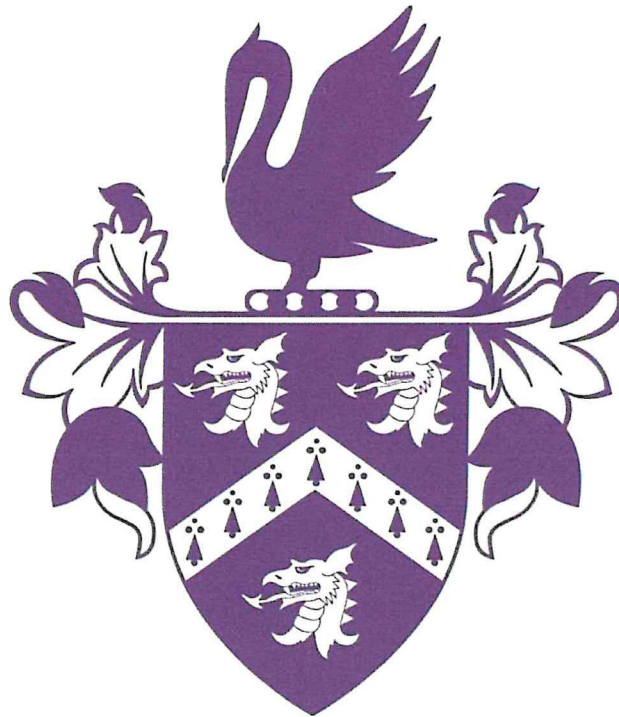


Registered in England and Wales
Charity Number: 1120654
Company Number: 5977683



The Perse School
A Charitable Company Limited by Guarantee

Annual Report
and
Consolidated Financial Statements
For the year ended
31 August 2021

THE PERSE SCHOOL
Annual Report and Consolidated Financial Statements
For the year ended 31 August 2021

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THE PERSE SCHOOL
General Information
For the year ended 31 August 2021

A Charitable Company limited by Guarantee

Company number	5977683
Registered Charity Number	1120654
Principal address & registered office	The Perse School, Hills Road, Cambridge, CB2 8QF

Trustees and Governors

Nominated by Trinity College Cambridge:

LA Merrett MA PhD

Nominated by Gonville & Caius College Cambridge:

K-C Lin BA MA PhD (until 31 August 2021)

AD Oliver MA MPhil PhD LittD

Co-opted:

A Y-C Au MA FCA (from 1 September 2021)

H Bettinson MA PhD

K Davies MA FCA

WMR Dawkins BA

NM Finlayson-Brown BA (from 28 May 2021)

S Freestone OBE DL MEd GRSM LRAM ARCM

SW Graves BSc MBA (OP) (until 31 August 2021)

CP Hancock QC MA LLM (OP)

SD Lebus MA

RC StH Mason BSc MBBS MRCP MBA

GJ Proudfoot MA

SC Roberts MA

JW Scott MA - Chair

M Singh MBA Master Mariner (from 1 September 2021)

S A Shakir-Khalil MA (from 7 September 2020)

DM Shave MA MBACP (until 31 August 2021)

SL Steele CTA

CJ Stenner LLB - Vice Chair

D Williams MB Bch FRCP FRPCH

(OP) = Old Persean

THE PERSE SCHOOL
General Information
For the year ended 31 August 2021

Personnel and Professional Advisors

Clerk to the Governors and Company Secretary

GA Ellison MA

Heads and Bursar

EC Elliott MA	Head of the Perse School
JWS Piper BA	Head of the Perse Preparatory School and Junior Division
F Heftman BA	Head of the Perse Pelican Nursery and Pre-preparatory School
A Shakespeare MA FCA	Bursar

RSM UK Audit LLP Blenheim House Newmarket Road Bury St Edmunds IP33 3SB	Registered Auditor
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Lloyds Bank plc Barclays Bank plc HSBC Bank plc Coutts & Co Santander UK plc	Bankers
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Farrer & Co, London Ashtons Legal, Cambridge Veale Wasborough Vizards, Bristol	Solicitors
--	------------

CCLA Senator House 85 Queen Victoria Street London EC4V 4ET	Investment Managers
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The Perse School's subsidiary companies are as follows:

	Company reg.no
The Perse School Trading Company Limited (dormant)	09636505
The Perse School Cambridge International Limited	11149877

Website address:

www.perse.co.uk

TRUSTEES' REPORT

The trustees present their report, including their Strategic Report, and the consolidated financial statements for the year ended 31 August 2021. The financial statements have been prepared on the basis of the accounting policies set out on pages 33 to 37 of the financial statements and comply with the charity's scheme and applicable law.

OBJECTS AND POLICIES

The Perse School is a charitable company limited by guarantee and not having a share capital that is governed by Memorandum and Articles of Association dated 23 October 2006 as amended by special resolutions dated 13 March 2008, 10 December 2009, 26 June 2014 and 6 August 2014.

The School was founded as a charity by the will of Dr Stephen Perse in 1615.

The object of the charity, as set out in its Memorandum of Association, is the advancement of education by the provision and conduct of the School known as the Perse School Cambridge together with any of its affiliated or subsidiary Schools (howsoever the same shall from time to time be known) and by ancillary or incidental educational activities and any other associated activities for the benefit of the community as a whole.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Group Structure

On 1 September 2007 the School, having until then been an unincorporated charity, became a charitable company limited by guarantee. The endowment assets at this date remained within the unincorporated charity, renamed The Perse School Endowment (registration number 1120654-1), with the charitable company acting as its trustee.

The Group during the year comprised The Perse School and two wholly owned subsidiaries:

- The Perse School Trading Company Limited. This company was dormant from 1 September 2019; and
- The Perse School Cambridge International Limited (incorporated on 15 January 2018). The business of the company is the undertaking of trading activities in the UK and overseas for the benefit of the Charity. Trading activities include but are not limited to activities connected to: overseas schools; education technology platforms; school memorabilia; letting of premises; and general education consultancy.

Governing Board

The Perse Upper School (the Upper), the Perse Prep School (the Prep) and the Perse Pelican Nursery and Pre-Preparatory School (the Pelican) (the three of which are known collectively as The Perse School) have a single Governing Board composed of the trustees, who are also the directors of the charitable company. A list of trustees is set out on page 3 of this Report. The Perse Prep School and The Perse Pelican Nursery and Pre-Preparatory School together form the 'Junior Division'.

The School's Articles of Association empower it to have twenty trustees (who are the directors and governors of the Charity and also its members). Three of the trustees are nominated - two are nominated by the Council of Gonville and Caius College and one by the Council of Trinity College. The seventeen other trustees are co-opted by the Board.

All trustees are appointed for a term of three years and may thereafter be reappointed for two further terms each of three years. In exceptional circumstances, a trustee who has served three consecutive terms in office may be reappointed for further periods.

During the year there were five Governing Board committees that dealt with matters concerning all three schools:

Meeting termly:

- Audit and Risk Committee;
- Education Committee;
- Finance & General Purposes Committee; and
- Nominations and Governance Committee.

Meeting annually:

- Senior Staff Salaries Committee.

Other committees, groups and panels are formed for specific purposes and meet as the need arises, currently:

- Staff Committee (re grievance and disciplinary matters);
- Appeal Committee (re grievance and disciplinary matters);
- Complaints Panel (re the complaints procedure);
- Investment Management Working Group; and
- Special Committee (to facilitate the governing and direction of the Charity when the Charity's ability to convene normal meetings is materially frustrated by the effects of the COVID-19 pandemic).

All committees report to the Governing Board in line with their terms of reference.

In addition, some trustees are also board directors of The Perse School Cambridge International Limited.

Recruitment and appointment of new trustees

The School's Nominations and Governance Committee is appointed by the Governing Board and its terms of reference require it to:

- Identify and keep under review the range and balance of skills, experience, and other qualities – either specific or general – which need to be represented on the Governing Board.
- Review the composition of the Governing Board to ensure that such skills, experience and other qualities are represented on the Governing Board or, if they are not, to identify which are missing or out of balance.
- Consider the re-appointment of trustees.
- Identify and consider the appointment of new trustees.
- Make recommendations to the Governing Board for the appointment or re-appointment of trustees.

All new trustees receive a comprehensive information pack giving them information about the School, its governance, management, and policies. A trustees' handbook is issued to all trustees annually with updates being available throughout the year on the trustees' portal. All trustees receive annual safeguarding updates.

All new trustees meet the Chair or Vice-chair of the Governing Board as part of the appointment process. They also meet the Head and the Bursar and the Clerk, and have a tour of the School (wherever possible) before attending their first meeting of the Governing Board. All new trustees are subject to appropriate safer recruitment checks and safeguarding training.

The School has hosted, and encourages trustees to attend, seminars organised by the Association of Governing Bodies of Independent Schools (AGBIS).

THE PERSE SCHOOL
Trustees' Report
For the year ended 31 August 2021

The School circulates trustees with the details of other courses and seminars run by AGBIS, ISBA and by professional firms providing services to charities and education. The School also runs its own updates for trustees and holds annual strategy seminars with trustees, senior Perse staff and external speakers as well as seminars, again using external speakers. Briefings by senior management to committees and the Board ensure relevant trustees are kept abreast of new legislation and the external auditor annually updates the Audit & Risk Committee and, through that Committee, the Finance and General Purposes Committee with accounting and regulatory matters which may affect the Group.

Surveys are undertaken in order to identify the training needs of individual trustees.

Trustee involvement in School life

The trustees help guide, shape and support specific aspects of the School's life through the various committees and the training and strategy sessions detailed above. Key School policies are approved on an annual cycle by the Full Board and all trustees are regularly updated on safeguarding and have access to the School's Designated Safeguarding Lead. During 2020/21 the Governor with Special Interest in Safeguarding with emphasis on Safer Recruitment and Child Protection met termly with the safeguarding teams and carried out an annual review of the Single Central Register. During 2020/21 the Staff Liaison Governor met all new staff and carried out termly meetings with departments on a rolling basis.

Trustees meet pupil representatives of the School Council (the Upper), Pupil Organised Democracy (the Prep) and the Pelican Parliament (the Pelican). Trustees also attend School sporting events and productions, and sample lessons via learning walks.

Organisational management

The day to day running of the School is delegated to the Head (and through him to the Head of the Junior Division), each with their team of teaching staff and the Bursar and her team of administrative and support staff. The Head and/or Bursar attend committee and Board meetings. The running of the subsidiary company is through its board which reports to the Full board via the Finance and General Purposes Committee.

