
THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 2023**

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
Co-opted - Mr P Beastall (appointed February 2023)
Co-opted - Ms L Bramwell
Co-opted - Dr V Christou
Co-opted - Mr M B Datta
Co-opted - Mr J Dix (resigned August 2023)
Co-opted - Ms J M Farrimond
Co-opted - Prof R Foale
Co-opted - Ms C Forde (resigned March 2023)
Co-opted - Mr D Gill
Co-opted - Dr V Mills
Co-opted - Dr D Needham (resigned June 2023)
St John's College - Prof J Robinson (resigned December 2022)
Gonville & Caius College - Prof A Routh
Co-opted - Ms S Russo (appointed February 2023)
Girton College - Dr H Shercliff
Co-opted - Mr S Thorley (appointed February 2023)
Co-opted - Mr S Topel

Senior management:

Principal - Mr R Girvan
Chief Financial Officer - Ms H Richardson (resigned March 2023)
Interim Chief Financial Officer - Ms V Barratt (appointed March 2023, resigned October 2023)
Chief Financial and Operating Officer - Ms S Bonnett (appointed October 2023)
Vice Principal - Ms T Handford (resigned July 2023)
Executive Director - Ms H Hall
Head of Senior School - Mr S Ward
Head of Dame Bradbury's - Mr J McCaughran
Director of Educational Strategy (5 - 11) - Ms A Heywood
Head of Fitzwilliam - Mr D Hewlett (effective from September 2023)
Head of Early Years Foundation Stage - Ms S Holyoake (effective from September 2023)
Senior Deputy Head - Ms A Jones (effective from September 2023)
Chief Compliance Officer and General Legal Counsel - Ms S North (effective from September 2023)

Company registered number	06113565
Charity registered number	1120608
Registered office	Union Road Cambridge CB2 1HF

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE FOUNDATION, ITS GOVERNORS AND
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FOR THE YEAR ENDED 31 AUGUST 2023

Company secretary	S North
Independent auditors	Peters Elworthy & Moore Chartered Accountants Salisbury House Station Road Cambridge CB1 2LA
Bankers	Lloyds Bank Plc 3 Sidney Street Cambridge CB2 3BU
Investment Advisors	Evelyn Partners 25 Moorgate London EC2R 6AY

THE STEPHEN PERSE FOUNDATION
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

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 of Association dated 8th February 2011 and its Articles of Association dated 4th April 2023.

The object of the Charity 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 the furtherance of these aims, the Governors of the Stephen Perse Foundation, as the Charity Trustees, 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.

Strategic report

The Foundation achieved its charitable objectives through the provision of schools and nurseries in Cambridge and Saffron Walden for children and young people aged between 1 and 18+. 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 Founder, Dr Stephen Perse, born in 1548, was an academic and philanthropist who believed that education should be a right, rather than a privilege, open to those with ability and potential rather than dependent on income. During the year 138 students benefited from means tested bursaries and scholarships to the value of £1.4m (In 2021/2 164 students received bursaries and scholarships totalling £1.4m, representing 4% of gross fees and of whom 18 received 100% bursaries). In 2023/4 fee assistance will increase to an estimated £2.5m.

We continue to work with North Cambridge Academy to widen participation and improve opportunity through the provision of 100% sixth form bursaries to 6 students (2022: 9). This would not have been possible without the continued and much valued support of Costello Medical; our three-way partnership is used as a best practice case study by Cambridge 2030 to encourage similar collaborations.

The Foundation withdrew from offering the IB at the end of the academic year due to the low level of take up, with the UK focus on A level courses as preparation for university and employment.

Charitable Endeavours and community outreach

We aim to develop a sense of responsibility and consideration amongst our pupils for others less fortunate and during the year funds have been raised for many local causes including Addenbrooke's Charitable Trust, East Anglian Air Ambulance Service and Cambridge Wildlife Rescue Centre.

Older students volunteer in the local community as part of the Duke of Edinburgh Award scheme; they assist at libraries and food banks and act as Young Leaders with Beavers, Cubs and Scout groups.

During the year the Foundation donated surplus equipment to worthy causes including computers to young people in need via Cambridge Youth Panel, ipads to an Indian school and hospice and over 1000 science textbooks to Books2Africa.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Our facilities are opened to the local community free of charge for events such as a weekly parent and toddler group at Dame Bradbury's, hosting sports events for local state schools, and Accuro, a small local charity supporting the disabled, use our sports facilities on a regular basis. The Senior School hosted the Cambridge Model UN event, 'Striving for Harmony and Solidarity in an Unpredictable World' with participants from across the UK and abroad.

Our teaching staff collaborate with North Cambridge Academy to support the teaching of French, German and Maths, providing teaching support and enrichment activities and building links with our state school partner.

Academic Achievements

A Level or IB equivalent

- 22% of grades A* (or IB equivalent)
- 58% of grades A* - A (or IB equivalent)
- 77% of grades A* - B (or IB equivalent)
- 91% of grades A* - C (or IB equivalent)
- 38% of students achieved at least three subjects at A* or A grade (or IB equivalent)

GCSE/IGCSE

- 71% of GCSEs graded 7, 8 or 9.
- 27% of GCSEs graded the top score of 9.
- 49% of GCSEs graded 8 or 9.
- 16 students achieved at least 8 GCSEs at grade 9.

