
THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE FOUNDATION, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2021**

Governors

The Directors of this charitable company (the Charity) are its Trustees and Governors for the purposes of charity law and throughout this report are collectively referred to as the Governors. The Governors serving during the year and since the year end were as follows:

Nominated by:

Co-opted - Mr R Anderson (appointed September 2020)
Newham College - Dr C Barlow (resigned September 2020)
Co-opted - Dr C Bendtsen (appointed September 2020)
Co-opted - Dr V Christou
Co-opted - Mr M B Datta
Co-opted - Mr J Dix
Co-opted - Prof R Foale
Co-opted - Mr D Gill
Co-opted - Ms V Mills
Co-opted - Dr D Needham
Co-opted - Mrs S Oliver
Co-opted - Mrs K Ollerenshaw
Co-opted - Prof J Robinson (appointed September 2020)
Girton College - Dr H Shercliff
Co-opted - Dr J Tasioulas
Co-opted - Mr S Topel
Gonville & Caius College - Dr M Ellefson (resigned October 2021)

Principal - Mr R Girvan
Bursar & Executive Director - Mrs J Neild (to December 2020)
Chief Financial Officer - Ms Hayley Richardson (from January 2021)

Company registered number

06113565

Charity registered number

1120608

Registered office

Union Road, Cambridge, CB2 1HF

Company secretary

H Richardson

Independent auditors

Peters Elworthy & Moore, Salisbury House, Station Road, Cambridge, CB1 2LA

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Bankers

Lloyds Bank Plc, 3 Sidney Street, Cambridge, CB2 3BU

Smith & Williamson, 25 Moorgate, London, EC2R 6AY

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The Governors confirm that the annual report and financial statements of the charity comply with current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (second edition - October 2019) (effective January 2019).

Charitable Objects

The Stephen Perse Foundation is a company limited by guarantee governed by its Memorandum and Articles of Association dated 6th February 2007. It is registered as a charity with the Charity Commission.

The object of the Charity, contained in the Memorandum of Association, is the advancement of education by the provision and conduct of the schools collectively known as The Stephen Perse Foundation (howsoever these shall be known from time to time) and by ancillary or incidental educational activities and any other associated activities for the benefit of the community as a whole. In meeting the charitable objectives, the Foundation's public benefit aim is to achieve the highest possible standard of education, independent of the State system.

In the furtherance of these aims, the Governors of the Stephen Perse Foundation, as the Charity Governors, have paid due regard to the published guidance from the Charity Commission on the operation of the Public Benefit requirement under the Charities Act 2011.

Introduction

In 2020/21, The Stephen Perse Foundation achieved its charitable objectives through the operation of a family of exceptional schools and nurseries in Cambridge and Saffron Walden for boys and girls aged between 1 and 18+. These exceptional schools and nurseries share a strong academic, creative and pastoral pedigree. By learning to think for themselves, our pupils go on to achieve exceptional results, but they also develop strength of character, a sense of social responsibility and learn to innovate, communicate and collaborate. The education we offer prepares young people for life in tomorrow's world. They leave us ready to make their mark and achieve their dreams. 2020/21 was an exceptional year for the Foundation, as it was for the world, with the challenges caused by the global pandemic. In the previous year, our well established, outstanding digital strategy meant that the Foundation's schools were able to move to online teaching when the government forced all schools to move to remote learning. This continued during the lockdown period of the 20/21 Academic year. Thanks to the hard work, dedication and commitment of our staff and students under the leadership of our new Principal, Richard Girvan, we were able to maintain our high academic standards and once again achieve exceptional results.

We were proud to be the recipient, in November 2020 of the award for East Anglian Independent Secondary School of the Decade by the Sunday Times Schools Guide. This award particularly recognised the Foundation's outstanding digital vision which placed the school at the cutting edge almost ten years ago, and prepared it so well for current challenges and opportunities.

Our Founder, Dr Stephen Perse, born in 1548, was an academic and philanthropist. He believed that education should be a right rather than a privilege, accessible to those with ability and potential rather than dependent on income. This remains an important priority today and through the provision of financial assistance, we help those children who have the potential to benefit from the education we provide, but whose parents do not have the means to afford the school's fees. In addition to our regular programme of bursary support our ground breaking partnership with North Cambridge Academy has continued this year, offering free sixth form places to deserving and talented young people from NCA. In recognition of the additional challenges being faced at the moment the number of free places offered was increased from 3 to 6 this year.

Our recently established Charitable Foundation Office will work to engender philanthropy to help further develop our programme of bursaries and to extend and develop our charitable programmes in Cambridge and our wider East Anglian community.

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Updated Vision, Mission and Values Statements

During the year the Foundation Leadership team has worked with the Board of Governors to look towards the future and build upon the track record of the Foundation with new statements of Vision, Mission and values:

Our Mission

At the Stephen Perse Foundation, our mission is to educate and inspire the contributors to tomorrow's world: intelligent young people with the creativity, compassion, confidence and conviction to question, evaluate and improve society.

Our Vision

To deliver this mission, our vision is to create and sustain an outstanding educational environment that:

- Fosters modern scholarship through exceptional teaching and a dynamic, flexible and rigorous academic curriculum.
- Provides outstanding breadth of opportunity and quality of experience through a rich and varied co-curriculum.
- Nurtures and celebrates individuality, wellbeing, personal development, and contribution to the growth of others, through superb pastoral care, social and emotional education, and learning support.
- Champions and models equality, diversity and inclusivity, and social and environmental responsibility with a global outlook.

Our Values

With excellence and creativity in teaching and learning at the core of each of our schools and nurseries, we value the positive difference our students can make in the world through:

- Scholarship and the advancement of knowledge and understanding
- Kindness, courtesy, inclusivity and collaboration
- Diligence, independence and self-reliance
- Humility, reflectiveness and the pursuit of self improvement
- Character, individuality, wellbeing and confidence
- Conserving the environment and living sustainably

STRATEGIC REPORT: Review of activities and achievement: Part 1 - Widening access and public benefit

Financial Assistance

Our goal is to provide families in the areas in which our schools are based with access to education through ability, irrespective of family income. The Foundation offers means-tested financial assistance across the Foundation up to 100% of the fees in value and also scholastic awards based on academic, musical, sporting, dramatic or artistic ability. In addition, hardship funding is available to those pupils already attending a school within the Foundation whose parents are suffering temporary financial hardship. The Financial Assistance policy was updated during the year to better reflect our aims.

In 2020/21 the Foundation awarded £1,279,909 (2019/20: £1,432,792) in financial assistance and scholarship awards to 230 pupils (2019/20: 264) with 20 students (2019/20: 17) receiving 100% of the fees in financial assistance. This amounted to 5% of gross fee income (2019/20: 6%). These awards were funded from restricted and unrestricted funds. The Governors are intent on expanding the level of financial assistance available and the Foundation is investigating ways to attract candidates for financial assistance and the funding for these. In 2019, the Foundation through its partnership with North Cambridge Academy developed a programme to identify students from this setting able to benefit from a Stephen Perse Sixth Form education. These students receive

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100% funding through the Sixth form. In September 2021, 9 (2020: 6) students from North Cambridge Academy studied at the Stephen Perse Sixth Form College on fully funded places, in addition to 6 students from other schools.

Three of the 100% bursaries are funded by the DC James Trust and sixth form scholarships and bursaries are supported as a result of a generous legacy. We are deeply grateful for the generosity of the Foundation's funders and benefactors.

Additional hardship support has been extended to existing and prospective parents through the COVID-19 pandemic. This has taken the form of a reduction or deferment of fees as appropriate to the financial circumstances of the family concerned.

The Foundation provided remote teaching through the COVID-19 lockdown. Despite this being done comprehensively and successfully, rebates based on cost savings were given against the fees for the Spring Term 2021. The cost of this amounted to £249,681 and we would like to thank the parents who made the decision to kindly donate their fee reduction to the Foundation to support other families within the Stephen Perse Community during the COVID crisis.

Bursary partnership with NCA

In 2019, the Foundation, through its existing educational partnership with North Cambridge Academy (NCA), developed a programme to identify students from this setting able to benefit from a Stephen Perse Sixth Form education. These students receive 100% funding through the Sixth form. In September 2020, 6 (2019:3) students from North Cambridge Academy began their studies at the Stephen Perse Sixth Form College on fully funded places.

The Charitable Foundation Director spoke at the Cambridge 2030 Conference about our Sixth Form bursary partnership with North Cambridge Academy. At this event she not only had the opportunity to share the Foundation's vision but was also able to demonstrate the significance of our intervention at a critical time in a young person's education. The first cohort of students through this programme completed their A levels in July 2021. Between the three students they achieved 11 A levels with 5 at A* and 2 at A. One of the students has gone to the University of Bath to read Physics with a year abroad and the other two are applying to University this year. These excellent results demonstrate the outstanding benefits of this programme.

With the support of funding from a Charitable Trust, a generous legacy and individual philanthropists for the Academic year 2021/22, we were able to continue offering this programme to a further 6 students from NCA.

Charitable Foundation Office

The Charitable Foundation office was set up in 2019/20 with the appointment of the Charitable Foundation Director in March 2020. This office is leading on the implementation of a Development strategy, building on our widening participation and access programmes, tackling inequality, a programme of bursaries, building community partnerships and focusing on engaging alumni. The Foundation has ambitious plans for the future, informed by a contemporary reinterpretation of the original vision of our founder, Stephen Perse, to make a step change in the impact on the lives of young people, through our educational expertise and our track record of work in the community.

In the short to medium term our aims are.

- To share Stephen Perse Foundation's expertise and track record by creating an enhanced charitable programme of activities and programmes to lessen inequalities in educational opportunity and improve life chances in Cambridge and the wider East Anglian region.
- To work closely with North Cambridge Academy and other Schools to identify students who would benefit from a Stephen Perse Sixth Form education. To develop this programme to offer more places and ensure

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feedback to raise aspirations.

- To offer a number of full bursaries to the Stephen Perse Sixth Form each year to deserving and talented young people who would not otherwise be able to access the benefits of a Stephen Perse Education. To give them the opportunity, academic and pastoral support to develop and maximise their potential both while at Stephen Perse and in their future lives.
- To utilise everything we have learnt from the bursary programme which has been running with a focus on NCA since 2019 to help inform the expansion of this initiative to other young people in the Cambridge area and potentially more broadly across the region, and to develop new charitable programmes. To use this programme as an opportunity to influence and develop opportunities further down the School and with other schools to build wider awareness of the availability of bursary support within our community.

In recognition of the importance of integrating the work and aims of the Charitable Foundation Office across the Foundation, the Principal has formed a Committee with representatives from key areas across the Foundation to focus on Foundation bursaries, Charitable development, partnerships and public service.

As an early initiative to encourage philanthropic support of the Foundation it has applied and been accepted to take part in The Big Give Christmas Challenge 2021. This is a match funding initiative where individual donations are matched by a pledged matching fund. Our target is £20,000 and our matching fund pledge of £10,000 has already been secured from two generous donors.

Digital Outreach

The Stephen Perse Foundation is at the forefront of the use of digital technology in education. We have developed our pedagogy to embrace technology as an important part of our learning toolkit. As a result, technology enhances our students' learning, helping them be creative, engaged and empowered, not only in lessons and while they attend school, but going forwards into future studies and careers.

