Principal funding and reserves policy

The Governors recognise the need for prudent financial management and to build up reserves over time. The School's policy is to build reserves sufficient to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall.

The Governors view the development plan for the School as the most effective and prudent way to ensure the long term future of the School.

The actions taken have enabled the School to achieve a free reserves provision of £560,526 at 31 August 2020 compared with a free reserves position of £420,335 at 31 August 2019. The School has finished the financial year with unrestricted funds of £4,798,343 (2019: £4,819,953) and restricted funds of £24,500 (2019: £nil). The total reserves of the school are £4,822,843 (2019: £4,819,953).

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Constitution

The School is registered as a charitable company limited by guarantee (number 513031) and constituted under a Memorandum of Association dated 11 August 1982, as amended by special resolution on 11 October 1982.

The School has no subsidiary links or affiliations with other charities.

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## STAFFORD INDEPENDENT GRAMMAR SCHOOL

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### GOVERNORS' REPORT (incorporating Strategic Report continued) FOR THE YEAR ENDED 31 August 2020

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#### Method of appointment or election of Governors

The management of the School is the responsibility of the Governors who are elected under the terms of the Articles of Association.

The Governing Body is self-appointing, with one-third of its members required to retire by rotation at each AGM.

Members retiring by rotation can be re-elected.

New members of the Governing Body are elected on the basis of nominations from the Governors and the executive officers based on the candidates' professional qualities, experience, personal competence and local availability.

#### Policies adopted for the induction and training of Governors

New Governors are inducted into the workings of the School, including Governing Body policy and procedures at meetings with the Headmaster and the Bursar. The new Governors are also able to attend specialist external courses on the role and responsibilities of charity trustees.

Members of the Governing Body attend internal and external trustee training and information briefings designed to keep them informed and updated on current issues in the sector and regulatory requirements.

#### Pay policy for senior and other staff

The remuneration of senior staff members is reviewed annually by the Headmaster in conjunction with advice and recommendations given by selected members of the Governing Body. The Remuneration Committee reviews, on an annual basis, the remuneration of the Senior Leadership Team.

Reference is made to comparisons contained within independent schools' peer group benchmarking survey reports so as to ensure that the School remains aware of (and is able to take into account) pay and employment conditions elsewhere in the independent and state sectors.

Generally, the School aims to recruit, subject to experience, at the lower to median point within a band, providing scope for rewarding excellence. Delivery of the School's charitable role is primarily dependent upon our key management personnel and staff costs are the largest single element of the School's charitable expenditure.

#### Organisational structure and decision making

The members of the Governing Body, as the charity trustees, are legally responsible for the overall management and control of the School. They meet at least three times a year. The work of implementing their policies is carried out by five committees, which meet as required:

- The Finance and Development Committee scrutinises revenue, the budget and capital expenditure. This Committee also supervises and finalises the audited financial statements and annual report for approval by the Governing Body. The Committee is chaired by Alan Wright.
- The Remuneration Committee sets the remuneration of key management personnel, with the objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the School's success. The Committee is chaired by Judith Colman.
- The Education and Standards Committee scrutinises procedures implemented by the School for regulatory compliance and oversight of the School's educational provision. The Committee is chaired by Julia Causer.

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### GOVERNORS' REPORT (incorporating Strategic Report continued) FOR THE YEAR ENDED 31 August 2020

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- The Health and Safety Committee ensures that all relevant statutory requirements are being complied with and that the Health and Safety Policy requirements are met. The Committee is chaired by John Johnson.

The day-to-day running of the Schools is delegated to the Headmaster, Deputy Head (Pupils and Teaching Staff), Deputy Head (Academic and Operations), Bursar and Head of the Preparatory School, as the key management personnel (collectively known as the Senior Leadership Team). The Headmaster and Bursar attend meetings of the Governing Body's Committees.