With grade boundaries in England being tightened after covid, our students achieved solid exam results and the majority of A level leavers have been accepted by their first choice of university including Russell Group institutions such as the Universities of Oxford, Cambridge, Edinburgh and Durham.

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 as many of those able to benefit from it through the provision of bursary support.

As highlighted under Risk Management, the possibility of a future Labour government imposing 20% VAT on school fees may have a significant impact on the affordability of fees for parents. The Foundation's Governors and management teams are exploring opportunities to mitigate the impact this will have on all of our parents and stakeholders.

FINANCIAL REVIEW

Financial results

The prime source of revenue is school fees which amounted to £29.3m in the year to 31 August 2023 (2022: £27.1m) before the deduction of financial assistance of £1.4m (2022: £1.4m). All expenditure in the year under review relates to the operation of the Foundation Schools and in carrying out the educational objectives of the Foundation.

The Foundation's net income before depreciation, losses on the defined benefit pension scheme and other gains and losses amounted to £2.58m (2022: £3.46m).

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FOR THE YEAR ENDED 31 AUGUST 2023

After adjustment for depreciation and amortisation of £1.8m (2022: £1.6m) and net gains on the pension scheme and the interest rate swap of £0.7m (2022: £2.6m) net movement in funds as shown in the Statement of Financial Activities amounted to a positive movement of £1.47m (2022: £4.48m).

The loss on the LGPS pension scheme arose from 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 from the increase in interest rates underlying the valuation of the swap at 31 August 2023.

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.

Investment risk is managed through the investment committee to which the fund manager reports quarterly and which meets termly. Due diligence on the fund manager is undertaken at least once every three years to ensure that the necessary control processes are in place and are reasonable.

The current investment objective is a balance between longer term growth and current income with a medium risk profile.

The Foundation had realised and unrealised losses on investment, offset with dividend income amounting to £8k net loss (2022: net gains and income of £162k).

Reserves policy

At the balance sheet date, the Foundation had funds totalling £26.8m (2022: £25.3m) of which Unrestricted Funds amounted to £25.0m (2022: £23.7m), Restricted Funds amounted to £394k (2022: £229k) and Endowed Funds amounted to £1.4m (2022: £1.4m).

Restricted Funds

Restricted Funds are identified separately and their use is restricted in accordance with the wishes of the original donors as 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 21 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.

At 31 August 2023, the unrestricted funds, including the designated fixed assets fund and pension reserve amounted to £25.0m (2022: £23.7m).

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 26 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.

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FOR THE YEAR ENDED 31 AUGUST 2023

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, the pension reserve and long-term borrowing, show a positive balance of £3.116m (2022: £5.097m). The Governors believe that, given the strength of the Foundation's balance sheet, cash reserves and future plans, the level of free reserves held is adequate.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Governors are responsible for the overall strategic management and control of the Stephen Perse Foundation and 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 of Finance and General Purposes, Personnel and Employment, Remuneration, Buildings, Development, Investments and Risk Management.

All trustees give of their time freely and no remuneration nor expenses were paid in the year (2022: £nil).

Key Management Personnel

The Governors consider that they, together with the Operational and Educational Executive Team comprise the Key Management Personnel (see note 13 to the accounts). In 2022-23 the Operational and Educational Executive Team comprised of the Principal, Vice Principal, Chief Financial Officer, Executive Director, Head of Senior School, Head of Dame Bradbury's and Director of Educational Strategy. The capacity of the Operational and Executive Team has been expanded from 1 September 2023 and now comprises of the Principal, Chief Financial and Operations Officer, Executive Director, Head of Senior School, Deputy Head of Senior School, Head of Dame Bradbury's, Head of Junior School, Head of Early Years, Director of Educational Strategy and Chief Compliance Officer. The pay and remuneration of the Operational and Executive Team is set by the Remuneration Committee, ratified by the Finance and General Purpose Committee and is kept under annual review.

Risk Management

The Governors are responsible for overseeing the risks faced by the Foundation. The framework for the identification, recording and assessment of risks to which the Foundation is exposed is managed by the Operational and Educational Executive and overseen by the Governors' Risk Management Committee. 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)
- Buildings and facilities
- Developments
- Reputational

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

- **Political;** Risk of regulatory changes such as the imposition of VAT on school fees, removal of business rates relief and charitable status, changes in overseas pupil visas. With the possibility of an incoming Labour government and the stated intention of the Labour party to levy VAT on school fees with immediate effect, this is the greatest threat to affordability of fees to parents and hence a major risk to the Foundation and other independent schools.
Mitigation; sensitivity analysis, keeping abreast of developments through professional bodies (ISC and ISBA), strong financial control and planning.