Financial probity is ensured by having suitably qualified individuals on the Finance and General Purposes Committee, the Audit and Risk Committee and the Investment Management Working Group. The Audit & Risk Committee and the Finance and General Purposes Committee receive an annual report from the external auditor and the Finance and General Purposes Committee receives termly reports from the Bursar on the financial position of the School. The Finance and General Purposes Committee reviews and recommends the annual budget to the Full Board and considers the latest management accounts with any significant variances against budget and an agreed set of Key Performance Indicators. The Bursar considers management accounts, produced monthly, with variances analysed and explained by the Chief Financial Officer.

The Schools are staffed with paid employees, both full-time and part-time. Parents assist voluntarily with fund-raising and some school activities.

Engagement with suppliers, customers and others in a business relationship with the School

The School's supplier and customer engagement, including all policies and contracts are designed to ensure a fair and transparent approach to all business transactions.

The School has in place clear and transparent tariffs for all facilities available for external use and these charges are annually benchmarked against other comparable facilities to ensure they represent fair value.

The School actively encourages local community and customer engagement in regard to the use, development and expansion of these facilities and services.

During the COVID-19 pandemic frequent dialogue has been maintained with all parties to ensure the reestablishment and safe operation, where possible under current legislation, of these facilities.

The School operates a transparent procurement process through a value based approval structure, therefore ensuring all services and products are assessed under the same best value and risk mitigation criteria.

The School completes regular relationship management meetings with all strategic services suppliers to ensure effective contract management and engagement.

Engagement with employees

The School encourages staff contribution at all levels. The Heads, Bursar and members of the Executive Leadership Team meet regularly with regional forums to share best practice.

The School encourages the involvement of its employees through regular staff meetings that disseminate information of particular concern to employees and through regular staff surveys and staff committees for receiving their views. Termly meetings are held of the Common Room Salaries, Conditions of Service and Facilities Committee, and of the Support Staff Forum, at which staff concerns can be raised through their representatives.

The School intranet also provides information and access to professional development and support, including wellbeing, as well as a weekly staff bulletin.

New staff are fully inducted and both teachers and support staff take part in training both before the start of and during the school year.

The School is committed to ensuring equality of opportunity for all who learn and work here, with one of its key values being 'valuing one another.' It is committed to the principle of equal opportunities that opposes discrimination on the basis of the following protected characteristics: sex, sexual orientation, marital or civil partnership status, gender reassignment, race, religion or beliefs, pregnancy and maternity, disability and age. During 2019/2020 an Inclusion, Equality and Diversity working group was formed, with representation from students, teachers, parents, support staff, alumni and governors, to consider equality and inclusion and make recommendations to the Executive Leadership Team and the Board of Governors on specific development areas of curriculum, pastoral care, training and representation, led by the Assistant Head (I E & D). The School's Inclusion, Equality and Diversity Policy can be found on the School's website.

Investment in staff

The trustees are keen to attract and retain the best teaching and key support staff and set salaries and other terms of remuneration in order to try to achieve this. The remuneration of key management personnel is set by the Governors' Senior Staff Salaries Committee which comprises the Chair, the Vice-chair, the Chair of the Finance & General Purposes Committee and a trustee with Human Resources expertise. Remuneration is reviewed annually with reference to relevant publicly available information and benchmarking surveys

Statement of trustees' responsibilities

The trustees (who are also directors for the purposes of company law) are responsible for preparing the annual 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to Disclosure on Information to Auditors

The trustees also confirm that, so far as each of the trustees is aware, at the time the report is approved:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

CHARITABLE OBJECTS

The object of the charity, as set out in its Memorandum of Association, is the advancement of education by the provision and conduct of the School known as the Perse School Cambridge together with any of its affiliated or subsidiary Schools (howsoever the same shall from time to time be known) and by ancillary or incidental educational activities and any other associated activities for the benefit of the community as a whole.

The object of the School is a purpose falling within section 3(1)(b) of the Charities Act 2006, i.e.: the advancement of education. It is a purpose for the public benefit and is therefore a charitable purpose as defined in section 2(1) of the Act.

The Perse School educates boys and girls from age 3 – 18 on three sites; the Pelican (ages 3 – 7), the Prep (ages 7 – 11) and the Upper (ages 11 – 18). Children thus progress through three different schools but have the benefits of being part of one larger institution with an integrated curriculum and pastoral care system.

Vision and values

The Perse School's vision for the pupils and staff is to love learning and strive for the greater good. To realise this vision, The Perse will:

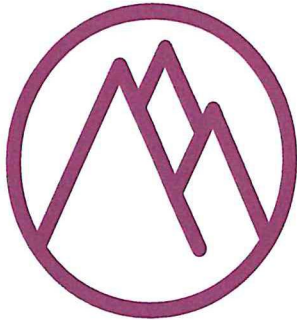
- a) Promote academic excellence through a challenging curriculum, outstanding teaching and a culture of endeavour, intellectual curiosity and scholarship.
- b) Provide high quality pastoral care to meet individual needs, and support the development of happy, balanced and considerate pupils.
- c) Offer a rounded education, rich in rewarding extracurricular opportunities, which develop life skills, character and perspective.
- d) Maintain a safe, well ordered community in which pupils develop a strong moral framework, an understanding of the law, and an appreciation of the spiritual dimension to life.
- e) Value one another through a commitment to kindness, consideration, inclusion, equality and diversity.
- f) Value the environment by caring for our sites and acting sustainably.
- g) Provide high quality professional development for all staff to ensure ongoing personal and institutional improvement.
- h) Finance means tested bursaries to ensure The Perse is accessible and help those outside the school through outreach and charitable work.

A Perse education is three dimensional and all pupils and teaching staff are expected to contribute to the School's academic, pastoral and extra-curricular programmes.

The School endeavours to provide a broad and balanced education appropriate to the needs of each pupil in order to cater for the full development of their varied talents and to achieve high academic standards leading, from the Upper School, to university entry, as well as to achievements throughout the schools in cultural, sporting and other fields. The School aims to ensure an academically selective entry from the widest possible social spectrum, thereby preserving its tradition of breadth of access and continuing to meet public benefit requirements.

A common set of values has been agreed which define the behaviour expected of all Perse students and staff. These values are shown on the following page:

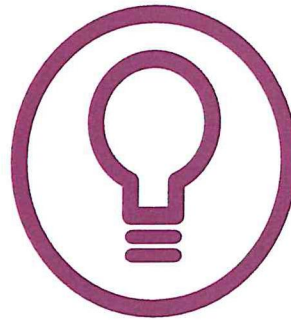
We value
Endeavour



Which means we
 Aim high and challenge ourselves
 Try our best and are not afraid to make mistakes

So we
 Aim to be the best we can reasonably be
 Set high standards and value the efforts people make to reach them
 Are organised and punctual
 Develop the resilience needed to embrace setbacks as learning opportunities
 Win and lose honourably and graciously
 Lead by example

We value
Intellectual curiosity and scholarship



Which means we
 Love learning, thinking deeply and being creative
 Welcome reasoned debate

So we
 Develop a lifelong love of learning, acquiring the qualities and skills needed for successful study
 Go beyond the curriculum and exam specifications
 Celebrate original thought, research and creativity
 Learn to communicate well both orally and in writing
 Invite challenge; listen to and value other perspectives
 Reflect on our learning to become more effective learners

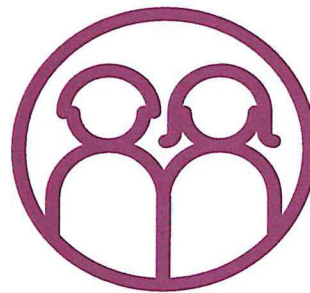
We value
Breadth and balance



Which means we
 Are involved, engaged and committed
 Take full advantage of the opportunities we are given

So we
 Take on personal responsibility
 Learn to play our part in a team
 Honour our commitments
 Broaden our horizons by trying new activities
 Find enjoyment and personal development in extra curricular learning
 Keep a sense of perspective

We value
One another and our environment



Which means we
 Each play our part in creating a kind and considerate community
 Care for ourselves, each other, and those in need

So we
 Are honest, kind, courteous, and caring in all we do
 Balance the needs of the individual and the community
 Act responsibly to keep ourselves and others safe and healthy
 Look after the school and wider environment
 Acknowledge and appreciate the contributions of others, treat all fairly, and recognise that diversity is a strength

PUBLIC BENEFIT

The trustees confirm that they have given regard to the Charity Commission's guidance on public benefit. The objects of the School are for the 'public benefit' as that term is used in the Charities Act 2011 for the following reasons:

Provision of benefit to public in general

Children eligible for admission as pupils of the School form a public rather than a private group for the following reasons:

1. The group of potential beneficiaries described in the objects of the School represent a sizable number of individuals. The School's catchment area has a school age population of some 230,000. This group constitutes a broad and significant section of the public.
2. There is no personal or contractual link or characteristic which potential beneficiaries must share in order to be eligible for admission as a pupil of the School.
3. The objects of the School are open and inclusionary. No person in poverty is excluded by the objects from eligibility for admission as a pupil of the School. The School carries out its objects in this regard through the breadth of its access and its bursary provision.

Selection policy and bursary awards

The School aims to ensure an academically selective entry from the widest possible social spectrum. To further that aim, the School offers means-tested bursaries from its own resources and through the generosity of gifts from a number of benefactors. The School is actively seeking further benefactions and support for its bursary scheme so that it may continue to meet bursary demand.

Some 73 children within the School benefited from some kind of means-tested bursary award in the 2020/21 academic year, receiving awards which equate to 68.15 full fee paying places. The total value of these awards in the 2020/21 academic year was £1,200k (2019/20: £1,292k).

Bursaries are funded by a mixture of restricted and unrestricted funds. All bursaries are re-assessed annually by means of a detailed means-testing system. Awards made range from 5% of fees up to full fee bursaries. Bursaries are also made available to cover costs of extras such as middle school devices, lunches, some outdoor pursuits activities and key school trips.

Carbon and Energy Reporting

In line with the Greenhouse Gas Protocol (GHG) Corporate Accounting and Reporting Standard, The Perse School continues to be engaged in a process aimed at reducing its energy and greenhouse gas emissions.

The Perse School maintains scope 1, 2 and 3 emissions, which are generated from the school premises and transport, respectively. The School maintains emissions from a range of transport including minibuses and school-owned vehicles.