The Foundation has a suite of iBooks freely available to any subscriber and, as of October 2021, our iBooks have been downloaded 34,157 times by students and teachers not only in the UK but USA and India. In addition, the Foundation is continuing to support the training of others in the wider teaching profession in the use of digital technology.

Our digital strategy for the future has as its focus three areas of activity to be supported by digital content and delivery: the improvement of the timing and quality of feedback, offering students support and extension beyond the classroom; the continuation of extension and enhancement of access to high quality content, made and/or curated by staff and students and the enhancement of student creativity, to help consolidate, structure and improve individual learning across the Foundation.

The experience of comprehensive remote teaching and learning during the COVID-19 lockdown gave impetus to the further development of the Stephen Perse digital capability. The digital strategy is being revisited to ensure that it best meets the needs of the Stephen Perse Students and to explore the means by which it can be extended for the benefit of the wider community.

Community Outreach, Partnership and Social Responsibility

As a Foundation, we partner with local charities and schools in our ongoing endeavours to widen public access to the schooling we provide in the area, to optimise the educational use of our cultural and sporting facilities and to awaken in our own pupils an awareness of the wider social context of the education they receive at school. For example, our Music Department performs a regular series of lunchtime concerts for the local community. For the past few years these have been at Michaelhouse Chapel in the centre of town; from the Autumn term 2021 onwards this will move St Paul's Church on Hills Road. We also perform one lunchtime concert each term at Great St Mary's whereby talented student musicians perform a solo and ensemble works to members of the local community - the concerts are open to all, without charge.

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We also continue to provide weekly support sessions to North Cambridge Academy in our outreach programme in Maths, Science, English and Art, these include teachers and students in the senior school. Later this year, as restrictions ease we will be extending this to local primary schools.

Following the pandemic, when most of our outreach and partnership activities were of necessity curtailed, the Foundation is rethinking its approach to outreach and partnerships to to maximise the benefits that we can offer to the Community, this will be focused on how we can share our digital expertise more effectively and support schools in Music, Art and Drama.

Pupils from our Early Years and Junior Schools have opportunities to hold positions of responsibility, e.g. Form Leaders, School Council and Eco-Committee representatives (Eco Warriors), and House and Sports Captains, Librarians, music leaders, create leaders and sports crew. Through these roles they have opportunities to contribute positively to the lives of others within school and beyond. Opportunities are planned and embraced to enable pupils to contribute to and engage with the lives of others through active involvement in the raising of awareness and of funds for charitable organisations, such as Winter Comfort and Jimmy's (local initiatives for the homeless) and the RNLI, supporting community projects such as Bridge End Gardens in Saffron Walden through events organised in schools and encouraging support of the community at home, as well as raising funds to support Mbopo Primary School in Tanzania. The Social Responsibility aspect of the Stephen Perse curriculum model ensures that every pupil understands how their actions can have an impact on the social and physical environment around them.

Our students in the Senior School and Sixth Form are keen to act as mentors to younger pupils and contribute to supporting their development. Our Coding Club in the Senior School works on projects such as 'Apps for Good'. There is a strong focus on charitable engagement, each form has 2 elected 'Charities Reps' who lead their form in running at least one event per year to raise funds for the school-wide 'Charity of the Term'. The biennial school-wide 'Barnardo's Day' is an institution, held in huge regard by current students and alumni alike. The Charities Committee is extremely active and each term focuses on raising money for a different charity. There is also some opportunity for charitable work within the Citizenship component of the PSHEE curriculum; for example, for the past two years Year 8 have organised and contributed Christmas hampers to Cambridge Food Bank, and will do so again this year. The school regularly performs musical concerts for the local community at Michaelhouse church in Cambridge city centre. In the Sixth Form: The charities supported by students vary from year to year as this is led by the student committee. They have in the past demonstrated empathy for others by choosing to support charities where there has been a personal connection such as Huntington's disease (following the diagnosis of the husband of a member of the kitchen staff). Students are also involved in Foundation-wide events such as the eChristmas Card creation charity competition, which encourages creativity whilst fostering community mindedness. Boarders support their peers in attending events in the school such as the recent 'cabaret'. We provide weekly support sessions to North Cambridge Academy in our outreach programme in Maths, Science, English and Art, these include teachers and students in the Senior School.

We have continued to run our very successful overseas and UK university events to which maintained sector schools across East Anglia are invited. In October 2019 students from 4 schools attended the event held in the School and in October 2020 the event was digitally transmitted to 20 schools.

Social responsibility is key to learning at the Stephen Perse Foundation and is threaded throughout the curriculum. In 2017/18, the UN's 17 Sustainable Development Goals were introduced to pupils of all ages and work has continued in 2019/20 to embed sustainability and social responsibility in all schools. This project will continue in 2020/21 with the appointment of Christopher Woodey (Head of Sustainability) and the newly formed student sustainability committee.

Students also lead on fundraising activities through sponsored events such as sponsored runs, home clothes day, cake sales, hamper raffles.

Helen Archer, teacher of Geography, along with student support, raised virtual funds to sponsor twelve female

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students in Malawi through their secondary education. This relationship has spanned 4-5 years with J8 who acts as a liaison between the Foundation and a school in rural Malawi. One of the initiatives saw green coffee beans given to us by J8 from Malawi being roasted with the help of Hot Numbers, coffee shop close to Senior School site, and then ground and coffee sold. Unfortunately our efforts both to fundraise and spend the money in the Malawian school were curtailed by COVID. However, Helen is now working with a new group of Year 12 students who are keen to make their mark.

Other outreach activities and community use of facilities

Hosted at Dame Bradbury's, the Dame Bee's Parent and Toddler Group, a free weekly playgroup meets weekly on Friday mornings. It offers parents with babies and toddlers from the local community a chance to join other parents for coffee, chat, play and crafts. Special events also took place throughout the year, bookable and free, including Toddler Yoga and Toddler Forest School. These events are open to the community. In 2019 a Stephen Perse baby and toddler group was started at Madingley Village Hall operating on a similar basis to that at Dame Bradbury's.

A relationship with the Manorcourt Homecare, Saffron Walden has been developed. In 2019/20, residents visited Dame Bradbury's school. We continue to build on this relationship as we emerge from the pandemic.

Due to Covid restrictions we were unable to offer our facilities to those within our community as in previous years. However, throughout the year when restrictions allowed, we continued our partnerships with Anglia Ruskin University, making full use of the Sports facilities on the Union Road site. We continue to hold relationships with the following community organisations: Accuro Playgroup; Cambridge City Junior Hockey Club; Football Training 5-a-side football; Sue Raven Pure Rhythm; Royston & Saffron Walden National Trust Association; Saffron Walden Judo Club; Wenden Cricket Club; Saffron Walden Badminton Club; Mini athletics; Cambridge United football Club; The Leys school; Bell English School.

We are now working with our community organisations to reinstate their usage of our facilities post restrictions.

STRATEGIC REPORT: Review of activities and achievement: Part 2 – The Foundation's exceptional schools

The constituent schools

The Stephen Perse Foundation is an innovator in education, inspiring pupils, teachers and governments across the globe with a vision for learning that prepares young people for the modern world. Students at the Stephen Perse Foundation excel, whether that is on the sports field, in the creative or performing arts, or academically.

In 2020/21 the Stephen Perse Foundation provided an exceptional education to 1,526 pupils (2019/20: 1,401 pupils) aged 3-21 across its schools:

- Stephen Perse Nursery and Early Years Schools, Cambridge and Saffron Walden – boys and girls aged 1-5
- Dame Bradbury's Junior School, Saffron Walden – boys and girls aged 5-11
- Rosedale House Junior School, Cambridge – boys and girls aged 5-11
- Stephen Perse Senior School, Cambridge – boys and girls aged 11-16 (boys admitted in Year 7 from September 2017)
- Stephen Perse 6th Form College, Cambridge – boys and girls aged 16-19
- SPF International (formerly Cambridge Centre for Sixth Form Studies, Cambridge) – boys and girls aged 14-21

The schools of the Stephen Perse Foundation have once again had a very successful year.

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School Awards

East Anglia Secondary School of the Decade

In November 2020 the Stephen Perse Foundation was named East Anglia Independent Secondary School of the Decade by the Sunday Times. This was given in recognition of the inspirational and excellent leadership over this period; the sustained and continuous academic excellence; the successful introduction of the IB at sixth form and the early adoption of a digital strategy that allowed seamless remote teaching of the normal curriculum through the spring lockdown.

Shortlist for Prep School of the Year

The prestigious Independent Schools of the Year 2020 shortlisted the Stephen Perse Foundation for the Prep School of the Year award. The award recognises a school “which offers an outstandingly rich experience for its students.”

TES Independent School Technology Award

The Foundation was also shortlisted for the ‘best use of technology’ award in 2021. The award recognises “measurable excellence in the use of education technology by a school” and is judged on the evidence that technology has had a positive impact on the educational outcomes of students, inside or outside the classroom.

Leadership Changes

Jenny Neild (Bursar, Strategic Development Director and Company Secretary) left the Foundation in December 2020. Her outstanding service over 12 years has been one of the mainstays of the Foundation's development and success and she successfully led the Stephen Perse through the COVID induced schools closures and a seamless move to remote teaching and learning across schools.

She was succeeded by Hayley Richardson, who took up her appointment as Chief Financial Officer in January 2021. Hayley joined the Foundation from St Paul's School where she was Capital Projects Director and Project Finance Director.

Responding to COVID-19

COVID-19 has impacted every part of the Stephen Perse Foundation and every staff member and student.

On the closure of school sites by the Government from the 20 March 2020 the Foundation moved seamlessly from physical to remote schooling. This was possible because of the Foundation's digital strategy, emergency preparedness and the significant planning and training of staff and students in the run up to lockdown. However, whilst the schools were able to continue teaching, the nurseries and boarding facilities were closed in line with the Government guidance. The remote teaching was underpinned by a broad aim: that all students, whatever their age or stage of education, should have access to the learning and pastoral support they need to ensure their education continues through this unprecedented time; this continuity and structure being paramount to their wellbeing. This remote schooling and pastoral support was developed to ensure that it was as effective for our international students as for our local students. Training and support for staff was put in place to achieve this. Frequent regular communication with staff, students and parents was set up to ensure that they were properly informed of changing requirements and to obtain feedback.

Simultaneously the Foundation opened critical worker provision for the children of those defined as critical workers by the Government and this continued throughout the shutdown period.

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The junior school and nursery sites in Cambridge, Madingley and Saffron Walden reopened in May 2020 in line with the Government guidance on reopening schools. Students in the nurseries and early years schools, junior schools and years 10 and 12 returned to school in the second half of the summer term with a high percentage return rate.

All administrative and support functions moved effectively to remote working and those members of support and teaching staff whose roles required an onsite student presence were furloughed under the Government support scheme.

The framework for grading and assessment in public examinations, due to take place in summer 2020 and 2021, changed from external examinations to grades based on teacher assessment. The Foundation responded quickly to these and subsequent changes and has effectively supported the process and the students within it. An additional programme of study and support was put in place for year 11 and 13 students for the summer term.

To support the education and progress of the students outside the Foundation and those due to start at the Stephen Perse Foundation in Autumn 2020, the full year 6 curriculum was populated in google classroom and made available remotely free of any charge.