#### PLANS FOR FUTURE PERIODS

The School's current development plan was created by the Headmaster and Senior Leadership Team, in consultation with Governors in September 2019 and is reviewed regularly. The primary future plans for the School are set out in the core elements of the plan. These are:

- to continue to ensure the School site has a safe and attractive environment for pupils, staff and visitors alike;
- to provide a happy and secure pastoral environment, in which all pupils are offered opportunities for leadership and service to others;
- to provide a stimulating and enjoyable learning environment in which pupils can develop their academic potential to the full;
- to increase the capability of the School to offer education to children whose parents are unable to afford full fees;
- to ensure the school plays a significant part in the life of the local community, sharing facilities and seeking local partnerships wherever possible.

Site developments are now being considered in order to enhance the School's facilities and resources, including the development of a drama and dance studio and renovations to the School theatre space in order to enhance performing arts facilities for the benefit of all pupils.

#### GOVERNORS' RESPONSIBILITIES STATEMENT

The Governors (who are also directors of Stafford Independent Grammar School for the purposes of company law) are responsible for preparing the Governors' 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. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 hence for taking

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**GOVERNORS' REPORT (incorporating Strategic Report continued)  
FOR THE YEAR ENDED 31 August 2020**

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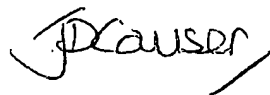
reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to auditors**

In so far as each of the Governors, as directors of the charitable company, at the date of this report is aware there is no relevant audit information of which the charitable company's auditors are unaware, and:

- each member of the Governing Body has taken all the steps that he or she should have taken as a member of the Governing Body in order to make him or her aware of the relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Governors on 25. 1. 21. and signed on their behalf by:



**Mrs J Causer, Chair**

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STAFFORD INDEPENDENT GRAMMAR SCHOOL

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#### Opinion

We have audited the financial statements of Stafford Independent Grammar School (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities incorporating the Income and Expenditure Account, the Balance Sheet, the 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 FRS 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 charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

#### Other information

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

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

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### 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 Governors' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Governors' Report 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Governors' Report.

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

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

### Responsibilities of Governors

As explained more fully in the Statement of Governors' responsibilities set out on page 9 and 10, the Governors (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 Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the 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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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

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**STAFFORD INDEPENDENT GRAMMAR SCHOOL**

**(A company limited by guarantee)**

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**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.

*RSM UK Audit LLP*

Anna Spencer-Gray (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Festival Way  
Festival Park  
Stoke-On-Trent  
ST1 5BB

Date: 29.1.21

**STAFFORD INDEPENDENT GRAMMAR SCHOOL**

**(A company limited by guarantee)  
REGISTERED NUMBER: 01657702**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total 2020 £	Restricted funds 2019 £	Unrestricted funds 2019 £	Total 2019 £
<b>INCOME FROM:</b>							
Charitable activities:	2	-	4,376,417	4,376,417	-	4,539,489	4,539,489
Other trading activities		-	21,187	21,187	-	27,529	27,529
Investment income	3	-	4,197	4,197	-	4,793	4,793
Other operating income		-	150,255	150,255	-	-	-
Other income: donations & grants	2	24,500	-	24,500	-	-	-
<b>TOTAL INCOME</b>		<b>24,500</b>	<b>4,552,056</b>	<b>4,576,556</b>	<b>-</b>	<b>4,571,811</b>	<b>4,571,811</b>
<b>EXPENDITURE ON:</b>							
Charitable activities	4&5	-	4,563,295	4,563,295	-	4,470,217	4,470,217
Raising funds	6	-	10,371	10,371	-	13,438	13,438
<b>TOTAL EXPENDITURE</b>	<b>6</b>	<b>-</b>	<b>4,573,666</b>	<b>4,573,666</b>	<b>-</b>	<b>4,483,655</b>	<b>4,483,655</b>
<b>NET EXPENDITURE/INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>24,500</b>	<b>(21,610)</b>	<b>2,890</b>	<b>-</b>	<b>88,156</b>	<b>88,156</b>
<b>NET MOVEMENTS IN FUNDS</b>		<b>24,500</b>	<b>(21,610)</b>	<b>2,890</b>	<b>-</b>	<b>88,156</b>	<b>88,156</b>
<b>RECONCILIATION OF FUNDS:</b>							
Total funds brought forward		-	4,819,953	4,819,953	-	4,731,797	4,731,797
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>24,500</b>	<b>4,798,343</b>	<b>4,822,843</b>	<b>-</b>	<b>4,819,953</b>	<b>4,819,953</b>

