

Registered number: 01657702
Charity number: 513031

STAFFORD INDEPENDENT GRAMMAR SCHOOL
(A company limited by guarantee)

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

STAFFORD INDEPENDENT GRAMMAR SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS GOVERNORS AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2021**

Governors	Mrs S Burns Dr M L Bush (appointed 28 September 2020) Mr T Carson Mrs J Causer, Chair Mrs J Colman Rev J Davis Mr A S Firth (appointed 21 June 2021) Mr J Johnson Mr B W J Phillips (appointed 28 September 2020) Mr B J Baggott (resigned 2 July 2021) Mr J C Lotz (resigned 2 July 2021) Mr D M Pearsall (resigned 2 July 2021) Mr A J Wright (resigned 1 March 2021)
Company registered number	01657702
Charity registered number	513031
Registered office	Burton Manor Stafford Staffordshire ST18 9AT
Company secretary	Mr S R Baum
Chief executive officer	Mr L H Thomas
Independent auditor	Cooper Parry Group Limited Chartered Accountants One Central Boulevard Blythe Valley Business Park Solihull West Midlands B90 8BG

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**GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

The Governors of Stafford Independent Grammar School ("the School") present their annual report together with the audited financial statements for the year ended 31 August 2021.

The School also operates under the name Stafford Grammar School.

AIMS AND OBJECTIVES

Policies and objectives

The School's principal objective is to promote and advance education. The School principally provides education for boys and girls in Stafford and the surrounding areas from the ages of 4-18. Stafford Grammar School comprises the Preparatory School (4-11), Senior School (11-16) and Sixth Form (16-18). Stafford Grammar School aims to ensure that all pupils fulfil their academic and personal potential within a caring family atmosphere and where pupils are known as individuals and nurtured accordingly. The School strives to create a community of happy, caring and confident individuals. During the year the School averaged 418 pupils (2020: 420).

Almost all Year 6 pupils from the Preparatory School moved into the Senior School.

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

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

Strategies for achieving objectives

Our main objectives at the start of the year were:

- To maintain and enhance the pupil roll.
- To continue to widen access and provide a public benefit.
- To maintain current high levels of academic achievement through consistent excellent performance in public examinations, at the same time as maintaining our sporting and cultural activities.
- To maintain consistent and sustainable financial resilience in light of the challenges posed by the Covid-19 pandemic.

Throughout the coronavirus pandemic and the ongoing disruption to schools, Stafford Grammar School has sought to support parents whilst at the same time ensuring the financial stability of the School.

Considerations relevant to achieving objectives

- The effect of the current economic climate and the affordability of fees by our parents.
- To keep tuition fees as low as possible given the aims and objectives of the School.
- Class sizes of a maximum of 20 as far as reasonably practicable at Key Stage 2 and above, which allows pupils time to develop academically and attain well-rounded personalities.
- Maintaining the current high level of academic achievement as measured by external public examinations and independent standardised assessment criteria.
- Maintaining a reasonable net surplus level against a continuing threatening political environment by ensuring that strategies for controlling costs and capital expenditure continue to be robust and effective.
- Maximising access to the School still further by the provision of means-tested bursaries equivalent to 24 full fee paying places for the year commencing on 1 September 2020.

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The School continues to strive to make the fees affordable for parents to enable them to keep their children at Stafford Grammar School and to attract new families to the School.

COVID-19

No review of the year would be complete without acknowledging the significant impact of the Covid-19 pandemic on the School. The lockdown in January 2021 created further disruption to School routines, and further challenges for many families. Again, the School implemented an outstanding programme of online teaching and learning which ensured the delivery of a full curriculum to students. The pandemic has also exacerbated mental health issues faced by young people, and the School has endeavoured to support students through these challenging times. During these challenging periods significant cost savings were implemented to limit the financial impact on the School.

PUBLIC BENEFIT

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

During the year, the School awarded bursaries and scholarships totalling £600,279 (2020: £736,398) to 124 (2020: 155) pupils. Within this total, means-tested awards, based on a sliding scale according to family financial circumstances totalling £314,782 (2020: £266,125), were awarded to 65 pupils (2020: 101 pupils), equivalent to 24 (2020: 21) full fee paying places.

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

Stafford Grammar School also runs a 'Music in Primary Schools' programme, through which the School's Director of Music visits local primary schools to deliver music workshops and classes. As a result, over 40 children from local primary schools now receive music lessons because of Stafford Grammar School's outreach programme.

Charitable support and activities

During the course of the year £3,076 was donated to Katharine House Hospice along with the Poppy Appeal, Little Acorns, the Donna Louise Trust, House of Bread, Cancer Research, Young Minds, Save the Children, Children In Need and Read for Good. All pupils are expected to take part in supporting charities through form challenges in which they plan and design a fund-raising activity and nominate a charity to support.