The principal challenges up to year-end were:

- Transferring to remote teaching and pastoral support
- Supporting the wellbeing of staff and students remotely
- Setting up and managing the critical worker provision for students throughout the shutdown period
- Contributing to the remote assessment process for the public A-level, IB and GCSE examinations
- Managing the financial and administrative impacts of returning fee rebates to parents and the cancellation of all external lettings and hires
- Working with and supporting families experiencing financial difficulty
- Communication with staff, students, parents and governors
- Managing staff working remotely to ensure they were able to do so effectively and safely
- Managing staff onto and throughout the Furlough scheme and ensuring their wellbeing
- Ensuring the continuation of events and celebrations for students, staff and parents
- Responding to IT challenges arising from teaching, learning and working from home and ensuring the security of data and IT systems
- Reopening the school and nursery sites on a COVID-secure basis
- Ensuring the continuation and completion of estates work including the leasing and move of the sixth form premises.

We would like to take this opportunity to thank staff, students and parents for their support through this unprecedented period. In particular the burden on the Foundation staff was enormous yet they displayed professionalism and dedication throughout for which the whole SPF community is hugely grateful.

Sixth form Buildings

To support the new sixth form, the Foundation leases well-appointed and historic buildings in Bateman Street, Cambridge in very close proximity to the Senior School. The move from the former sixth form college buildings took place in August 2020 with the new buildings opening from the start of the 2020/21 academic year.

The site, at one time was home to Cheshunt College (the oldest theological college in Cambridge), is modern and very well-equipped, with: six science laboratories, sixteen classrooms, indoor and outdoor dining areas, a large student Common Room, a large Library and student study space, as well as facilities for the school's

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guidance team, sixth form counsellor, departmental resource areas and other community activities.

Students and staff benefit from the close proximity to the Senior School site, which allow collaboration and joint activities when required, while also giving the Sixth Form community a bespoke and separate space for individual learning and space for A Level and IB programme study.

In 2021-2 the Foundation has plans to relocate the Junior School (Rosedale House) to occupy the former sixth form buildings on Shaftesbury Road (known as the Fitzwilliam Building). The current Junior School buildings will then be re-purposed to serve as additional sixth form facilities, adding further classrooms, social, outdoor, dining and study space, to allow for larger numbers of sixth form students in the future.

Opening of Stephen Perse Nurseries

In summer 2019, the Governors approved the opening of Stephen Perse Nurseries on three sites – in Cambridge, Saffron Walden and Madingley. The Stephen Perse Foundation received Ofsted approval for this and specifically for the Dame Bradbury's site in Saffron Walden in October 2020 with further approvals for the other sites. The Saffron Walden nursery opened in the autumn term for 2-3 year olds and for 1-2 year olds in January 2020. Work was undertaken to refurbish the former CCSS site on Station Road in Cambridge to create inspirational nursery facilities and the nursery and early years setting for 1-5 year olds opened in January 2020. The nursery at Madingley opened in September 2020. The nurseries are operating successfully and demand for places at each site has been high. Over the summer of 2021, a further nursery and Early Years setting was opened on Shaftesbury road, providing facilities for nursery, kindergarten and Reception pupils.

Facilities development

Master planning on the development and use of the Stephen Perse sites has continued in 2020-21, with the aim of creating a plan that optimises the use of these sites by the schools and the community. Specifically this has concentrated on the relocation of the Junior School building, expansion of sixth form facilities and sports provision. New cricket nets were added to the Senior School site in 2021.

In summer 2020, the AstroTurf was renewed at the Latham Road sports fields and work was undertaken to ensure that the Foundation's sites were compliant with the Government COVID-19 guidance in relation to the reopening of schools.

With the move of the sixth form college from the Fitzwilliam and Shaftesbury buildings in Cambridge new opportunities have arisen and the use and development of these sites was considered as part of the master planning review in 2020-21, with plans developed and implementation commenced to open a new nursery and Early Years setting on Shaftesbury Road, relocate the Junior School to the Fitzwilliam Building and expand sixth form into the current Rosedale House buildings.

Environmental sustainability

Furthering the sustainability work that the Foundation has begun, the position of Head of Sustainability (Mr. Chris Woodey) was created with the role commencing in September 2021. The initial remit for the role over the school year 2021/22 is to create and begin to implement a foundation-wide sustainability strategy and delivery plan with measurable outcomes and key performance indicators. Additionally Mr. Woodey has engaged students through organising student sustainability groups whose initial focus is to raise the awareness of the sustainability measures the Foundation currently undertakes, and to initiate work towards achieving the Eco-schools Green Flag award.

We are committed to responsible energy management and practice energy efficiency wherever possible. This year, the company has reduced the travel between sites by increasing the video conferencing technology for staff meetings. The company also offers a 'cycle to work' scheme which provides staff an opportunity to reduce

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emissions during their daily commutes. During the year we had an empty building due to COVID, this building has now been assigned to a Cambridge college thereby eliminating wasted energy usage at this site. As part of the refurbishment works at another one of our premises we have upgraded our lighting to LED and repaired all windows.

	kWh	t/CO ₂ e
Scope 1		
Fuel for Transport	105,922	25
Natural Gas for premises	2,687,606	492
Oil for premises	238,821	59
Scope 2		
Electricity for premises	857,504	182
Scope 3		
Mileage Claims for Transport	13,578	3
Total energy consumption (kWh)	3,903,430	
Total emissions (tonnes / CO ₂ e)		761
Intensity ratio (tonnes / CO ₂ e per pupil)		0.51

This methodology follows the CHG Reporting Protocol and uses the 2021 Government conversion factors for company reporting of greenhouse gas emissions. The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil which is the recommended ratio for the sector.

Student and staff wellbeing

Good mental/emotional and physical health are vital if effective learning is to take place and this a core part of the Stephen Perse Vision for education. We take our responsibility for this very seriously and we are very proud of the pastoral care we provide throughout the Foundation. The systems and structures supporting pupil and staff wellbeing have continued to be strengthened through 2020/21.

In 2020, the Foundation was awarded the School Mental Health Award (bronze status) by the Carnegie Centre of Excellence for Mental Health in Schools by Leeds Beckett University. The Department for Education recognises the direct link between positive mental health in schools and successful educational outcomes. The Mental Health Award for Schools builds on this link and, the Carnegie Centre of Excellence for Mental Health explains that it "provides a framework for educational institutions to evidence policies and initiatives that work towards improving emotional health and wellbeing for both staff and pupils." In awarding Stephen Perse the Bronze level, the examiners said "The school has used the framework and content of the Award to very good effect to develop their mental health and wellbeing strategies, structures and practices." The examiners commented further: "There is a real sense of warmth and mutual respect between both staff and pupils and the school is a happy place to spend your time. The students are very engaged and there is huge energy amongst them to make a difference. They are happy to be themselves; there is a culture of trust and tolerance which makes the school feel very inclusive and safe."

Adult and youth mental health first aiders have been trained across the foundation, and their knowledge and practice has been shared with other staff via CPD sessions. Software in which concerns can be recorded enabling the active tracking of issues more accurately has been effectively used and counselling is available to pupils, their families and SPF staff, free of charge. For September 2021/22, two counsellors have been appointed to be based onsite 5 days a week.

In 2020 the Foundation launched the staff wellbeing hub designed to provide resources to staff to support their wellbeing.

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Following the COVID-19 site shutdowns remote pastoral and wellbeing support for students and staff was implemented to ensure they remained mentally and physically well.

Curriculum development: Creative curriculum and approach to learning

Alignment of 3-11 curriculum across the two Junior Schools

In 2019/20 the new curriculum for 3-11 (developed in 2018/19) was implemented. The 3-11 curriculum is skills based and broadly in line with the Primary Years Programme supporting the ethos of an IB world school. The curriculum skills have been aligned across Dame Bradbury's and Rosedale House Junior Schools so that all SPF pupils in years 1 -6 have the same experience and exposure to these. The inspire and thinking toolkits were developed to support the curriculum, ensuring the pupil voice is captured at every stage.

Curriculum development in 11-18

In 2018/19, an audit of the curriculum provision in key stage 3 was conducted, which led to the introduction of additional choice of languages that can be studied in year 7. From September 2020, students have had the opportunity to study Mandarin Chinese and German alongside French and Spanish.

As noted above the sixth form curriculum and pupil experience has been fully reviewed. This has led to enhanced enrichment options, extended guidance opportunities and the expansion of the number and type of subjects offered and the wider academic programme across the sixth form in 2019/20. Specifically Design Engineering, computer science and drama A-levels were introduced in September 2019. The curriculum and options available are being further reviewed for September 2021.

Adventure learning

The opportunities for adventure learning in years 7, 8 and 9 are continuing to be expanded to further develop and create a cohesive and coordinated programme building on the success of the Duke of Edinburgh award scheme for September 2021.

The Duke of Edinburgh Award within the Foundation is now a mature program of expeditions. Following conversion to a Directly Licensed Centre (DLC) in 2017 a tender process was undertaken in 2019 to move to a new activity provider for the expedition section, which resulted in partnership with The Adventure Element who now run all three levels for the Foundation. The number of students engaged in the award have increased considerably with over 380 students working on some level of the Award in the Senior School and Sixth form making the Stephen Perse Foundation one of the largest centres in the area and translating into an annual contribution of around 2300 volunteering hours.

The COVID-19 lockdown caused significant disruption not only to the expedition section in the last academic year, but also the ability of students to complete their other activities. Following the Easter break of 2021 some limited expedition activity was possible, in part using our own school site in Saffron Walden. In the last season eleven separate expeditions have taken place in order to catch up on those cancelled due to COVID. It is expected that the 2022 expedition season will return to a more normal pattern.

Our Forest School programme continued virtually during the COVID-19 lockdown, with outdoor activities posted weekly by the Forest School staff for whole families to engage in.

Inspire and Guide programme

At each stage of their education, we offer our young people the support, inspiration and guidance they need to take their next steps. Led by a qualified careers leader this programme is fully aligned to the Career Institute National Framework and Gatsby Benchmarks. It includes time for self-reflection, skills development, real life

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stories, research and practical experience and with a firm focus on the future. This Spiral 11-18 programme builds annually on students personal development, career awareness whilst continually developing the competencies needed for future employment and educational applications. The inspire and guide programme for students is a key strength of the Foundation.

For our sixth form and Year 10 11 students, the guidance programme is supplemented by visiting speakers who inspire them to think differently. Our speakers address the big subjects: technological, scientific, political, economic, historical, cultural, artistic, ecological and ethical. They are people who communicate the excitement of working in their field, whether that is business or cosmology, and share their ideas on motivation, leadership and teamwork. Some sessions provide practical, how-to advice; others challenge the accepted norm, provoking thought and encouraging debate'.

Speakers in 2020-21 included (lockdown permitting):

- Ms. Noel Dunn talking on her Career as a Field Biologist in Hawaii (Live from Hawaii)
- Dr. James Ajioka, speaking on 'using Biology to transform the Clothing Industry (Development of synthetic circuits and protozoan biology)'
- Tracy Handford, speaking on 'Teaching and Leadership'
- Dr. Sara Aiden speaking on 'Role of education in post-conflict social reconstruction and peacebuilding/UNICEF (Life as a Researcher)'
- DCI Jake Collie, speaking on 'Career in the Police/Interpol & Anti-Terrorism'

Speakers in 2019/20 included:

- Professor Richard Fentiman, Professor of Private International Law, and the Arthur Armitage Fellow in Law, Queens' College Cambridge.
- Dr Emma Woodbury, Joint Head of Neuropsychology at Cambridge University Hospitals NHS Foundation Trust.
- Dr Alistair Russell, Head of Pre-clinical Genome Editing at Cancer Research U.K. Cambridge.
- Dr Karl Sanderson, Head of Cross-Industry Learning at the Nuclear Decommissioning Authority
- Mr Daniel Pearl, Channel 5 Commissioning Editor

For our GCSE students, the Inspire and Guide philosophy is realised through the non-examined curriculum, with time every week dedicated to preparing students for a future beyond exams and qualifications, equipping them with a real breadth of skills and attributes.