The Perse School has devised a strategy to reduce its carbon footprint significantly including:

- Encouraging employees to purchase renewable technology cars i.e., hybrid vehicles, including the installation of electric vehicle charging points, and the promotion of a Cycle to Work scheme,
- Encouraging the use of public transport,
- Participating in external traffic surveys and undertaking its own surveys of pupils, parents and staff,
- Purchasing energy efficient equipment where appropriate in the school, including a zero emissions electric van for the estates team,
- Replacing HVAC systems with energy-efficient equipment where possible,
- Including energy considerations in new building design,
- Adopting behavioural change measures where possible.

The Perse School has a longstanding commitment to tackling climate change. Its calculated carbon footprint for the current financial year is 1,498.35 tCO₂e, whilst energy consumption was 7,170,761.96 kWh (7,170.7 MWh).

Methodology:

The School has reported all of its emission sources under the Companies Act 2006 (Strategic Report and Director's Reports) Regulations 2013 as required. The School has calculated and reported its emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2020 (reference "Introduction guidance").

The reporting period is the financial year 2020/2021, the same as that covered by the Annual Report and Financial Statements. The boundaries of the GHG inventory are defined using the operational control approach. In general, the emissions reported are the same as those which would be reported based on a financial control boundary.

2020/2021 Emissions

Scope 1 (natural gas/transport)	Tonnes CO ₂ equivalent (tCO ₂ e)
	1,150.46
Scope 1 (transport)	Tonnes CO ₂ equivalent (tCO ₂ e)
	7.55
Scope 2 (electricity)	Tonnes CO ₂ equivalent (tCO ₂ e)
	312.68
Scope 3 (electricity T & D)	Tonnes CO ₂ equivalent (tCO ₂ e)
	27.67

THE PERSE SCHOOL
Trustees' Report
For the year ended 31 August 2021

Scope 3 (transport)	Tonnes CO2 equivalent (tCO2e)
	2.33
Total	1,500.68 tCO2e

Scope one (1), two (2) and three (3) carbon intensity metric = 0.898 tCO2e per pupil taught (1,670) during the financial year.

The School's emissions have increased by 106.81% since the last reporting period. This has been mainly due to the additional ventilation requirements over the winter months in the Michaelmas 2020 and Lent 2021 terms whilst the School buildings still required heating. The School site was also closed for part of the previous period. Both situations arose from the COVID-19 pandemic.

Efficiency Measures Taken:

- Continue to replace aging office equipment with energy-efficient products
- Expanded video conferencing and online meetings (as opposed to face to face meetings)
- Expanding the installation of electric vehicle charging points at the school

Objectives for 2022/2023:

- Reduce its baseline electricity and gas consumption by 2%
- Reviewing supply contracts to determine feasibility of renewable energy
- Prepare for Energy Savings Opportunity Scheme (ESOS) phase 3 compliance
- Continue with its energy-savings programme
- Develop its sustainability plans

The Perse School will report on progress within the next set of financial accounts.

STRATEGIC REPORT

ACHIEVEMENT AND PERFORMANCE

PROVISION OF BENEFICIAL PURPOSE

The School provides the following demonstrable benefits, all of which flow, directly or indirectly, from the School's charitable purpose to advance education:

The School provides a high quality education to 1,670 pupils (2019/20: 1,645)

The School educates 1,670 pupils thereby relieving pressure on local schools which would otherwise need to find additional places for these pupils and provides a financial benefit to the State at no cost to the taxpayer (other than the value of the fiscal benefits of charitable status). Using estimates of the average annual cost to the taxpayer of a place at a state school, the School saves the State over £10m each year.

The last Independent Schools Inspectorate (ISI) inspection took place in 2019. This was a compliance only inspection for which the School met all of the required standards.

The last educational quality and compliance inspection took place in 2016. The inspectors concluded that the School offers an outstanding education and for every key inspection criteria the School received the highest possible grading of excellent or exceptional. This followed on from a clean sweep of top grades in the 2010 inspection.

The full reports are available on the School's website: www.perse.co.uk

Academic results

Examination results continue to be among the most successful in the country. For the thirteenth year in succession, more than three-quarters of A Level entries were graded at either A* or A.

	% A*	Cumulative % A* - A	Cumulative % A* - B	Cumulative % A* - C
Perse A level	81	92	98	99
	D1/M1	D2/M2	D3/M3	
Perse Pre U	87/98	95/99	98/100	

At GCSE/IGCSE, 94.5% of entries were graded 9 or 8 (broadly equivalent to the old A* grade) and 99% of entries were graded 9 – 7 (equivalent to A* - A).

	Cumulative % A*	Cumulative % A	Cumulative % B	Cumulative % C
Perse	80	94	100	100

(% cumulative)

Nearly all Perse students choose to proceed to university. Details of the university destinations for 2020/21 can be found on page 112 of The Perse School Annual Review available on the School website.

Students also took Trinity, Rockscool and ABRSM exams.

The School's core values are embedded in its curricular and extra-curricular provision.

The continuation of the COVID-19 pandemic throughout 2020/21 and the closure of the School site to Reception year and above with the exception of keyworker and vulnerable children in the first half of the Lent term 2021 saw teaching and learning, pastoral care and extra-curricular activities moving back online in a return to digital education.

Many Perse students pursued opportunities to broaden their knowledge and test their skills against peers elsewhere, including:

- Arkwright Engineering scholarships;
- Gold, silver and bronze awards in the British Physics Olympiad, with one student selected to join the UK team in the International Physics Olympiad and one student selected to represent the UK at the International Olympiad on Astronomy & Astrophysics, the British Biology Olympiad, with one student selected to represent the UK in the International Biology Olympiad, and the Chemistry Olympiad;
- Gold, silver and bronze awards in the National Biology Challenge;
- Roentgenium, gold, silver and copper awards in the Cambridge Chemistry Challenge for Lower Sixth;
- Gold, silver and bronze awards in the Senior Maths Challenge, the Intermediate Maths Challenge and the Junior Maths Challenge, with other prizes won in the Maths Olympiad for Girls and the Senior Team Maths Challenge and one student taking part in the Tournament of Towns, an international maths olympiad;
- Qualification for the National finals of the GCHQ Cyber First Girls competition;
- Qualification for the National Final of the British Informatics Olympiad;
- Participation in the University of Oxford Computing Challenge national finals;
- Gold awards in the Bebras UK Computational Thinking Challenge;
- Participation in the National finals of the TCS Oxford Computing Challenge;
- Bronze award in the International Linguistics Olympiad;
- Second round places at the United Kingdom Linguistics Olympiad;
- Silver awards in the Joutes Oratoires Lyceennes;
- Gold awards in the regional inter-schools Spanish debating competition and the French inter-regional schools debating;
- Ceramic sculptures were displayed on the Molecules of Life online exhibition organised by the Protein Data Bank in Europe in conjunction with the Arts Society Granta and the Arts Society Cantab;
- First place in the senior, intermediate and junior Greek categories and highly commended in the junior and senior Latin categories of the Cambridge Classical Association Reading Competition;
- First and second places in the inaugural Cambridge Classical Association Essay Competition;
- Qualification for the National finals of the Cambridge Union Schools' debating competition, and the finals of the International Competition for Young Debaters; runners-up in the regional final of the Churchill Public Speaking Competition;
- Commendation in the Lucy Cavendish College Essay Prize on Contemporary Issues;
- Commendation in the Performing Shakespeare competition;
- Highly commended awards in the National Theatre's New Views competition and the creative writing category of the New College of the Humanities Essay Competition;
- Commendations in the Robson History Prize and New College of the Humanities Essay competitions;
- Winners of the Strategic Alliance of Global Educators Project Passport competition

Students' work has also been published in medical journals and the Young Scientists' Journal.

COVID-19 restrictions during the academic year led to a reduced number of sporting fixtures and opportunities, particularly in the Michaelmas and Lent terms. Perse teams were, however, County champions in U15 boys' cricket and won third place at the Magdalene College School T20 Festival; County champions in U14 and U12 boys' cricket; County champions in U15 girls' cricket and National quarter-finalists in the School Sport T20 Cup and County champions in U11 girls' cricket. In the ESAA Schools Championships two students participated in the National Finals and the Intermediate Girls were County runners-up in the ESAA Track & Field Cup. A Perse student took the senior title in the British Schools Small-bore Rifle Association (BSSRA) and a Perse team won the top division on the BSSRA Summer League. Perse students were also selected for the England A team for the BSSRA International Match.

Perse students also earned places in the England Hockey boys' regional performance centre squads, the England Hockey girls' regional performance centre squads, the Northampton Saints U18 and U16 Developing Players groups, the Saxon Tigers U15 boys' and girls' squads, the Saracen Mavericks Cambridgeshire and Bedford and U15 hubs, the regional pathway of Superleague Club London Pulse, Cambridgeshire women's and men's 1st XI in cricket, Essex 2nd XI and London and East U18 in cricket, the ECB Regional Development Centre for Girls and the U15 Advanced Coaching Centre.

The School continued to adapt to the challenges and opportunities of home learning with a variety of online tools – in addition to the core curriculum, assemblies and 'group' music performances (including the Friday Night Showcase and the Lockdown Choir) moved online with the imaginative use of combined solo recordings.

In addition to academic achievements, Perse pupils participate in many extra-curricular areas which help develop a broad range of skills and qualities, including a comprehensive drama provision with musical performances of The Three Little Pigs and Goldilocks and the Three Bears, and performances of Ali Baba and the Forty Thieves and the Beggar's Tale, two different productions based around Grimm's Fairy Tales, Scary Play and a Shakespeare Project. The performances were filmed if restrictions at the time meant they could not be performed in front of live audiences. The School's Outdoor Pursuits activities also continued where restrictions permitted.

A full review of all the School's activities is included in the School's Annual Review available on the School website.

The School provides broader benefits to children, the local community and society

Valuing and supporting one another is one of the cornerstones of a Perse education and, with the School's commitment to its charitable purposes, the belief in community extends well beyond the school gates.

During 2020/21 COVID-19 restrictions curtailed much of the School's regular community outreach work, in particular the Primary Partnership started in 2008/09 to develop relationships with local primary schools and to provide access for them to the School's specialist facilities and teaching. The School adapted its outreach programme in 2020/21 to continue to support as many children as possible and continued to provide digital and other resources in modern languages, computer science and maths to local primary schools. Additionally, the School funded the provision of group music at one primary school, raised funds via the School's Green Team to redevelop outdoor space at another and contributed funding to the Raspberry-Pi Foundation's work in bridging the digital gap for local children to access computer equipment during the lockdown. Two members of staff spent a week at a local primary school running a Year 5 project on climate change, biodiversity and ecology.

