

Charity number: 1120199
Company number: 6261525

STOCKPORT GRAMMAR SCHOOL

ANNUAL REPORT AND ACCOUNTS

For the year ended 31 August 2020

STOCKPORT GRAMMAR SCHOOL
ANNUAL REPORT AND ACCOUNTS 2020

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REFERENCE AND ADMINISTRATIVE DETAILS

REFERENCE AND ADMINISTRATIVE DETAILS

The School is a company limited by guarantee, company number 6261525 and is registered with the Charity Commission under charity number 1120199. The registered address of the School (which comprises the Senior and Junior Schools) is Stockport Grammar School, Buxton Road, Stockport SK2 7AF.

The Governors of the School are also the Trustees, Directors and Members and are collectively referred to as Governors.

The names of the Governors at the date of signing the Report and/or those who served during the year are as set out below:

Co-optative Governors	Nominative Governors
* C F Dunn (Chairman)	J A Shackleton (The Old Stopfordians Association)
* A P Carr (Vice Chairman)	* Professor A J C Bloor (The University of Manchester)
* P A Cuddy	Mrs C S Muscutt (The Teaching Staff of the School)
Miss S E Carroll	
* P Milner	
* Mrs S Lansbury	
* P L Giblin (to 31.08.2020)	
P J Britton (to 31.03.2020)	
A C Simpson	
* J M R Lee	
N R Booth	
J C P Mason	
A J Gardiner	
Dr L Gholkar (from 9.12.19)	

Co-optative Governors are appointed by the Board of Governors for a period of five years, after which they can be appointed for further five year periods.

Nominative Governors are appointed by their respective nominating organisations for up to two consecutive three-year periods.

- * Members of the Management Committee

OFFICERS

Headmasters	The School The Junior School	Dr P M Owen T C Wheeler (to 31.08.2020) M J R Copping (from 1.09.2020)
Bursar and Clerk to the Governors		C J Watson
School Address		Stockport Grammar School Buxton Road Stockport SK2 7AF

The day to day running of the School is delegated to the Headmasters and Bursar.

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ADVISERS

Bankers

National Westminster Bank plc
PO Box 13
10 Great Underbank
Stockport
SK1 1LT

Solicitors

Veale Wasbrough
Orchard Court
Orchard Lane
Bristol
BS1 5WS

SAS Daniels LLP
30 Greek Street
Stockport
SK3 8AD

Farrer & Co
66 Lincoln's Inn Fields
London
WC2A 3LH

Auditors

Crowe U.K. LLP
Chartered Accountants
Registered Auditors
Black Country House
Rounds Green Road
Oldbury
B69 2DG

Architects

10architect Ltd
12 Hilton Street
Manchester
M1 1JF

Insurance Brokers

Towergate
7th Floor West One
114 Wellington Street
Leeds
LS1 1BA

Investment Advisers

Rathbone Investment Management
Port of Liverpool Building
Pier Head
Liverpool
L3 1NW

**STOCKPORT GRAMMAR SCHOOL
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

The Governors of the School, who are also the Directors of the Company, present their annual report for the year ended 31 August 2020, together with the audited accounts for the year, which have been prepared in accordance with company law and in compliance with the Charities SORP 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The School was established in 1487 under the Will of the founder, Sir Edmund Shaa. It was subject to a Scheme approved by the Charity Commission on 14 February 1991, and amended by variations to the Scheme dated 15 September 1995, 9 January 1996 and 4 May 1999. A company limited by guarantee with charitable status called Stockport Grammar School was incorporated on 29 May 2007 with bespoke Memorandum and Articles of Association. The Governors were appointed as directors and members of the Company and are its charity trustees. The School undertaking and expendable assets of Stockport Grammar School, registered charity number 525936 were transferred to the Company at midnight on 31 August 2007 to form part of the corporate property of the Company. The Articles of Association were reviewed in 2015 and updated to be in line with current legislation.

Governing Body

There is a single governing body for the whole school which comprises the Senior and Junior Schools.

Recruitment and Training of Governors

A Governor search group reviews the composition and future membership of the Board. New Governors are inducted by way of interview with the Clerk to the Governors, who ensures that they are in possession of, and are aware of the implications of, a number of internal documents, Charity Commission guidance documents and the Scheme documents noted above. The Governors have continued a process of self-appraisal and are also encouraged to engage in continuing training during their period of office by attending appropriate external training courses and seminars organised by various external bodies.

The Governors have reviewed the Charity Governance Code for Trustees produced by the Charity Commission and were satisfied that they met the required standards in all areas but that the compliance would continue to be reviewed regularly.

Organisational Management

The School Governors, as Directors of the Company and the Trustees of the Charity, are legally responsible for the overall management and control of Stockport Grammar School, and meet four times a year. The work of implementing most of their policies is carried out by the members of the Management Committee who meet six times a year to consider the more detailed aspects of those matters which fall within the remit of the Governing body. The Management Committee is currently chaired by the Chairman of Governors.

The other principal Committees are Finance, Building, Education, ICT and External Relations. Each of these Committees meet as and when required. Governors review each year any potential conflicts of interest. Four Governors had children in the School during the year, and declare an interest when relevant decisions were taken.

The day to day running of the School is delegated to the Headmaster, Dr P M Owen supported by Mr T C Wheeler, Headmaster of the Junior School and their Senior Management Teams (SMTs), together with the Bursar. The Headmasters and School Bursar attend meetings of the Board and the above Committees. At the end of the Summer Term Mr T C Wheeler retired after six years dedicated service to the School and its pupils. The Governors have appointed Mr Matthew Copping as his successor.

Remuneration for all staff is set by the Board and is reviewed annually with reference where possible to other similar schools to ensure that the School is sensitive to the issues of pay and employment conditions elsewhere and that staff are fairly and reasonably rewarded for their contribution to the work of the school. The Governors recognise that delivery of the School's charitable vision and purpose is primarily dependent on the key management personnel and that staff costs are the single largest element of charitable expenditure.

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Employment policy

The School is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial and economic performance of the School.

Communication with employees continues through normal management channels in a variety of forms and also through exceptional channels to apprise staff of current issues.

Governors' Insurance

In accordance with normal commercial practice the School has purchased insurance to protect Governors' and officers from claims arising from negligent acts, errors or omissions occurring whilst on school business. The insurance provides cover up to £5M on any one claim and the cost for the year ended 31 August 2020 was £2,156.

Relationships

The School is connected to another Charity, Stockport Grammar School Educational Foundation, which operates from the same address as Stockport Grammar School. The object of the Foundation is to apply its income and so much of its capital as may be determined by its Trustees for the advancement of education at the School.

The School retains ownership of a company Stockport Grammar School (2007) Limited, established under the Companies Acts, which has not traded since incorporation. The School also has a close relationship with the Stopfordian Trust, a Registered Charity whose objectives include the provision of financial assistance to needy pupils in the School.

OBJECTIVES AND ACTIVITIES

Charitable Object

The School's Object, as set out in the 2007 Scheme, is to advance education by the provision and conduct, in or near Stockport, of a school for boys and girls and insofar as it is incidental or ancillary, such other purposes for the benefit of the local community as shall be exclusively charitable.

Objectives for the Year

These were:

- To ensure that every child achieved a satisfactory level of academic performance and had the opportunity to participate in an outstanding and wide ranging programme of co-curricular activities;
- To provide a complete education package from the age of 3 to 18 years;
- To keep the curriculum under frequent review to ensure that it remains appropriate to the needs of pupils in a changing education and examination environment;
- To improve further the quality of teaching through staff development and by ensuring that good practice is promulgated throughout the School;
- To ensure that pupils from the Junior School achieve success in the entrance examination for advancement to the Senior School;
- To develop further the use of ICT across the School to support both the teaching and learning in the School and to support the work of the administration and management of the School;
- The continuing development of an External Relations strategy, engagement in the wider community of Stockport; and
- The continuing development and improvement of facilities and resources across the site.

STRATEGIC REPORT

Strategies to achieve the year's objectives

Whilst the Coronavirus pandemic has dominated the latter part of the School year and had a significant impact both on the finances of the School and on the delivery of the curriculum, co-curricular activities and public examinations, the Autumn and early Spring term saw the consolidation and further development of the School's strategic plans across all areas.

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Detailed planning and preparation has continued across all curriculum areas including the introduction of a new option of Drama at GCSE and modifications to MFL options, along with further enhancements of the existing reporting and review systems to support pupil development and learning.

There has been further work to develop the pastoral curriculum across the school continuing the focus on character education to articulate, promote and develop character strengths with updated regular reporting on personal development as well as academic progress. There has continued to be extensive training provided for all staff on safeguarding matters and there have been further improvements to the monitoring of pupil progress and participation in co-curricular activities.

Refinements to the form period and assembly programme, continued support for staff on positive behaviour management and development of mindfulness and mentoring programmes are all focussed on improving the quality of care and support across the school.