For our 3-11 pupils, the inspire and guide programme takes the form of guest talks, including weekly slots at Dame Bradbury's on Fridays.

Years 7 and 8 were fully integrated into the spiral 11-18 Guidance programme in 2020-21 visiting the three core strands of (i) my personal development and identifying my requirements; (ii) developing my career choices; and (iii) meeting expectations of the career and further education market, during single off timetable lessons and tutor time slots. The Unifrog has additionally been rolled out down to years 7-9 meaning that it is used throughout the Foundation for a wide variety of uses from A level/ degree/university choices to recording the competencies and activities for competitive applications. Its use in years 7 and 8 ensures solid foundations in the core competencies whilst acting as a repository and reference facility for both tutors and students. Use of the activities and interactions facilities not only benefits the students, it allows tutors instant access to all students activities for monitoring and pastoral purposes at the touch of a button.

Morrisby psychometric testing is now fully embedded helping students relate their strengths to aspirations for both their future ambitions and current academic choices. Starting in year 9 it assists students as part of the GCSE choices programme and is then fully utilised in year 10. The resulting reports, alongside structured lesson time, assist students self-reflection and career choices whilst also promoting parental involvement in our Inspire

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and Guide programme. The production of a guidance leaving portfolio for each year 11 student summarising their taught material/Morrisby and Unifrog progress from year 9, together with A level choices and sixth form plans, will enable smoother transition of students to our sixth form (or alternative provision).

The programme now transitions directly into year 12 facilitating a quick start and productive year for university admissions; vital for our early applicants. Continuation of the three core strands remain underpinned now but details specific university and HE preparation. The programme is now fully audited against the Career Development Institute 'Framework for careers, employability and enterprise education', fully aligned to the Gatsby Benchmarks, audited by Compass, and now led by a fully qualified Careers Leader the programme sets the Foundation ahead of its competitors.

The standard inspire and guide programme continued remotely through lockdown

Whilst speakers in our Inspire and Guide programme are selected for inspiration at a careers level our 'Inspire Me' programme is targeted at a broader inspirational level. Currently under review with an envisaged restart in November/December 2021 these speakers will target whole school audiences, inspiring those students in Years 7 through to 13 on their life paths and achievements.

Cambridge Model United Nations

CamMUN is a conference led and organised by Stephen Perse Sixth Form students for fellow students from across the world to come together to tackle global issues through competitive debate. Launched in 2017/18 the conference hosted at the Stephen Perse in February 2020 welcomed over 200 international participants aged 14-18 from destinations across the world. The MUN's conference themes are carefully selected by the students, to fit the current political landscape, and challenges students to consider real world issues coming up with new and innovative solutions to the current crises the world is facing. Students' understanding of what it means to be a global citizen was greatly enhanced. Stephen Perse was due to host the conference again in February 2021 but due to COVID was cancelled and rescheduled to be a virtual event in December 2021.

Academic achievement

In summer 2021, the Foundation achieved great success in public examinations reflecting both the hard work of our students and the superb teaching that encourages our students to think creatively and independently.

A Levels

Headline figures:

- 51% of A* grades
- 81% of A* - A grades
- 91% of A* -B grades
- 96% of A*-C grades
- 66% of students achieving 3 A*-A grades.
- 29% of students achieving at least three subjects at A*

"Our students can be confident that the excellent results they have been awarded are a true and fair reflection of their hard work, learning and attainment over what has been a challenging year for all young people. We are proud of all of our students and wish them the very best as they prepare to take up places at Universities across the UK and beyond."

Richard Girvan, Principal

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IB

Headline figures:

- Average score of 41 (maximum is 45)
 - 89% of all grades were awarded at Level 6/7
 - 59% of all grades were awarded at Level 7
 - 67% of students achieved 40 points or more
- All students achieved places at their first choice university

“Our IB students can be hugely proud of their outstanding achievements in a year that has thrown more challenges at young people than any other in recent times. The results represent the culmination of years of hard work by the students and their teachers at the Stephen Perse Foundation and I am delighted that their efforts have been rewarded. We are particularly impressed that, as well as their outstanding academic performance, our students have also demonstrated their tenacity, resilience and well-roundedness throughout their time in our Sixth Form.”

Richard Girvan, Principal

GCSEs

Headline figures:

- 46% of GCSEs graded the top score of 9
- 72% of GCSEs graded 8 or 9
- 87% of GCSEs graded 7, 8 or 9
- 10% of the student cohort achieving at least 10 GCSEs at grade 9

“Our students can be confident that the excellent results they have been awarded are a true and fair reflection of all of their hard work, learning and attainment over what has been a challenging year for all young people and school staff. This national cohort has been tested by circumstances, and academically assessed, more than any other in post-war times, in a year like no other. They have faced uncertainty and disruption to school and they and their teachers have had to adapt quickly, with high stakes, in the face of myriad challenges. We are therefore immensely proud of our students for coming through this year with such superb outcomes, and we are excited to welcome them back to school in September to commence their A level and IB studies.”

Richard Girvan, Principal

University entrance

The majority of students progress directly into university with a small number opting to take one year Art Foundation courses as a natural route into Fine Arts university degrees and consider degree apprenticeships. Students are encouraged to select universities based on the quality of the courses they offer, rather than location. Around three-quarters of students are admitted to Russell Group universities (74% in 2021). However, many renowned schools such as St Andrews, Bath, Surrey, SOAS are not Russell Group, nor are many of the excellent medical, veterinary and dental schools such as Leicester, Lancaster, UEA, RVC yet these remain popular with our students. The range of degree subjects taken by students expands each year and is reflective of the increasing number of courses offered as well as the fact that our educational approach enables students to pursue a wide range of post-18 choices. In 2021 88% of students were accepted into their first choice university which was higher than in previous years. The long term average Oxford and Cambridge offer rate is approximately 15-20% of the cohort.

Other achievements

Education at the Stephen Perse Foundation follows a holistic, wide-ranging and creative curriculum. The academic work rewarded by the examination and university entrance successes noted above has been complemented by a great range of creative and sporting activities over the year. Because of the COVID-19 shutdown many of our fixtures such as football and cricket were cancelled along with music concerts and drama performances across all schools that would use Stephen Perse and external venues such as University of

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Cambridge Concert Hall and Saffron Hall. Despite the obvious challenges for live performances and rehearsals caused by the pandemic, Many performances continued using the technology to best effect and was nevertheless a busy and creative year for the music and drama department. With the usual mixed year group choirs and orchestras were not possible, a number of smaller instrumental ensembles and a choir for every year group were formed instead, to allow all pupils to continue making music in groups throughout the year.

Any windows of opportunity for live performances were grasped, and very successful lunchtime concerts were given to socially distanced audiences at Great St Mary's Church in December and June, as part of a new lunchtime concert series there that we will continue to participate in regularly in the future. We were also able to perform Jazz on a Summer's Evening in the outdoor activities area, and a splendid Leavers' Concert with our older students in St Paul's Church, Hills Road, on the penultimate night of term.

Other performances were recorded and released to parents online; so many Year 7 to 9 students took part in the Soloists' Concert that this was released as four separate videos, and a Carol Service filmed in Great St Mary's Church made this special annual event accessible to even more people than usual.

The drama department managed to give all year groups the opportunity to take part in a play during the course of the year. Each performance was filmed and then edited to produce a quality piece of film to share with our audience of parents and peers.

In the Autumn term we staged four year group bubble versions of the musical Little Shop of Horrors. Four separate casts from years 10-13 rehearsed dance routines, songs and dialogue scenes in parallel throughout the term and in November each group performed a 40 minute extract of the show which was filmed and subsequently shared with parents. Each cast was accompanied by a year group specific live band (coordinated by Head of Music Matthew Rudd) and supported by a year group specific technical crew (coordinated by our theatre technician Charlotte Cooper). Each version of the show had one single evening in which to complete a technical rehearsal, a dress rehearsal and to film their final performance. Overall, this was a monumental achievement.

In the Spring term, despite returning to full lockdown and remote learning, we kept rehearsals going remotely and postponed all scheduled performances to the Summer term.

In the Summer term we successfully completed and filmed four full scale productions: Year 12 completed and performed a devised piece entitled A Play About Many Things; Year 9 performed The Dreams of Anne Frank; Year 8 performed Beauty and the Beast (which they had started rehearsing whilst still in Year 7 but which had previously been cancelled); Year 7 performed Ernie's Incredible Illusions.

Additionally, all backstage clubs and enrichment classes were able to continue throughout the year, both remotely and in person: a large number of students were therefore involved in assembling and creating props, puppets, costumes and set for these productions and with helping to run the tech for the final shows.

All scheduled IGCSE and A level performance work was completed in full over the course of the year.

Dame Bradbury's and Rosedale House upheld a high profile of concerts and recorded events last year, despite the obvious challenges of the pandemic. With the absence of live audiences, we had to think more creatively about how to portray our music and drama to the wider school community and so created an exciting programme of video recorded events. Both schools ran choirs, orchestras and bands in year group bubbles, thus allowing all children to continue music making 'as normal'. To note one particular advantage of recording performances virtually, we were able to widen our reach to many more audience members than our regular school halls would normally accommodate. The following year group productions were performed to our wider school community:

Year 1 and 2: 'Tattybogle' The Musical
Early Years: Nativity performances
Year 4: The Snow Queen (DB), George The Dragon (RH)

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Year 5: The Wizard of Oz (DB), The Time Lord (RH)
Year 6: Alice in Wonderland (DB), The Wind and the Willows (RH)

In addition, both schools recorded Carol Services that were supported by the Marketing Team. Many parents commented on the wonderful close-ups of their children singing and playing their instruments.

Whilst Rosedale House successfully recorded a Summer Concert at West Road Concert Hall, Dame Bradbury's concert was postponed until Autumn Term due to a last-minute sharp rise in COVID cases. It was absolutely fantastic to bring back our Dame Bradbury's Class of 2020-21 Year 6s (as current Year 7s) in October 2021 to perform with the rest of the school in Saffron Hall. The concert was a roaring success and it was wonderful to, at last, physically bring together the school community to perform in musical unity. This long-anticipated return to live music in the presence of a full-house audience demonstrated so perfectly the power of music and that, together, we are all musicians sharing one common goal.

The Visual Arts department has continued to promote and develop creativity success across the Foundation this year. The annual Summer Exhibitions of A Level, IB and GCSE Visual Arts work raised the profile of our talented students' work, and this was available to a much wider audience online through the virtual exhibition.

In team sports the Stephen Perse Foundation has gained success with U15 netball team who was recognised Cambridgeshire County Netball Association as 'team of the year' out of the whole of Cambridgeshire (this includes club teams as well as school teams from any age group up to and including adult leagues). The team was also awarded The Roy Burrell awards for achievements in netball for having undefeated seasons since Year 7 through to Year 11, winning County Runners up at Regionals and National Finalists, whilst the whole team were a year younger.

Further details on the activities and achievements of 2020/21 can be found on the Stephen Perse Foundation Website and twitter feed @spfschools.