All activities relate to continuing operations.

The notes on pages 17 to 32 form part of these financial statements.



**STAFFORD INDEPENDENT GRAMMAR SCHOOL**


**(A company limited by guarantee)  
REGISTERED NUMBER: 01657702**

**BALANCE SHEET  
AS AT 31 AUGUST 2020**

	Notes	£	2020 £	£	2019 £
<b>FIXED ASSETS</b>					
Tangible assets	10		4,237,817		4,399,618
<b>CURRENT ASSETS</b>					
Stocks	11	5,366		3,704	
Debtors	12	149,539		105,281	
Cash at bank and in hand		1,051,062		1,101,377	
		<u>1,205,967</u>		<u>1,210,362</u>	
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(586,566)</u>		<u>(699,247)</u>	
<b>NET CURRENT ASSETS</b>			<u>619,401</u>		<u>511,115</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,857,218</u>		<u>4,910,733</u>
<b>CREDITORS: amounts falling due after more than one year</b>	14		<u>(34,376)</u>		<u>(90,780)</u>
<b>NET ASSETS</b>			<u>4,822,843</u>		<u>4,819,953</u>
<b>CHARITY FUNDS</b>					
Restricted funds	15	24,500		-	
Unrestricted funds	15	4,798,343		4,819,953	
<b>TOTAL FUNDS</b>			<u>4,822,843</u>		<u>4,819,953</u>

The financial statements were approved by the Governors on  
and signed on their behalf, by:

25 January 2021



Mrs J Causer, Chair

The notes on pages 17 to 32 form part of these financial statements.

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**STAFFORD INDEPENDENT GRAMMAR SCHOOL**

**(A company limited by guarantee)**

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**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2020**

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	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	17	42,298	498,918
<b>Returns on investments and servicing of finance</b>			
Investment income receipts		4,197	4,793
Finance costs paid		(10,371)	(11,094)
<b>Capital expenditure and financial investment:</b>			
Purchase of tangible fixed assets		(30,517)	(81,454)
<b>Net cash used in investing activities</b>		(36,691)	(87,755)
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		(55,922)	(52,610)
<b>Net cash used in financing activities</b>		(55,922)	(52,610)
<b>Change in cash and cash equivalents in the year</b>		(50,315)	358,553
Cash and cash equivalents brought forward		1,101,377	742,824
<b>Cash and cash equivalents carried forward</b>	18	1,051,062	1,101,377

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## STAFFORD INDEPENDENT GRAMMAR SCHOOL

(A company limited by guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1a. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

Stafford Independent Grammar School (the School) is an incorporated charitable company which is limited by guarantee, (registered company no. 01657702), (charity no. 513031), registered in England & Wales. The School's registered address and principal place of business is Stafford Independent Grammar School, Burton Manor, Stafford, Staffordshire, ST18 9AT.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Stafford Independent Grammar School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost.

The financial statements are prepared in sterling, which is the functional currency of the School. Monetary amounts in these financial statements are rounded to the nearest £.

##### 1.2 Company status

The School is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the School being wound up, the liability in respect of the guarantee is limited to £1 per member of the School.