Developments of the School's parent portal and homework information system have enhanced effective communication with parents and allowed them access to details on their children's progress and curriculum whilst the School's online learning platform has continued to give extended opportunities for independent and collaborative teaching and learning across the School. These resources were used extensively during the lockdown period to support the continued delivery of teaching and learning across year groups

The Senior School and Junior School were inspected separately by the Independent Schools Inspectorate in October 2019. In assessing the educational quality of a school, the Inspectorate focus on two key outcomes, the achievement of the pupils including their academic development and the personal development of the pupils, and both schools were rated as "excellent" in both categories.

Pupils have continued to express their views through the School Councils in the Junior and Senior Schools. These included feedback on catering provision, communication across the school, and consultation over homework and uniform as well as their work in charitable fundraising. The School has progressed its application for the Artsmark award and established a creative hub to promote contact with local arts organisations and Schools, and has launched an Arts Award to allow pupils to gain a qualification and validate their artistic involvement.

Pupils in the school have continued to achieve significant successes in a range of sports at local, county and national level including the under 14 Netball team who again reached the final of the Smile Independent School's National Cup Final and the under 15 Rugby team and the under 15 Hockey team who reached the quarter finals of their respective National competitions. There have been individual pupil successes in regional and county and national appearances across a wide variety of sports. Other non-sporting successes include many pupil achievement awards in Olympiad competitions, success in Young Enterprise competitions, and recognition of many individual achievements in art and music with pupils performing in regional and national orchestras and exhibiting work in national galleries. The further investment in Drama produced outstanding pupil productions of "A Christmas Carol" and "Chicago".

As part of the continuing commitment to improve the facilities available across the whole school, two major capital investment projects to create new and enhanced facilities for the Sixth Form pupils and the construction of a new Pre-Reception building continued despite delays created as a result of the Coronavirus pandemic. Work to expand and develop the hall and changing rooms in the Junior School was completed. As usual there were a number of other projects undertaken over the summer period including the construction of an extension to a Junior School classroom, replacement roofs to the refectory and Hallam classrooms and an extensive programme of other maintenance and repair work.

The External Relations department has continued to focus on pupil recruitment with focussed marketing initiatives for entry at all ages and opportunities for prospective pupils and their parents to visit the School. Key messages are promoted via the School website and through an increased use of social media, whilst more conventional advertising of the school continues to promote its strengths in academic and co-curricular provision and the admissions team has continued to develop contact with prospective parents and support pupil recruitment across all age groups.

The External Relations Committee has continued to promote the School's public benefit initiatives, maintain and develop the School's reputation with key stakeholders and the wider community and to work with Old Stopfordians and others to raise funds particularly for the support of bursaries. The Committee

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now includes representation from former pupils and has replaced the Old Stopfordians Association to coordinate the activities for former pupils and to improve engagement with them through the school website and social media.

Principal Activities of the Year

The School provides education in Stockport to boys and girls from the ages of 3 – 18.

In the academic year 2019/2020 the Senior School had an average of 1,036 pupils and the Junior School had an average of 374 pupils. The number of staff employed during the year, including part time staff, shown as FTE's was teaching Staff 126 (Senior 98, Junior 28) and non-teaching staff 96.

Public Benefit, Aims and Intended Impact

The School's public benefit aim is to provide an excellent independent education through a strong academic tradition and through developing wider social, moral and personal skills. These are encouraged through the development of a supportive community which places a strong emphasis on the individual development of boys and girls. Such an environment helps pupils to learn self-discipline, participate in and be enriched by the challenges of many extra-curricular activities which will contribute to their success in life beyond school and university by equipping them with high moral values, personal qualities and a thirst for knowledge to serve them all their lives and enable them to become worthwhile and responsible citizens.

In setting out policy and planning these activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular the requirement to demonstrate that public benefit for any charitable purpose where it had previously been presumed in the absence of evidence to the contrary.

Through the External Relations Department the School has continued with its policy to promote and expand the School's links and role within the wider community of Stockport.

The School continues to provide means tested bursaries to children whose parents would not otherwise be able to pay the fees. Assistance was provided to 11 of the 162 pupils joining the First Form in 2019 and 11% of pupils in the Senior School received means tested assistance during the year. There continues to be a wide programme of events and activities in place to raise funds in support of bursaries and bursary information is widely available in the School's publications, on the website and in advertising for Open Events. The 15 bursary holders who left the sixth form of the school in 2020, achieved excellent academic success and secured a total of 28 A* and A grades. All of those in receipt of a transformational bursary have gone on to study at university with ten bursary holders securing places at Russell Group universities.

The School has continued to develop extensive links with other local schools and colleges across a range of ages and activities although some of the more established and popular events had to be cancelled during the lockdown period. Opportunities for shared academic support continued in the early part of the year with work with local secondary schools in Classics, Drama and sciences and with Y5 pupils from eighteen local maintained primary schools participating in a project to support Art education. Pupils have also participated in co-curricular clubs and masterclass sessions across a range of subjects and have been supported in academic extension lessons and in their applications to top universities.

Staff support teaching in the maintained sector with participation in teacher training schemes, academic extension schemes for primary school teachers, NQT monitoring and work as examination moderators. Four staff act as Governors in maintained schools, others are trustees for other charities or actively volunteer to support other local community organisations. The school continues to provide high level coaching and management as well as the use of sports facilities to local sports organisations, county rugby teams and to national independent schools rugby.

Pupils take part in and gain much from a wide range of community service activities, particularly in the Sixth Form and as part of the Duke of Edinburgh Award. Despite the curtailment of a number of charity fundraising events through those that were able to take place pupils in the Senior School raised £10,753 supporting Educaid Sierra Leone and The Christie Hospital, Macmillan Cancer and a number of local charities. The Junior School raised over £1,000 supporting the local Wellspring charity, Children in Need and Macmillan Cancer.

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The School continues to enjoy a national reputation for the quality of its delivery of the Duke of Edinburgh Award Scheme and is the largest independent provider in the North West. The scheme has extended the opportunities for participation at gold and silver level and there are now over three hundred and fifty pupils actively participating in the scheme. The scheme has a completion rate in excess of 80% with thirty nine pupils completing their Gold and Silver Awards this year despite the delays in some activities, and over one hundred securing success at Bronze level.

The School has continued to encourage coaching and sporting opportunities for young people in the area by making its sports and site facilities available for use by other organisations. The School's playing fields have been used for training by local junior rugby and athletics teams. Five outside swimming clubs for young people make regular weekly use of the swimming pool and the swimming facilities are used for no charge each week by Year 5 and Year 6 pupils of Great Moor Junior School.

The School continued to provide support for the children of key workers, both during the lockdown period and during the school holidays, but the normal extensive programme of activity weeks and specialist sports camps during the summer period were cancelled. During the lockdown period the School produced face masks and donated these and other PPE to local care homes. Plans for the use of other school facilities to be used by a number of other charities had to be postponed although the local Wellspring homeless charity was able to hold a fundraising event.

Grant-making Policy

The Governors' policy is to make bursary awards available to support an individual's educational potential and ensure that the opportunity for an education at the School is available to as wide a range of children as possible to join the School at 11+ or 16+.

The School endeavours to promote the availability of bursaries to the widest audience through its literature and information, together with the terms and conditions for awards, which are available to view on its website at www.stockportgrammar.co.uk.

This year, the value of bursaries, music scholarships, allowances and other awards made to the School's pupils out of unrestricted funds amounted to £1,362,431 of which £1,309,442 were means tested bursaries, which was close to the upper target figure of 8% set by the Governors to allocate from gross fee income. Of the bursaries awarded 74% were transformational awards with full fee remission.

Volunteers

The Stopfordian Parents' Association has continued to provide invaluable support to the School in terms of fundraising and support of a wide variety of activities.

ACHIEVEMENTS AND PERFORMANCE

Operational Performance

In the Senior School the objective is to ensure that all pupils maximise their academic potential and the target set by the Governors is that there will be at least an 85% pass rate at Grades A and B at Advanced Level. The confusion and late changes made to the awarding of examination grades was disappointing for our pupils but with the robust internal assessment process already in place and the centre assessed grade, our pupils achieved an Advanced Level pass rate of 100% with 86% achieving A*, A or B grades.

Two pupils accepted places at Cambridge and five recipients of transformational bursaries secured places at Russell Group universities to study medicine or dentistry. Over 90% of other pupils were successful in meeting the entry requirements of their chosen universities. The school value added according to CEM centre data was positive and is improving over time.

In 2020 the GCSE grades were also awarded on the basis of the centre assessed grades/ pass rate was 100% (grades, 9 to 4). 76% of grades awarded were at 9/8/7 with 27% of entries at the highest grade 9. The overall results were judged to be a fair reflection of pupil abilities. The majority of pupils took nine subjects at GCSE or IGCSE Level from a range of examining bodies. The school value added according to CEM centre data was positive and is continuing to improve over time.

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Benchmarking

The School participates each year in the benchmarking survey conducted by Baines Cutler Solutions Ltd where its financial performance is measured against that of similar schools in the north of England. Comparing those results for the survey conducted in 2020 the Governors are encouraged by the performance of the school against those schools against which it is benchmarked.