The School also supports a local sixth form college in their UCAS process, specifically with preparation interviews led by subject specialists from the School. Perse staff also assisted other secondary schools with mentoring and advice in maths, music, sport and PE, assisting in the creation of an economics department and assisting in the marking and moderating of GCSE papers in Latin and classical civilisation.

THE PERSE SCHOOL
Trustees' Report
For the year ended 31 August 2021

The Perse School runs an annual coding competition, launched in 2017 and open nationwide to pupils in Years 7 to 11. Pupils compete to win the Braben Cup, sponsored by Dr David Braben OBE. The challenge is free to enter with prizes for the top three teams and 71 state schools from across the UK take part. 2020/21 also saw the inaugural Perse Research Essay competition.

Further details of the School's outreach and partnership activities can be found at: www.schoolstogether.org.

Community lectures are held each term and in 2020/21 virtual lectures covered 'Can we end homelessness in Cambridge', 'The tale of the NHS COVID-19 app' and 'Listening to Shells'.

Community use of the School – particularly the Sports Centre and the Music School – was affected by the COVID-19 restrictions throughout 2020/21 but local clubs, groups and societies continued to use the School facilities where permitted, particularly in the areas of youth training and development.

In 2011 The Perse School formed a partnership with Christel House Schools, a charity that transforms children's lives by building and running learning centres in some of the world's most deprived communities. The charity was set up in 1998 by Christel De Haan with support from the late Ron Haylock (former Perse pupil), and today has seven learning centres in four countries helping over 4,500 children. The Perse School supports Christel House by sending its teachers and students to Christel House to share expertise and experiences; raising funds; participating in joint educational projects; and by one of its teachers being a trustee of Christel House Europe. Throughout 2020/21, pupils continued to raise money for Christel House projects and during lockdown raised money via the online Perse Family Quiz Night and a live-streamed Perse Bake-Off.

During the lockdown period individual staff and pupils raised money on their own initiatives. When back on site students, staff and parents worked together to support a number of charities, both local and international through a series of activities including non-uniform days, sponsored events and charity music events. Each year the School supports Link to Hope, a charity that sends shoeboxes filled with Christmas gifts to families and elderly people in Eastern Europe and in 2020/21 713 shoeboxes were donated. During Random Acts of Kindness week the Student Council arranged a variety of activities designed to help pupils show kindness within the School, the local community and internationally as well as being kind to themselves. Donations were collected by students, parents and staff throughout the week to support Cambridge Food Bank. The annual Emmaus Sleepout, which took place in students' gardens in 2019/20, reverted back on site for 2020/21 with a record number of Year 9 pupils taking part.

The Perse Summer School is open to young people aged 7 – 14 from the local area with a range of academic, creative and performing arts, sport and outdoor pursuits, and technology and computing options. In 2020/21 more than 700 children attended from more than 70 different schools.

Perse staff hold leadership or advisory roles in an array of aspects of education, from curriculum reform to student skills for university, and support young people from all walks of life in many different ways, including:

- Advising Cambridge Assessment on public exam standards and regulations;
- Membership of the Headmasters' and Headmistresses' Conference academic policy sub committees shaping curriculum and assessment;
- Acting as Independent Schools Inspectorate Inspectors;

- Supporting Christel House, conducting staff training and collaborative work between students to develop the growing relationship between the two schools. Christel House schools work with the very poorest pupils in their communities to break the cycle of poverty. Perse students raised money to buy three classroom projectors for Bangalore with the project aim of funding a projector for each of the twenty-nine classrooms over the next few years;
- Acting as Examiners and developing exam specifications for a range of exam boards;
- Acting as exam moderators;
- Coaching for local and national sports clubs and teams;
- Assisting with community air cadet units;
- Developing community support groups;
- Contributing to curriculum development;
- Co-ordinating charity events and working in local charities;
- Authoring and co-authoring textbooks;
- Delivering seminars;
- Developing websites for scheme of work;
- Working with local choirs and music groups;
- Professional tutoring of PGCE trainees, guiding and supporting their development;
- Developing and implementing induction training in independent schools;
- Leading local scout movement groups and Duke of Edinburgh;
- Acting as governors of other schools;

Investment in staff and staff welfare

The trustees are aware that the quality and range of the education that the School offers can only be maintained at a high level of excellence by continual investment in staff, equipment and buildings. The trustees pay tribute to the dedication and commitment of all the staff – teaching and support staff – who together contribute to this community of learning.

The School encourages the involvement of its employees through regular staff meetings that disseminate information of particular concern to employees, and through staff surveys and staff committees for receiving their views. Termly meetings are held of the Staff Salaries Committee at which any staff concerns can be raised through their elected representatives.

The School recognises its responsibilities under the Equality Act 2010 and supports the principle of equal opportunities and opposes discrimination based on any protected characteristic. Being a committed equal opportunities employer, the School will take every possible step to ensure that employees and prospective employees are treated equally and fairly.

The valuable contribution of supporters

The trustees continue to recognise with gratitude the support received by the School – at all educational stages – from the Parents' Associations and from individual contributions of finance, time and expertise.

Continued investment in infrastructure

Significant building works, both to accommodate increased pupil numbers and to improve facilities, have been a feature of the School over the past ten years. All building works have been consistent with pupil numbers and the School's Development Plan.

In 2020/21 the School completed the new mezzanine floor within the main school building, to provide additional dining and meeting spaces, and refurbished the Sixth Form Common Room.

The School remains committed to providing appropriate facilities for current and future pupils and staff, and regularly reviews the masterplans for its sites alongside investing in existing buildings.

Expansion outside the UK

The School recognises the importance of developing sources of revenue other than tuition fees to help fund the capital programme, its bursary scheme and its outreach work.

The Perse School Singapore opened in January 2020 for pupils aged 6 – 11. The campus is at Upper Bukit Timah, a residential area in Singapore, and close to Bukit Timah nature reserve. Pupils engage in a broad and innovative curriculum that closely follows the Cambridge Primary Programme, incorporating Singapore Maths and Mandarin as a second language. Blending innovation and tradition, the school uses the most up-to-date educational technologies in the classroom to prepare pupils for a global future. The four core values of the Perse – intellectual curiosity and scholarship, endeavour, breadth and balance and respect for one another and our environment – form the heart of the school's ethos.

The Perse School Suzhou opened in September 2021 – delayed from August 2020 due to the restrictions of the Coronavirus outbreak. The Perse School Suzhou is situated in the core of the city in Gusu District and is co-educational. It focuses on the Cambridge IGCSE and IA level and other international qualifications plus additions from the Perse's own curriculum. It will prepare Chinese students for international universities.

The partnerships between these two schools and The Perse School Cambridge International Limited will give Perse Cambridge students and staff greater international exposure and will provide opportunities for exchange programmes and visits. They will also provide an income stream to The Perse School Cambridge International Limited.

Section 172 Statement

In accordance with Section 172 of the Companies Act 2006, the Directors (who form the Board of Trustees) complied with their duty to promote the success of the School through their approval of the School's Development Plan and on-going review of performance against this. All decisions are made in line with the School's Development Plan, capital Master Plan and cash flow forecasts, with the long-term interests of the charity and its stakeholders in mind.

Culture, and employee welfare and engagement are important to trustees. As detailed above, the School has a structure of regular staff meetings, staff committees and working groups and a variety of tools to promote well-being available to all staff. As a School, it already supports flexible working practices.

Trustees understand the importance of maintaining productive relationships within stakeholders, underlined by a strong sense of purpose. Members of the trustees' sub committees and member of the Executive Leadership Team proactively collaborate with a variety of stakeholders within the education sector to share knowledge and learnings as appropriate.

Trustees are mindful of the School's impact on the community and environment. The School's communities, social action and enrichment sit at the heart of everything it does, and this is reflected in its curriculum and in the School's four core values (see page 11).

As a registered charity, the School is committed to making the biggest difference to its pupils, inside and outside the classroom, regardless of their background. The School's reputation and business conduct are paramount to its future success and ability to deliver value to its various stakeholders. The School has an experienced Trustee Board

who are responsible for ensuring corporate governance best practice is followed, supported by the Audit & Risk Committee, Finance & General Purposes Committee, Education Committee, Nominations & Governance Committee and Strategy Committee.

Promoting the success of the charitable company

The trustees have established a Code of Conduct within the General Statement of the Responsibilities of Members of the Governing Board which provides a structure for the responsibilities and expectations associated with the role. This key document, aligned to the School's values, provides trustees with an understanding of what is required and enables them to be transparent, open and accountable in what they do. The Code of Conduct recognises that decisions should be taken in the interests of all stakeholders with the aim of maintaining a reputation for high standards of business conduct. In accordance with section 172 of the Companies Act 2006, each of the trustees acts in the way he or she considers to be in good faith and which would most likely promote the success of the School and to achieve its charitable purpose. Other areas of the Trustee's Report also cover how the School fosters relationships with key stakeholders. Please see pages 7 and 8.

RISK MANAGEMENT

The Perse School's Board of Governors is responsible for the consideration and management of the risks faced by the School and the wider Group.

The principal risks that the Group and the School faces are:

- The impact of the economy on parents' and carers' ability to pay fees, and other pressures on cash flow;
- Retention and recruitment of quality staff in the context of a national shortage of teachers;
- The changing educational and charitable requirements for independent schools;
- The impact of an adverse event on the School which may have an effect on the reputation of the School;
- The impact of possible future changes to existing charitable exemptions (VAT, corporation tax, business rate relief) and increases in the contribution rates to The Teachers' Pension Scheme ;
- The impact of the COVID-19 outbreak (subject of its own Risk Register);
- The impact of a loss of infrastructure, whether that be access to buildings (e.g. through fire) or a loss of IT systems, including through a cyber attack.

The trustees have given consideration to the major risks to which the School is exposed and are content with the management of those risks. In the majority of areas, systems designed to mitigate those risks have been in place for some time. In further reviewing the situation, the trustees continue to extend the systems, and their range, to provide comprehensive cover of the risks as they are identified and to obtain robust levels of insurance cover in areas such as loss of infrastructure. The School's risk management schedule, which includes all of the above risks, is reviewed by the Governing Board and by its Finance & General Purposes Committee and its Audit and Risk Committee. The Governing Board's committees' terms of reference reflect the risk management monitoring roles of each committee.