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FOR THE YEAR ENDED 31 AUGUST 2023

- **Financial;** Risk of fall in pupil numbers, inability to generate sufficient cash flow, risk of financial fraud, risk of significant cost increases.
Mitigation; ensuring the educational offering and academic results remain attractive to current and prospective fee payers, rigorous budgetary and financial control and forecasting, effective marketing, contingency planning.
- **Staff;** Risk of inability to recruit and retain high calibre teaching and support staff.
Mitigation; offering competitive remuneration and benefits, staff communication and engagement, training and development, succession planning.
- **Reputational;** Risk of adverse incident and associated publicity.
Mitigation; policies and procedures, staff training and effective communication strategy.

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

Environmental sustainability

A 2022 to 2030 Sustainability Strategy has been implemented by the Foundation based upon 11 Sustainability Priorities, nine relating to "Sustainable Operations and Estates", and two linked to "Learning for a Sustainable Future".

	2023 kWh	2023 t/CO ₂ e	2022 kWh	2022 t/CO ₂ e
Scope 1				
Fuel for transport	177,936	46	167,283	40
Natural gas for premises	2,446,644	440	3,172,460	581
Oil for premises	281,090	69	274,982	68
Scope 2				
Electricity for premises	1,358,575	263	1,183,007	251
Scope 3				
Mileage claims for transport	14,610	3	15,584	4
Total energy consumption (kWh)	4,278,855		4,813,316	
Total emissions (tonnes / CO ₂ e)		821		943
Intensity ratio (tonnes / CO ₂ e per pupil)		0.50		0.59

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.

The Foundation has reduced its overall CO₂e emissions from 2021/22 to 2022/23 as a result of reducing its Scope 1 Emissions from the combustion of gas, mainly achieved by the post covid easing of indoor airflow restrictions. Emissions from burning oil and purchased electricity have risen year-on-year.

A Decarbonisation Strategy was implemented in the year to include efficiencies such as insulating primary pipe work, ensuring boilers are set to optimal operating settings and the increasing the monitoring of energy and capital projects such as replacing ageing oil-based heating systems with air-source heat pumps.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

The Foundation is a founding member of the Cambridge Independent Schools Transport Forum (CISTF) which was formed to make representations to Cambridge Greater Partnership (CGP) over its proposed Congestion Charge zone and the negative effects it would have on home to school transport. The Forum has enabled collaboration on planning efficient home to school bus routes with the aim of increasing school bus travel and reducing the use of private vehicles and associated emissions.

Engagement with employees

The Foundation continues to place high emphasis in mutually beneficial relationships with its staff, whom it regards as essential to the Foundation's success.

Induction training is provided for new staff and there is a well established system for regular communication including departmental meetings, email updates, formal and informal staff presentations and in service training.

The Staff Consultative Committee (SCC) meets monthly and is a forum for all staff to raise employment matters, through staff representatives, from across the Foundation, for discussion and resolution.

Equality, Diversity and Inclusion (EDI)

The Foundation is committed to providing equality of opportunity and promotion of tolerance and understanding within an inclusive environment where everyone within our community is respected and valued and feels empowered and supported to work, study, lead and contribute. Our Equality, Diversity and Inclusion working group is working to ensure our policies and practice underpin these aims.

Appointment of Governors

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.

Rights to nominate a governor are vested under the Charity's Articles in four Cambridge Colleges, namely Girton, Gonville and Caius, Newnham and St John's Colleges, although only the first two Colleges currently exercise such right. 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.

New governors are provided with induction meetings and familiarisation visits and have the opportunity to attend AGBIS training seminars for newly appointed governors.

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.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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.

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:

Dr V Mills, Chair

Date:

30/11/23

Victoria Mills

THE STEPHEN PERSE FOUNDATION
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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 2023 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 2023 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.

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

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 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.

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

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 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.

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

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.

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.

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

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.

K. Bretherick

Kelly Bretherick (Senior Statutory Auditor)

for and on behalf of

Peters Elworthy & Moore

Chartered Accountants

Statutory Auditors

Salisbury House

Station Road

Cambridge

CB1 2LA

Date: *4 December 2023*

THE STEPHEN PERSE FOUNDATION
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**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	4	14,743	217,771	-	232,514	157,317
Charitable activities:	5					
Fee income		28,225,666	-	-	28,225,666	25,759,730
Other educational income		1,553,772	-	-	1,553,772	1,062,392
Other trading activities	6	190,415	-	-	190,415	170,650
Investments	7	214,628	-	-	214,628	37,934
TOTAL INCOME AND ENDOWMENTS		30,199,224	217,771	-	30,416,995	27,188,023
EXPENDITURE ON:						
Raising funds	8,9	204,218	-	-	204,218	194,495
Charitable activities	10	29,309,093	52,939	27,833	29,389,865	24,936,815
TOTAL EXPENDITURE		29,513,311	52,939	27,833	29,594,083	25,131,310
Net losses on investments	15	(37,414)	-	-	(37,414)	(199,877)
NET INCOME/(EXPENDITURE)		648,499	164,832	(27,833)	785,498	1,856,836
Transfers between funds	21	(6,762)	-	6,762	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		641,737	164,832	(21,071)	785,498	1,856,836
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial (losses)/gains on defined benefit pension schemes	26	(57,000)	-	-	(57,000)	412,000
Other gains	19	744,375	-	-	744,375	2,209,089

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
NET MOVEMENT IN FUNDS	<u>1,329,112</u>	<u>164,832</u>	<u>(21,071)</u>	<u>1,472,873</u>	<u>4,477,925</u>
RECONCILIATION OF FUNDS:					
Total funds brought forward	23,701,292	228,944	1,398,633	25,328,869	20,850,944
Net movement in funds	1,329,112	164,832	(21,071)	1,472,873	4,477,925
TOTAL FUNDS CARRIED FORWARD	<u>25,030,404</u>	<u>393,776</u>	<u>1,377,562</u>	<u>26,801,742</u>	<u>25,328,869</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 21 to 51 form part of these financial statements.