Fundraising Performance

No specific financial target was set by the Governors, but during the year under review the amount raised was £268,520. This included a generous donation of £100,000 from the Zochonis Charitable Trust towards the costs of the new Sixth Form facility, plus a donation from them of £75,000 for the provision of bursaries. £15,000 was donated by parents from the discount given against the summer term fees. The direct cost incurred in money-raising was £10,236. The School's aim is to ensure that strong relations continue to be maintained with alumni and other potential benefactors and has appointed an additional member of staff to develop the opportunities for fundraising both for bursaries and capital projects. The School has continued to benefit from a number of generous legacies from former pupils which support the bursary funds that enable pupils to join the school. The Governors anticipate that significant future donations will arise from the legacy programme. The School has received further generous support for bursaries at 11+ from the Stockport Grammar School Education Foundation.

The School had no fundraising activities requiring disclosure under 5162A of the Charities Act 2011.

Investment Performance

Rathbones were appointed as Stockport Grammar School's investment managers in Q1 2019, with formal transfer, settlement and investment control starting from the end of November 2019. Since this date to the end of the Financial Year (31st August 2020) the portfolio has produced a total return of +1.5% compared to the MSCI PIMFA Balanced benchmark total return of -3.6%. CPI+3% over the period was 2.3%.

In a period that was heavily impacted by the Coronavirus pandemic the portfolios experienced some volatility but recovered from the initial market weakness and have performed well and materially ahead of the benchmark. Following the financial year end (and at the time of writing) the portfolios have increased further in value.

Factors outside the School's Control

While some of the factors which most influence the School are within its own control (for example the curriculum on offer and the quality of teaching staff), other factors are not. As well as fluctuations in the birth rate in its catchment area, the School recognises that factors of the strength of the local and national economy, location and travel options continue to have a major impact on the recruitment of pupils at all levels.

The economic impact of the Coronavirus pandemic, the uncertainty surrounding Brexit and the risks of new political policy initiatives present significant threats and limit the Governors' ability to produce robust medium and long term plans. The continued recruitment of high calibre pupils in future years from a smaller market will require that the School maintains the highest possible standards in all areas whilst potentially facing significant cost increases and the Governors and senior management teams recognise these factors in all their business planning.

The Governors continue to encourage all members of the School to play an active role in the community and promote the work of the School and they encourage pupils from all areas of the town to apply to the School. The Governors are mindful of recent inspections undertaken and guidance issued by the Charity Commission with regard to public benefit.

FINANCIAL REVIEW

The School's net incoming resources on unrestricted funds before transfers or gains showed a net loss for the year of £63,930 after charging depreciation of £690,065 and receipt of bank interest of £28,556. Whilst pupil numbers for the year were higher than anticipated, the lockdown of the School for the summer term and the shift to remote learning had a significant impact on the financial position of the School. Whilst the school was able to make some savings in operating costs and took advantage of the CJRS scheme, many families faced immediate financial difficulties. As well as refunding meal charges across the whole school and reducing fees for the younger pupils from the start, Governors decided to offer a reduction in the total charge for fees for the Summer Term of £529,299, as well as offering additional flexibility regarding the timing of fee payments. As a result the net incoming resources at £39,195 were lower than originally forecast.

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Governors recognise that the continuing very significant economic pressures on parents will have an impact on future recruitment and retention. However they note that the level of fee debt to the School has increased significantly as a result of the Coronavirus pandemic but they are encouraged that many families have been able to continue to meet their financial commitments. The Governors were also pleased to note the continuing value of the external letting of the swimming pool and sports hall and the additional income it generated to support the work of the School.

Reserves and Reserves Policy

Notes 21 to 24 to the financial statements show the assets and liabilities attributable to the various types of fund and summarise the year's movements on each fund. The School's total reserves of £26,517,748 at year end comprised £120,552 endowed funds, restricted funds of £2,704,187 and unrestricted funds of £23,693,009. Unrestricted funds, not designated by the Governors, amounted to £20,360,202 at 31 August 2020. Designated funds amounted to £3,332,807 and a description of the purpose of the designations is shown in note 24 to the financial statements. Free reserves, after deducting the net book value of tangible fixed assets, were £2,409,121.

The Governors have examined the School's requirement for reserves and have established a policy of maximising unrestricted funds not proposed, committed or invested in tangible fixed assets held by the School and that they should be between 5% and 10% of turnover. This equates to holding reserves between £780K and £1.5M and therefore funds currently held are well in excess of this policy but this is reviewed regularly in light of the need to invest in development of the School's facilities.

The reserves are required to provide the funding for the building development and maintenance programmes and investment in resources to enable the School to provide the best possible facilities for the pupils commensurate with the School's standing in the community.

The School's policy is that its banking arrangements should be sufficient to support the continuing activities of the School in the short term given that parents are required to give one term's notice of their intention to withdraw a child from the School.

Funding Sources

The School relies almost entirely on its fee income received from parents to cover its expenditure and to pay for investment in buildings and resources. The only external sources of funds are normally by way of donations and these are shown as income to the School and in the Restricted Funds. In order to fund the construction of the Woodmoor teaching facilities in 2012 the Governors negotiated a number of medium term loans with the NatWest Bank of which only one remains ongoing. In the current year the School applied for support from the Coronavirus Job Retention Scheme to cover the costs of staff who were furloughed and received a figure of £174,797 towards the costs of their employment.

Investment Policy and Objectives

The objective for investing the reserve funds is to grow the value of the portfolios over the long term to provide financial support and sustainability, with particular focus on the provision of bursary funding for pupils of the school.

The board aims to maximise the total return (a combination of income and capital growth) on the investment assets within an appropriate and agreed risk profile such that capital growth is achieved to at least keep pace with inflation and an income is generated to help support the school and its pupils. The board, on consultation with their Investment manager (Rathbones), agreed to a Risk Level 4 on Rathbones scale of 1-6, where 6 is highest. Whilst some of the smaller funds have differing aspects, the board agreed that the investment strategy and risk profile should be consistent across the funds, although this is reviewed regularly.

Rathbones have been appointed with a discretionary investment mandate, carrying out the day to day portfolio management within the agreed framework. The board will monitor the manager and the fund performance with reference to the MSCI PIMFA Balanced index (an industry market relative benchmark) and the long term (absolute) return measure of CPI+3%.

Principal Risks and Uncertainties

The Board of Governors is responsible for the management of the risks faced by the School. The Governors view the most significant risk to the future of the School to be a possible future reduction in pupil

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numbers as a result of changing economic circumstances. These may either be as a direct consequence of the current Coronavirus pandemic or as a result of government decisions which impact on the economic circumstances of families in this area. Whilst levels of recruitment interest have remained strong and in some year groups increased as a result of concerns about the recent provision in the maintained sector, continued economic uncertainty, the factors of travel and geography which influence many families' decisions, and current trends in post 16 education all contribute to the risks associated with pupil numbers in the future. Whilst fees were frozen for a year in response to the Coronavirus pandemic the intention remains to keep future increases as low as possible. The increase in the employers' contribution to the Teachers' Pension Scheme has already had a very significant impact on the costs of employing staff and there remains a very high risk of disproportionate future increases within the next three years. Health and Safety risk management underpins many of the activities of the School, from daily management of infrastructure risks such as fire to personal risks, particularly when pupils are involved in offsite co-curricular activities. Careful planning and detailed risk assessment procedures are in place to minimise these and a full review of all operational matters to mitigate the risks of infection transmission was completed in preparation for the return to school for all pupils and staff in September.

During the year the Governing Body reviewed and updated its strategic plan and the analysis of the risks to which the School could be exposed. A full risk assessment was completed prior both to the partial reopening of the School in June and the full re-opening in September. These risks are regularly reviewed by the Senior Management of the company and day to day management of those risks is delegated to the Senior Management Teams. Risks are identified, assessed and controls established throughout the year. The key controls used by the School include:

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

Through the risk management process established for the School, the Governors are satisfied that the major risks identified have been adequately managed. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

PLANS FOR FUTURE PERIODS

It remains the Governors' and Headmaster's intention to ensure that pupils continue to achieve excellent academic results that will enable them to gain entry to leading universities and prepare them for life beyond school whilst having the opportunity to participate in as wide a range of co-curricular activities as possible. In order to protect all members of the School community from the Coronavirus pandemic the School has introduced wide ranging changes to its daily operation with revised movement plans around the site, timetabling, hygiene, cleaning and catering arrangements. These will continue for as long as deemed necessary by government and medical advice despite the impact they have on the full range of opportunities the School seeks to provide.

With the growth in use of online learning resources the School is looking to refine and enhance its digital learning platforms and the mechanisms by which they are made available to pupils, staff and parents. Whilst the School remains committed to face to face teaching, it is recognised these can provide opportunities for further consolidation and extension of learning and will provide a robust platform in the event that at some point in the future some or all pupils will need to receive more tuition remotely. These resources will assist in developing pupils' capacity to demonstrate independence and initiative in academic study and provide challenge at all levels of ability.

The School will continue to promote a learning culture to engage and develop the curiosity of pupils and promote and value the acquisition of knowledge and provide opportunities to stretch and challenge pupil learning. Additional teaching days have been provided to support pupils' return to School learning and there are extensive plans for catch up and support sessions across all year groups. Departments will continue to focus on study skills and the careful and timely evaluation of progress across all year groups and develop strategies for the timely use of performance data. The review of curriculum options and subjects available to take at public examination level will continue. Strategies to assist in the early

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FOR THE YEAR ENDED 31 AUGUST 2020**

identification of pupils at risk of underachievement will continue to be developed as will learning support provision at all levels. The new Junior School Headmaster will look to further develop the linkage of the curriculum structure and content between the Junior and Senior Schools.