The trustees also look annually at the School's performance by comparison to benchmarking reports on the independent school sector produced by independent professional firms.

Each of the three schools has a Crisis Preparation and Response Manual which includes a Disaster Recovery/Business Continuity Plan which are reviewed annually and supported by external consultants.

The School regularly uses external consultants to review the effectiveness of different areas of the School's operations and to advise on external factors that might affect the School.

During the year, the School again used external consultants to review its management of Safeguarding, Health & Safety, and to carry out reviews of ICT and data protection. The trustees' Audit & Risk Committee meets termly and acts as a further check and balance on both the management and the governance of the School.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Group's accounts include the results of the year's financial activities for The Perse School and its two wholly owned subsidiaries.

Fundraising activities

The School raises funds for its projects through the Alumni and Development Office (ADO). The ADO fundraises from former pupils, parents and friends; it does not seek to raise funds from the general public as it focuses on developing lasting relationships with those who have an existing connection with the School. The ADO team organise alumni activities, run fundraising events and raise funds through the annual Sixth Form leavers' gift, Enduring Gift and legacy appeals. The details of the fundraising approach are set out in the School's Fundraising and Donation Acceptance Code which is reviewed annually by the Trustees and is available on the School's website.

The Perse is registered with the Fundraising Regulator and adheres to the Code of Fundraising Practice, which is the document underlying the School's own Fundraising and Donation Acceptance Code. By adhering to the School's Fundraising and Donation Acceptance Code any volunteer acting on the School's behalf commits to adhering to the Code of Fundraising Practice. During 2020/21 the School complied with fundraising standards. Complaints relating to fundraising activities are raised with the Business Development Director or the Bursar. The School aims to resolve any informal complaint within 15 working days of receipt. There were no complaints during 2020/21.

An Enduring Gift campaign continued to be the focus of the ADO's work in 2020/21 and is the campaign which marked the School's 400th anniversary in 2015/16. £142k was given to the campaign during 2020/21 to finance bursaries and outreach activities.

The School also continued to benefit from contributions into the Annual Fund in the form of regular donations from current and past parents, Old Perseans and friends of the School.

Investment in facilities

The trustees are aware that the quality and range of the education that the School offers can only be maintained at a high level of excellence by continual investment not only in staff but also in equipment and buildings. In 2020/21 the School completed its new mezzanine floor in the Old Gym, aimed at improving the catering and dining facilities and providing additional meeting and learning spaces, and refurbished the Sixth Form Centre. The School also acquired additional land and buildings at its Abington site.

The School has also continued its investment in the ICT infrastructure to support and enhance digital learning both on site and for remote learning.

Financial outcome

Income

Tuition fee income continues to be the principal funding source for the group. During the 2020/21 academic year the number of pupils in the School was 1,670, with 1,229 pupils in the Upper School (2019/20: 1,204); in the Prep 283 (2019/20: 284) and the Pelican 158 (2019/20: 157). Tuition fee increases were 3.95% for all three schools (2019/20 3.95% for all three schools).

The continuation of the COVID-19 pandemic and the closure of the School site to all years with the exception of keyworker and vulnerable children in the first half of the Lent term 2021 has had an impact on the income for the year. Where the School was able to achieve savings in areas such as catering, transport, sport and extra-curricular activities, these savings were passed on in the form of a reduction applied to the Summer term fee. No charge was made for activities (such as outdoor pursuits) or lunches not provided on site.

In continuing its response to the pandemic the Perse also extended its hardship bursary funding by making available money raised from donors as part of the Enduring Gift fundraising campaign. Families with children at the Pelican, Prep and Upper were eligible to apply for means tested assistance if they were suffering from financial distress and experiencing difficulties paying the termly fees as a result of the COVID-19 pandemic.

Other areas of income were also affected, such as lettings, after school clubs and late stay charges but the School was able to run Summer School and Club Pelican during the summer break in accordance with government COVID-19 guidance.

Legacies and donations continue to be a most welcome and significant part of the School's income and totalled £213k during the year (2019/20: £413k). During the year the School received £180k from the Coronavirus Job Retention Scheme (2019/20: £479k).

Expenditure

Staff costs continue to be the largest area of the School's expenditure, reflecting the continuing investment required to support the School.

Teaching staff continued to work through the period of partial site closure by providing digital education and remote pastoral care, and by looking after Pelican nursery, key worker and vulnerable children on site. The School benefited from the Coronavirus Job Retention Scheme in furloughing those support staff who were unable to work remotely and this also contributed to the reduction in costs passed on to parents.

The School delivered its planned ICT programme in full, spending £689k (excluding staff costs).

Surplus

The overall surplus for the group for the year was £4,487k (2019/20: £3,796k). This figure, which is inclusive of fundraising, is consistent with the School's strategic and development plans. With capital expenditure of £50m over the past 13 years, and further capital expenditure on a first floor addition to the Design and Technology block and a new indoor swimming pool and sports centre planned, the surplus is required to meet the costs of the School's investment in its plant and buildings and to pay back bank borrowings taken out to fund that investment.

Reserves

The general reserves held by the School principally represent the tangible fixed assets, largely comprising by value the land, buildings and equipment of the three schools – each on its own site. Unrestricted funds total £57,076k (2020: £52,087k) and the other unrestricted reserves consist of three designated funds to provide bursaries and scholarships totalling £2,726k (2020: £3,169k) and one designated fund for those donations into An Enduring Gift

campaign which have not been given for a specific purpose totalling £655k (2020: £605k).

In the current economic climate, the trustees expect only modest levels of income receivable from the underlying investments in the medium-term; consequently the trustees will continue to give consideration to an increase in the level of these funds, and also seek alternative ways of obtaining future funding of bursaries and scholarships. One of the main focuses of An Enduring Gift Campaign is the joint establishment of a permanent bursaries fund and the funding of current bursaries (depending on donor wishes), alongside donations towards the School's outreach programme.

The unrestricted funds, being largely represented by the School's land, buildings and equipment, are not liquid assets.

The restricted and endowed funds held by the School principally represent the 1910 endowment and later additions, investments for bursaries and scholarships, and the development appeal to fund new building and bursaries. Where income arises it is spent as soon as is practicable on the specified purpose. For details of restricted funds see note 16 to the accounts.

Policy on reserves

The trustees recognise the need for prudent financial management of the School's borrowings, and to build reserves over time. The current policy, successfully implemented, is to manage the net free reserves position out of free cash flow generated by operations. The School's policy generally is to build reserves to a level consistent with prudent financial management, taking into account the need to maintain the School sites and fund future capital expenditure. The trustees review this policy annually.

The trustees view the development plan for the School as the most effective and prudent way to ensure the long-term future of the School. The Pelican, Prep and the Upper schools all have their own development plans with site and age range specific focuses. The individual school plans are co-ordinated by the Heads and Bursar to deliver a coherent whole, and each plan contains a number of common 3 - 18 elements. School development planning is both a bottom up (staff contributions) and top down (management guided) process. The Governing Board formally reviews development plans on an annual basis at the autumn meeting of the Education Committee which reports to the December meeting of the Full Board. The implementation of individual plans is also subject to review by appropriate board committees.

In agreeing the school development plan and annual foci, careful thought is given to the pace and extent of change which needs to be managed to ensure the resources and capacity exist for changes to be successfully implemented. An evaluation of the progress in implementing the development plan and the success of individual foci takes place on a termly basis at Executive Leadership Team level.

On the basis of the definition of free reserves set out by the Charities SORP (FRS102), the School has net free reserves. At 31 August 2021 the value of total reserves was £63.2m (£58.7m 2019/20) and net free reserves stood at £3,716k (£708k net negative free reserves 2019/20), being the value of unrestricted funds after deducting operational fixed assets and committed expenditure. This arises because of the significant expansion and development of the School and associated building works including the construction of the performing arts centre at the Upper and the Science extension at the Prep School.

Investments

Investment powers and authority

The School Scheme permits the trustees to consolidate the investments and the money belonging to the School into one combined pool constituted as a common investment fund. The School's Memorandum of Association

allows it to appoint an investment manager and delegate to that person discretionary powers in relation to the management of the School's investments within the limits of the School's investment policy. During the year, the School invested £3m of its short term liquid assets in COIF Charities Ethical Investment Fund Accumulation Units, managed by CCLA Investment Management Limited.

Investment policy

The trustees determined in July 2006 that a good investment return and a reasonable level of security, combined with a strategic site advantage for the School would be provided by investing long term investment funds in Cambridge property which lies adjacent to the Hills Road site. Four residential properties were let to third parties for the 2020/21 financial year.

The School also has short term investment funds held for identified expenditure e.g. capital expenditure and short term bursary expenditure, and to meet general cash flow needs. For short term funds, capital preservation is of paramount importance with income generation a secondary objective. Short term assets should be held in cash or near cash investments denominated in sterling:

- (i) Either deposited by the School itself with institutions meeting the requirements of the School's Internal Treasury Management Policy, or
- (ii) Deposited by the School's authorised professional investment manager, who must be regulated by the FCA, in accordance with the investment mandate in force between the authorised professional investment manager and the School.

The performance of the investments

The School's investment properties were valued at 31 August 2021 by Savills (UK) Limited, Chartered Surveyors, and as at 31 August 2021 the value of the investment is shown at this market valuation of £5,935k (2020: £5,856k). The valuation, of necessity, reflects the current uncertainty in the market. These properties represent long-term investments. Rental income of £157k was received in the year. It is anticipated that the properties will continue to be available for commercial rent during the forthcoming financial year.

The School's short term investments have been placed in accordance with the policy outlined above and have achieved a return commensurate with the School's risk management and liquidity requirements and market conditions.

Performance compared with policy

Both long term and short term investments have met the overall policy of the trustees to protect the value of the capital, prior to its possible disbursement, while achieving a reasonable level of current income.

Auditors

RSM UK Audit LLP have indicated their willingness to continue in office.