ACHIEVEMENTS AND PERFORMANCE

Review of significant activities

a. Curriculum

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

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

Personal, Social, Health and Economic (PSHE) and Relationships and Sex Education (RSE) is covered through our dedicated 'Life and Wellbeing' programme and pupils receive lessons in each fortnightly cycle. Despite the disruption caused by the Covid-19 pandemic, Stafford Grammar School has implemented the new RSE curriculum in full as well as additional 'drop-down' days with dedicated time off timetable for each year group to focus on a range of RSE topics. We have also launched a cross-schools project with another independent school to educate and engage students in responding to issues around sexual harassment in society and the significant issues raised by the Everyone's Invited website.

b. Teaching and learning during lockdown

A further lockdown and the closure of schools in January 2021 meant that Stafford Grammar School once again implemented a full online teaching and learning programme. A full curriculum was delivered to pupils in live, online lessons taught by our dedicated team of specialist teachers.

c. Examination results

This year we achieved excellent results at A-level, enabling most students to get into their first choice university. 91% (2020:89%) of A-level results were A*- B grades and our total pass rate at A*-E grades was 100% (2020:100%). The GCSE results were also excellent. 74% (2020: 66%) were 9-7 and 100% were at 9-4 (2020:100%). National league tables in newspapers place our results above those of most local independent and maintained schools.

These excellent results are a testament to the hard work of our students throughout a very challenging 18 months, and the continued dedication, professionalism and commitment of our teachers.

d. The House system

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

As well as the House activities and House assemblies which build a strong sense of community, we also introduced a new tutorial programme delivered during form periods by tutors. Some of this programme supplements the formal 'Life and Wellbeing' programme through which PSHE and RSE is delivered and other parts of the programme enable students to appreciate art, music and literature to enhance their cultural awareness and appreciation.

e. Other activities

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

We have a thriving Forest School for all year groups in the Prep. School to enable pupils to experience the

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outdoors in a woodland area of our extensive School site. The Forest School also builds pupils' confidence, self-esteem and a sense of wellbeing.

f. Performing arts – music and drama

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

Drama goes from strength to strength at Stafford Grammar School, with very high-quality productions taking place each year. Typically, there is a junior play (Years 7-9) and a whole-school musical production in the senior school. Sadly we were unable to stage a whole School musical in March 2021, but have already begun rehearsals for the 2022 production. The Prep. School produces at least two plays each year, as well as performing in their own Christmas concert.

Stafford Grammar School pupils are also prepared for LAMDA examinations, with a wide range of students achieving success each year. We have three new LAMDA teachers in School delivering lessons to pupils from the Prep. School up to the Sixth Form.

The provision in performing arts at Stafford Grammar School has been enhanced by the creation of a new dance and drama studio. This facility has proven very popular with students and we have three peripatetic dance teachers delivering a range of dance lessons to students as well as use on Saturdays by a local theatre, dance and drama school.

In addition, we have been able to use a generous donation from a parent to renovate our theatre space. We have re-located the School library and removed the mezzanine structure from the theatre space to create a more impressive theatre with a much-improved view of the stage. Our own maintenance team has carried out the renovations and redecoration to minimise the project cost and we look forward to our first School production in the new space next March.

g. Sport

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

In order to develop the sports provision at Stafford Grammar School, a new AstroTurf MUGA (Multi Use Games Area) pitch has been installed over the summer of 2021 on the site of a disused bowling green. This is already in regular use for hockey and football training.

h. Duke of Edinburgh's Award

The Duke of Edinburgh scheme continues to thrive with pupils achieving a very high number of bronze, silver and gold awards each year.

i. School trips

Despite the limitations placed on trips due to the pandemic (such as the cancellation of our usual trips to France and Germany and an international music tour), we began to run trips again as soon as restrictions lifted. We are

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now arranging sports trips, local theatre and London visits and look forward to returning to our full range of trips as soon as possible.

j. School transport

The School runs a fleet of minibuses in order to get pupils from their home address to the School which, due to its popularity and convenience for parents, is growing in size to accommodate the increase in demand. The size of the fleet was increased to 17 in April 2021. Each route is reviewed annually to provide as near as practicable a 'door to door' daily service for pupils attending School. There is a knock-on environmental advantage to doing this in that it saves in the order of 100,000 car journeys per year which would otherwise have had to be undertaken by parents. An important secondary function is to transport pupils to the many sporting, musical, curricular and extra-curricular venues visited during the course of the School year.

FINANCIAL REVIEW

Results for the year

The School's net income surplus for the year amounted to £214,118 (2020: £60,292), which the Governors consider to be a good result, the best since 2016, given the unprecedented impact of the Covid-19 pandemic and given the decision of the governing body to freeze School fees at the 2019-2020 level to assist parents in these difficult times.

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

The School's total income for the year increased by £80,767, up by 1.7 % (2020: 0.10% increase), on the previous year. However, the total expenditure for the year reduced by £73,059, down by 1.6% (2020: 2.01% increase).