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2023

	Total funds 2023 £	Total funds 2022 £
Income	30,416,995	27,188,023
Gains on investments	706,961	2,009,212
GROSS INCOME IN THE REPORTING PERIOD	31,123,956	29,197,235
Less: Total expenditure	(29,566,250)	(25,103,477)
NET INCOME FOR THE REPORTING PERIOD	1,557,706	4,093,758

The notes on pages 21 to 51 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets	14	36,368,991	36,872,719
Investments	15	1,857,497	1,865,832
		<u>38,226,488</u>	<u>38,738,551</u>
CURRENT ASSETS			
Debtors	16	3,297,689	2,090,224
Cash at bank and in hand		6,619,812	6,815,360
		<u>9,917,501</u>	<u>8,905,584</u>
Creditors: amounts falling due within one year	17	(7,494,483)	(7,541,651)
NET CURRENT ASSETS		<u>2,423,018</u>	<u>1,363,933</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>40,649,506</u>	<u>40,102,484</u>
Creditors: amounts falling due after more than one year	18	(13,147,892)	(14,189,064)
Provisions for liabilities	20	(699,872)	(584,551)
NET ASSETS EXCLUDING PENSION ASSET		<u>26,801,742</u>	<u>25,328,869</u>
Defined benefit pension scheme asset	26	-	-
TOTAL NET ASSETS		<u><u>26,801,742</u></u>	<u><u>25,328,869</u></u>
CHARITY FUNDS			
Endowment funds	21	1,377,562	1,398,633
Restricted funds	21	393,776	228,944
Unrestricted funds	21	25,030,404	23,701,292
TOTAL FUNDS		<u><u>26,801,742</u></u>	<u><u>25,328,869</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

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:

Dr V Mills, Chair

Date:

30/11/23 *Victoria Mills*

The notes on pages 21 to 51 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 2023

	Note	2023 £	2022 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	23	2,795,188	3,743,574
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interests and rents from investments		214,628	37,934
Proceeds from the sale of tangible fixed assets		-	3,033,838
Purchase of tangible fixed assets		(1,298,431)	(1,731,770)
Net withdrawals from investment portfolio		(28,989)	(53,973)
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES		(1,112,792)	1,286,029
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowing		(1,005,000)	(2,664,332)
Interest paid		(872,944)	(536,642)
NET CASH USED IN FINANCING ACTIVITIES		(1,877,944)	(3,200,974)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(195,548)	1,828,629
Cash and cash equivalents at the beginning of the year	24	6,815,360	4,986,731
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	6,619,812	6,815,360

The notes on pages 21 to 51 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 2023

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) (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 2024 and considered the longer term activity of the Foundation. In preparing the forecasts, they have considered any potential implications of the current economic climate and the effect on income. The banking covenants have been reviewed based on the 2024 forecast and the Trustees' are satisfied these will not be breached. Loan finance was renewed in May 2022 and so continued long-term finance has been 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.

Endowment funds are the permanent endowment of the Land Charity (see note 21) 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.

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. ACCOUNTING POLICIES (CONTINUED)

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.

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.

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.

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

2. ACCOUNTING POLICIES (CONTINUED)

2.5 EXPENDITURE (CONTINUED)

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 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £1000 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
Long-term leasehold property	- over period of lease
All weather pitch	- 10% on cost
Furniture	- 10% to 33% on cost
Computers and equipment	- 25% on cost
Motor vehicles	- 25% on cost

2.7 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.

2.8 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.

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.9 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.

2.10 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.

2.11 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.

2.12 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.

2.13 OPERATING LEASES

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

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.14 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.

2.15 PENSIONS

Retirement benefits to employees of the Foundation are provided by the Local Government Pension Scheme ('LGPS') and formerly by the Teachers' Pension Scheme ('TPS'). These are defined benefit schemes. The Foundation exited the TPS on 31 August 2022.

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 27, 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 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.

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.16 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.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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 26, 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 2023. 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 2.7.

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

Critical areas of judgment:

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.

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.