##### 1.3 Going concern

It is critical that shortfalls are tackled in turbulent times as financial resilience will help the School to stay flexible and adaptable to unexpected changes in pupil numbers and to manage unplanned costs. The expenditure of the School is dominated by staff salaries which amount to 77% of net income, nevertheless opportunities for reducing costs are identified and actioned when possible. During the summer term of 2020 the School took advantage of HMRC's Coronavirus Job Retention Scheme which led to most of the support staff being furloughed; a minimum of support staff were retained on site during the summer lockdown period in order to help maintain the premises for the teaching provision for the children of key workers. No teaching staff were furloughed because tuition was provided throughout the lockdown period both on site and remotely. Online learning became the norm for most pupils and led to a reduction in costs since the School was not fully operational and allowed the Governors scope for reducing the summer term fees by 20%. Tuition fees are paid termly in advance which makes cashflow forecasting more predictable.

At the time of completing these accounts the COVID-19 outbreak had been declared a pandemic with a second wave hitting the UK throughout the autumn of 2020. Financial modelling with sensitivity analysis to look at a range of deteriorating situations was undertaken which demonstrated cash resilience to 31 August 2022 even with a massive reduction of pupils and without the need for support from the bank. After making appropriate enquiries, the Governors have concluded that it is reasonable to expect that the School will generate sufficient resources to continue in operational existence for the foreseeable future and meet all of its financial obligations. It is clear from the cash flow predictions for varying degrees of risk and the Statement of Financial Activities that the School can continue to pay its normal creditors when payments are due and satisfy the covenants required by the current bank loan. Additionally, it is considered that, after examining likely future risks to the business, that there will be sufficient funds to cope with any unexpected expenditure. For this reason, the Governors have continued to adopt a going concern basis in preparing

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## STAFFORD INDEPENDENT GRAMMAR SCHOOL

(A company limited by guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1a. ACCOUNTING POLICIES (continued)

the School's financial statements.

It is clear from the cash flow predictions for varying degrees of risk and the Statement of Financial Activities that the School can continue to pay its normal creditors when payments are due and satisfy the covenants required by the current bank loan. Additionally, it is considered that, after examining likely future risks to the business, that there will be sufficient funds to cope with any unexpected expenditure. For this reason, the Governors have continued to adopt a going concern basis in preparing the School's financial statements.

#### 1.4 Fund accounting

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

#### 1.5 Restricted funds

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified as a restricted fund. Restricted funds are those where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose.

#### 1.6 Income

All income is recognised once the School has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School. Scholarships are assessed and awarded on a pupil's merit. Bursaries are considered on the basis of a declaration of income and liabilities from the parents applying for such an award.

Other operating income relates to income from the Corona Virus Job Retention Scheme. This is a government grant and is therefore recognised in the period that is receivable. Where entitlement occurs before income is received, the income is accrued.

#### 1.7 Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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## STAFFORD INDEPENDENT GRAMMAR SCHOOL

(A company limited by guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1a. ACCOUNTING POLICIES (continued)

##### 1.8 Expenditure

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

Support costs are those costs incurred directly in support of expenditure on the objects of the School.

Charitable activities and Governance costs are costs incurred on the School's educational operations, including support costs and costs relating to the governance of the School apportioned to charitable activities. Costs of raising funds are those costs incurred in attracting income and those incurred in trading activities that raise funds for the School.

##### 1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the School; this is normally upon notification of the interest paid or payable by the bank.

##### 1.10 Tangible fixed assets and depreciation

All assets costing more than £2,500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities incorporating income and expenditure account.

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

Freehold property	-	Freehold land nil, freehold buildings 2% straight line
Motor vehicles	-	20% straight line
Fixtures and fittings	-	10% straight line
Office equipment	-	20% straight line
Other fixed assets	-	20% straight line

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**STAFFORD INDEPENDENT GRAMMAR SCHOOL**

**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1a. ACCOUNTING POLICIES (continued)**

**1.11 Operating leases**

Rentals under operating leases are charged to the Statement of Financial Activities incorporating income and expenditure account on a straight-line basis over the lease term.