One of the main objectives of the School is to maintain the pupil roll at a realistic level and the Governors, principally through the Finance, Development and Audit Committee, regularly review pupil retention and recruitment, including strategies to be adopted and activities to be undertaken in support of this key objective of the School.

Key performance indicators

The main performance metrics of the School are pupil numbers and successes at GCSE and A-levels as well as pupils getting into their first choice university; these have already been set out in other areas of this report. The future prosperity of the School is closely linked to these figures.

Some of the other indicators we use to monitor the financial health of the School are:

	2021	2020
% Costs to net income	91%	96%
% Teaching salaries to net income	58%	60%
% Support salaries to net income	15%	16%
% Net surplus to net income	4.8%	0.06%
Current ratio	12.54	2.05

All of which indicate an improving trend. The cash flow forecast for the next two years is also encouraging.

Going Concern

It is critical that shortfalls are tackled in turbulent times as financial resilience will help the School to stay flexible and adaptable to unexpected changes in pupil numbers and to manage unplanned costs. The expenditure of the

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School is dominated by staff salaries which amount to 73% of net income, nevertheless opportunities for reducing costs, without adversely affecting performance, are identified and actioned when possible.

A second wave of Covid-19 hit the UK in the autumn of 2020 causing disruption to the School's normal operation as well as a complete lockdown in January 2021. Financial modelling with sensitivity analysis to look at several deteriorating situations was undertaken which demonstrated cash resilience to the end of FY2022 even with a substantial reduction in pupil numbers and without the need for support from the bank. After making appropriate enquiries, the Governors have concluded that it is reasonable to expect that the School will generate sufficient resources to continue in operational existence for the foreseeable future and meet all of its financial obligations. It is clear from the cash flow predictions for varying degrees of risk and the Statement of Financial Activities that the School can continue to pay its normal creditors when payments are due and satisfy the covenants required by the current bank loan which will be paid off in December 2021. Additionally it is considered that, after examining likely future risks to the business, that there will be sufficient funds to continue in operation should one of those risks materialise. As a matter of course Governors consider the financial risks to the School at formal meetings and also informally on a monthly basis by reviewing the management accounts. An important additional factor is that during the Covid-19 pandemic the Governors and Senior Leadership Team have clearly demonstrated their ability to make difficult strategic and operational decisions to mitigate financial risk and protect the future viability of the School as well as supporting key initiatives to further develop the facilities of the School (e.g. the Dance Studio, Theatre Project and AstroTurf Pitch) maintaining its attractiveness to current and future parents and pupils. For this reason the Governors have continued to adopt a going concern basis in preparing the School's financial statements.

Financial and general risk management

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

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

- Affordability of an independent school education to our parents in relation to household income and other financial pressures. The Governors' policy is to set annual fee increases as low as possible commensurate with the costs of running the School and the need to invest for the future.
- The Coronavirus pandemic has posed both financial and general risk to the operation of the School which has required very careful management by both the Governors and Senior Leadership Team to minimise its impact on the general operation of the School and its financial well-being.
- Operational costs of running an independent school, including staffing, facilities, assets, pensions and utilities.
- As a strategic risk reduction measure in the spring of 2020 the Governors committed to leaving the Teachers' Pension Scheme on 31 August 2020. This was due to employers' contributions rising from 16.48% to 23.68% in September 2019 thereby impacting on the affordability of the pension scheme and the overall financial health of the School. The new pension scheme, implemented successfully on 1 September 2020, is called APTIS and is offered by AVIVA as a defined contribution pension scheme as opposed to the previous defined benefit Teachers' Pension Scheme. This significant decision saved the School £23,310 in expenditure during the course of 2020-2021 and is a major contributor to an overall reduction in costs for the future.
- During the autumn of 2020 a streamlining of the support staff function was undertaken which led to a reduction of 7 posts and this will save £125,789 per annum in future years.
- Cybercrime attacks on schools. The impact of this has been mitigated by having strong firewalls and IT protocols in place. It is planned to use an external consultant during the next year to review the actual risk to the School, highlight any weak areas and propose any improvements to the system. In addition, the School carries insurance against cybercrime.
- Regulatory and compliance burdens such as safeguarding to ensure the health and well-being of our pupils

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and staff under the protection and guidance of the School.

- Culture and complacency due to the changing political and social environment and our responsiveness to changes.
- It is noted that Brexit continues to bring wide ranging uncertainty, therefore an ongoing review and decision process of all factors that may have a significant effect on the School will be implemented and follow up action taken to mitigate any risks ensuing. For instance, the availability and cost of raw materials will have an impact on the operation of the School.
- Recruitment and retention of quality teachers with relevant skills.
- Loss of business rate relief and charitable status, as well as the imposition of VAT on school fees due to political change.
- Lack of a strategy to deal with future waves of the pandemic. This has been mitigated by very regular communication with the various professional bodies associated with independent education who advise the School on legislative and regulatory measures and on sector best practice.