The Trustees' Report and Strategic Report on pages 5 to 25 were approved by the trustees on 22 March 2022 and signed on their behalf by:



J Scott
Governor & Chair of Board of Trustees



G Proudfoot
Governor & Chair of Finance & General Purposes Committee

Opinion

We have audited the financial statements of The Perse School (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2021 and of the group's 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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 group's or parent 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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, the parent charity's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Governors' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are The Education (Independent School Standards) Regulations 2014, Keeping Children Safe in Education under section 175 of the Education Act 2002, and the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

THE PERSE SCHOOL

Independent Auditor's Report to the Members of the Perse School

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

LARAGH JEANROY (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Blenheim House
Newmarket Road
Bury St Edmunds
IP33 3SB

12/05/2022

THE PERSE SCHOOL
Consolidated Statement of Financial Activities
For the year ended 31 August 2021

	Note	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
INCOME FROM:							
Donations and legacies		-	48	160	4	212	413
Charitable Activities-							
Tuition fees	2	26,689	-	-	-	26,689	24,865
Other educational income		860	-	-	-	860	780
Other ancillary activities	3	1,570	-	-	-	1,570	1,312
Other Trading Activities							
Lettings		-	-	-	-	-	53
Subsidiary trading activities		139	-	-	-	139	252
Investments	5	159	2	14	-	175	212
CJRS income		180	-	-	-	180	479
TOTAL INCOME		29,597	50	174	4	29,825	28,366
EXPENDITURE ON:							
Raising funds							
Fundraising		(133)	-	-	-	(133)	(166)
Investment property costs		(27)	-	-	-	(27)	(13)
Charitable activities							
Operating costs		(24,958)	-	-	-	(24,958)	(23,890)
Bank interest		(198)	-	-	-	(198)	(244)
Grants, awards and prizes		-	-	(379)	-	(379)	(182)
Other activities		(6)	-	-	-	(6)	(75)
TOTAL EXPENDITURE	6	(25,322)	-	(379)	-	(25,701)	(24,570)
NET INCOME		4,275	50	(205)	4	4,124	3,796
Transfers between funds		513	(443)	(85)	15	-	-
Other recognised gains/(losses)		201	-	156	6	363	-
NET MOVEMENT IN FUNDS	16	4,989	(393)	(134)	25	4,487	3,796
Balances b/fwd 1 September		52,087	3,774	2,353	503	58,717	54,921
Balances c/fwd 31 August		57,076	3,381	2,219	528	63,204	58,717

	Note	Group 2021 £'000	Group 2020 £'000	School 2021 £'000	School 2020 £'000
FIXED ASSETS					
Tangible assets	8	52,751	52,287	52,751	52,287
Investments	9	10,819	5,905	10,769	5,855
		<u>63,570</u>	<u>58,192</u>	<u>63,520</u>	<u>58,142</u>
CURRENT ASSETS					
Stock		37	35	37	29
Debtors	10	759	631	792	905
Cash at bank and in hand	11	12,679	13,405	12,600	13,070
		<u>13,475</u>	<u>14,071</u>	<u>13,429</u>	<u>14,004</u>
CURRENT LIABILITIES					
Creditors	12	(4,202)	(3,157)	(4,164)	(3,102)
NET CURRENT ASSETS		<u>9,273</u>	<u>10,914</u>	<u>9,265</u>	<u>10,902</u>
TOTAL ASSETS PLUS CURRENT ASSETS		<u>72,843</u>	<u>69,106</u>	<u>72,785</u>	<u>69,044</u>
CREDITORS: amounts falling due after more than one year					
	13	(9,639)	(10,389)	(9,639)	(10,389)
TOTAL NET ASSETS		<u>63,204</u>	<u>58,717</u>	<u>63,146</u>	<u>58,655</u>
CAPITAL AND RESERVES					
Endowed Funds	16	528	503	528	503
Restricted Funds	16	2,219	2,353	2,219	2,353
Designated Funds	16	3,381	3,774	3,381	3,774
Unrestricted Funds	16	57,076	52,087	57,018	52,025
TOTAL FUNDS		<u>63,204</u>	<u>58,717</u>	<u>63,146</u>	<u>58,655</u>

As permitted by Section 408 of the Companies Act 2006, the Statement of Financial Activities of the parent Charity is not presented as part of these financial statements. The Charity's surplus for the year was £4,491k (2020: £3,787k).

The notes on pages 38 to 56 form part of these financial statements.

The financial statements were approved and authorised for issue by the trustees at their meeting on 22 March 2022 and signed by

J Scott
Governor & Chairman of the Board of Trustees

G Proudfoot
Governor & Chairman of the Finance & General Purposes Committee

THE PERSE SCHOOL
Consolidated Cash Flow Statement and Notes
For the year ended 31 August 2021

	Note	2021 £'000	2020 £'000
Net cash provided by operating activities	A	6,003	4,788
Cash flows from investing activities			
Investment income received		179	231
Purchase of tangible fixed assets		(1,468)	(1,458)
Purchase of investments		(4,550)	(110)
		164	3,451
Cash flows from financing activities			
Advance fee payments received		461	538
Advance fee payments utilised in payment of fees to the School		(485)	(501)
Repayment of project borrowing		(667)	(667)
Bank interest paid		(199)	(244)
		(726)	2,577
Cash and cash equivalents at the beginning of the year		13,405	10,828
Cash and cash equivalents at the end of the year	11	12,679	13,405

A. RECONCILIATION OF NET MOVEMENT IN FUNDS TO CASH USED IN OPERATING ACTIVITIES

	2021 £'000	2020 £'000
Net income for the year	4,124	3,796
Interest and rent from investments	(175)	(212)
Interest paid	198	244
Depreciation	1,542	1,401
(Increase)/Decrease in stock	(2)	3
Decrease/(increase) in debtors	(134)	284
Increase/(Decrease) in creditors	450	(728)
Net cash provided by operating activities	6,003	4,788

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP(FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value.

The Perse School is an incorporated charity domiciled and registered in England, which constitutes a Public Benefit entity as defined by FRS 102. The address of its registered office is set out on page 3. Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The charitable company was dormant up to 31 August 2007. Effective from 1 September 2007, the assets and undertaking relating to the Perse School, which had previously been held by the unincorporated charity registered in England and Wales numbered 311434, were transferred to the charitable company. The endowment assets remained within the unincorporated charity, renamed The Perse School Endowment, with the charitable company acting as its trustee and which, for accounting purposes, is amalgamated into the accounts of the charitable company under a Uniting Order issued by the Charity Commission. (The Perse School Endowment now carries as registration number 1120654-1).

The financial statements have been prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £'000.

Going Concern

The group has net current assets of £9.2million at 31 August 2021. The trustees have considered the financial position of the group, the level of free reserves, liquidity, the 2021/22 budget and accompanying cash flow forecast, together with the long term strategic plan and the level of admissions for 2022/23. As a consequence, the trustees believe the group is well placed to manage its business risks successfully and that there are no material uncertainties in applying the going concern basis of preparation.

Impact of COVID-19

The outbreak of COVID-19 in the early part of 2020 continues to cause severe disruption to the national and global economy. The Perse School has been committed throughout the pandemic to ensuring continuity of education and the safety of its pupils and staff through the use of digital learning and remote working, as a result of which the operation of The Perse School has been maintained well.

The Perse School has performed financial modelling to consider the ongoing impact of the COVID-19 outbreak on the reported results and forecast position, and no issues were identified that would give rise to a going concern risk. Given the measures taken by the School, its positive cash flow and its level of reserves, COVID-19 should not cast any doubt on the ability of the group to continue as a going concern.

Reduced disclosures for subsidiaries

As a qualifying entity within the meaning of FRS 102, the charitable company has chosen to take advantage in its individual financial statements of the following disclosure exemptions:

- Section 7 – Presentation of a statement of cash flows, related notes and disclosures.

Group accounts

These financial statements consolidate the results of the charitable company and its wholly owned subsidiaries on a line by line basis. A separate Statement of Financial Activities has not been presented for the parent charitable company on the basis of the exemption provided under section 408 of the Companies Act 2006.

Income

Income from donations and legacies

Income received from donations, legacies and other voluntary sources where there is no stipulated use is recognised in the General Fund when received. Individual reserve funds are maintained for donations, legacies and other income received where the donor stipulates a specific use.

Income is included in the accounts at the point when the Charity is entitled to the income, there is probability of receipt and the monetary value can be measured with sufficient reliability.

Income from charitable activities

Fees and other educational income receivable are accounted for in the period in which the service is provided. Fees receivable are stated after deduction of bursaries and other allowances.

Income from other trading activities

Turnover within the group's subsidiary companies is measured at the fair value of the consideration received or receivable and represents the amounts for services or goods provided in the normal course of the business, net of discounts. Turnover is recognised upon provision of services or delivery of goods.

Lettings income is accounted for in the period to which the letting relates.

Income from investments

Rental income from the investment properties is accounted for in the period to which the rental relates. Bank interest is accounted for in the period during which the interest earning balances are held.

Income from government grants

Grant income received monthly under the government's Coronavirus Job retention Scheme (CJRS) is recognised in the period to which the underlying furloughed staff costs relate.

Expenditure

All expenditure, including irrecoverable VAT, is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

- **Educational costs:** comprise the costs directly attributable to the provision of education to the pupils across all four sites and include: salary costs for all teachers; salary costs for support staff who work substantially with pupils; text books, stationary and all educational materials and ICT across all sites.
- **Support costs:** comprise salary costs of staff working within central office functions such as general management and finance; insurance costs for all schools; marketing and website costs; professional fees of lawyers and general consultants; costs of postage, telephones and general office support; governance costs.
- **Welfare costs:** include the costs of providing catering and health services within the three schools as well as all costs relating to compliance with health and safety legislation.
- **Premises costs:** include all costs related to the maintenance of the school sites and grounds plus related services and depreciation.

Termination payments

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Employee benefits – Pensions

Retirement benefits to employees of the charitable company and its group are provided by the Teachers' Pension Scheme (TPS) and the Aviva Pension Trust for Independent Schools (APTIS) in respect of teaching staff and the National Employment Savings Trust (NEST) and Aviva Group Personal Pension Scheme (Aviva) for all other staff.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the charitable company and its group 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 projected unit credit method.

The TPS is an unfunded multi-employer scheme with contributions calculated on a pay-as-you-go basis and no obligation to fund a past deficit with no underlying assets to assign between employers. Consequently there is insufficient information to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The APTIS, NEST and Aviva Schemes are defined contribution schemes, the assets of the schemes being held separately from those of the School in independently administered funds.

Contributions are made for teaching staff to the Teachers' Pension Scheme. Contributions are also made for teaching staff to APTIS and for support staff to group personal pension schemes which are of a defined contribution nature. The costs of the School's contributions to all schemes are charged to the Statement of Financial Activities as they fall due.

Employee benefits - Other

Short term employee benefits including holiday pay are recognised as an expense in the period in which the services are received from the employee involved.