**1.12 Stocks**

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

**1.13 Debtors**

Trade and other debtors are recognised at the settlement amount after any fee discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.14 Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.15 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the School anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.16 Financial instruments**

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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## STAFFORD INDEPENDENT GRAMMAR SCHOOL

(A company limited by guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1a. ACCOUNTING POLICIES (continued)

##### 1.17 Pensions

The School participates in the Teachers' Pension Scheme ("The TPS") which is a defined benefits pension scheme. The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. Therefore, in accordance with FRS 102, the School accounts for this scheme as if it was a defined contribution scheme. The amount charged to the Statement of Financial Activities incorporating income and expenditure account represents contributions payable to the scheme in respect of the accounting period.

The School also operates a defined contribution pension scheme and the pension charge represents the amounts payable by the School to the fund in respect of the year.

#### 1b. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates, forecasts and judgements are regularly evaluated and based on historical data, changes in School or national policies as well as predicted future trends that are believed to be reasonable or likely under the prevailing circumstances at the time. The resulting forecasts will always have a margin of uncertainty and rarely be an exact match for actual outturns depending on the fidelity of the assumptions used in constructing the forecast. Notwithstanding the current economic uncertainty brought about by the ongoing Coronavirus pandemic, the Governors consider that accounting forecasts, assumptions and judgements made will not have a significant difference to the amounts of assets and liabilities carried forward in the next financial year. Depreciation policies are applied to each asset category in order to reflect the useful economic life of the assets. It is considered that there are sufficient procedures, policies, checks and controls in place to monitor the financial health of the school on a near continual basis. The School also makes judgements regarding the recovery of debt from trade debtors. If these are not believed to be recoverable based on their knowledge and experience, then these amounts will be provided for in the accounts of the School.

**STAFFORD INDEPENDENT GRAMMAR SCHOOL**

**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 AUGUST 2020**

**2. INCOME FROM CHARITABLE ACTIVITIES**

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total 2020 £	Restricted funds 2019 £	Unrestricted funds 2019 £	Total 2019 £
Gross School fees	-	5,309,518	5,309,518	-	5,019,943	5,019,943
Scholarships, bursaries and discounts	-	(1,185,215)	(1,185,215)	-	(826,257)	(826,257)
Donations	24,500	6,125	30,625	-	-	-
Sub total	24,500	4,130,428	4,154,928	-	4,193,686	4,193,686
Other education income	-	245,989	245,989	-	345,803	345,803
	24,500	4,376,417	4,400,917	-	4,539,489	4,539,489

**3. INVESTMENT INCOME**

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Bank interest	4,197	4,793



**STAFFORD INDEPENDENT GRAMMAR SCHOOL**

**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 AUGUST 2020**

**4. DIRECT COSTS**

	Teaching £	Sports Hall £	Transport £
Seminars and training courses	10,198	-	-
School transport costs	22,542	-	-
Subject materials and supplies	116,105	-	-
Catering costs	57,019	-	-
Travelling and motor expenses	662	-	62,479
Sundry expenses – sports hall	-	3,989	-
Light and heat	-	28,912	-
Marketing	40,331	-	-
Wages and salaries	1,582,631	-	171,851
National insurance	168,883	-	-
Pension cost	319,934	-	-
	<u>2,318,305</u>	<u>32,901</u>	<u>234,330</u>

	Prep School £	Total 2020 £	Total 2019 £
Seminars and training courses	4,929	15,127	12,677
School transport costs	-	22,542	21,888
Subject materials and supplies	10,847	126,952	168,665
Catering costs	-	57,019	75,764
Travelling and motor expenses	180	63,321	74,142
Sundry expenses – sports hall	-	3,989	12,556
Light and heat	-	28,912	31,708
Marketing	-	40,331	34,015
Wages and salaries	503,187	2,257,669	2,296,078
National insurance	52,157	221,040	205,150
Pension cost	84,337	404,271	270,246
	<u>655,637</u>	<u>3,241,173</u>	<u>3,202,889</u>