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

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

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

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

Health and Safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks. These risks are minimised by thorough planning and risk assessment. The Health and Safety Committee regularly reviews the perceived risks to the School and best practice to deal with them.

Fees

The Governors are mindful of the economic outlook and are aware that fees need to be affordable and realistic. Key financial decisions in the year included the decision to freeze School fees from January 2021 until September 2021 and to move the annual review of fees to the spring term of each academic year. A modest, below inflation, fee increase of 1.8% was applied from September 2021 in order to maintain affordability for parents while providing the funds necessary to meet inflation increases in expenditure and to further invest in the School infrastructure.

Principal funding and reserves policy

The Governors recognise the need for prudent financial management and to build up reserves over time.

The School's policy is to build reserves sufficient to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall.

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

Free reserves at the balance sheet date were £683,732.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The School is registered as a charitable company limited by guarantee (number 513031) and constituted under the Articles of Association dated 11 August 1982, as amended by special resolution on 1 March 2021.

The changes made to the Articles of Association this year are,

- That a Governor/ Trustee is appointed for an initial term of office of 5 years and a possible additional period of 4 years giving a maximum period of 9 years as a Governor/ Trustee. This reflects the recommendations of the Association of Governing Bodies of Independent Schools and the Charity Code of Conduct for England and Wales.
- That the Chair of Governors stands down as a Governor/ Trustee after relinquishing the post of Chair of Governors.
- That Governors/ Trustees will not be remunerated for carrying out their duties other than for incidental personal expenses incurred solely on School business.
- That virtual meetings will be allowed for.
- That the Company Secretary/ Clerk to Governors cannot be a Governor or Trustee.

Policies adopted for the induction and training of Governors

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

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

Pay policy for senior and other staff

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

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

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

Organisational structure and decision making

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

- The Finance, Development and Audit Committee scrutinises revenue, the budget, financial risk and capital expenditure. This Committee also supervises and finalises the audited financial statements and annual report for approval by the Governing Body. The Committee is chaired by Mr Brett Phillips.
- The Remuneration Committee sets the remuneration of key management personnel, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them

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fairly and responsibly for their individual contributions to the School's success. The Committee is chaired by Mrs Judith Colman.

- The Education and Standards Committee scrutinises procedures implemented by the School for regulatory compliance and oversight of the School's educational provision. The Committee is chaired by Dr Marie Bush.
- The Health and Safety Committee ensures that all relevant statutory requirements are being complied with and that the Health and Safety Policy requirements are met. The Committee is chaired by Mr John Johnson.

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

PLANS FOR FUTURE PERIODS

The School's current Development Plan was created by the Headmaster and SLT, in consultation with the Governors in September 2021, and is reviewed regularly. The primary future plans for the School are set out in the core elements of the plan. These are:

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

GOVERNORS' RESPONSIBILITIES STATEMENT

The Governors (who are also directors of Stafford Independent Grammar School for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgments and accounting estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Disclosure of information to Auditors

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

- Each member of the Governing Body has taken all the steps that he or she should have taken as a member of the Governing Body in order to make him or her aware of the relevant audit information and to establish that the charitable company's auditors are aware of that information.
- Other than two Governors having children as pupils at the School no Governor has any related party relationships with respect to Stafford Grammar School.

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



Mrs J Causer
Chair

Date: 24.1.22,

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

Opinion

We have audited the financial statements of Stafford Independent Grammar School (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 AUDITOR'S REPORT TO THE MEMBERS OF STAFFORD INDEPENDENT GRAMMAR SCHOOL (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's 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.

STAFFORD INDEPENDENT GRAMMAR SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STAFFORD INDEPENDENT GRAMMAR SCHOOL (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.

Auditor's responsibilities for the audit of the financial statements

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

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

Our assessment focussed on key laws and regulations the charitable company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, taxation legislation, data protection, safeguarding, anti-bribery and employment legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the charitable company and how the charitable company are complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the charitable company's control environment and how the charitable company have applied relevant control procedures, through discussions with Governors and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the charitable company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk

STAFFORD INDEPENDENT GRAMMAR SCHOOL
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STAFFORD INDEPENDENT GRAMMAR SCHOOL (CONTINUED)

increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



Nick Simkins (Senior statutory auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants

Statutory Auditor

One Central Boulevard

Blythe Valley Business Park

Solihull

West Midlands

B90 8BG

Date: 24/1/2022

STAFFORD INDEPENDENT GRAMMAR SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	As restated Total funds 2020 £
	Note				
Income from:					
Donations and legacies	3	6,470	-	6,470	24,500
Charitable activities	4	4,624,444	-	4,624,444	4,438,130
Other trading activities		6,733	-	6,733	21,187
Investments	5	927	-	927	4,197
Other income	6	80,462	-	80,462	150,255
Total income		4,719,036	-	4,719,036	4,638,269
Expenditure on:					
Raising funds	7	7,313	-	7,313	10,371
Charitable activities	8	4,494,667	2,938	4,497,605	4,567,606
Total expenditure		4,501,980	2,938	4,504,918	4,577,977
Net movement in funds		217,056	(2,938)	214,118	60,292
Reconciliation of funds:					
Total funds brought forward		4,855,745	24,500	4,880,245	4,819,953
Net movement in funds		217,056	(2,938)	214,118	60,292
Total funds carried forward		5,072,801	21,562	5,094,363	4,880,245

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

The notes on pages 19 to 38 form part of these financial statements.