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	14,743	217,771	232,514	157,317
	<u>33,008</u>	<u>124,309</u>	<u>157,317</u>	
TOTAL 2022	<u>33,008</u>	<u>124,309</u>	<u>157,317</u>	

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Gross school fees	29,263,977	29,263,977	27,110,909
Less scholarships, hardship funding and bursaries	(1,363,361)	(1,363,361)	(1,405,864)
Less fee rebate	-	-	(365)
Add grants paid for by restricted or designated funds	52,903	52,903	55,050
Registration fees	262,764	262,764	232,596
After school fees	63,527	63,527	55,529
Catering income	76,246	76,246	66,993
Other income	1,423,382	1,423,382	707,274
	<u>29,779,438</u>	<u>29,779,438</u>	<u>26,822,122</u>
TOTAL 2022	<u>26,822,122</u>	<u>26,822,122</u>	

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Rent and room hire receivable	190,415	190,415	170,650
	<u>190,415</u>	<u>190,415</u>	
TOTAL 2022	<u>170,650</u>	<u>170,650</u>	

7. INVESTMENT INCOME

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment income	31,208	31,208	37,934
Interest receivable on interest rate swap	115,420	115,420	-
Net interest receivable from pension scheme	68,000	68,000	-
	<u>214,628</u>	<u>214,628</u>	<u>37,934</u>
TOTAL 2022	<u>37,934</u>	<u>37,934</u>	

8. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment management fees	8,535	8,535	12,860
	<u>8,535</u>	<u>8,535</u>	
TOTAL 2022	<u>12,860</u>	<u>12,860</u>	

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. EXPENDITURE ON RAISING FUNDS

COSTS OF RAISING VOLUNTARY INCOME

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Other	52,303	52,303	27,501
Staff	143,380	143,380	154,134
	<u>195,683</u>	<u>195,683</u>	<u>181,635</u>
TOTAL 2022	<u>181,635</u>	<u>181,635</u>	

10. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	Total 2022 £
Staff	16,064,840	-	-	16,064,840	14,443,803
Other	11,476,713	52,939	-	11,529,652	8,893,485
Premises	1,767,540	-	27,833	1,795,373	1,599,527
	<u>29,309,093</u>	<u>52,939</u>	<u>27,833</u>	<u>29,389,865</u>	<u>24,936,815</u>
TOTAL 2022	<u>24,853,932</u>	<u>55,050</u>	<u>27,833</u>	<u>24,936,815</u>	

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

11. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Staff	14,027,248	2,037,592	16,064,840	14,443,803
Other	8,749,711	2,779,941	11,529,652	8,893,485
Premises	1,795,373	-	1,795,373	1,599,527
	<u>24,572,332</u>	<u>4,817,533</u>	<u>29,389,865</u>	<u>24,936,815</u>
TOTAL 2022	<u>20,565,763</u>	<u>4,371,052</u>	<u>24,936,815</u>	

ANALYSIS OF DIRECT COSTS

	Staff 2023 £	Other 2023 £	Depreciation 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	14,027,248	-	-	14,027,248	12,757,169
Teaching	-	1,307,703	436,347	1,744,050	1,279,158
Welfare	-	2,795,212	-	2,795,212	2,173,714
Premises	-	3,679,479	1,359,026	5,038,505	3,583,051
Grants and awards	-	52,939	-	52,939	55,050
Bank charges & interest payable	-	914,378	-	914,378	717,621
	<u>14,027,248</u>	<u>8,749,711</u>	<u>1,795,373</u>	<u>24,572,332</u>	<u>20,565,763</u>
TOTAL 2022	<u>12,757,169</u>	<u>6,209,067</u>	<u>1,599,527</u>	<u>20,565,763</u>	

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

12. AUDITORS' REMUNERATION

	2023	2022
	£	£
Fees payable to the Foundation's auditor and its associates in respect of:		
Audit	18,875	15,100
Non-audit	2,260	2,150
	<u>21,135</u>	<u>17,250</u>
 Fees payable to the Foundation's auditor in respect of:		
Teachers' pension assurance services	1,950	1,860
Taxation services	300	1,370
	<u>2,250</u>	<u>3,230</u>

13. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	13,108,177	11,667,407
Social security costs	1,189,730	1,075,185
Other pension costs	1,920,313	1,865,345
	<u>16,218,220</u>	<u>14,607,937</u>

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

	2023	2022
	No.	No.
Educational	198	195
Establishment and administration	236	206
	<u>434</u>	<u>401</u>

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13. STAFF COSTS (CONTINUED)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023 No.	2022 No.
In the band £60,001 - £70,000	7	4
In the band £70,001 - £80,000	4	3
In the band £80,001 - £90,000	4	3
In the band £90,001 - £100,000	1	3
In the band £100,001 - £110,000	3	-
In the band £150,001 - £160,000	-	1
In the band £170,001 - £180,000	1	-

The key management personnel of the charity are the Governors together with the Operational and Educational Executive Team which in 2022-23 comprised of the Principal, Vice Principal, Chief Financial Officer, Executive Director, Head of Senior School, Head of Dame Bradbury's and Director of Educational Strategy. The Head of Dame Bradbury's and the Director of Educational Strategy joined the Operational and Educational Executive Team from 1 September 2022.

The total employment remuneration and benefits, including employers' national insurance contributions and employers' pension contributions, of key management personnel were £1,027,789 (2022 - £801,050).