**STAFFORD INDEPENDENT GRAMMAR SCHOOL**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**5. SUPPORT COSTS**

	Teaching £	Premises £	Prep School £
Professional fees	4,958	-	-
Sundry expenses	28,735	-	1,062
Subscriptions	44,047	-	479
Telephone	7,791	-	-
Postage, printing, stationery & advertising	6,568	-	-
Light and heat	54,800	-	-
Business & water rates	34,245	-	-
Insurances	37,692	-	-
Cleaning	24,456	-	-
Leasing charges	78,032	-	-
Maintenance and repairs	77,182	-	-
Consumable computer expenses	14,164	-	-
Bad debts	2,864	-	-
Marketing	10,317	-	-
Wages and salaries	51,722	424,015	25,926
National insurance	-	41,836	2,378
Pension cost	-	85,580	-
Depreciation	-	192,318	-
	<u>477,573</u>	<u>743,749</u>	<u>29,845</u>

	Governance £	Total 2020 £	Total 2019 £
Professional fees	70,955	75,913	57,711
Sundry expenses	-	29,797	25,944
Subscriptions	-	44,526	37,986
Telephone	-	7,791	8,689
Postage, printing, stationery & advertising	-	6,568	8,233
Light and heat	-	54,800	60,689
Business & water rates	-	34,245	27,758
Insurances	-	37,692	48,525
Cleaning	-	24,456	21,250
Leasing charges	-	78,032	91,343
Maintenance and repairs	-	77,182	53,011
Consumable computer expenses	-	14,164	7,595
Bad debts	-	2,864	(108)
Marketing	-	10,317	11,109
Wages and salaries	-	501,663	490,308
National insurance	-	44,214	42,144
Pension cost	-	85,580	83,840
Depreciation	-	192,318	191,301
	<u>70,955</u>	<u>1,322,122</u>	<u>1,267,328</u>

**STAFFORD INDEPENDENT GRAMMAR SCHOOL**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 AUGUST 2020**

**5. SUPPORT COSTS (continued)**

In 2019, the School incurred the following support costs:

£461,688 in respect of Teaching  
£722,153 in respect of Premises  
£29,948 in respect of the Prep School  
£53,539 in respect of Governance

**6. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE**

	Staff costs 2020 £	Depreciation 2020 £	Other costs 2020 £	Total 2020 £	Total 2019 £
Teaching	2,123,170	-	672,708	2,795,878	2,836,934
Premises	551,431	192,318	-	743,749	722,153
Sports Hall	-	-	32,901	32,901	37,516
Transport	171,851	-	62,479	234,330	228,180
Prep School	667,986	-	17,496	685,482	591,895
Governance	-	-	70,955	70,955	53,539
Bank interest and charges	-	-	10,371	10,371	13,438
	<u>3,514,438</u>	<u>192,318</u>	<u>866,910</u>	<u>4,573,666</u>	<u>4,483,655</u>

**7. ANALYSIS OF GOVERNANCE EXPENDITURE WITHIN SUPPORT COSTS**

	2020 £	2019 £
Auditors remuneration including VAT:		
- for audit services	18,408	17,712
- for non-audit services	2,868	8,718
	<u>21,276</u>	<u>26,430</u>

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

During the year, no Governors received any benefits in kind (2019 - £NIL).

During the year, no Governors received any reimbursement of expenses (2019 - £NIL).