STAFFORD INDEPENDENT GRAMMAR SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 01657702

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2021 £	As restated 2020 £	As restated 2020 £
Fixed assets					
Tangible assets	13		4,382,599		4,295,219
			<u>4,382,599</u>		<u>4,295,219</u>
Current assets					
Stocks	14	5,220		5,366	
Debtors	15	51,596		149,539	
Cash at bank and in hand		1,234,426		1,051,062	
		<u>1,291,242</u>		<u>1,205,967</u>	
Creditors: amounts falling due within one year	16	(565,980)		(586,566)	
Net current assets			<u>725,262</u>		<u>619,401</u>
Total assets less current liabilities			<u>5,107,861</u>		<u>4,914,620</u>
Creditors: amounts falling due after more than one year	17		-		(34,375)
Provisions for liabilities	19		(13,498)		-
Total net assets			<u><u>5,094,363</u></u>		<u><u>4,880,245</u></u>
Charity funds					
Restricted funds	20		21,562		24,500
Unrestricted funds	20		5,072,801		4,855,745
Total funds			<u><u>5,094,363</u></u>		<u><u>4,880,245</u></u>

The Governors acknowledge their responsibilities for complying with the requirements of the Companies 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:



Mrs J Causer
Chair

Date: 24.1.22.

The notes on pages 19 to 38 form part of these financial statements.

STAFFORD INDEPENDENT GRAMMAR SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	525,307	42,298
Cash flows from investing activities		
Investment income receipts	927	4,197
Purchase of tangible fixed assets	(276,757)	(30,517)
Finance costs paid	(7,313)	(10,371)
Net cash used in investing activities	(283,143)	(36,691)
Cash flows from financing activities		
Repayments of borrowing	(58,800)	(55,922)
Net cash used in financing activities	(58,800)	(55,922)
Change in cash and cash equivalents in the year	183,364	(50,315)
Cash and cash equivalents at the beginning of the year	1,051,062	1,101,377
Cash and cash equivalents at the end of the year	1,234,426	1,051,062

The notes on pages 19 to 38 form part of these financial statements

STAFFORD INDEPENDENT GRAMMAR SCHOOL
(A company limited by guarantee)

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

1. General information

Stafford Independent Grammar School (the School) is an incorporated charitable company which is limited by guarantee, (registered company no. 01657702), (charity no. 513031), registered in England & Wales. The members of the company are the Governors named on page1. In the event of the School being wound up, the liability in respect of the guarantee is limited to £1 per member of the School. The School's registered address and principal place of business is Stafford Independent Grammar School, Burton Manor, Stafford, Staffordshire, ST18 9AT.

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.

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

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

STAFFORD INDEPENDENT GRAMMAR SCHOOL
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.2 Going concern

It is critical that shortfalls are tackled in turbulent times as financial resilience will help the School to stay flexible and adaptable to unexpected changes in pupil numbers and to manage unplanned costs. The expenditure of the School is dominated by staff salaries which amount to 73% of net income, nevertheless opportunities for reducing costs, without adversely affecting performance, are identified and actioned when possible.

A second wave of Covid-19 hit the UK in the autumn of 2020 causing disruption to the School's normal operation as well as a complete lockdown in January 2021. Financial modelling with sensitivity analysis to look at several deteriorating situations was undertaken which demonstrated cash resilience to the end of FY2022 even with a substantial reduction in pupil numbers and without the need for support from the bank. After making appropriate enquiries, the Governors have concluded that it is reasonable to expect that the School will generate sufficient resources to continue in operational existence for the foreseeable future and meet all of its financial obligations. It is clear from the cash flow predictions for varying degrees of risk and the Statement of Financial Activities that the School can continue to pay its normal creditors when payments are due and satisfy the covenants required by the current bank loan which will be paid off in December 2021. Additionally it is considered that, after examining likely future risks to the business, that there will be sufficient funds to continue in operation should one of those risks materialise. As a matter of course Governors consider the financial risks to the School at formal meetings and also informally on a monthly basis by reviewing the management accounts. An important additional factor is that during the Covid-19 pandemic the Governors and Senior Leadership Team have clearly demonstrated their ability to make difficult strategic and operational decisions to mitigate financial risk and protect the future viability of the School as well as supporting key initiatives to further develop the facilities of the School (e.g. the Dance Studio, Theatre Project and AstroTurf Pitch) maintaining its attractiveness to current and future parents and pupils. For this reason the Governors have continued to adopt a going concern basis in preparing the School's financial statements.