FUTURE PLANS AND POST BALANCE SHEET EVENTS

The Governors intend to continue with the current strategy of the Foundation of extending the reach of the Stephen Perse Foundation to ensure that the quality and relevance of the education offered remains exceptional and is extended to all those able to benefit from it.

FINANCIAL REVIEW

Financial results

The Foundation's net income before depreciation, losses on the defined benefit pension scheme and other gains and losses amounted to £3,429,379 (2020: £1,274,162).

After adjustment for depreciation and amortisation of £1,509,430 (2020: £1,370,684) and gains on the pension scheme and the interest rate swap of £988,977 (2020: 420,414) net movement in funds as shown in the Statement of Financial Activities amounted to a positive movement of £2,908,926 (2020: £323,892).

The gains on the LGPS pension scheme arose because of the change in the actuarial assumptions used to value the defined benefit scheme, principally the discount rate applied.

The gains on the interest rate swap arose because of the reduction in the underlying principal amount offset by future LIBOR assumptions underlying the valuation of the swap at 31 August 2021.

The majority of the Foundation's income is derived from school fees. These amounted to £25,087,932 in the year to 31 August 2021 (2020: £23,570,393) before deducting financial assistance of £1,270,909 (2020: £1,432,792) and fee rebates as a result of the mandated school closures of £249,681 (2020 - £1,061,783).

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All expenditure in the year under review arises from the operation of the Foundation Schools and in carrying out the educational objectives of the Foundation. The Financial Statements illustrate how the funds have been applied.

Investment powers and policy

Under the Articles of Association, the Charity has the power to invest in funds in any manner, but to invest only after obtaining such advice from a financial expert as the Governors consider necessary and having regard to the suitability of investments and the need for diversification. Specifically,

- The school invests in securities, properties and cash instruments in accordance with charity regulations currently in force.
- The investment policy is determined by the Governing Body on the advice of the Investment Committee.
- Implementation of the policy is the responsibility of the Investment Committee.
- The Investment Committee is made up of Governors of the School, the CFO, and external members with appropriate professional expertise.
- The Investment Committee meets as a minimum three times a year and reports annually to the Governing Body.
- The equities are managed on a discretionary mandate by Smith and Williamson.
- The current investment objective is a balance between longer term growth and current income, with a medium risk profile.
- The portfolio's performance is benchmarked against a tailored benchmark made up of:
- 42.5% MSCI UK Investable Market (IMI); 32.5% MSCI All Country World ex UK (ACWI); 7.5% Markit iBoxx GBP Gilts; 7.5% Markit iBoxx GBP Corporates; 5.0% Markit iBoxx GBP Inflation Linked; 5.0% 3 Month Libor +3% (Alternatives).

Investment risk is managed through the investment committee. Due diligence on the fund manager is carried out at least once every three years to ensure that the organisation's control processes are in place and reasonable. The fund manager produces quarterly performance reports for the committee.

The Foundation had realised and unrealised gains on investment and dividend income of £305,405 (2020: £38,546).

Reserves policy

The Governors, through the Finance and General Purposes Committee, regularly review the finances, budgets and spend against budget as part of the effective stewardship of the Foundation.

At the balance sheet date, the Foundation had funds totalling £20,850,944 (2020: £17,942,018) of which Unrestricted Funds amounted to £19,271,555 (2020: £16,341,558), Restricted Funds amounted to £159,685 (2020: £159,685) and Endowed Funds amounted to £1,419,704 (2020: £1,440,775).

Restricted Funds

Restricted Funds reserves are separately identified and their use is restricted in accordance with the wishes of the original donors. These are detailed in note 21. Such funds are maintained as part of the Foundation's investment portfolio.

Details of the endowed funds are shown in note 20 and are made up of a permanent endowment fund representing the Dame Bradbury's Land Charity and the endowed bursary funds.

Unrestricted Funds

Unrestricted Funds comprise the designated fixed asset fund and the general funds.

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At 31 August 2021, the unrestricted funds, including the designated fixed assets fund and pension reserve amounted to £19,271,555 (2020: £16,341,558).

The Pension reserve comprises the pension liability recognised by the Governors existing in the Cambridgeshire Local Government Pension Scheme for non-teaching staff as detailed in note 27 of the accounts. The Governors are satisfied that existing cash flows are sufficient to meet any anticipated increases in costs. The Pension liability has been reported in the accounts in accordance with FRS102. For our non-teaching and support staff we also offer a defined contribution scheme which is operated by The Pensions Trust.

On the basis of the definition of free reserves in the Charities SORP, the free reserves of the Foundation, being the unrestricted fund excluding that part represented by the fixed asset fund and the pension reserve, show a positive balance of £1,671,735 (2020: £271,974). The Governors believe that, given the strength of the Foundation's balance sheet, cash reserves and future plans, there is no need to hold a significant level of free reserves.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Governors, who are also the charity trustees, are responsible for the overall management and control of the Stephen Perse Foundation. They must hold at least two meetings per year, although typically the full Governing Body meets 4 times per year. The work of implementing most of their policies is carried out by members of the sub committees covering Finance and General Purposes, Personnel and Employment, Remuneration, Buildings, Development, Investments and Risk management. The Stephen Perse Foundation Company Secretary is responsible for co-ordinating the work of the Governors and their Committees, preparation of papers and accounts and the review of matters arising.

All trustees give of their time freely and no remuneration was paid in the year. No expenses (2020: £0) were paid during the year. In the prior year, two Governors received benefit from a scholarship awarded to their child, these scholarships having been awarded on merit through a competitive process. No Governors received benefit through scholarship awards this year.

Key management personnel

The Governors consider that they, together with the Operational and Educational Executives which comprises the Principal, Vice Principal, Bursar & Strategic Development Director (until December 2020), Chief Financial Officer, Charitable Foundation Director, Senior Deputy Head and Operations Bursar & Director of HR (until November 2020) comprise the Key Management Personnel (see note 13 to the accounts). The Governors give their time freely and the pay and remuneration of the Principal and Senior Staff is set by the Remuneration Committee, ratified by the Finance Committee and is kept under annual review.

Risk Management

The Governors are responsible for overseeing the risks faced by the Foundation. They have established a framework for the identification, recording and assessment of risks to which the Foundation is exposed. This is managed the Foundation Leadership Team and overseen by the Governors' Risk Management Committee. Risks are identified, assessed and controls established throughout the year. A formal review of the Charity's risk management processes is undertaken on an annual basis. Risk is managed in accordance with the Charity Commission guidance under the headings:

- Financial
- Operational
- Governance and management
- Environmental/external factors
- Compliance (law and regulations)

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The main risks that the Governors have identified and the plans to manage that risk are as follows:

- Pupil numbers and fee income: Because of the changing economic and political climate a risk of a reduction in pupil numbers exists. The risk of a significant reduction in fee income is being managed through the implementation of the current strategy, ensuring that the quality and relevance of the education offered remains exceptional and through minimising fee increases.
- Teacher recruitment: There is a national shortage of teachers. The Foundation is ensuring that it continues to recruit the best teachers, through review of its retention and recruitment strategies.
- Changing educational and charitable requirements for independent schools: The Foundation continues to review and update its educational and public benefit strategy to ensure that it meets the requirements.
- Risks associated with the defined benefit pension schemes the Foundation participates in.
- Risks associated with COVID-19 and the disruption, wellbeing of staff and pupils and financial impact of a pandemic of uncertain duration: adaptations to the normal operations of the Foundation have been overseen by Governors and consideration has been given to the ability to respond quickly to every changing circumstances.

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

GOVERNORS AND CHARITY TRUSTEES

Under the Articles of Association, the Governors may admit as a member of the Charity any individual or organisation approved by the Governors, who is interested in promoting the object of the Charity, consents to act as a Governor, applies in the form required by the Governors, and signs the register of members or consents in writing to become a member. There are currently 15 members each of whom agree to contribute £1 in the event of the Charity winding up.

Governor Appointment

The Directors of this charitable company are its trustees and Governors for the purposes of charity law and are appointed as follows:

Four Governors are nominated:

- One by Saint John's College, Cambridge
- One by Newnham College, Cambridge
- One by Girton College, Cambridge
- One by Gonville and Caius College, Cambridge

The Governors may by resolution co-opt up to 16 Governors such resolution to be passed at a meeting at which not less than 21 days' notice has been given. At each meeting the Governors consider the skills composition of the Governing Body and review applications for co-opted membership.

The Governors serve in office for a term of three years and thereafter may be appointed for a further two consecutive terms. A Governor who has served three consecutive terms in office may be reappointed for further periods of three years, but only by resolution of not less than two thirds of the Governors present and voting at the meeting. The Governors annually elect one of their number to be Chairman of the Governors and such person may be re-elected in subsequent years.

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Governor Training

There is a comprehensive mandatory induction process for new Governors who are introduced into the workings of the Foundation initially at a meeting with the Chair of Governors, followed by a tour of the Foundation initiated by the Principal or Bursar.

All new Governors are provided with sufficient induction material to allow them to understand the charitable purpose, financial position and current issues. Induction material includes the Charity's Governing Document, in addition to the latest financial accounts with explanatory material where necessary and recent minutes of the Governing Body and the various sub-committees.

All Governors are encouraged to attend AGBIS Seminars for Governors on a variety of issues including financial management and accounts, investment and governance.

Governors' responsibilities in relation to the financial statements

The Governors are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and Charity law requires the Governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including 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 estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Governors are responsible for keeping adequate accounting records that 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to the auditors

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

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- that Governor has taken all the steps that ought to have been taken as a Governor or director in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

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FOR THE YEAR ENDED 31 AUGUST 2021

Auditors

The Auditors, Peters, Elworthy & Moore, have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the next Annual General Meeting.

Approved by order of the members of the board of Governors and signed on their behalf by



Mr J T Dix, Chair

Date: 25 November 2021

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE STEPHEN PERSE FOUNDATION

OPINION

We have audited the financial statements of The Stephen Perse Foundation (the 'foundation') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Governors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent

THE STEPHEN PERSE FOUNDATION
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE STEPHEN PERSE FOUNDATION
(CONTINUED)

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our 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 Governors' Report including the Strategic Report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' 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 Auditors' 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

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE STEPHEN PERSE FOUNDATION
(CONTINUED)

expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge and experience of the education sector;
- we obtained an understanding of the legal and regulatory framework applicable to the charitable company and how the charitable company is complying with that framework;
- we obtained an understanding of the charitable company's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we identified which laws and regulations were significant in the context of the charitable company. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items;
- in addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid material penalty such as compliance with the Independent School Inspectorate and Ofsted; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policy were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators and the charitable company's legal advisors.

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE STEPHEN PERSE FOUNDATION
(CONTINUED)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Governors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Auditors' Report.