The senior management team will continue to seek ways to ensure that the principles set out in the Every Child Matters framework are embedded across all areas of the School including the new Relationships and Sex Education curriculum introduced in Autumn 2020. Additional pastoral support has been put in place to support pupils' return to school and work will continue to support and develop the pastoral curriculum for all pupils. There will be further work to raise the profile of careers education and guidance in the middle and upper school and to develop the systems and structures in partnership with parents to provide for the emotional and well-being needs of all pupils, with focus on areas including resilience, self-respect, e-safety, digital dependency and drugs and alcohol education.

With the appointment of additional coaching staff in Sport there will be enhanced opportunities for pupils to participate in a wider range of co-curricular activities focussing not only on more traditional sports but a wider health and fitness programme. Additional staff will be recruited to support and expand the DofE and outdoor activities programme. The Teaching and Learning group will continue to promote and develop strategies to promote effective teaching and learning alongside a programme of character education which promotes curiosity and enthusiasm for learning.

The School will continue to participate in the Eco Schools programme, looking to progress rapidly to the silver and green flag levels. This will continue to provide leadership and development opportunities for pupils and to support the wider initiatives of the school in being aware of and caring for our environment.

Despite the long term financial pressures faced by the School the Governors are committed to completing the work that has already started to improve the buildings and facilities on the school site. Work on the completion of the new facilities for the Sixth Form was delayed until the end of September but it is anticipated that the new pre-Reception building will be completed and occupied by January 2021. An extensive redevelopment of the landscaping surrounding the building to create new and interesting play areas will also be completed.

Further large scale developments will continue through the detailed planning stages so that they can commence subject to the availability of resources. These projects include plans to make further improvements to the Main Hall to support and enhance the provision of facilities for Drama, the creation of a new Reception area and entrance and the development of a masterplan for the sports facilities on the site.

The External Relations Committee will continue to review the strategy for pupil recruitment at all ages, public benefit, (particularly links to the community and the provision of bursaries), marketing and alumni relations and also to increase the School's role in the wider community. This will involve developing a range of alternative engagement strategies with greater focus on targeted digital communication. A key objective remains to embrace the School's social responsibilities as an outward facing school by engagement with the local and wider communities. The School will continue to explore opportunities to participate in external initiatives to raise the quality of provision in the maintained sector in Stockport and South Manchester and prepare to respond if there are further national initiatives regarding collaborative partnerships. The plans to complement some of the curriculum and co-curricular developments within the School by working to secure the Arts Mark accreditation were delayed by the lockdown but we will continue to work with other schools and organisations in the area to secure this and widen our activities in these areas. The School will continue to make every effort to promote awareness of the School's Bursary Scheme to widen access to the School. An additional post has been created to bring a new impetus to fundraising activities both for potential capital projects but also to continue to raise funds to sustain and expand the provision of support for local pupils and to continue the School's tradition of servicing the local community of Stockport.

The events of the last year have further highlighted and reinforced the Governors' recognition of the economic pressures on parents caused by the current level of fees and the impact of external factors over which the School has no control which can add very significantly to the School's operating costs. The Governors will continue to ensure that the fees for tuition offer excellent value for money as well as seeking ways to reduce costs wherever possible without compromising the high standards of teaching, pastoral care, co-curricular opportunities, the provision of other services, and the long term investment in the site and the School's resources.

**STOCKPORT GRAMMAR SCHOOL
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

The Governors recognise what a very difficult period this has been for the whole school community and they want to record their thanks to all those who have continued to support the School throughout this period, with particular thanks to all the staff, teaching and non-teaching who have worked tirelessly over recent months to maintain the high standards of teaching and support for the pupils.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of Stockport Grammar School for the purposes of company law) are responsible for preparing the Governors' report (including 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. 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 judgements 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 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 reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- there is no relevant audit information of which the School's auditor is unaware, and
- that Governor's have taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the School's auditor in connection with preparing its report and to establish that the School's auditor is aware of that information.

This report, incorporating the Strategic report, was approved by the Governors, as the company directors, on 31/12/2020 and signed on the board's behalf by:


.....
C F Dunn
Chairman

STOCKPORT GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STOCKPORT GRAMMAR SCHOOL

Opinion

We have audited the financial statements of Stockport Grammar School for the year ended 31 August 2020 which comprise the Statement of Financial Activities, Balance Sheet, 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 charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

STOCKPORT GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STOCKPORT GRAMMAR SCHOOL

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

STOCKPORT GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STOCKPORT GRAMMAR SCHOOL

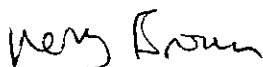
Auditor's responsibilities for the audit of the financial statements

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: 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 charity's trustees, 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 charity's trustees those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Kerry Brown
Senior Statutory Auditor
for and on behalf of
Crowe U.K. LLP
Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 6 January 2021

STOCKPORT GRAMMAR SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds		Restricted Funds	Endowed Funds	Total Funds	Total Funds
		School	Designated			2020	2019
		£	£	£	£	£	£
INCOME AND ENDOWMENTS FROM:							
Charitable Activities							
School fees	2	13,910,275	-	-	-	13,910,275	14,143,582
Other educational income	3	66,634	-	-	-	66,634	85,940
Other ancillary trading income	3	889,141	-	-	-	889,141	1,487,857
Other trading activities							
Other income	3	273,648	-	-	-	273,648	34,794
Investment income	4	27,186	87,098	61,963	-	176,247	189,707
Voluntary Sources							
Donations and legacies	5	-	25,157	349,082	-	374,239	260,032
		<u>15,166,884</u>	<u>112,255</u>	<u>411,045</u>	<u>-</u>	<u>15,690,184</u>	<u>16,201,912</u>
Total Income							
EXPENDITURE ON:							
Raising funds							
Fundraising costs		10,364	-	-	-	10,364	13,408
Financing costs	7	7,134	-	-	-	7,134	11,495
Investment management		-	60,138	11,285	668	72,091	76,322
Charitable activities							
Education and grantmaking		<u>15,213,316</u>	<u>55,203</u>	<u>313,097</u>	<u>-</u>	<u>15,581,616</u>	<u>16,013,847</u>
Total expenditure	6	<u>15,230,814</u>	<u>115,341</u>	<u>324,382</u>	<u>668</u>	<u>15,671,205</u>	<u>16,115,072</u>
NET INCOMING FUNDS FROM OPERATION BEFORE TRANSFERS AND INVESTMENT GAINS/(LOSSES)							
		(63,930)	(3,086)	86,663	(668)	18,979	86,840
Gains/(losses) on investments	10	-	18,246	8,933	(1,970)	25,209	79,729
Transfers between funds	24	<u>103,125</u>	<u>-</u>	<u>(103,125)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCOME AND MOVEMENT IN FUNDS							
		39,195	15,160	(7,529)	(2,638)	44,188	166,569
Funds balances at 1 September		<u>20,321,007</u>	<u>3,317,647</u>	<u>2,711,716</u>	<u>123,190</u>	<u>26,473,560</u>	<u>26,306,991</u>
Funds balances at 31 August	21	<u>20,360,202</u>	<u>3,332,807</u>	<u>2,704,187</u>	<u>120,552</u>	<u>26,517,748</u>	<u>26,473,560</u>

The notes on pages 18 to 34 form part of these accounts.

STOCKPORT GRAMMAR SCHOOL
Company number 6261525
BALANCE SHEET
AS AT 31 AUGUST 2020

		2020		2019	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Fixed Assets	9	17,951,081		15,881,509	
Securities Investments	10	4,492,155		4,750,722	
Property Investments	11	<u>854,186</u>		<u>745,000</u>	
		23,297,422		21,377,231	
CURRENT ASSETS					
Stocks	12	63,484		50,504	
Debtors	13	536,360		599,280	
Cash		<u>4,703,170</u>		<u>6,438,366</u>	
		5,303,014		7,088,150	
CREDITORS: Amounts falling due within one year	14	<u>(1,803,735)</u>		<u>(1,655,650)</u>	
NET CURRENT ASSETS					
		<u>3,499,279</u>		<u>5,432,500</u>	
Total Assets Less Current Liabilities					
		26,796,701		26,809,731	
CREDITORS: Amounts falling due after one year	15	<u>(278,953)</u>		<u>(336,171)</u>	
TOTAL NET ASSETS					
	21	<u>26,517,748</u>		<u>26,473,560</u>	
ENDOWED FUNDS					
	22	120,552		123,190	
RESTRICTED FUNDS					
	23	2,704,187		2,711,716	
UNRESTRICTED FUNDS					
Designated and general funds	24	<u>23,693,009</u>		<u>23,638,654</u>	
TOTAL FUNDS					
		<u>26,517,748</u>		<u>26,473,560</u>	

The financial statements were approved and authorised for issue by the Board on 31/12/2020 and signed on its behalf by:

C. F. Dunn

C F Dunn
Chairman

The notes on pages 18 to 34 form part of these accounts.