Governors' fees of £nil were paid in the year (2022 - £nil). Reimbursed expenses during the year amounted to £nil (2022 - £nil).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

14. TANGIBLE FIXED ASSETS

COST

	Freehold property £	Long-term leasehold property £	Assets under construction £	Building improve- ments £	Plant, furniture and equipment £	Motor vehicles £	Total £
At 1 September 2022	36,808,367	1,229,862	704,787	10,064,833	4,980,616	50,124	53,838,589
Additions	-	-	214,294	534,523	532,106	17,508	1,298,431
Disposals	-	(4,460)	-	(3,600)	-	-	(8,060)
Transfers between classes	-	-	(795,518)	795,518	-	-	-
At 31 August 2023	36,808,367	1,225,402	123,563	11,391,274	5,512,722	67,632	55,128,960

DEPRECIATION

At 1 September 2022	8,456,016	299,540	-	4,277,539	3,919,719	13,056	16,965,870
Charge for the year	722,554	133,595	-	502,877	421,117	15,230	1,795,373
On disposals	-	(694)	-	(580)	-	-	(1,274)
At 31 August 2023	9,178,570	432,441	-	4,779,836	4,340,836	28,286	18,759,969

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

14. TANGIBLE FIXED ASSETS (CONTINUED)

NET BOOK VALUE

	Freehold property £	Long-term leasehold property £	Assets under construction £	Building improve- ments £	Plant, furniture and equipment £	Motor vehicles £	Total £
At 31 August 2023	27,629,797	792,961	123,563	6,611,438	1,171,886	39,346	36,368,991
At 31 August 2022	28,352,351	930,322	704,787	5,787,294	1,060,897	37,068	36,872,719

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

15. FIXED ASSET INVESTMENTS

	Listed investments £	Uninvested cash £	Total £
COST OR VALUATION			
At 1 September 2022	1,771,121	94,711	1,865,832
Additions	418,716	-	418,716
Disposals (proceeds: £303,778)	(310,990)	-	(310,990)
Revaluations	(30,202)	-	(30,202)
Movement for the year	-	(85,859)	(85,859)
AT 31 AUGUST 2023	<u>1,848,645</u>	<u>8,852</u>	<u>1,857,497</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 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

16. DEBTORS

	2023 £	2022 £
DUE AFTER MORE THAN ONE YEAR		
Interest rate swap	929,611	185,326
	<u>929,611</u>	<u>185,326</u>
DUE WITHIN ONE YEAR		
Trade debtors	1,703,912	1,151,890
Other debtors	94,522	14,690
Prepayments and accrued income	569,644	738,318
	<u>3,297,689</u>	<u>2,090,224</u>

Interest rate swap

The Foundation entered into a new Interest rate Swap agreement, with Lloyds Bank, in December 2021 with an effective date of February 2022 and a termination date of 27 May 2031. In February 2022, the initial notional amount was £12,912,500, reducing over the term of the agreement. As at 31 August 2023, the notional amount is £11,637,500 (2022 - £12,487,500). Interest is a fixed rate of 2.97%.

The gain on the swap in the year is £744,375 (2022 - £2,209,089).

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Bank loans	1,005,000	1,005,000
Trade creditors	1,091,195	1,165,778
School fees paid in advance	2,677,101	2,976,574
Deposits	1,191,902	856,740
Other taxation and social security	314,218	359,397
Other creditors	401,261	357,095
Accruals and deferred income	813,806	821,067
	<u>7,494,483</u>	<u>7,541,651</u>

Deferred income of £380,779 (2022 - £428,801) constitutes fees for school trips received in advance.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

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

	2023 £	2022 £
Bank loans	12,750,000	13,755,000
Other creditors	397,892	434,064
	<u>13,147,892</u>	<u>14,189,064</u>

Included within the above are amounts falling due as follows:

	2023 £	2022 £
BETWEEN ONE AND TWO YEARS		
Bank loans	<u>1,005,000</u>	<u>1,005,000</u>
BETWEEN TWO AND FIVE YEARS		
Bank loans	<u>3,015,000</u>	<u>3,015,000</u>
OVER FIVE YEARS		
Bank loans	<u>8,730,000</u>	<u>9,735,000</u>

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

	2023 £	2022 £
Payable or repayable by instalments	<u>8,730,000</u>	<u>9,735,000</u>
	<u>8,730,000</u>	<u>9,735,000</u>

The Foundation has a 10 year fixed term loan with Lloyds Bank plc which was drawn down in May 2022 and is repayable in quarterly instalments ending in February 2032. Interest at 2.2% over the Sterling Over Night Indexed Average rate (SONIA) is payable quarterly and security is held over certain freehold properties.

THE STEPHEN PERSE FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

19. FINANCIAL INSTRUMENTS

	2023 £	2022 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	6,628,664	6,910,071
Derivative financial instruments measured at fair value through income and expenditure held as part of a trading portfolio	929,611	185,326
	<u>7,558,275</u>	<u>7,095,397</u>

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

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

20. PROVISIONS

	Dilapidation provision £	Onerous lease £	Total £
At 1 September 2022	346,932	237,619	584,551
Additions	220,218	-	220,218
Amounts reversed	(40,000)	(64,897)	(104,897)
	<u>527,150</u>	<u>172,722</u>	<u>699,872</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.