USE OF OUR REPORT

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



Kelly Bretherick (Senior Statutory Auditor)

for and on behalf of

Peters Elworthy & Moore

Chartered Accountants

Statutory Auditors

Salisbury House

Station Road

Cambridge

CB1 2LA

17 December 2021

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	3	84,323	54,720	-	139,043	68,047
Charitable activities:	4					
Fee income		23,667,345	-	-	23,667,345	21,137,332
Other educational income		454,247	-	-	454,247	352,541
Other trading activities	5	45,807	-	-	45,807	68,245
Investments	6	41,191	-	-	41,191	39,702
Other income	7	82,569	-	-	82,569	366,401
TOTAL INCOME AND ENDOWMENTS		24,375,482	54,720	-	24,430,202	22,032,268
EXPENDITURE ON:						
Raising funds	8,9	141,385	-	-	141,385	150,006
Charitable activities	10	22,550,529	54,720	27,833	22,633,082	21,977,628
TOTAL EXPENDITURE		22,691,914	54,720	27,833	22,774,467	22,127,634
Net gains/(losses) on investments		264,214	-	-	264,214	(1,156)
NET INCOME/(EXPENDITURE)		1,947,782	-	(27,833)	1,919,949	(96,522)
Transfers between funds	21	(6,762)	-	6,762	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS		1,941,020	-	(21,071)	1,919,949	(96,522)
OTHER RECOGNISED GAINS:						
Actuarial gains on defined benefit pension schemes	27	240,000	-	-	240,000	388,000
Other gains	18	748,977	-	-	748,977	32,414
NET MOVEMENT IN FUNDS		2,929,997	-	(21,071)	2,908,926	323,892

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Note					
RECONCILIATION OF FUNDS:					
Total funds brought forward	16,341,558	159,685	1,440,775	17,942,018	17,618,126
Net movement in funds	2,929,997	-	(21,071)	2,908,926	323,892
TOTAL FUNDS CARRIED FORWARD	<u>19,271,555</u>	<u>159,685</u>	<u>1,419,704</u>	<u>20,850,944</u>	<u>17,942,018</u>

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

**SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2021**

	Total funds 2021 £	Total funds 2020 £
Income	24,430,202	22,032,268
Gains on investments	1,013,191	31,258
GROSS INCOME IN THE REPORTING PERIOD	25,443,393	22,063,526
Less: Total expenditure	(22,746,634)	(22,099,801)
NET INCOME/(EXPENDITURE) FOR THE REPORTING PERIOD	2,696,759	(36,275)

The notes on pages 34 to 67 form part of these financial statements.

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 06113565

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	14	38,872,854	39,364,371
Investments	15	2,011,736	1,718,812
		<u>40,884,590</u>	<u>41,083,183</u>
CURRENT ASSETS			
Debtors	16	955,330	1,193,792
Cash at bank and in hand		4,986,731	3,812,556
		<u>5,942,061</u>	<u>5,006,348</u>
Creditors: amounts falling due within one year	17	(6,127,874)	(6,021,928)
NET CURRENT LIABILITIES		<u>(185,813)</u>	<u>(1,015,580)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>40,698,777</u>	<u>40,067,603</u>
Creditors: amounts falling due after more than one year	18	(18,918,671)	(20,197,072)
Provisions for liabilities	20	(558,162)	(1,329,513)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>21,221,944</u>	<u>18,541,018</u>
Defined benefit pension scheme liability	27	(371,000)	(599,000)
TOTAL NET ASSETS		<u><u>20,850,944</u></u>	<u><u>17,942,018</u></u>
CHARITY FUNDS			
Endowment funds	21	1,419,704	1,440,775
Restricted funds	21	159,685	159,685
Unrestricted funds			
Unrestricted funds excluding pension liability	21	19,642,555	16,940,558
Pension reserve	21	(371,000)	(599,000)
Total unrestricted funds	21	<u>19,271,555</u>	<u>16,341,558</u>
TOTAL FUNDS		<u><u>20,850,944</u></u>	<u><u>17,942,018</u></u>

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 06113565

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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



Mr J T Dix, Chair

Date: 25 November 2021

The notes on pages 34 to 67 form part of these financial statements.

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	23	3,859,797	3,277,491
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interests and rents from investments		41,191	39,702
Purchase of tangible fixed assets		(1,019,396)	(1,352,317)
Net withdrawals from investment portfolio		(28,710)	(26,452)
NET CASH USED IN INVESTING ACTIVITIES		(1,006,915)	(1,339,067)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowing		(1,005,000)	(502,500)
Interest paid		(673,707)	(725,249)
NET CASH USED IN FINANCING ACTIVITIES		(1,678,707)	(1,227,749)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		1,174,175	710,675
Cash and cash equivalents at the beginning of the year		3,812,556	3,101,881
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	4,986,731	3,812,556

The notes on pages 34 to 67 form part of these financial statements

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. GENERAL INFORMATION

The Foundation is a company limited by guarantee and incorporated in England and Wales. The members of the company are the Governors named in the Trustees' Report. In the event of the Foundation being wound up, the liability in respect of the guarantee is limited to £1 per member of the Foundation.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The Stephen Perse Foundation 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.

2.2 GOING CONCERN

The Trustees have prepared forecasts to December 2022 and considered the longer term activity of the Foundation. In preparing the forecasts, they have considered any potential implications of the coronavirus pandemic and the effect on income. The banking covenants have been reviewed based on the 2022 forecast and the Trustees' are satisfied these will not be breached. Loan finance is due for renewal in May 2022 with work already underway to ensure there is a continuity of finance with a provisional loan arrangement secured.

Based on their review, the Trustees believe the Foundation will have sufficient resources to meet its liabilities as they fall due for the foreseeable future and therefore continue to adopt the going concern basis in preparing the financial statements.

2.3 FUND ACCOUNTING

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

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Foundation for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.3 FUND ACCOUNTING (CONTINUED)

Endowment funds are the permanent endowment of the Land Charity (see note 22) which the Foundation is legally required to retain for the benefit of the Foundation. Permanent endowment funds represent funds that the Governors have no power to convert into income and apply them as such without special permission from the Charity Commission.

2.4 INCOME

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

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Foundation has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Foundation, can be reliably measured.

Donations are recognised when the Foundation has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the Foundation is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Foundation and it is probable that those conditions will be fulfilled in the reporting period.

Fee income and charges for services and use of premises are accounted for in the period in which the service is provided. Fee income is stated after deducting allowances and bursaries funded from unrestricted funds, but include contributions received from restricted funds.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Foundation; this is normally upon the bank's notification of the interest paid or payable. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.5 EXPENDITURE

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

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.5 EXPENDITURE (CONTINUED)

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

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

All expenditure is inclusive of irrecoverable VAT.

All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. Apportionments are based on the estimated amounts attributable to that activity in the year. Estimated amounts are based on staff time or apportionment of overheads as appropriate.

2.6 GOVERNMENT GRANTS

Grants of a revenue nature are recognised in the Statement of Financial Activities in the same period as the related expenditure is incurred.

2.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold land and buildings	- 1% (if includes an element of land) or 2% on cost. If value of land is separately identifiable, no depreciation is charged
Building improvements	- 3.33% to 11.10% on cost
Leasehold	- over period of lease
All weather pitch	- 10% on cost
Furniture	- 10% to 33% on cost
Computers and equipment	- 25% on cost
Motor vehicle	- 25% on cost

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.8 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

2.9 DEBTORS

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

2.10 CASH AT BANK AND IN HAND

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

2.11 LIABILITIES

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Foundation anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.12 FINANCIAL INSTRUMENTS

Basic financial instruments are initially recorded at transaction value and subsequently measured at their settlement value.

Derivatives, including interest rate swaps, are not basic financial instruments.

Derivatives are initially recorded at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in fair value of derivatives are recognised in the Statement of Financial Activities in direct cost, unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.13 FINANCE LEASES AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Foundation. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.14 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.15 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

2.16 PROVISIONS

Provisions are recognised when the Foundation has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.17 PENSIONS

Retirement benefits to employees of the Foundation are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Foundation in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 28, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.17 PENSIONS (CONTINUED)

The LGPS is a funded scheme and the assets are held separately from those of the Foundation in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

2.18 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Foundation makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The investments are measured at fair value for financial reporting purposes. Information about the valuation technique is included in accounting policy 2.8.

The present value of the interest rate swap is dependent on the valuation prepared by Lloyds bank.

Critical areas of judgement:

Useful economic lives of tangible fixed assets

Depreciation is charged annually based on the management's estimate of economic useful life of the asset per the accounting policies above.

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FOR THE YEAR ENDED 31 AUGUST 2021

2. ACCOUNTING POLICIES (CONTINUED)

Provision of fee debtors

Management consider whether fee debtors are recoverable. Where there is indication that recoverability is unlikely, the amounts are recognised as a provision for bad debts. This assessment required an estimation of likely future cash flows.

2.19 SUBSIDIARY CHARITY

The charity is sole trustee of Dame Johane Bradbury's Land Charity. The assets and associated funds of the charity are included in the financial statements as a result of the Uniting Direction sealed by the Charity Commission on 23 April 2003 and therefore the assets do not form part of the corporate property of the school.

The Land Charity comprises the permanent endowment of the school land and buildings, including all improvement thereto up to 1991. Subsequent improvements paid for out of reserves are accounted for as part of the school's corporate funds in these financial statements in accordance with the trustees' policy of maintaining the distinction between capital and income funds.

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3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	84,323	54,720	139,043	68,047
	<u>13,327</u>	<u>54,720</u>	<u>68,047</u>	
TOTAL 2020	<u>13,327</u>	<u>54,720</u>	<u>68,047</u>	

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Gross school fees	25,087,932	25,087,932	23,570,393
Less scholarships, hardship funding and bursaries	(1,279,909)	(1,279,909)	(1,432,792)
Less fee rebate	(249,681)	(249,681)	(1,061,783)
Add grants paid for by restricted or designated funds	54,720	54,720	54,720
Registration fees	230,947	230,947	206,364
After school fees	42,111	42,111	46,218
Catering income	20,930	20,930	40,093
Other income	214,542	214,542	66,660
TOTAL 2021	<u>24,121,592</u>	<u>24,121,592</u>	<u>21,489,873</u>
TOTAL 2020	<u>21,489,873</u>	<u>21,489,873</u>	

THE STEPHEN PERSE FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

5. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Rent and room hire receivable	45,807	45,807	68,245
	<u>45,807</u>	<u>45,807</u>	
TOTAL 2020	68,245	68,245	
	<u>68,245</u>	<u>68,245</u>	

6. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment income	41,191	41,191	39,702
	<u>41,191</u>	<u>41,191</u>	
TOTAL 2020	39,702	39,702	
	<u>39,702</u>	<u>39,702</u>	

7. OTHER INCOMING RESOURCES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Coronavirus Job Retention Scheme income	82,569	82,569	366,401
	<u>82,569</u>	<u>82,569</u>	
TOTAL 2020	366,401	366,401	
	<u>366,401</u>	<u>366,401</u>	

Government grants represent amounts receivable under the Coronavirus Job Retention Scheme (CJRS) to cover salaries of furloughed staff.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

8. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment management fees	12,480	12,480	11,499
	<hr/>	<hr/>	<hr/>
TOTAL 2020	11,499	11,499	
	<hr/>	<hr/>	

9. EXPENDITURE ON RAISING FUNDS

COSTS OF RAISING VOLUNTARY INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Staff	92,886	92,886	108,234
Other	36,019	36,019	30,273
	<hr/>	<hr/>	<hr/>
	128,905	128,905	138,507
	<hr/>	<hr/>	<hr/>
TOTAL 2020	138,507	138,507	
	<hr/>	<hr/>	

THE STEPHEN PERSE FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

10. EXPENDITURE ON CHARITABLE ACTIVITIES

	Staff costs	Premises	Other	Total funds 2021	Total funds 2020
	£	£	£	£	£
Direct costs (note 11)	11,637,911	1,509,430	6,037,820	19,185,161	18,231,871
Support costs	1,804,684	-	1,643,237	3,447,921	3,745,757
TOTAL 2021	13,442,595	1,509,430	7,681,057	22,633,082	21,977,628
TOTAL 2020	12,643,287	3,518,756	5,904,316	22,066,359	

In 2021, £22,550,529 of expenditure on charitable activities was attributed to unrestricted funds (2020 - £21,949,795), £54,720 was attributed to restricted funds (2020 - £nil) and £27,833 was attributed to endowment funds (2020 - £27,833).