STOCKPORT GRAMMAR SCHOOL
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash provided by operating activities	26	<u>686,417</u>	<u>1,066,767</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		176,247	189,707
Proceeds from the sale of investments		4,218,067	525,511
Purchase of investments		(4,043,477)	(474,376)
Purchase of fixed assets		<u>(2,684,575)</u>	<u>(550,479)</u>
Net cash used in investing activities		<u>(2,333,738)</u>	<u>(309,637)</u>
Cash flows from financing activities			
Repayments of borrowing		(80,741)	(143,622)
Interest paid on borrowings		<u>(7,134)</u>	<u>(11,495)</u>
Net cash used in financing activities		<u>(87,875)</u>	<u>(155,117)</u>
Change in cash and cash entitlements in the reporting period		<u>(1,735,196)</u>	<u>602,013</u>
Cash and cash equivalents at the beginning of the reporting period	27	<u>6,438,366</u>	<u>5,836,353</u>
Cash and cash equivalents at the end of the reporting period	27	<u>4,703,170</u>	<u>6,438,366</u>

The notes on pages 18 to 34 form part of these accounts.

**STOCKPORT GRAMMAR SCHOOL
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. STATEMENT OF ACCOUNTING POLICIES

1.1 Charity information

Stockport Grammar School is a Company limited by guarantee (registered number 6261525), which is registered in England and Wales. It's charity registration number is 1120199. The registered office and principal place of business is Buxton Road, Stockport, SK2 7AF.

Its principal activity is the provision of day schooling.

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.

1.2 Basis of preparation of financial statements

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 2015) – (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

Stockport Grammar School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 11.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

In preparing the financial statements the trustees have considered the treatment of fee deposits. As per the standard terms and conditions fee deposits are offset against future fees or parents can elect to donate the deposit to the School. Therefore, the trustees have judged it appropriate to classify the fee deposits due as split between greater than one year and less than one year based on the expected repayment date.

**STOCKPORT GRAMMAR SCHOOL
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1.3 Fees and Similar Income

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, but include contributions received from Restricted Funds for Scholarships, Bursaries and other grants.

1.4 Investment income

Investment income from dividends and bank balances is accounted for on an accruals basis. Income from investment properties is accounted for in the period to which the rental income relates.

1.5 Donations and legacies

Donations receivable for the general purposes of the Charity 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, except that any amounts required to be retained as capital in accordance with the donor's wishes are accounted for instead as Endowments – permanent or expendable according to the nature of the restriction.

Donations and legacies income is recognised when the conditions for entitlement, probability and measurement have been met.

1.6 Government grants

Government grants are credited to the Statement of financial activities as the related expenditure is incurred.

1.7 Resources expended

Expenditure is accrued as soon as a liability is considered probable discounted to present value for longer term liabilities and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources. Liabilities are recognised where there is a legal or constructive obligation committing the entities to the expenditure. The irrecoverable element of VAT is included with the item of expense to which it relates.

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of charitable activity. Included in support costs of the school are budgeting and accounting, information technology, human resources and finance. School trip expenditure is included under support costs.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, also internal and external audit, any legal advice for the Governors and all costs of complying with constitutional and statutory requirements such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

1.8 Pension schemes

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

The Charity also contributes to a group personal pension scheme for non-teaching staff. Contributions to all schemes are charged in the SOFA as they become payable in accordance with

STOCKPORT GRAMMAR SCHOOL
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

the rules of the schemes.

1.9 Tangible fixed assets

All fixed assets costing more than £5,000 are capitalised at historical cost.

Depreciation is provided to write off the cost less estimated residual value of tangible fixed assets over their estimated useful lives, on a straight line basis, at the following rates:

Buildings:	2%
Computer system and cabling:	33.33%
Motor vehicles:	25%
Fixtures and Fittings:	10%

Land is not depreciated.

A full year's charge is made in the year in which the asset is brought into use but no charge is made in the year of disposal.

1.10 Investments

Security investments are valued in the balance sheet at their mid-market value at the balance sheet date. Investment management costs are accounted for as incidental costs of the acquisition or disposal where transaction-based, while investment income management costs are charged as expenditure out of the relevant income funds.

Investment properties are valued as individual investments at their market values as at the balance sheet date which at the year end 31 August 2016 was determined by obtaining a professional valuation.

1.11 Stock

Stock is valued at the lower of cost and net realisable value.

1.12 Debtors

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

1.13 Creditors

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

1.14 Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments and cash at bank which are held at fair value. Financial assets held at amortised cost comprise trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

1.15 Fund Accounting

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

**STOCKPORT GRAMMAR SCHOOL
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020**

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are available for use only in accordance with the donor's wishes.

Investment income, gains and losses are allocated to the appropriate fund.

2. CHARITABLE ACTIVITIES : FEES RECEIVABLE

	Senior £	Junior £	2020 £	2019 £
The school's fee income comprised:				
Gross fees	11,978,708	3,260,810	15,239,518	15,414,885
Less: Total bursaries, grants and allowances from unrestricted funds			(1,329,243)	(1,271,303)
			<u>13,910,275</u>	<u>14,143,582</u>

After School Care fees included in the above amounted to £44,961 (2019: £51,789). Scholarships, bursaries and other awards were paid to 154 pupils (2019: 149). Within this means tested bursaries totalling £1,309,442 were paid to 117 pupils (2019: £1,264,356 to 115 pupils).

3. CHARITABLE ACTIVITIES : OTHER INCOME

	2020 £	2019 £
Other educational charitable activities		
Entrance and registration fees	30,580	24,220
Courses and sub-lettings	<u>36,054</u>	<u>61,720</u>
	<u>66,634</u>	<u>85,940</u>
Other ancillary activities		
Tuck shop	5,070	6,696
School meals	569,679	878,730
Morning club	3,340	5,052
School trips	308,274	596,893
Fee interest received	<u>2,778</u>	<u>486</u>
	<u>889,141</u>	<u>1,487,857</u>
Other incoming resources		
Government grant	174,796	-
Other	<u>98,852</u>	<u>34,794</u>
	<u>273,648</u>	<u>34,794</u>

4. INVESTMENT INCOME

	Unrestricted £	Restricted £	Total 2020 £	Total 2019 £
Bank interest received	27,977	579	28,556	32,691
Dividends received	48,392	61,384	109,776	111,888
Investment property rental	<u>37,915</u>	-	<u>37,915</u>	<u>45,128</u>
	<u>114,284</u>	<u>61,963</u>	<u>176,247</u>	<u>189,707</u>

**STOCKPORT GRAMMAR SCHOOL
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. DONATIONS AND LEGACIES

	Unrestricted	Restricted	Total 2020	Total 2019
	£	£	£	£
General appeal donations	25,157	-	25,157	2,965
Bursary appeal donations	-	140,200	140,200	104,147
Prize fund donations	-	38	38	38
School donations	-	1,250	1,250	6,967
Stopfordians	-	1,884	1,884	28,915
Bursaries from Stockport Grammar School Educational Foundation	-	80,388	80,388	70,200
Baxendale Bursary	-	-	-	23,400
Stopfordian Trust Bursary	-	17,997	17,997	23,400
6 th form quad building donation	-	103,125	103,125	-
Hallam Trust	-	4,200	4,200	-
	<u>25,157</u>	<u>349,082</u>	<u>374,239</u>	<u>260,032</u>

6. ANALYSIS OF TOTAL RESOURCES EXPENDED

a) Total expenditure

	Staff costs	Other costs	Depreciation	Total 2020	Total 2019
	£	£	£	£	£
Costs of generating funds:					
Financing costs (note 7)	-	7,134	-	7,134	11,495
Investment management	-	72,091	-	72,091	76,322
Fundraising for voluntary resources	-	10,364	-	10,364	13,408
Total costs of generating funds:	-	<u>89,589</u>	-	<u>89,589</u>	<u>101,225</u>
Charitable activities					
Teaching	9,273,010	916,337	-	10,189,347	9,762,010
Welfare	600,059	674,548	-	1,274,607	1,424,236
Premises	200,444	1,041,254	583,529	1,825,227	1,999,572
Loss on disposal of fixed asset	-	-	-	-	296,000
Support costs and governance	909,019	909,830	106,536	1,925,385	2,170,094
Grants, awards and prizes (note 6 (b))	-	367,050	-	367,050	361,935
Total charitable expenditure	<u>10,982,532</u>	<u>3,909,019</u>	<u>690,065</u>	<u>15,581,616</u>	<u>16,013,847</u>
Total resources expended	<u>10,982,532</u>	<u>3,998,608</u>	<u>690,065</u>	<u>15,671,205</u>	<u>16,115,072</u>

b) Grants, awards and prices

	2020	2019
	£	£
From Restricted Funds:		
Bursaries and other grants	311,847	327,609
From Unrestricted Funds:		
Bursaries and other awards	<u>55,203</u>	<u>34,326</u>
	<u>367,050</u>	<u>361,935</u>