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 lease ends in August 2025.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

21. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Fixed asset fund	18,604,420	-	(1,767,630)	4,332,889	744,375	21,914,054
GENERAL FUNDS						
Accumulated funds	5,096,872	30,131,224	(27,734,681)	(4,339,651)	(37,414)	3,116,350
Pension reserve	-	68,000	(11,000)	-	(57,000)	-
	5,096,872	30,199,224	(27,745,681)	(4,339,651)	(94,414)	3,116,350
TOTAL UNRESTRICTED FUNDS	23,701,292	30,199,224	(29,513,311)	(6,762)	649,961	25,030,404
ENDOWMENT FUNDS						
Permanent endowment fund	1,290,300	-	(27,833)	6,762	-	1,269,229
Other funds	108,333	-	-	-	-	108,333

THE STEPHEN PERSE FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - CURRENT YEAR (continued)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
	1,398,633	-	(27,833)	6,762	-	1,377,562
RESTRICTED FUNDS						
Bursary & outreach fund	122,180	109,801	(52,903)	-	-	179,078
Educational fund	57,228	107,970	(36)	-	-	165,162
Prize funds	3,766	-	-	-	-	3,766
Trust funds	45,770	-	-	-	-	45,770
	228,944	217,771	(52,939)	-	-	393,776
TOTAL OF FUNDS	25,328,869	30,416,995	(29,594,083)	-	649,961	26,801,742

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

21. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Fixed asset fund	17,970,820	-	(1,575,489)	-	2,209,089	18,604,420
GENERAL FUNDS						
Accumulated funds	1,671,735	27,063,714	(23,431,938)	(6,762)	(199,877)	5,096,872
Pension reserve	(371,000)	-	(41,000)	-	412,000	-
	1,300,735	27,063,714	(23,472,938)	(6,762)	212,123	5,096,872
TOTAL UNRESTRICTED FUNDS	19,271,555	27,063,714	(25,048,427)	(6,762)	2,421,212	23,701,292
ENDOWMENT FUNDS						
Permanent endowment fund	1,311,371	-	(27,833)	6,762	-	1,290,300
Other funds	108,333	-	-	-	-	108,333

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**NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR (CONTINUED)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
	1,419,704	-	(27,833)	6,762	-	1,398,633
RESTRICTED FUNDS						
Bursary & outreach fund	52,921	124,309	(55,050)	-	-	122,180
Educational fund	57,228	-	-	-	-	57,228
Prize funds	3,766	-	-	-	-	3,766
Trust funds	45,770	-	-	-	-	45,770
	159,685	124,309	(55,050)	-	-	228,944
TOTAL OF FUNDS	20,850,944	27,188,023	(25,131,310)	-	2,421,212	25,328,869

THE STEPHEN PERSE FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 2.17), 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 expenditure 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 2023**

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	35,266,593	-	1,102,398	36,368,991
Fixed asset investments	1,857,497	-	-	1,857,497
Debtors due after more than one year	929,611	-	-	929,611
Current assets	8,318,950	393,776	275,164	8,987,890
Creditors due within one year	(7,494,483)	-	-	(7,494,483)
Creditors due in more than one year	(13,147,892)	-	-	(13,147,892)
Provisions for liabilities and charges	(699,872)	-	-	(699,872)
TOTAL	25,030,404	393,776	1,377,562	26,801,742

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	35,742,488	-	1,130,231	36,872,719
Fixed asset investments	1,865,832	-	-	1,865,832
Debtors due after more than one year	185,326	-	-	185,326
Current assets	8,222,912	228,944	268,402	8,720,258
Creditors due within one year	(7,541,651)	-	-	(7,541,651)
Creditors due in more than one year	(14,189,064)	-	-	(14,189,064)
Provisions for liabilities and charges	(584,551)	-	-	(584,551)
TOTAL	23,701,292	228,944	1,398,633	25,328,869

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

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

	2023 £	2022 £
Net income for the year (as per Statement of Financial Activities)	785,498	1,856,836
ADJUSTMENTS FOR:		
Depreciation charges	1,795,373	1,603,322
Loss/(gain) on disposal of fixed assets	6,786	(905,255)
Losses on investments	37,414	199,877
Dividends and interest from investments	(214,628)	(37,934)
Increase in debtors	(463,180)	(949,568)
Increase/(decrease) in creditors	(83,340)	1,372,265
Defined benefit scheme expenses	(57,000)	41,000
Increase in provisions	115,321	26,389
Interest payable	872,944	536,642
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,795,188	3,743,574

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash in hand	6,619,812	6,815,360
TOTAL CASH AND CASH EQUIVALENTS	6,619,812	6,815,360

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**NOTES TO THE FINANCIAL STATEMENTS
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25. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2022	Cash flows	Other non- cash changes	At 31 August 2023
	£	£	£	£
Cash at bank and in hand	6,815,360	(195,548)	-	6,619,812
Debt due within 1 year	(3,981,574)	299,473	-	(3,682,101)
Debt due after 1 year	(13,755,000)	-	1,005,000	(12,750,000)
	<u>(10,921,214)</u>	<u>103,925</u>	<u>1,005,000</u>	<u>(9,812,289)</u>

26. PENSION COMMITMENTS

The Foundation operates a defined benefit pension scheme.