Total governance costs for the year were £32,037 (2020 - £28,792).

11. DIRECT COSTS

	Staff	Depreciation	Other	Total funds 2021	Total funds 2020
	£	£	£	£	£
Teaching	11,107,550	299,930	750,286	12,157,766	11,261,109
Welfare	-	-	1,426,243	1,426,243	1,071,277
Premises	530,361	1,209,500	3,099,798	4,839,659	5,074,870
Grants and awards	-	-	54,720	54,720	54,720
Bank charges & interest payable	-	-	706,773	706,773	769,895
	11,637,911	1,509,430	6,037,820	19,185,161	18,231,871
Total 2020	10,989,749	1,370,684	5,871,438	18,231,871	

THE STEPHEN PERSE FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

12. AUDITORS' REMUNERATION

	2021	2020
	£	£
Fees payable to the Foundation's auditor and its associates in respect of:		
Audit	16,920	14,400
Non audit	7,937	4,392
	<u><u> </u></u>	<u><u> </u></u>
 Fees payable to the Foundation's auditor in respect of:		
Teachers' pension assurance services	5,275	4,000
Taxation services	250	-
All other services	2,412	392
	<u><u> </u></u>	<u><u> </u></u>

THE STEPHEN PERSE FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

**13. ANALYSIS OF STAFF COSTS AND
REMUNERATION OF KEY MANAGEMENT
PERSONNEL**

	2021 £	2020 £
Wages and salaries	10,785,392	10,241,255
Social security	958,086	916,858
Other pension costs	1,792,003	1,711,282
Overall Total	13,535,481	12,869,395

The average number of employees during the year analysed by function was:

	2021	2020
Education	191	199
Establishment and administration	192	175
Overall Total	383	374

The average number of full-time equivalents during the year analysed by function was:

	2021	2020
Education	162	166
Establishment and administration	135	115
Overall Total	297	281

The number of higher paid employees was:

	2021	2020
In the band £60,001-£70,000	10	2
In the band £70,001-£80,000	1	-
In the band £80,001-£90,000	2	2
In the band £90,001-£100,000	2	1
In the band £130,001-£140,000	-	1
In the band £160,001-£170,000	1	-
In the band £170,001-£180,000	-	1

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NOTES TO THE FINANCIAL STATEMENTS
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13. ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL
(continued)

Included within payroll costs are termination payments made to employees totalling £48,254 (2020: £nil).

The key management personnel of the charity are the Governors together with the Operational and Educational Executives which comprises the Principal, Vice Principal, Bursar & Strategic Development Director (until December 2020), Chief Financial Officer, Charitable Foundation Director, Senior Deputy Head and Operations Bursar & Director of HR (until November 2020). In the prior year, the key management personnel of the charity were the Governors and the Foundation Leadership Team which comprised the Principal, Bursar & Strategic Development Director, Vice Principals and the Operations Bursar).

The total employment remuneration and benefits, including employers' national insurance contributions and employers' pension contributions, of key management personnel were £909,822 (2020 - £683,051).

Governors' fees of £nil were paid in the year (2020 - £nil). Reimbursed expenses during the year amounted to £nil (2020 - £nil).

THE STEPHEN PERSE FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

14. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Long-term leasehold property £	Assets under construction £	Buildings improve- ments £	Plant, furn- iture and equipment £	Motor vehicles £	Total £
COST OR VALUATION							
At 1 September 2020	36,801,887	3,176,970	253,090	8,881,066	4,231,102	9,926	53,354,041
Additions	-	91,176	272,541	292,069	357,585	6,025	1,019,396
Disposals	-	-	-	(1,534)	-	-	(1,534)
Transfers between classes	-	225,300	(314,564)	76,355	12,909	-	-
At 31 August 2021	36,801,887	3,493,446	211,067	9,247,956	4,601,596	15,951	54,371,903
DEPRECIATION							
At 1 September 2020	7,011,050	140,990	-	3,567,115	3,263,997	6,518	13,989,670
Charge for the year	722,424	144,259	-	342,817	297,507	2,423	1,509,430
On disposals	-	-	-	(51)	-	-	(51)
At 31 August 2021	7,733,474	285,249	-	3,909,881	3,561,504	8,941	15,499,049

THE STEPHEN PERSE FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

14. TANGIBLE FIXED ASSETS (CONTINUED)

	Freehold land and buildings £	Long-term leasehold property £	Assets under construction £	Buildings improve- ments £	Plant, furn- iture and equipment £	Motor vehicles £	Total £
NET BOOK VALUE							
At 31 August 2021	29,068,413	3,208,197	211,067	5,338,075	1,040,092	7,010	38,872,854
At 31 August 2020	29,790,837	3,035,980	253,090	5,313,951	967,105	3,408	39,364,371

Included in land and buildings is freehold land at cost of £2,010,000 (2020 - £2,010,000) which is not depreciated.

THE STEPHEN PERSE FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

15. FIXED ASSET INVESTMENTS

	Listed investments £	Uninvested cash £	Total £
COST OR VALUATION			
At 1 September 2020	1,663,161	55,651	1,718,812
Additions	412,863	-	412,863
Disposals	(348,485)	-	(348,485)
Revaluations	265,316	-	265,316
Movement for the year	-	(36,770)	(36,770)
AT 31 AUGUST 2021	<u>1,992,855</u>	<u>18,881</u>	<u>2,011,736</u>
NET BOOK VALUE			
AT 31 AUGUST 2021	<u>1,992,855</u>	<u>18,881</u>	<u>2,011,736</u>
AT 31 AUGUST 2020	<u>1,663,161</u>	<u>55,651</u>	<u>1,718,812</u>

Investments at market value comprise:

	UK £	Overseas £	2021 £	2020 £
Listed investments	1,187,492	805,364	1,992,856	1,663,161
Uninvested cash	18,880	-	18,880	55,651
Overall Total	<u>1,206,372</u>	<u>805,364</u>	<u>2,011,736</u>	<u>1,718,812</u>

Valuation

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value). The significance of financial instruments to the ongoing financial sustainability of the Foundation is considered in the financial review and investment policy and performance sections of the Governor's Annual Report.

The objectives of the funds held by the Foundation are to provide long term growth by investing in a portfolio of other authorised funds, worldwide equities, fixed interest stocks, cash and money market instruments.

THE STEPHEN PERSE FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

15. FIXED ASSET INVESTMENTS (continued)

The investment managers will take a fundamental and value driven approach to the portfolio allocation, dependant on the relevant attractions of the world equity, fixed interest and currency markets. The fund will take an aggressive view of the stock market weightings in the portfolio, when compared to a neutral world market capitalisation.

The fund has little exposure to credit or cash flow risk. There are no borrowings or unlisted securities of a material nature and so there is little exposure to liquidity risk. The main risks it faces from its financial instruments are market price, foreign currency and interest rate risk. The policies are reviewed for managing these risks in order to follow and achieve the investment objective.

16. DEBTORS

	2021 £	2020 £
DUE WITHIN ONE YEAR		
Trade debtors	425,265	428,409
Other debtors	27,158	317,247
Prepayments and accrued income	502,907	448,136
	<u>955,330</u>	<u>1,193,792</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Bank loans	999,660	999,660
Trade creditors	603,759	875,945
School fees paid in advance	2,880,711	2,579,282
Deposits	604,782	462,457
Other taxation and social security	272,133	267,038
Other creditors	338,332	428,742
Accruals	428,497	408,804
	<u>6,127,874</u>	<u>6,021,928</u>

THE STEPHEN PERSE FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Bank loans	16,424,672	17,424,332
Other creditors	470,236	-
Interest rate swap	2,023,763	2,772,740
	<u>18,918,671</u>	<u>20,197,072</u>

Included within the above are amounts falling due as follows:

	2021 £	2020 £
BETWEEN ONE AND TWO YEARS		
Bank loans	<u>999,660</u>	<u>999,660</u>
BETWEEN TWO AND FIVE YEARS		
Bank loans	<u>2,998,980</u>	<u>2,998,980</u>
OVER FIVE YEARS		
Bank loans	<u>12,426,032</u>	<u>13,425,692</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2021 £	2020 £
Payable or repayable by instalments	<u>12,426,032</u>	<u>13,425,692</u>

At the year-end, the Foundation possessed three loans with Lloyds Bank Plc. These loans have a 20 year repayment profile, divided into loans of a 5 year term which will be refinanced at the end of each term. The current first term is due to end in May 2022. The loans will be renegotiated with Lloyds Bank Plc for the second term.

The first loan amounted to £6,862,500 at the year-end and is repayable in 12 equal quarterly instalments of £112,500, with the balance of £5,962,500 being repayable in May 2022.

The second loan amounted to £7,900,000 at the year-end and is repayable from 28 February 2019 in 11 equal quarterly instalments of £100,000, with the balance of £7,600,000 being repayable in May 2022.

The third loan amounted to £2,751,250 at the year-end and is repayable from 28 February 2019 in 11 equal quarterly instalments of £38,750, with the balance of £2,673,750 being repayable in May 2022.

The interest rate on the first two loans is LIBOR+1.4% and on the third is LIBOR+1.5%. Interest is payable on a quarterly basis at the same time as the principal payments.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

Security is held over selected freehold properties of the Foundation up to 70% of the value of the outstanding balance.

Interest rate swap

The Foundation entered into a new Interest rate Swap agreement, with Lloyds Bank, in May 2016 with an effective date of May 2018 and termination date of 27 May 2031. In May 2018 the initial notional amount was £16,100,000, reducing over the term of the agreement, as at 27th August 2021, the notional amount is £13,550,000. Interest is a fixed rate of 2.97% plus lending margin.

The gain on the swap in the year is £748,977 (2020 - £32,414).

The Foundation has agreed to transition from LIBOR to SONIA from January 2022 as a result of the LIBOR/IBOR transition project led by Lloyds Bank.

19. FINANCIAL INSTRUMENTS

	2021 £	2020 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	5,005,612	3,868,207
	2021 £	2020 £
FINANCIAL LIABILITIES		
Derivative financial instruments measured at fair value through income and expenditure held as part of a trading portfolio	(2,023,763)	(2,772,740)
Financial liabilities measured at amortised cost	(22,123,166)	(23,037,456)
	(24,146,929)	(25,810,196)

Financial assets measured at fair value through income and expenditure comprise cash at bank and held with investors.

Financial assets that are debt instruments measured at amortised costs comprise school fee and other debtors.

Derivative financial instruments measured at fair value through income and expenditure comprise an interest rate swap.

Financial liabilities measured at amortised cost comprise bank loans, other tax and social security and other creditors.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

20. PROVISIONS

	Dilapidation provision £	Onerous lease £	Total £
At 1 September 2020	313,158	1,016,355	1,329,513
Additions	56,610	-	56,610
Amounts reversed	(73,893)	(754,068)	(827,961)
	<u>295,875</u>	<u>262,287</u>	<u>558,162</u>

Dilapidation provision

The provision represents expected expenditure required to return leasehold buildings to the required state at the end of the lease. The estimate is based on valuations performed by expert property managers, taking into consideration the work performed on the buildings to date.