2.3 Income

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

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

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

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

STAFFORD INDEPENDENT GRAMMAR SCHOOL
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.4 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 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.

STAFFORD INDEPENDENT GRAMMAR SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

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 basis:

Freehold property	-	2% straight line
Motor vehicles	-	20% straight line
Fixtures and fittings	-	10% straight line
Office equipment	-	20% straight line
Other fixed assets	-	20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of financial activities.

2.7 Stocks

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

2.8 Debtors

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

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 and provisions

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 School anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

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

STAFFORD INDEPENDENT GRAMMAR SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.11 Financial instruments

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

2.12 Operating leases

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

2.13 Pensions

The School operates two defined contribution pension schemes and the pension charge represents the amounts payable by the School to the schemes' funds in respect of the year.

2.14 Fund accounting

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

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 School 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.

2.15 Critical accounting estimates and areas of judgement

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

STAFFORD INDEPENDENT GRAMMAR SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

3. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	6,470	-	6,470	24,500
Total 2020	-	24,500	24,500	

4. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	As restated Total funds 2020 £
Gross school fees	5,229,708	5,229,708	5,309,518
Scholarships, bursaries and discounts	(887,232)	(887,232)	(1,185,215)
Other education income	282,012	282,012	307,702
Donations	(44)	(44)	6,125
Total 2021	4,624,444	4,624,444	4,438,130
Total 2020 as restated	4,438,130	4,438,130	

5. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	927	927	4,197
Total 2020	4,197	4,197	

STAFFORD INDEPENDENT GRAMMAR SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

6. Other income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Coronavirus Job Retention Scheme	80,462	80,462	150,255
	<u>80,462</u>	<u>80,462</u>	<u>150,255</u>
Total 2020	<u>150,255</u>	<u>150,255</u>	

7. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest and charges	7,313	7,313	10,371
	<u>7,313</u>	<u>7,313</u>	<u>10,371</u>
Total 2020	<u>10,371</u>	<u>10,371</u>	

STAFFORD INDEPENDENT GRAMMAR SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	As restated Total funds 2020 £
Teaching	2,852,172	-	2,852,172	2,800,190
Prep School	663,790	-	663,790	685,481
Transport	215,409	-	215,409	234,330
Sports Hall	26,198	-	26,198	32,901
Premises	709,143	2,938	712,081	743,749
Governance	27,955	-	27,955	70,955
	<u>4,494,667</u>	<u>2,938</u>	<u>4,497,605</u>	<u>4,567,606</u>
Total 2020 as restated	<u>4,567,606</u>	<u>-</u>	<u>4,567,606</u>	

Summary by expenditure type

	Staff costs 2021 £	Depreciation 2021 £	Other costs 2021 £	Total funds 2021 £	As restated Total funds 2020 £
Teaching	2,144,166	-	708,006	2,852,172	2,795,878
Prep School	653,199	-	10,591	663,790	685,482
Transport	151,607	-	63,802	215,409	234,330
Sports Hall	-	-	26,198	26,198	32,901
Premises	521,295	187,848	2,938	712,081	748,060
Governance	-	-	27,955	27,955	70,955
	<u>3,470,267</u>	<u>187,848</u>	<u>839,490</u>	<u>4,497,605</u>	<u>4,567,606</u>
Total 2020 as restated	<u>3,514,437</u>	<u>192,318</u>	<u>860,851</u>	<u>4,567,606</u>	

STAFFORD INDEPENDENT GRAMMAR SCHOOL
(A company limited by guarantee)

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

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	As restated Total funds 2020 £
Teaching	2,326,131	526,041	2,852,172	2,795,878
Prep School	632,097	31,693	663,790	685,482
Transport	215,409	-	215,409	234,330
Sports Hall	26,198	-	26,198	32,901
Premises	-	712,081	712,081	748,060
Governance	-	27,955	27,955	70,955
	<u>3,199,835</u>	<u>1,297,770</u>	<u>4,497,605</u>	<u>4,567,606</u>
Total 2020 as restated	<u>3,241,173</u>	<u>1,326,433</u>	<u>4,567,606</u>	

Analysis of direct costs

	Teaching 2021 £	Prep School 2021 £	Transport 2021 £	Sports Hall 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	2,081,851	624,124	151,607	-	2,857,582	2,882,980
Subject materials and supplies	121,969	6,646	-	-	128,615	126,952
School transport costs	985	-	-	-	985	22,542
Seminars and training courses	8,782	1,327	-	-	10,109	15,127
Travelling and motor expenses	224	-	63,802	-	64,026	63,321
Light and heat	-	-	-	22,203	22,203	28,912
Catering costs	57,619	-	-	-	57,619	57,019
Sundry expenses - sports hall	-	-	-	3,995	3,995	3,989
Marketing	54,701	-	-	-	54,701	40,331
	<u>2,326,131</u>	<u>632,097</u>	<u>215,409</u>	<u>26,198</u>	<u>3,199,835</u>	<u>3,241,173</u>
Total 2020	<u>2,318,305</u>	<u>655,637</u>	<u>234,330</u>	<u>32,901</u>	<u>3,241,173</u>	