**8. NET INCOMING RESOURCES/ (RESOURCES EXPENDED)**

This is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets:		
- owned by the charity	192,318	191,031
Operating leases:		
- Plant, machinery and motor	78,032	91,343
Cost of stock recognised as an expense	<u>57,019</u>	<u>77,148</u>

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**STAFFORD INDEPENDENT GRAMMAR SCHOOL**

**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**9. STAFF COSTS**

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	2,759,332	2,786,386
Social security costs	265,254	247,294
Other pension costs	489,851	354,086
	<hr/>	<hr/>
	3,514,437	3,387,766
	<hr/>	<hr/>

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

	2020 No.	2019 No.
Teaching staff	61	61
Support staff	50	52
	<hr/>	<hr/>
Total staff	111	113
	<hr/>	<hr/>

The number of higher paid employees was:

	2020 No.	2019 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	-	-
In the band £80,001 - £90,000	-	-
In the band £180,001 - £200,000	-	1
	<hr/>	<hr/>

The total remuneration and benefits received by key management personnel for the year was £407,668 (2019: £583,118).

There was an ex-gratia payment made in the year of £nil (2019: £85,840).

**STAFFORD INDEPENDENT GRAMMAR SCHOOL**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 AUGUST 2020**

**10. TANGIBLE FIXED ASSETS**

	Freehold property	Motor vehicles	Fixtures and fittings	Office equipment	Other fixed assets	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 September 2019	5,612,530	461,820	965,178	1,145,601	157,701	8,342,830
Additions	-	-	-	30,517	-	30,517
Disposals	-	-	-	-	-	-
<b>At 31 August 2020</b>	<b>5,612,530</b>	<b>461,820</b>	<b>965,178</b>	<b>1,176,118</b>	<b>157,701</b>	<b>8,373,347</b>
<b>Depreciation</b>						
At 1 September 2019	1,487,243	461,724	778,379	1,063,094	152,772	3,943,212
Charge for the year	105,306	96	37,916	47,169	1,831	192,318
Disposals	-	-	-	-	-	-
<b>At 31 August 2020</b>	<b>1,592,549</b>	<b>461,820</b>	<b>816,295</b>	<b>1,110,263</b>	<b>154,603</b>	<b>4,135,530</b>
<b>Net book value</b>						
<b>At 31 August 2020</b>	<b>4,019,981</b>	<b>-</b>	<b>148,883</b>	<b>65,855</b>	<b>3,098</b>	<b>4,237,817</b>
At 31 August 2019	4,125,287	96	186,799	82,507	4,929	4,399,618

**11. STOCKS**

	2020 £	2019 £
Finished goods	2,302	-
Raw material	3,064	3,704
	<b>5,366</b>	<b>3,704</b>

**12. DEBTORS**

	2020 £	2019 £
Trade debtors	97,970	64,116
Other debtors	811	2,365
Prepayments and accrued income	50,758	38,800
	<b>149,539</b>	<b>105,281</b>

Debts which have been written off during the year amounted to £460 (2019: £nil). There is a bad debt provision of £5,932 (2019: £nil).

**STAFFORD INDEPENDENT GRAMMAR SCHOOL**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 AUGUST 2020**

**13. CREDITORS: Amounts falling due within one year**

	2020	2019
	£	£
Bank loans and overdrafts	55,921	55,438
Trade creditors	53,316	81,085
Other taxation and social security	68,518	65,017
Other creditors	80,187	93,959
Accruals	24,426	107,988
Deferred income	304,198	295,760
	<u>586,566</u>	<u>699,247</u>

The movement in deferred income in the year is shown below:

	£
At 31 August 2019	295,760
Released in year	(295,760)
Received in year	304,198
At 31 August 2020	<u>304,198</u>

All deferred income is made up of fees paid in advance.