The additions of £56,610 and reversal of £73,893 have been recognised as an expense during the year.

Onerous lease

The provision represents the excess benefit and unavoidable cost of a lease agreement on a building that is no longer used by the Foundation. The property is now assigned and therefore the provision has reduced. The lease ends in August 2025.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

21. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Fixed asset fund	16,668,584	-	(1,481,597)	2,034,856	748,977	17,970,820
GENERAL FUNDS						
Accumulated funds	271,974	24,375,482	(21,198,317)	(2,041,618)	264,214	1,671,735
Pension reserve	(599,000)	-	(12,000)	-	240,000	(371,000)
	(327,026)	24,375,482	(21,210,317)	(2,041,618)	504,214	1,300,735
TOTAL UNRESTRICTED FUNDS	16,341,558	24,375,482	(22,691,914)	(6,762)	1,253,191	19,271,555
ENDOWMENT FUNDS						
Permanent endowment fund	1,332,442	-	(27,833)	6,762	-	1,311,371
Other funds	108,333	-	-	-	-	108,333

THE STEPHEN PERSE FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

21. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - CURRENT YEAR (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
	1,440,775	-	(27,833)	6,762	-	1,419,704
RESTRICTED FUNDS						
Bursary & outreach fund	52,921	54,720	(54,720)	-	-	52,921
Educational fund	57,228	-	-	-	-	57,228
Prize funds	3,766	-	-	-	-	3,766
Trust funds	45,770	-	-	-	-	45,770
	159,685	54,720	(54,720)	-	-	159,685
TOTAL OF FUNDS	17,942,018	24,430,202	(22,774,467)	-	1,253,191	20,850,944

THE STEPHEN PERSE FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

21. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Fixed asset fund	15,984,685	-	(1,342,851)	1,994,336	32,414	16,668,584
GENERAL FUNDS						
Accumulated funds	951,910	21,977,548	(20,709,950)	(1,946,378)	(1,156)	271,974
Pension reserve	(940,000)	-	(47,000)	-	388,000	(599,000)
	11,910	21,977,548	(20,756,950)	(1,946,378)	386,844	(327,026)
TOTAL UNRESTRICTED FUNDS	15,996,595	21,977,548	(22,099,801)	47,958	419,258	16,341,558
ENDOWMENT FUNDS						
Permanent endowment fund	1,353,513	-	(27,833)	6,762	-	1,332,442
Other funds	108,333	-	-	-	-	108,333

THE STEPHEN PERSE FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

21. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR (CONTINUED)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
	1,461,846	-	(27,833)	6,762	-	1,440,775
RESTRICTED FUNDS						
Bursary & outreach fund	51,535	54,720	-	(53,334)	-	52,921
Educational fund	57,228	-	-	-	-	57,228
Prize funds	3,766	-	-	-	-	3,766
Trust funds	45,770	-	-	-	-	45,770
CCSS bursaries fund	1,386	-	-	(1,386)	-	-
	159,685	54,720	-	(54,720)	-	159,685
TOTAL OF FUNDS	17,618,126	22,032,268	(22,127,634)	-	419,258	17,942,018

THE STEPHEN PERSE FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

21. STATEMENT OF FUNDS (CONTINUED)

DESIGNATED FUNDS

The fixed asset fund represents the Foundation's net book value of tangible fixed assets, net of borrowings and tangible fixed assets held in the endowment fund.

ENDOWMENT FUNDS

Endowment funds are the permanent endowment of the Land Charity (see accounting policy 2.18), which the school is legally required to retain for the benefit of the school. Permanent endowment funds represent funds where the trustees have no power to convert them into income and apply them as such without special authority from the Charity Commission.

The permanent endowment represents the value of the Dame Bradbury's School land and buildings existing in 1991 as re-valued in 1997 plus the proceeds of land sold less amounts borrowed and not yet repaid under Charity Commission orders authorising their use to carry out building work.

The income from endowed bursary funds provides bursaries to pupils.

RESTRICTED FUNDS

The bursary and outreach fund is to provide assistance towards school fees in cases of need or fund outreach projects. The transfer in the year represents school fees paid for by the fund.

The educational fund is to fund the purchase of educational resources.

The prize funds are to fund the provision of academic prizes.

The trust funds are to provide sixth form scholarships.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	37,714,790	-	1,158,064	38,872,854
Fixed asset investments	2,011,736	-	-	2,011,736
Current assets	5,520,736	159,685	261,640	5,942,061
Creditors due within one year	(6,127,874)	-	-	(6,127,874)
Creditors due in more than one year	(18,918,671)	-	-	(18,918,671)
Provisions for liabilities and charges	(929,162)	-	-	(929,162)
TOTAL	19,271,555	159,685	1,419,704	20,850,944

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Tangible fixed assets	38,178,474	-	1,185,897	39,364,371
Fixed asset investments	1,718,812	-	-	1,718,812
Current assets	4,591,785	159,685	254,878	5,006,348
Creditors due within one year	(6,021,928)	-	-	(6,021,928)
Creditors due in more than one year	(20,197,072)	-	-	(20,197,072)
Provisions for liabilities and charges	(1,928,513)	-	-	(1,928,513)
TOTAL	16,341,558	159,685	1,440,775	17,942,018

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

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	1,919,949	(96,522)
ADJUSTMENTS FOR:		
Depreciation charges	1,509,430	1,370,684
Loss on disposal of fixed assets	1,483	-
Amortisation of loan setup fees	5,340	5,340
(Gains)/losses on investments	(264,214)	1,156
Dividends and interest from investments	(41,191)	(39,702)
Decrease/(increase) in debtors	238,462	(84,808)
Increase in creditors	576,182	477,599
Defined benefit scheme expenses	12,000	47,000
Increase in provisions	(771,351)	871,495
Interest payable	673,707	725,249
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,859,797	3,277,491

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand	4,986,731	3,812,556
TOTAL CASH AND CASH EQUIVALENTS	4,986,731	3,812,556

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

25. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	3,812,556	1,174,175	4,986,731
Debt due within 1 year	(3,578,942)	(301,429)	(3,880,371)
Debt due after 1 year	(17,424,332)	999,660	(16,424,672)
	<u>(17,190,718)</u>	<u>1,872,406</u>	<u>(15,318,312)</u>

26. CAPITAL COMMITMENTS

	2021 £	2020 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Buildings works	<u>50,186</u>	<u>-</u>

27. PENSION COMMITMENTS

Teaching staff

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,561,278 (2020 - £1,493,558). At the year end a balance of £225,939 (2020 - £176,837) was payable. This balance is disclosed within other creditors.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

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NOTES TO THE FINANCIAL STATEMENTS
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27. PENSION COMMITMENTS (CONTINUED)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Foundation has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Foundation has set out above the information available on the scheme.

Non-teaching staff

The Foundation contributes into five pension schemes for non-teaching staff: a defined benefit scheme (The Local Government Pension Scheme) and four defined contribution schemes. The defined benefit scheme has been closed to new employees of the Foundation.

At the year end a balance of £5,396 (2020: £10,159) was payable. This balance is disclosed within other creditors.

Defined Contribution Schemes

The assets of the defined contribution schemes are administered by trustees in funds independent of the school. The pension costs charged in the financial statements relating to the schemes in the year was £171,925 (2020: £92,999).

At the year end a balance of £30,507 (2020: £26,107) was payable. This balance is disclosed within other creditors.

Defined Benefit Scheme

The Foundation operates a defined benefit pension scheme.

The Foundation is one of several employing bodies included within the Local Government Pension Scheme (LGPS). The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2021 was £58,801 (2020 - £119,000) of which employer's contributions totalled £58,800 (2020 - £97,000) and employees' contributions totalled £11,000 (2020 - £22,000). The agreed contribution rates for future years are 24% for employers and between 5.5% and 9.9% for employees.

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27. PENSION COMMITMENTS (CONTINUED)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	At 31 August 2021	At 31 August 2020
	%	%
Discount rate at 31 August	1.65	1.70
Future salary increases	3.40	2.80
Future pension increases	2.90	2.30

	At 31 August 2021	At 31 August 2020
	Years	Years
Mortality rates (in years)		
- Male aged 65 now	22.2	22.0
- At 65 for a male aged 45 now	23.2	22.7
- Female aged 65 now	24.4	24.0
- At 65 for a female aged 45 now	26.2	25.5

SENSITIVITY ANALYSIS

	At 31 August 2021	At 31 August 2020
	£	£
Salary rate +0.5%	7,000	32,000
Discount rate -0.5%	114,000	518,000

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

	At 31 August 2021	At 31 August 2020
	£	£
Equities	4,006,000	3,489,000
Property	837,000	748,000
Cash	120,000	199,000
Bonds	1,017,000	548,000
TOTAL FAIR VALUE OF ASSETS	5,980,000	4,984,000

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27. PENSION COMMITMENTS (CONTINUED)

The actual return on scheme assets was £910,000 (2020 - £504,000).

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

	2021 £	2020 £
Current service cost	(81,000)	(127,000)
Employer contributions	79,000	97,000
Interest income	85,000	79,000
Interest cost	(95,000)	(96,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(12,000)	(47,000)

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

	2021 £	2020 £
Opening defined benefit obligation	5,583,000	5,300,000
Actuarial losses (gains)	670,000	116,000
Interest cost	95,000	96,000
Current service costs	81,000	127,000
Benefit paid	(89,000)	(78,000)
Employee contributions	11,000	22,000
CLOSING DEFINED BENEFIT OBLIGATION	6,351,000	5,583,000

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

	2021 £	2020 £
Opening fair value of scheme assets	4,984,000	4,360,000
Interest income on plan assets	85,000	79,000
Actuarial gains	910,000	504,000
Employer contributions	79,000	97,000
Employee contributions	11,000	22,000
Benefits paid	(89,000)	(78,000)
CLOSING FAIR VALUE OF SCHEME ASSETS	5,980,000	4,984,000

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28. PENSION COMMITMENTS (CONTINUED)

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was a £240,000 gain (2020 - £388,000 gain).

The Foundation expects to contribute £39,000 to its defined benefit pension scheme in 2022.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2021 %	2020 %
Equities	67	70
Bonds	17	11
Property	14	15
Cash	2	4

Amounts for the current and previous periods are as follows:

Defined benefit pension schemes

	2021 £	2020 £
Defined benefit obligation	(6,351,000)	(5,583,000)
Scheme assets	5,980,000	4,984,000
	<hr/>	<hr/>
Deficit	(371,000)	(599,000)
	<hr/>	<hr/>
Experience adjustments on scheme liabilities	(670,000)	(116,000)
Experience adjustments on scheme assets	910,000	504,000

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NOTES TO THE FINANCIAL STATEMENTS
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28. OPERATING LEASE COMMITMENTS

At 31 August 2021 the Foundation had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Land and Buildings:		
Not later than 1 year	1,155,658	1,155,658
Later than 1 year and not later than 5 years	4,622,632	4,622,632
Later than 5 years	8,170,674	9,326,332
	<u>13,948,964</u>	<u>15,104,622</u>

29. RELATED PARTY TRANSACTIONS

The Foundation's governors received no remuneration during 2021 (2020 - £nil).

Governors with children at the school within the Foundation paid fees on the same terms as others attending the school.

Governors' liability insurance was paid during the year with cover of £2 million.