STAFFORD INDEPENDENT GRAMMAR SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Teaching 2021 £	Prep School 2021 £	Premises 2021 £	Governance 2021 £	Total funds 2021 £	As restated Total funds 2020 £
Staff costs	62,315	29,075	521,295	-	612,685	631,457
Depreciation	-	-	187,848	-	187,848	192,318
Postage, printing, stationery & advertising	4,598	-	-	-	4,598	6,568
Insurances	47,493	-	-	-	47,493	37,692
Marketing	10,317	-	-	-	10,317	10,317
Telephone	17,952	-	-	-	17,952	7,791
Maintenance and repairs	78,185	-	2,938	2,181	83,304	77,182
Business & water rates	34,624	-	-	-	34,624	34,245
Light and heat	49,077	-	-	-	49,077	54,800
Subscriptions	43,405	1,711	-	-	45,116	44,526
Cleaning	19,092	-	-	-	19,092	24,456
Leasing charges	106,266	-	-	-	106,266	78,032
Sundry expenses	21,873	907	-	-	22,780	34,108
Consumable computer expenses	6,778	-	-	-	6,778	14,164
Professional fees	5,442	-	-	25,774	31,216	75,913
Bad debts	18,624	-	-	-	18,624	2,864
	<u>526,041</u>	<u>31,693</u>	<u>712,081</u>	<u>27,955</u>	<u>1,297,770</u>	<u>1,326,433</u>
Total 2020 as restated	<u>477,573</u>	<u>29,845</u>	<u>748,060</u>	<u>70,955</u>	<u>1,326,433</u>	

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10. Auditor's remuneration

	2021 £	2020 £
Fees payable to the charitable company's auditor for the audit of the charitable company's annual accounts	11,000	18,408
Fees payable to the charitable company's auditor in respect of: All non-audit services not included above	800	2,868
	<u>11,800</u>	<u>21,276</u>

11. Staff costs

	2021 £	2020 £
Wages and salaries	2,812,829	2,759,332
Social security costs	256,829	265,254
Other pension costs	400,609	489,851
	<u>3,470,267</u>	<u>3,514,437</u>

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

	2021 No.	2020 No.
Teaching staff	56	61
Support staff	48	50
	<u>104</u>	<u>111</u>

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	5	2

The total remuneration and benefits received by key management personnel for the year was £332,287 (2020: £407,668).

Redundancy payments were made to 7 employees totalling £41,119.

12. Governors' remuneration and expenses

During the year, no Governors received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, no Governor expenses have been incurred (2020 - £NIL).

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13. Tangible fixed assets as restated

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Other fixed assets £	Total £
Cost or valuation						
At 1 September 2020	5,856,778	461,820	392,809	1,267,607	196,680	8,175,694
Additions	108,074	95,253	50,352	23,078	-	276,757
Disposals	-	-	-	(5,400)	-	(5,400)
At 31 August 2021	5,964,852	557,073	443,161	1,285,285	196,680	8,447,051
Depreciation						
At 1 September 2020	1,787,912	461,820	248,237	1,188,924	193,582	3,880,475
Charge for the year	105,802	12,506	38,676	29,228	1,635	187,847
On disposals	-	-	-	(3,870)	-	(3,870)
At 31 August 2021	1,893,714	474,326	286,913	1,214,282	195,217	4,064,452
Net book value						
At 31 August 2021	4,071,138	82,747	156,248	71,003	1,463	4,382,599
At 31 August 2020	4,068,866	-	144,572	78,683	3,098	4,295,219

14. Stocks

	2021 £	2020 £
Raw materials	3,878	3,064
Finished goods	1,342	2,302
	5,220	5,366

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15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	46,372	97,970
Other debtors	3,134	811
Prepayments and accrued income	2,090	50,758
	<u>51,596</u>	<u>149,539</u>

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	31,496	55,921
Trade creditors	109,194	53,316
Other taxation and social security	67,441	68,518
Other creditors	26,857	80,187
Accruals and deferred income	330,992	328,624
	<u>565,980</u>	<u>586,566</u>

	2021 £	2020 £
Deferred income at 1 September 2020	304,198	295,760
Resources deferred during the year	315,273	304,198
Amounts released from previous periods	(304,198)	(295,760)
	<u>315,273</u>	<u>304,198</u>

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

17. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	-	34,375

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18. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through income and expenditure	1,234,426	1,051,062
	<u>1,234,426</u>	<u>1,051,062</u>