Tangible Assets

Tangible fixed assets of a long-term nature with a cost exceeding £5,000 are capitalised on the balance sheet as fixed assets and depreciated as detailed below. Land and buildings acquired prior to 1995 are shown at their historic valuation less depreciation of the buildings.

Depreciation is provided at the following annual rates in order to write off each asset over its useful economic life: Freehold buildings 50 years straight line; new artificial surfaces 20 years straight line; Plant, equipment, furniture and fittings 6 years straight line; pianos 10 years straight line; ICT equipment 3 years straight line.

Freehold land

Freehold land is not depreciated.

Operating leases

Payments made under operating leases are written off to the Statement of Financial Activities on a straight line basis over the lease term.

Investments

Investment properties are carried in the balance sheet at market value. The properties are valued in accordance with section 10 of Charities SORP FRS 102, i.e. at open market value, with the intention of obtaining a revaluation

by an external valuer at least once every three years or at any stage if the trustees have reason to believe that values have changed materially. Investment properties are not depreciated. Investment property income is included in the Statement of Financial Activities on a receivable basis.

Investments in the subsidiary companies are accounted for in the balance sheet at cost less impairment.

Stocks

Stocks are included in the balance sheet at the lower of cost and net realisable value.

Debtors

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

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.

Creditors or provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third part and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised as their settlement amount after allowing for any trade discounts due. Provisions are measured at the best estimate of the amounts required to settle the obligation.

Fees received in advance of education to be provided in future years are accounted for as a liability until either taken to income in the term when used or else refunded.

Financial instruments

The charity 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.

Funds

Unrestricted funds comprise the accumulated funds which are neither restricted nor designated funds. They are available for use at the discretion of the Trustees in furtherance of the general objects of the charitable company.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purpose and use of the designated funds are set out in the notes to the accounts.

Restricted funds comprise the unexpended balance of donations and grants held in trust to be applied for specific purposes.

Endowed funds comprise trust funds which are subject to specific trusts declared by the donors or with their authority. The condition of the trust is that the capital element is not expendable. The income arising from the investments is applied only in accordance with the conditions imposed by the donors (where specified) or for the general purposes of the School.

Tax accounting policy

The School is a registered charity and it is not liable to United Kingdom income tax or corporation tax on charitable activities. The School is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in the furtherance of the school's primary

objectives, if these profits and surpluses are applied solely for charitable purposes.

1. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

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

Critical areas of judgement

In addition to the trustees’ assessment of the going concern status of the group, the following other specific judgements, estimates and assumptions were critical to the preparation of these financial statements:

Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. Useful economic lives and residual values are reviewed annually and reassessed where necessary to better reflect the actual usage of the assets involved.

Provision of fee debtors

The trustees consider whether fee debtors are recoverable. Where there is an indication that recoverability is unlikely, the amounts involved are recognised as a provision for bad debts. This assessment requires an estimation of future likely cash flows in order to calculate the appropriate amount of any provision.

	2021	2020
	£’000	£’000
2. TUITION FEES		
Gross fees	28,529	26,603
Less: total bursaries, scholarships and allowances	(2,219)	(1,920)
	<u>26,310</u>	<u>24,683</u>
Add back: bursaries and allowances paid for by restricted funds	379	182
	<u>26,689</u>	<u>24,865</u>
3. OTHER ANCILLARY ACTIVITIES		
School lunches	1,105	909
Tuck shop and vending machines	28	60
Sundry income	437	344
	<u>1,570</u>	<u>1,312</u>
4. SUBSIDIARY TRADING ACTIVITIES		

The charitable company controls all of the issued share capital of two trading subsidiary companies (see note 9), each of which is incorporated in England and Wales – please refer to page 4 for a list of these companies. The registered office for both subsidiaries is The Perse School, Hills Road, Cambridge, CB2 8QF. The Perse School Trading Company Limited has been dormant since 1 September 2019. The Perse School Cambridge International Limited is engaged in commercial trading activities relating to and in support of the charitable company, and it donates all of its taxable profits to the parent entity under Gift Aid each year. The results and financial position of this trading subsidiary is summarised in aggregate below using information extracted from the audited financial statements.

THE PERSE SCHOOL
Notes to the Consolidated Financial Statements
For the year ended 31 August 2021

4. SUBSIDIARY TRADING ACTIVITIES

	2021 £'000	2020 £'000
Turnover	148	252
Operating costs	(91)	(191)
Profit for the year	<u>57</u>	<u>61</u>
Total assets	163	390
Total liabilities	(106)	(329)
Total funds	<u>57</u>	<u>61</u>

Transactions during the year between the charitable company and its subsidiaries are detailed below:

	2020 £'000	2020 £'000
Owed by subsidiary companies to the School at 1 September	275	147
Recharges for services in the year	75	144
Gift Aid receipts	(61)	52
Cash receipts from the subsidiary companies	(223)	(68)
Owed by subsidiary companies to the School at 31 August	<u>66</u>	<u>275</u>

5. INVESTMENT INCOME	Unrestricted	Designated	Restricted	Total	Total
	Funds	Funds	Funds	2021	2020
	£'000	£'000	£'000	£'000	£'000
Lettings income	150	-	7	157	145
Bank and other interest	9	2	7	18	67
	<u>159</u>	<u>2</u>	<u>14</u>	<u>175</u>	<u>212</u>

6. TOTAL EXPENDITURE

	Staff costs	Depreciation	Other costs	2021	2020
	£'000	£'000	£'000	£'000	£'000
Cost of raising funds					
Fundraising	90	-	43	133	166
Investment property costs	-	-	27	27	13
Charitable activities					
Educational	14,174	-	1,879	16,053	15,920
Premises	1,508	1,542	2,116	5,166	4,426
Welfare	106	-	1,266	1,372	1,255
Support	1,382	-	985	2,367	2,284
Total school operating costs	<u>17,170</u>	<u>1,542</u>	<u>6,246</u>	<u>24,958</u>	<u>23,885</u>
Bank interest	-	-	198	198	244
Grants, awards and prizes	-	-	379	379	182
Other activities	-	-	6	6	75
Total	<u>17,260</u>	<u>1,542</u>	<u>6,899</u>	<u>25,701</u>	<u>24,565</u>

THE PERSE SCHOOL
Notes to the Consolidated Financial Statements
For the year ended 31 August 2021

Support costs relate to School operating costs consisting principally of administration and bursary department expenditure

	2021	2020
	£'000	£'000
Other costs for School running	350	550
Marketing and communications	143	147
Insurance and professional fees	480	369
Governance	12	28
	<u>985</u>	<u>1,094</u>

Operating Leases

The amount paid under operating leases during the year was £253k (2020: £152k).

Auditor's Remuneration

Fees payable to the auditor for statutory audit during the year were £17k (2020: £17k) for the School, £nil (2020:£nil) for The Perse School Trading Company Limited and £1k (2020: £1k) for The Perse School Cambridge International Limited. Fees payable for tax compliance were £2k (2020: £2k) for The Perse School Cambridge International Limited.

7. STAFF COSTS

	2021	2020
Group	£'000	£'000
Gross salaries	13,352	13,198
National insurance costs	1,470	1,420
Pension costs	2,411	2,356
Other costs	27	78
	<u>17,260</u>	<u>17,052</u>

Included in the above figures are termination payments of £17k (2020: £63k) for the School. No funding was received in relation to this payment.

The average number of employees of the School and the Group during the year is shown below:

	2021	2020
	No.	No.
Teaching	189	196
Support	179	176
Fundraising	2	3
	<u>370</u>	<u>375</u>

THE PERSE SCHOOL
Notes to the Consolidated Financial Statements
For the year ended 31 August 2021

The number of employees receiving gross pay net of salary sacrifice and inclusive of the value of benefits-in-kind were:

	2021	2020
	No.	No.
£60,000 - £70,000	21	17
£70,001 - £80,000	9	6
£80,001 - £90,000	2	2
£90,001 - £100,000	1	1
£100,001 - £110,000	1	2
£110,001 - £120,000	1	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	1
£210,001 - £220,000	-	-
£230,001 - £240,000	1	1

The gross pay included in the salary band £230,001 - £240,000 includes additional salary in lieu of employer pension contributions. The number of higher paid staff with benefits accruing under defined benefit schemes was 31 (2020:26).

The key management personnel of the Group and the School comprise the trustees, the Bursar, the Heads and Deputy Heads of the Upper School, the Perse Preparatory School and the Perse Pelican Nursery and Pre-preparatory School, the Director of Communications, the Development Director, the Director of HR, the Director of ICT, the Deputy Bursar and the Business Development Director. The total employee benefits of the key management personnel of the Group and the School were £1,839k (2020: £1,932k) and comprise gross pay net of salary sacrifice, benefits-in-kind and employers' national insurance and pension contributions.

Trustees

The trustees received no remuneration during the year (2020:£nil). No trustees were reimbursed for travel expenses in connection with meetings of the trustees (2020: 1 - £48); £nil was spent on training costs for trustees in the year (2020: £824). Indemnity insurance for trustees is included in the School's professional indemnity insurance premium of £8k (2020: £8k). Donations made by trustees totalled £600 (2020: £600).

THE PERSE SCHOOL
Notes to the Consolidated Financial Statements
For the year ended 31 August 2021

8. FIXED ASSETS OF THE GROUP AND THE SCHOOL	Freehold land and Buildings £'000	Plant, equipment Furniture & fittings £'000	Total £'000
Cost or valuation			
At 1 September 2020	62,637	1,425	64,062
Additions	1,884	122	2,006
At 31 August 2021	<u>64,521</u>	<u>1,547</u>	<u>66,068</u>
Depreciation			
At 1 September 2020	11,209	566	11,775
Charge for the year	1,353	189	1,542
At 31 August 2021	<u>12,562</u>	<u>755</u>	<u>13,317</u>
Net book value			
At 31 August 2021	<u>51,959</u>	<u>792</u>	<u>52,751</u>
At 31 August 2020	<u>51,428</u>	<u>859</u>	<u>52,287</u>

Included within tangible fixed assets are the following which are not depreciated:

	2021 £'000	2020 £'000
Land	856	856
Assets in the course of construction	2,577	2,043
Performing Arts Centre Public Art	94	94

9. FIXED ASSET INVESTMENTS

GROUP	Freehold land and buildings £'000	Other Investments £'000	Total £'000	
Cost or valuation				
At 1 September	5,855	50	5,905	
Additions	1,551	3,000	4,551	
Revaluation	79	284	363	
At 31 August	<u>7,485</u>	<u>3,334</u>	<u>10,819</u>	
SCHOOL				
	Freehold land and buildings £'000	Group Undertakings £'000	Other Investments £'000	Total £'000
Cost or valuation				
At 1 September	5,855	-	-	5,855
Additions	1,551	-	3,000	4,551
Revaluation	79	-	284	363
At 31 August	<u>7,485</u>	<u>-</u>	<u>3,284</u>	<u>10,769</u>

THE PERSE SCHOOL
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The opening balance of freehold land and buildings comprises four residential properties. All four properties were available for commercial letting throughout the year in 2021; (2020: four properties). Additions are shown at cost (including refurbishment). A professional valuation was undertaken by Savills (UK) Limited, Chartered Surveyors, in January 2022 who confirmed the valuation of the properties as at 31 August 2021. During the year the School purchased an additional site at Abington.