STOCKPORT GRAMMAR SCHOOL
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. DONATIONS AND LEGACIES

	Unrestricted	Restricted	Total 2020	Total 2019
	£	£	£	£
General appeal donations	25,157	-	25,157	2,965
Bursary appeal donations	-	140,200	140,200	104,147
Prize fund donations	-	38	38	38
School donations	-	1,250	1,250	6,967
Stopfordians	-	1,884	1,884	28,915
Bursaries from Stockport Grammar	-	-	-	-
School Educational Foundation	-	80,388	80,388	70,200
Baxendale Bursary	-	-	-	23,400
Stopfordian Trust Bursary	-	17,997	17,997	23,400
6 th form quad building donation	-	103,125	103,125	-
Hallam Trust	-	4,200	4,200	-
	<u>25,157</u>	<u>349,082</u>	<u>374,239</u>	<u>260,032</u>

6. ANALYSIS OF TOTAL RESOURCES EXPENDED

a) Total expenditure

	Staff costs	Other costs	Depreciation	Total 2020	Total 2019
	£	£	£	£	£
Costs of generating funds:					
Financing costs (note 7)	-	7,134	-	7,134	11,495
Investment management	-	72,091	-	72,091	76,322
Fundraising for voluntary resources	-	10,364	-	10,364	13,408
Total costs of generating funds:	-	<u>89,589</u>	-	<u>89,589</u>	<u>101,225</u>
Charitable activities					
Teaching	9,273,010	916,337	-	10,189,347	9,762,010
Welfare	600,059	674,548	-	1,274,607	1,424,236
Premises	200,444	1,041,254	583,529	1,825,227	1,999,572
Loss on disposal of fixed asset	-	-	-	-	296,000
Support costs and governance	909,019	909,830	106,536	1,925,385	2,170,094
Grants, awards and prizes (note 6 (b))	-	367,050	-	367,050	361,935
Total charitable expenditure	<u>10,982,532</u>	<u>3,909,019</u>	<u>690,065</u>	<u>15,581,616</u>	<u>16,013,847</u>
Total resources expended	<u>10,982,532</u>	<u>3,998,608</u>	<u>690,065</u>	<u>15,671,205</u>	<u>16,115,072</u>

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	2020	2019
	£	£
From Restricted Funds:		
Bursaries and other grants	311,847	327,609
From Unrestricted Funds:		
Bursaries and other awards	<u>55,203</u>	<u>34,326</u>
	<u>367,050</u>	<u>361,935</u>

**STOCKPORT GRAMMAR SCHOOL
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020**

c) Governance included in support costs:

	2020	2019
	£	£
Remuneration paid to auditor for audit services	15,000	15,000
Remuneration paid to auditor for assurance services	615	595
Remuneration paid to auditor for non-audit related services	2,100	1,600
Reimbursement of personal expenses to Governors	3,200	5,073
Other governance costs	<u>47,335</u>	<u>47,618</u>
	<u>68,250</u>	<u>69,886</u>

Course and travel expenses were claimed by 2 Governors (2019: 7).

7. FINANCE AND OTHER COSTS

	2020	2019
	£	£
Bank loan interest	<u>7,134</u>	<u>11,495</u>

8. STAFF COSTS AND RELATED PARTY TRANSACTIONS

	2020	2019
	£	£
The aggregate payroll costs for the year were as follows:		
Wages and salaries	8,434,057	8,440,149
Social security costs	866,021	858,982
Other Pension costs	<u>1,682,454</u>	<u>1,227,063</u>
	<u>10,982,532</u>	<u>10,526,194</u>

Neither the Governors nor any persons connected with them received any remuneration or other benefits for their work on the Governing body.

During the year, one settlement agreement of £10,000 was paid.

	2020	2019
	£	£
Aggregate employee benefits of key management personnel	<u>772,779</u>	<u>726,556</u>

	2020	2019
	No.	No.
The number of higher paid employees was		
Taxable emoluments band:		
£60,001 - £70,000	4	4
£70,001 - £80,000	2	2
£80,001 - £90,000	2	2
£100,001 - £110,000	1	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	1

The average number of employees during the year was 301 (2019: 304), whilst the average number of employees calculated on a full time equivalent basis was:

	2020	2019
	No.	No.
Teaching	127	131
Welfare	28	27
Premises	7	7
Support	<u>62</u>	<u>60</u>
	<u>224</u>	<u>225</u>

**STOCKPORT GRAMMAR SCHOOL
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020**

c) Governance included in support costs:

	2020	2019
	£	£
Remuneration paid to auditor for audit services	15,000	15,000
Remuneration paid to auditor for assurance services	615	595
Remuneration paid to auditor for non-audit related services	2,100	1,600
Reimbursement of personal expenses to Governors	3,200	5,073
Other governance costs	<u>47,335</u>	<u>47,618</u>
	<u>68,250</u>	<u>69,886</u>

Course and travel expenses were claimed by 2 Governors (2019: 7).

7. FINANCE AND OTHER COSTS

	2020	2019
	£	£
Bank loan interest	<u>7,134</u>	<u>11,495</u>

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	2020	2019
	£	£
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Wages and salaries	8,434,057	8,440,149
Social security costs	866,021	858,982
Other Pension costs	<u>1,682,454</u>	<u>1,227,063</u>
	<u>10,982,532</u>	<u>10,526,194</u>

Neither the Governors nor any persons connected with them received any remuneration or other benefits for their work on the Governing body.

During the year, one settlement agreement of £10,000 was paid.

	2020	2019
	£	£
Aggregate employee benefits of key management personnel	<u>772,779</u>	<u>726,556</u>

	2020	2019
	No.	No.
The number of higher paid employees was		
Taxable emoluments band:		
£60,001 - £70,000	4	4
£70,001 - £80,000	2	2
£80,001 - £90,000	2	2
£100,001 - £110,000	1	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	1

The average number of employees during the year was 301 (2019: 304), whilst the average number of employees calculated on a full time equivalent basis was:

	2020	2019
	No.	No.
Teaching	127	131
Welfare	28	27
Premises	7	7
Support	<u>62</u>	<u>60</u>
	<u>224</u>	<u>225</u>

**STOCKPORT GRAMMAR SCHOOL
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. TANGIBLE FIXED ASSETS

	Assets under construction	Freehold Land & Buildings	Fixtures & Fittings	Computer System & Cabling	Motor Vehicles	Total
	£	£	£	£	£	£
Cost						
1 September 2019	497,872	18,537,688	2,057,946	902,051	24,262	22,019,819
Additions	2,479,529	28,781	190,587	66,057	-	2,764,954
Disposals	(5,317)	-	(70,656)	(23,624)	-	(99,597)
Transfer	(529,519)	427,597	101,922	-	-	-
31 August 2020	<u>2,442,565</u>	<u>18,994,066</u>	<u>2,279,799</u>	<u>944,484</u>	<u>24,262</u>	<u>24,685,176</u>
Depreciation						
1 September 2019	-	4,164,716	1,179,106	770,226	24,262	6,138,310
Charge for Year	-	361,235	222,294	106,536	-	690,065
Eliminated on disposals	-	-	(70,656)	(23,624)	-	(94,280)
31 August 2020	<u>-</u>	<u>4,525,951</u>	<u>1,330,744</u>	<u>853,138</u>	<u>24,262</u>	<u>6,734,095</u>
Net book value						
31 August 2020	<u>2,442,565</u>	<u>14,468,115</u>	<u>949,055</u>	<u>91,346</u>	<u>-</u>	<u>17,951,081</u>
31 August 2019	<u>497,872</u>	<u>14,372,972</u>	<u>878,840</u>	<u>131,825</u>	<u>-</u>	<u>15,881,509</u>

The primary use of all the tangible fixed assets is for direct charitable purposes.

On incorporation, two plots of land were presumed to be permanent endowment. These were a plot of land conveyed between Alfred Bell Esq and the Official Trustee of Charity Land in trust for the Stockport Grammar School and a plot of land conveyed between Peter Peirce and the Official Trustee of Charity Land in trust for the Stockport Grammar School. It is not possible to distinguish the value of these plots of land from the freehold land and buildings noted above.

10. SECURITIES INVESTMENTS

	Designated Funds	Restricted Funds	Endowment Funds	Total 2020	Total 2019
	£	£	£	£	£
Market value at 1 September	2,295,438	2,333,284	122,000	4,750,722	4,722,128
Additions	2,012,714	1,872,625	48,952	3,934,291	474,376
Disposals	(2,151,348)	(2,007,711)	(59,008)	(4,218,067)	(525,511)
Net investment gains/(losses)	18,246	8,933	(1,970)	25,209	79,729
Market value at 31 August	<u>2,175,050</u>	<u>2,207,131</u>	<u>109,974</u>	<u>4,492,155</u>	<u>4,750,722</u>

	2020 £	2019 £
Investments comprise:		
Listed UK Equities	<u>4,492,155</u>	<u>4,750,722</u>

The investments are held as fixed assets which generate income to be applied for the purposes described in notes 22 - 24 and are all listed on the UK stock exchange.