**14. CREDITORS: Amounts falling due after more than one year**

	2020	2019
	£	£
Bank loans	<u>34,375</u>	<u>90,780</u>

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**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 AUGUST 2020**

**15. STATEMENT OF FUNDS**

	<b>Brought Forward 1 September 2019 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Carried Forward 31 August 2020 £</b>
Unrestricted Funds	4,819,953	4,552,055	(4,573,665)	4,798,343
Restricted Funds	-	24,500	-	24,500
<b>Total</b>	<b>4,819,953</b>	<b>4,576,555</b>	<b>(4,573,665)</b>	<b>4,822,843</b>

	<b>Brought Forward 1 September 2018 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Carried Forward 31 August 2019 £</b>
Unrestricted funds	4,731,797	4,571,811	(4,483,655)	4,819,953
Restricted Funds	-	-	-	-
<b>Total</b>	<b>4,731,797</b>	<b>4,571,811</b>	<b>(4,483,655)</b>	<b>4,819,953</b>

The restricted funds relate to a donation made in the year for specific works to be carried out.

**STAFFORD INDEPENDENT GRAMMAR SCHOOL**

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**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 AUGUST 2020**

**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total Funds 2019 £
Tangible fixed assets	-	4,237,817	4,237,817	4,399,618
Current assets	24,500	1,181,467	1,205,967	1,210,362
Creditors due within one year	-	(586,566)	(586,566)	(699,247)
Creditors due in more than one year	-	(34,375)	(34,375)	(90,780)
<b>Total</b>	<b>24,500</b>	<b>4,798,343</b>	<b>4,822,843</b>	<b>4,819,953</b>

There were no restricted funds in 2019.

**17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2020	2019
	£	£
<b>Net incoming resources</b>	<b>2,890</b>	<b>88,156</b>
Elimination of non-operating cashflows:		
Investment income	(4,197)	(4,793)
Financing costs	10,371	11,094
Depreciation charges	192,318	191,301
Loss on disposal	-	404
Increase in stocks	(1,662)	7,129
Increase in debtors	(44,258)	(34,945)
Decrease in creditors	(113,164)	240,572
	<b>39,408</b>	<b>410,762</b>
	<b>42,298</b>	<b>498,918</b>



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**STAFFORD INDEPENDENT GRAMMAR SCHOOL****(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**18. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2020	2019
	£	£
Cash in hand	1,051,062	1,101,377
Total	<u>1,051,062</u>	<u>1,101,377</u>

**19. PENSION COMMITMENTS**

Until the 31st August 2020 the School was enrolled into two pension schemes. The Teachers' Pension Scheme, as detailed below, for Teaching staff and a Standard Life scheme for Support staff. During the course of the year the School received permission from the Secretary of State for Education to withdraw from the Teachers' Pension Scheme with effect from 1st September 2020.

**Teachers' Pension Scheme**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £404,270 (2019: £270,246) and at the year-end £48,073 (2019 - £34,202) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the Government permission to appeal the Court of Appeal's judgement that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The Government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the Government on 16 July 2020, and closed to responses on 11 October 2020.

**Other Pension Schemes**

The School also contributes to a defined contribution scheme administered by Standard Life for the benefit of eligible support staff employees. The pension cost charged in the accounts is the amount payable by the School during the year which amounted to £84,293 (2019: £83,839). Contributions totalling £9,625 (2019: £9,581) were payable to the fund at the Balance Sheet date and are included in creditors.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**20. OPERATING LEASE COMMITMENTS**

At 31 August 2020, the total of the School's future minimum lease payments under non-cancellable operating leases was:

	Motor vehicles £	2020 Plant & Machinery £	Total £	Motor vehicles £	2019 Plant & Machinery £	Total £
Amounts payable:						
Within 1 year	49,588	8,231	57,819	62,587	8,762	71,349
Between 1 and 5 years	26,795	14,967	41,762	72,634	17,101	89,735
Total	<u>76,383</u>	<u>23,198</u>	<u>99,581</u>	<u>135,221</u>	<u>25,863</u>	<u>161,084</u>

**21. RELATED PARTY TRANSACTIONS**

There were no related party transactions noted in the year. There were no trustee expenses that occurred in the year (2019: none). Two (2019: one) of the Governors have children or grandchildren at the School.

**22. CONTROLLING PARTY**

The School, having no share capital, is under the control of the Board of Governors, who are also the Trustees and the Directors of the School.