Teaching staff

The Foundation exited from the Teachers' Pension Scheme ("the TPS") on 31 August 2022. The narrative below regarding the valuation is therefore only applicable to the prior year. From 1 September 2022, the teaching staff of the Foundation were enrolled in the Aviva Pension Trust for Independent Schools ("APTIS"), a defined contribution pension scheme with a similar cost to the Foundation as the TPS.

The School participated in the TPS for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £nil (2022 - £1,648,233). At the year end a balance of £nil (2022 - £207,199) was payable. This balance is disclosed within other creditors.

The pension charge includes contributions payable to APTIS of £1,669,950 (2022 - £nil). At the year end a balance of £194,022 (2022 - £nil) 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 academy trusts. 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.

THE STEPHEN PERSE FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

26. 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 2024.

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 two pension schemes for non-teaching staff: a defined benefit scheme (The Local Government Pension Scheme) and a defined contribution scheme. The defined benefit scheme has been closed to new employees of the Foundation. At the year end a balance of £nil (2022: £1,788) 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 £250,363 (2022 - £181,112).

At the year end a balance of £39,213 (2022 - £34,241) was payable. This balance is disclosed within other creditors.

From 1 September 2023, non-teaching staff were enrolled in the Aviva Pension Trust for Independent Schools ("APTIS"), a defined contribution pension scheme.

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**NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS (CONTINUED)

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 2023 was £23,000 (2022 - £42,000) of which employer's contributions totalled £17,000 (2022 - £36,000) and employees' contributions totalled £6,000 (2022 - £6,000). The agreed contribution rates for future years are 16.9% for employers and between 5.5% and 9.9% for employees.

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

	At 31 August 2023 %	At 31 August 2022 %
Discount rate	5.25	4.25
Future salary increases	3.55	3.7
Future pension increases	3.05	3.20

	At 31 August 2023 Years	At 31 August 2022 Years
MORTALITY RATES (IN YEARS)		
- for a male aged 65 now	21.2	22.0
- at 65 for a male aged 45 now	21.6	22.9
- for a female aged 65 now	24.7	24.2
- at 65 for a female aged 45 now	26.3	26.0

SENSITIVITY ANALYSIS

	At 31 August 2023 £	At 31 August 2022 £
Salary rate +0.1%	2,000	5,000
Discount rate -0.1%	63,000	75,000

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**NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS (CONTINUED)

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	3,792,000	4,135,000
Property	889,000	945,000
Cash and other liquid assets	59,000	59,000
Bonds	1,185,000	768,000
TOTAL FAIR VALUE OF ASSETS	5,925,000	5,907,000

The actual return on scheme assets was £(114,000) (2022 - £(152,000)).

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

	2023 £	2022 £
Current service cost	(28,000)	(70,000)
Employer contributions	17,000	36,000
Interest income	248,000	98,000
Interest cost	(180,000)	(105,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	57,000	(41,000)

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

	2023 £	2022 £
Opening defined benefit obligation	4,285,000	6,351,000
Employee contributions	6,000	6,000
Actuarial gains	(294,000)	(2,186,000)
Benefits paid	(139,000)	(61,000)
Current service cost	28,000	70,000
Interest cost	180,000	105,000
CLOSING DEFINED BENEFIT OBLIGATION	4,066,000	4,285,000

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

26. PENSION COMMITMENTS (CONTINUED)

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

	2023 £	2022 £
Opening fair value of scheme assets	4,285,000	5,980,000
Expected return on assets	68,000	-
Interest income	180,000	98,000
(Loss)/gain on pension assets	(114,000)	(152,000)
Employer contributions	17,000	36,000
Employee contributions	6,000	6,000
Benefits paid	(139,000)	(61,000)
Pension asset not recognised	(237,000)	(1,622,000)
CLOSING FAIR VALUE OF SCHEME ASSETS	4,066,000	4,285,000

The Foundation has not recognised the value of pension assets in excess of pension liabilities being £237,000 (2022 - £1,622,000) as it does not expect to recover the plan surplus either through reduced contributions in the future or through refunds from the plan.

The closing value of scheme assets of £4,066,000 (2022 - £4,285,000) is stated net of a provision of £1,859,000 (2022 - £1,622,000) to ensure that no pension asset is recognised.

27. OPERATING LEASE COMMITMENTS

At 31 August 2023 the Foundation had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Land and Buildings:		
Not later than 1 year	1,381,552	1,404,911
Later than 1 year and not later than 5 years	4,906,491	5,087,714
Later than 5 years	5,947,695	7,086,540
	12,235,738	13,579,165

28. CAPITAL COMMITMENTS

At 31 August 2023 the Foundation had contracted commitments for building works not provided for in these financial statements of £175,244 (2022 - £nil).

THE STEPHEN PERSE FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

29. RELATED PARTY TRANSACTIONS

The Foundation's governors received no remuneration during 2023 (2022 - £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 £5 million.