**STOCKPORT GRAMMAR SCHOOL
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. PROPERTY INVESTMENTS

	Designated Funds £	Total 2020 £	Total 2019 £
Valuation at 1 September 2019	745,000	745,000	745,000
Addition	<u>109,186</u>	<u>109,186</u>	-
Valuation at 31 August 2020	<u>854,186</u>	<u>854,186</u>	<u>745,000</u>

The investment property consists of buildings held for investment purposes, which are not used in the School's own activities, primarily residential property in Stockport which are let out on the open markets.

A formal valuation of the properties was prepared by Michael Hart and Company Limited, Chartered Surveyors in 2016 which valued these properties at £745,000 in total.

12. STOCKS

	2020 £	2019 £
Goods for resale and consumables	<u>63,484</u>	<u>50,504</u>

13. DEBTORS

Due within one year:

	2020 £	2019 £
Trade debtors:		
Fees outstanding	304,225	71,007
Bad debt provision	<u>(245,608)</u>	<u>(43,670)</u>
School fees	58,617	27,337
Other debtors	87,474	234,747
Deferred payments for supplies for the following year	41,725	70,459
Prepayments	<u>348,544</u>	<u>266,737</u>
	<u>536,360</u>	<u>599,280</u>

14. CREDITORS: Amounts falling due within one year

	2020 £	2019 £
Bank loan	84,754	80,802
Trade creditors	583,271	573,387
Taxation and social security	205,209	208,273
Other creditors	53,394	96,575
Fee deposits (see note 16)	48,160	57,699
Fees in advance (see note 17)	366,848	210,694
Accruals and deferred income	<u>462,099</u>	<u>428,220</u>
	<u>2,082,688</u>	<u>1,655,650</u>

STOCKPORT GRAMMAR SCHOOL
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

15. CREDITORS: Amounts falling due after one year

	2020	2019
	£	£
Bank loans	28,713	113,406
Fee deposits (see note 16)	225,858	210,768
Fees in advance	<u>24,382</u>	<u>11,997</u>
	<u>278,953</u>	<u>336,171</u>

At the year end there was one (2019: one) bank loan from National Westminster Plc. This loan is secured over the investment property at 214-216 Buxton Road, Stockport. The interest rate at 31 August 2020 was 4.84%.

The bank loans fall due as follows:

	2020	2019
	£	£
Between one and two years	<u>28,713</u>	<u>113,406</u>

16. FEE DEPOSITS

Fee deposits are returned via the offset of future fees (or alternatively as a donation to the School) and are expected to be applied as follows:

	2020	2019
	£	£
In one year or less	48,160	57,699
Between one and two years	17,850	15,750
Between two and five years	76,598	68,700
Over five years	<u>131,410</u>	<u>126,318</u>
	<u>274,018</u>	<u>268,467</u>

Movements of fee deposits

	2020	2019
	£	£
Balance at 1 September	268,467	253,500
New deposits received	135,020	128,409
Deposits utilised	<u>(129,469)</u>	<u>(113,442)</u>
Balance at 31 August	<u>274,018</u>	<u>268,467</u>

17. FEES IN ADVANCE

Parents may enter into a contract to pay the School tuition fees in advance. The money may be returned, subject to specific conditions but, assuming the relevant pupils remain in the School, advance fees will be applied as follows:

	2020	2019
	£	£
In one year or less	342,466	210,694
Between one and two years	<u>24,382</u>	<u>11,997</u>
	<u>366,848</u>	<u>222,691</u>

STOCKPORT GRAMMAR SCHOOL
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

Movements on advance fees:

	2020	2019
	£	£
Balance at 1 September	222,691	233,601
New advance fees received	354,851	222,691
Amounts utilised in payments	<u>(210,694)</u>	<u>(233,601)</u>
Balance at 31 August	<u>366,848</u>	<u>222,691</u>

18. FINANCIAL INSTRUMENTS

	2020	2019
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	5,347,741	5,495,722

Financial assets measured at fair value comprise assets held as investments.

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

	2020	2019
	£	£
Total investment income for financial assets measured at fair value through income and expenditure	176,247	189,707
Net gains/(losses) on financial assets measured at fair value through income and expenditure	25,209	79,729
Impairment losses on financial assets measured at amortised cost	211,368	31,625

19. LEASES

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

	2020	2019
	£	£
Within 1 year	23,700	23,700
Within 1 – 5 years	48,000	48,000
Greater than 5 years	<u>23,000</u>	<u>35,000</u>
	<u>94,700</u>	<u>106,700</u>

20. CAPITAL COMMITMENTS

At the year end the School had a capital commitment of £1,369,183 (2019: £91,000).

STOCKPORT GRAMMAR SCHOOL
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

21. NET ASSETS OF THE FUNDS OF THE CHARITY

The Charity's net assets belong to the various funds as follows:

	Fixed Assets	Investments	Net Current Assets/ (Liabilities)	Long term (Liabilities)	Fund Balances 2020
	£	£	£	£	£
Endowment funds	-	109,969	10,583	-	120,552
Restricted funds	-	2,207,131	497,056	-	2,704,187
Unrestricted funds	<u>17,951,081</u>	<u>3,029,241</u>	<u>2,991,641</u>	<u>(278,953)</u>	<u>23,693,009</u>
	<u>17,951,081</u>	<u>5,346,341</u>	<u>3,499,279</u>	<u>(278,953)</u>	<u>26,517,748</u>

Comparative net assets of the funds of the Charity – 2019:

	Fixed Assets	Investments	Net Current Assets/ (Liabilities)	Long term (Liabilities)	Fund Balances 2019
	£	£	£	£	£
Endowment funds	-	122,000	1,190	-	123,190
Restricted funds	-	2,333,284	378,432	-	2,711,716
Unrestricted funds	<u>15,881,509</u>	<u>3,040,438</u>	<u>5,052,878</u>	<u>(336,171)</u>	<u>23,638,654</u>
	<u>15,881,509</u>	<u>5,495,722</u>	<u>5,432,500</u>	<u>(336,171)</u>	<u>26,473,560</u>

22. ENDOWED FUNDS: MOVEMENTS IN THE YEAR

	At 1 Sept 2019	Incoming Resources	Amounts Expended	Investment Gains / (Losses)	Transfers	At 31 August 2020
	£	£	£	£	£	£
Permanent endowments:						
Endowment	19,162	-	-	424	-	19,586
Prize Funds	26,167	-	-	580	-	26,747
Sykes Trust Fund	<u>77,861</u>	<u>-</u>	<u>(668)</u>	<u>(2,974)</u>	<u>-</u>	<u>74,219</u>
	<u>123,190</u>	<u>-</u>	<u>(668)</u>	<u>(1,970)</u>	<u>-</u>	<u>120,552</u>

Comparative endowed fund – 2019:

	At 1 Sept 2018	Incoming Resources	Amounts Expended	Investment Gains / (Losses)	Transfers	At 31 August 2019
	£	£	£	£	£	£
Permanent endowments:						
Endowment	17,940	-	-	1,222	-	19,162
Prize Funds	24,499	-	-	1,668	-	26,167
Sykes Trust Fund	<u>76,670</u>	<u>-</u>	<u>(485)</u>	<u>1,676</u>	<u>-</u>	<u>77,861</u>
	<u>119,109</u>	<u>-</u>	<u>(485)</u>	<u>4,566</u>	<u>-</u>	<u>123,190</u>

The twenty-two Prize Funds consist of donations by individual donors. Income from the Funds is used to offset the cost of providing prizes at the annual Prize Day.

The Sykes Trust Fund is endowed funds to generate income for bursaries.

Each Trust Fund is allocated its proportion of investment income and gains and losses and bears its own expenses.

STOCKPORT GRAMMAR SCHOOL
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

23. RESTRICTED FUNDS: MOVEMENTS IN THE YEAR

	At 1 Sept 2019	Incoming Resources	Amounts Expended	Investment Gains / (Losses)	Transfers	At 31 August 2020
	£	£	£	£	£	£
Benjamin Smith Fund	96,734	2,860	(1,430)	2,067	-	100,231
Bursary Appeal	1,321,574	167,167	(96,534)	13,100	-	1,405,307
Prize funds	8,832	1,108	(1,108)	196	-	9,028
Sykes Trust Funds	350	1,702	(1,702)	-	-	350
Sports	868	1,250	(1,250)	-	-	868
Stockport Grammar School Educational Foundation Bursary	8,068	80,388	(80,388)	-	-	8,068
Roy Clough Fund	1,095,592	25,441	(79,198)	3,378	-	1,045,213
Nicholas Henshall	155,850	3,742	(37,131)	(9,808)	-	112,653
Stopfordian Trust	-	17,997	(17,997)	-	-	-
Bursary	-	2,065	(3,444)	-	-	22,470
Old Stopfordians Fund	23,848	-	-	-	(103,125)	-
6 th Form quad building	-	103,125	-	-	-	-
The Hallam Trust	-	4,200	(4,200)	-	-	-
	<u>2,711,716</u>	<u>411,045</u>	<u>(324,382)</u>	<u>8,933</u>	<u>(103,125)</u>	<u>2,704,187</u>

Comparative restricted funds – 2019:

	At 1 Sept 2018	Incoming Resources	Amounts Expended	Investment Gains / (Losses)	Transfers	At 31 August 2019
	£	£	£	£	£	£
Benjamin Smith Fund	90,927	2,806	(2,948)	5,949	-	96,734
Bursary Appeal	1,286,335	130,606	(96,203)	836	-	1,321,574
Prize funds	8,269	1,087	(1,087)	563	-	8,832
Sykes Trust Funds	350	2,093	(2,093)	-	-	350
Sports	1,613	6,967	(7,712)	-	-	868
Stockport Grammar School Educational Foundation Bursary	4,558	70,200	(66,690)	-	-	8,068
Roy Clough Fund	1,117,199	26,240	(80,654)	32,807	-	1,095,592
Nicholas Henshall	186,975	4,004	(40,148)	5,019	-	155,850
Baxendale Bursary	-	23,400	(23,400)	-	-	-
Stopfordian Trust	-	23,400	(23,400)	-	-	-
Bursary	-	29,013	(5,165)	-	-	23,848
Old Stopfordians Fund	-	-	-	-	-	-
	<u>2,696,226</u>	<u>319,816</u>	<u>(349,500)</u>	<u>45,174</u>	<u>-</u>	<u>2,711,716</u>

The John Benjamin Smith Exhibition Fund was established in 1880 to commemorate a former Mayor of Stockport and benefactor to the School. Its original purpose was to provide leaving scholarships for boys going on to University. Since 1981 awards have been made available to boys and girls largely to provide Education Travel Exhibitions.