19. Provisions

	Exam fee refund £
Additions	13,498
	<u>13,498</u>
	<u>13,498</u>

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20. Statement of funds

Statement of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Balance at 31 August 2021 £
Unrestricted funds				
Designated funds				
Sixth form	-	6,470	-	6,470
General funds				
General Funds - all funds	4,855,745	4,712,566	(4,501,980)	5,066,331
Total Unrestricted funds	4,855,745	4,719,036	(4,501,980)	5,072,801
Restricted funds				
Performing arts	24,500	-	(2,938)	21,562
Total of funds	4,880,245	4,719,036	(4,504,918)	5,094,363

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20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2019 £	As restated Income £	As restated Expenditure £	Balance at 31 August 2020 £
Unrestricted funds				
General Funds - all funds	4,819,953	4,613,769	(4,577,977)	4,855,745
Restricted funds				
Performing arts	-	24,500	-	24,500
Total of funds	4,819,953	4,638,269	(4,577,977)	4,880,245

The designated fund relates to a donation made in the year which has been allocated to the sixth form.

The restricted funds relates to a donation in the prior year which is to be used for performing arts and theatre renovation.

21. Summary of funds

Summary of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Balance at 31 August 2021 £
Designated funds	-	6,470	-	6,470
General funds	4,855,745	4,712,566	(4,501,980)	5,066,331
Restricted funds	24,500	-	(2,938)	21,562
	4,880,245	4,719,036	(4,504,918)	5,094,363

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 April 2019 £	As restated Income £	As restated Expenditure £	Balance at 31 August 2020 £
General funds	4,819,953	4,613,769	(4,577,977)	4,855,745
Restricted funds	-	24,500	-	24,500
	<u>4,819,953</u>	<u>4,638,269</u>	<u>(4,577,977)</u>	<u>4,880,245</u>

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	4,382,599	-	4,382,599
Current assets	1,269,680	21,562	1,291,242
Creditors due within one year	(565,980)	-	(565,980)
Provisions for liabilities and charges	(13,498)	-	(13,498)
Total	<u>5,072,801</u>	<u>21,562</u>	<u>5,094,363</u>

Analysis of net assets between funds - prior year - as restated

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	4,295,219	-	4,295,219
Current assets	1,181,467	24,500	1,205,967
Creditors due within one year	(586,566)	-	(586,566)
Creditors due in more than one year	(34,375)	-	(34,375)
Total	<u>4,855,745</u>	<u>24,500</u>	<u>4,880,245</u>

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23. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	As restated 2020 £
Net income for the year (as per Statement of Financial Activities)	214,118	60,292
Adjustments for:		
Depreciation charges	187,847	192,318
Adjustments to fixed assets restatement	-	(57,402)
Investment income	(927)	(4,197)
Loss on the sale of fixed assets	1,530	-
Decrease/(increase) in stocks	146	(1,662)
Decrease/(increase) in debtors	97,943	(44,258)
Increase/(decrease) in creditors	17,337	(113,164)
Financing costs	7,313	10,371
Net cash provided by operating activities	525,307	42,298

24. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	1,234,426	1,051,062
Total cash and cash equivalents	1,234,426	1,051,062

25. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,051,062	183,364	1,234,426
Debt due within 1 year	(55,921)	24,425	(31,496)
Debt due after 1 year	(34,375)	34,375	-
	960,766	242,164	1,202,930

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26. Pension commitments

Until the 31 August 2020 the School was enrolled into two pension schemes. The Teachers' Pension Scheme as detailed below, for teaching staff and a Standard Life scheme for support staff. The School withdrew from the Teachers' Pension Scheme with effect from 1 September 2020.

Teachers' Pension Scheme

The School participated in the Teachers' Pension Scheme ("the TPS") in the prior year for its teaching staff. The pension charge for the prior year included contributions payable to the TPS of £404,270 and at the year end £48,073 was accrued in respect of contributions to this scheme.

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

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 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.

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

Other Pension Schemes

The School contributes to two defined contribution schemes administered by Standard Life and Aviva for the benefit of eligible support staff employees and teachers respectively. The pension cost charged in the accounts is the amount payable by the School during the year which amounted to £400,609 (2020: £84,293). Contributions totalling £8,884 (2020: £9,625) were payable to the funds at the Balance Sheet date and are included in creditors.

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27. Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	64,227	57,819
Later than 1 year and not later than 5 years	91,313	41,762
	<u>155,540</u>	<u>99,581</u>

28. Related party transactions

There were no related party transactions noted in the year. There were no trustee expenses that occurred in the year (2020: none). Two (2020: two) of the Governors have children or grandchildren at the School.

29. Controlling party

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

30. Prior year adjustment

Fixed assets opening cost and depreciation have been restated to agree to the records the client has.

The impact of this has been an increase to the surplus last year of £57,402 and an increase to the fixed asset net book value of £57,402. The full impact was to unrestricted reserves.