The Bursary Appeal fund was established following an appeal for funds in 2001 to raise funds for the provision of bursary assistance.

The Sykes Trust Funds are generated from the endowed Sykes Trust Fund to provide bursaries.

The Stockport Grammar School Educational Foundation funding is a donation to be used for bursaries.

The Roy Clough Fund has been established from the generous legacy of a former pupil to provide bursaries.

The Nicholas Henshall Fund has been established from the generous legacy of a former pupil, member of staff and Governor to provide bursaries.

STOCKPORT GRAMMAR SCHOOL
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

The Baxendale Bursary fund was established after the death of Alan Baxendale (OS 1942) and the establishment of the AS Baxendale Charitable Trust. The School receives assistance to provide bursaries for pupils at the School.

The Stopfordian Trust Bursary is a donation used for bursaries.

The Old Stopfordians Fund is held on behalf of the Old Stopfordian Association (OSA). The funds are to be used to continue to support their work in promoting the School to former pupils.

The Hallam Trust is a one-off support to provide assistance to a family experiencing financial difficulties.

24. UNRESTRICTED FUNDS: MOVEMENTS IN THE YEAR

	At 1 Sept 2019	Incoming Resources	Amounts Expended	Investment Gains / (Losses)	Transfers	At 31 August 2020
	£	£	£	£	£	£
Designated Funds:						
Albert Johnston Fund	18,775	29	(1,500)	-	-	17,304
Investment Fund	3,089,772	84,190	(107,842)	16,878	-	3,082,998
General appeal	150,214	26,176	-	-	-	176,390
The Pilkington Fund	58,886	1,860	(5,999)	1,368	-	56,115
	<u>3,317,647</u>	<u>112,255</u>	<u>(115,341)</u>	<u>18,246</u>	<u>-</u>	<u>3,332,807</u>
General Reserve	<u>20,321,007</u>	<u>15,166,884</u>	<u>(15,230,814)</u>	<u>-</u>	<u>103,125</u>	<u>20,360,202</u>
	<u>23,638,654</u>	<u>15,279,139</u>	<u>(15,346,155)</u>	<u>18,246</u>	<u>103,125</u>	<u>23,693,009</u>

Comparative unrestricted funds – 2019:

	At 1 Sept 2018	Incoming Resources	Amounts Expended	Investment Gains / (Losses)	Transfers	At 31 August 2019
	£	£	£	£	£	£
Designated Funds:						
Albert Johnston Fund	19,942	436	(1,000)	(603)	-	18,775
Investment Fund	3,066,032	86,158	(89,134)	26,716	-	3,089,772
General appeal	146,139	4,075	-	-	-	150,214
The Pilkington Fund	58,555	2,305	(5,850)	3,876	-	58,886
	<u>3,290,668</u>	<u>92,974</u>	<u>(95,984)</u>	<u>29,989</u>	<u>-</u>	<u>3,317,647</u>
General Reserve	<u>20,200,988</u>	<u>15,789,122</u>	<u>(15,669,103)</u>	<u>-</u>	<u>-</u>	<u>20,321,007</u>
	<u>23,491,656</u>	<u>15,882,096</u>	<u>(15,765,087)</u>	<u>29,989</u>	<u>-</u>	<u>23,638,654</u>

The Albert Johnston Fund was established by way of a collection following the death of Albert Johnston, a former teacher of the School, in 1981. The income from the Fund is used to provide small travel awards for the winners of a competition among current school pupils.

The Designated Investment Fund, established many years ago, was considerably enhanced in 1993 following a bequest from the sister of a former pupil and was enhanced by a further gift from the estate of that former pupil. The Governors decided to create a fund which would be used to provide financial assistance to parents of pupils who fell into financial difficulties. It is used to provide bursaries to needy pupils following the withdrawal of the Assisted Places Scheme from September 1998.

The School has received a generous donation from the family of Sara Pilkington (OS 2010). In memory of Sara, the Governors have designated the funds to provide support for pupils who wish to enter the sixth form.

The General Reserve fund is retained to cover the fixed assets and provide working capital.

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25. PENSION SCHEMES

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,435,564 (2019: £993,971) and at the year-end £Nil (2019 - £Nil) was accrued in respect of contributions to this scheme.

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

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

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

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

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

The Charity also runs a group personal pension scheme for its non-teaching staff. The cost for the year represents the Charity's contributions to this scheme of £246,890 (2019: £233,092) and at the year end £Nil (2019: £Nil) was accrued in respect of contributions to this scheme.

STOCKPORT GRAMMAR SCHOOL
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income for the reporting period (as per the statement of financial activities)	44,188	166,569
Adjustments for:		
Depreciation charges	690,065	713,862
Loss on asset disposal	-	296,000
Assets under construction written off to expenditure	5,317	-
Gains on investments	(25,209)	(79,729)
Dividends, interest and rents from investments	(176,247)	(189,707)
Increase in stocks	(12,980)	(1,046)
Decrease/(Increase) in debtors	62,920	(55,587)
Increase in creditors	91,229	204,910
Interest paid on borrowings	7,134	11,495
Net cash provided by operating activities	<u>686,417</u>	<u>1,066,767</u>

27. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash at bank	<u>4,703,170</u>	<u>6,438,366</u>
Total cash and cash equivalents	<u>4,703,170</u>	<u>6,438,366</u>

This includes funds for the next phase of the development of the facilities of the school.

28. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2019	Cash flows	Non-cash changes	At 31 August 2020
Cash at bank	6,438,366	(1,735,196)	-	4,703,170
Debt due within 1 year	(80,802)	80,741	(84,693)	(84,754)
Debt due after 1 year	(113,406)	-	84,693	(28,713)
	<u>6,244,158</u>	<u>(1,654,455)</u>	<u>-</u>	<u>4,589,703</u>

29. RELATED PARTY

During the year there were no related party transactions other than those disclosed in note 8.

STOCKPORT GRAMMAR SCHOOL
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

30. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds		Restricted Funds	Endowed Funds	Total Funds	Total Funds
		School	Designated			2019	2018
		£	£	£	£	£	£
INCOME AND ENDOWMENTS FROM:							
Charitable Activities							
School fees	2	14,143,582	-	-	-	14,143,582	14,094,604
Other educational income	3	85,940	-	-	-	85,940	91,743
Other ancillary trading income	3	1,487,857	-	-	-	1,487,857	1,294,786
Other trading activities							
Other income	3	34,794	-	-	-	34,794	66,248
Investment income	4	36,909	90,049	62,749	-	189,707	191,023
Voluntary Sources							
Donations and legacies	5	40	2,925	257,067	-	260,032	220,597
Total income		15,789,122	92,974	319,816	-	16,201,912	15,959,001
EXPENDITURE ON:							
Raising funds							
Fundraising costs		13,408	-	-	-	13,408	20,208
Financing costs	7	11,495	-	-	-	11,495	17,501
Investment management		-	61,658	14,179	485	76,322	48,137
Charitable activities							
Education and grantmaking		15,644,200	34,326	335,321	-	16,013,847	15,138,470
Total expenditure	6	15,669,103	95,984	349,500	485	16,115,072	15,224,316
NET INCOMING FUNDS FROM OPERATION BEFORE TRANSFERS AND INVESTMENT GAINS/(LOSSES)							
		120,019	(3,010)	(29,684)	(485)	86,840	734,685
Gains/(losses) on investments	10	-	29,989	45,174	4,566	79,729	107,019
Transfers between funds	24	-	-	-	-	-	-
NET INCOME AND MOVEMENT IN FUNDS		120,019	26,979	15,490	4,081	166,569	841,704
Funds balances at 1 September		20,200,988	3,290,668	2,696,226	119,109	26,306,991	25,465,287
Funds balances at 31 August	21	20,321,007	3,317,647	2,711,716	123,190	26,473,560	26,306,991