Other investments are shares in an unlisted company (Blutick Limited) which have been measured at fair value and 679,748.04 COIF Charities Ethical Investment Fund Accumulation Units, purchased for £3million with a mid market valuation at 31 August 2021 of £3.284million.

The School owns the whole share capital (amounting to £100) of The Perse School Trading Company Limited. The company was dormant from 1 September 2019 (see note 4).

The School owns the whole share capital (amounting to £1) of The Perse School Cambridge International Limited. The principal activities of the company are advising on the setting up of and the provision of services to overseas schools and the licensing of the School's brand internationally and the provision of educational consultancy services and content for on-line learning platforms. The company was incorporated in England and Wales on 15 January 2018. At 31 August 2021, the company had turnover of £148k (2020: £252k), profit before taxation of £57k (2020: £61k) and net assets of £57k (2020: £61k).

	Group 2021 £'000	Group 2020 £'000	School 2021 £'000	School 2020 £'000
10. DEBTORS				
Trade debtors	403	358	370	357
Other debtors	15	18	25	18
Amounts owed by subsidiary	-	-	66	275
Prepayments and accrued income	341	255	331	255
	<u>759</u>	<u>631</u>	<u>792</u>	<u>905</u>
	Group 2021 £'000	Group 2020 £'000	School 2021 £'000	School 2020 £'000
11. CASH AT BANK AND IN HAND				
Cash at bank and in hand	12,679	11,855	12,600	11,520
Cash held in escrow	-	1,550	-	1,550
	<u>12,679</u>	<u>13,405</u>	<u>12,600</u>	<u>13,070</u>

Cash at bank and in hand at 31st August 2020 included £1.55m held with Ashton KCJ in escrow for a property purchase.

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	Group 2021 £'000	Group 2020 £'000	School 2021 £'000	School 2020 £'000
12. CREDITORS DUE WITHIN ONE YEAR				
PAC loan	667	666	667	666
Trade creditors	699	409	699	405
Tax and social security costs	415	375	415	375
Accruals and deferred income	807	336	769	285
Advance fee payment scheme (note 13)	487	417	487	417
Fees paid in advance	749	627	749	627
Other creditors	378	327	378	327
	<u>4,202</u>	<u>3,157</u>	<u>4,164</u>	<u>3,102</u>

	Group 2021 £'000	Group 2020 £'000	School 2021 £'000	School 2020 £'000
13. CREDITORS DUE AFTER MORE THAN ONE YEAR				
PAC loan	9,333	10,001	9,333	10,001
Advance fee payment scheme (note 14)	306	388	306	388
	<u>9,639</u>	<u>10,389</u>	<u>9,639</u>	<u>10,389</u>

Repayable >1 yr < 2 yrs				
PAC loan	666	666	666	666
Advance fee payment scheme	173	193	173	193

Repayable >2 yrs < 5yrs				
PAC loan	1,998	1,998	1,998	1,998
Advance fee payment scheme	133	195	133	195

Repayable >5 yrs				
PAC loan	6,669	7,337	6,669	7,337
	<u>9,639</u>	<u>10,389</u>	<u>9,639</u>	<u>10,389</u>

A term loan of up to £12 million was agreed with Lloyds Bank plc on 22nd January 2016. The interest rate on this loan is 1.81% over base rate. The loan is repayable over eighteen years in equal termly instalments, commencing when the loan is fully drawn down and the first repayment was made in September 2018. The purpose of the loan was to finance the construction of the Performing Arts Centre.

The term loan is secured by a charge on the School's Glebe Road properties, the Preparatory School site and the Upper School site.

14. ADVANCE FEE PAYMENTS OF THE GROUP AND THE SCHOOL

The School accepts payment of fees in advance from parents covering periods of up to 7 academic years. No guarantee is provided by the School regarding the future level of fees.

Parents may enter into a contract to pay to the School up to the equivalent of seven years' tuition fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils remain in the School, advance fees will be applied as follows:

	2021 £'000	2020 £'000
Within one year	487	417
More than one year		
- Within one to two years	173	193
- Within two to five years	133	195
	<u>306</u>	<u>388</u>
Total advance fee payments	<u>793</u>	<u>805</u>

The balance represents the accrued liability under the contracts. Movements during the year were:

	2020 £'000	2020 £'000
Balance at the beginning of the year	805	765
New contracts	461	538
Amounts accrued to contracts as debt-financing costs	12	3
Amounts utilised in payment of fees to the School	(485)	(501)
	<u>793</u>	<u>805</u>

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £'000	Investments £'000	Net Current Assets £'000	Long term Liabilities £'000	Total £'000
2021					
GROUP					
Endowed Funds	35	493	-	-	528
Restricted Funds	-	1,850	369	-	2,219
Designated Funds	-	707	2,674	-	3,381
Unrestricted Funds	52,716	7,769	6,230	(9,639)	57,076
	<u>52,751</u>	<u>10,819</u>	<u>9,273</u>	<u>(9,639)</u>	<u>63,204</u>
SCHOOL					
Endowed Funds	35	493	-	-	528
Restricted Funds	-	1,850	369	-	2,219
Designated Funds	-	707	2,674	-	3,381
Unrestricted Funds	52,716	7,719	6,222	(9,639)	57,018
	<u>52,751</u>	<u>10,769</u>	<u>9,265</u>	<u>(9,639)</u>	<u>63,146</u>

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	Tangible fixed assets	Investments	Net Current Assets	Long term Liabilities	Total
	£'000	£'000	£'000	£'000	£'000
2020					
GROUP					
Endowed Funds	35	468	-	-	503
Restricted Funds	-	123	2,230	-	2,353
Designated Funds	-	840	2,934	-	3,774
Unrestricted Funds	52,252	4,474	5,750	(10,389)	52,087
	<u>52,287</u>	<u>5,905</u>	<u>10,914</u>	<u>(10,389)</u>	<u>58,717</u>
SCHOOL					
Endowed Funds	35	468	-	-	503
Restricted Funds	-	123	2,230	-	2,353
Designated Funds	-	840	2,934	-	3,774
Unrestricted Funds	52,252	4,424	5,738	(10,389)	52,025
	<u>52,287</u>	<u>5,855</u>	<u>10,902</u>	<u>(10,389)</u>	<u>58,655</u>

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16. CAPITAL AND RESERVES OF THE GROUP AND THE SCHOOL

2021	Balance at 2020 £'000	Income £'000	Expenditure £'000	Revaluation £'000	Transfers £'000	Balance at 2021 £'000
GROUP AND SCHOOL ENDOWED FUNDS						
Endowment	320	-	-	-	15	335
CCC Bursary	57	-	-	3	-	60
Farrell Bursary	17	-	-	1	-	18
Pye Foundation	25	-	-	1	-	26
Enduring Gift – Bursaries	74	-	-	1	-	75
Enduring Gift – Rouse Awards	10	-	-	-	-	10
Enduring Gift – Aristotelian Prize	-	4	-	-	-	4
Total endowed funds	<u>503</u>	<u>4</u>	<u>-</u>	<u>6</u>	<u>15</u>	<u>528</u>
GROUP AND SCHOOL RESTRICTED FUNDS						
Prizes and Travel	75	2	-	3	-	80
A C Hawkins Bequest	14	-	-	1	-	15
Bursaries and Scholarships:						
- CCC Bursary	-	2	(2)	-	-	-
- Old Perseans	37	2	(6)	1	-	34
- Millennium Bursary Appeal	69	-	(9)	5	-	65
- Earnshaw-Smith Bursary	217	1	(9)	17	-	226
- Neve Bursary	4	-	-	-	-	4
Annual Fund	308	57	(48)	23	-	340
Access to Excellence	-	-	-	-	-	-
Capital Works	161	-	-	-	(81)	80

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	Balance at 2020 £'000	Income £'000	Expenditure £'000	Revaluation £'000	Transfers £'000	Balance at 2021 £'000
GROUP AND SCHOOL RESTRICTED FUNDS						
Continued						
Enduring Gift – Bursaries	1,205	104	(305)	91	-	1,095
Enduring Gift – PAC	197	2	-	15	(4)	210
Enduring Gift – Outreach	35	4	-	-	-	39
Enduring Gift – Outdoor Pursuits	31	-	-	-	-	31
Total restricted funds	2,353	174	(379)	156	(85)	2,219
GROUP AND SCHOOL DESIGNATED FUNDS						
Enduring Gift	605	50	-	-	-	655
Current Bursaries Fund	1,122	-	-	-	(93)	1,029
Future Bursaries Fund	2,025	-	-	-	(350)	1,675
Travel Bursaries Fund	22	-	-	-	-	22
Total designated funds	3,774	50	-	-	(443)	3,381
UNRESTRICTED FUNDS						
GROUP						
General Reserve	52,087	29,597	(25,322)	201	513	57,076
Total funds – group	58,717	29,825	(25,701)	363	-	63,204
SCHOOL						
General Reserve	52,025	29,595	(25,316)	201	513	57,018
Total funds - School	58,655	29,823	(25,695)	363	-	63,146

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16. CAPITAL AND RESERVES OF THE GROUP AND THE SCHOOL

2020	Balance at 2019 £'000	Income £'000	Expenditure £'000	Revaluation £'000	Transfers £'000	Balance at 2020 £'000
GROUP AND SCHOOL ENDOWED FUNDS						
Endowment	305	-	-	-	15	320
CCC Bursary	57	-	-	-	-	57
Farrrell Bursary	17	-	-	-	-	17
Pye Foundation	25	-	-	-	-	25
Enduring Gift – Bursaries	74	-	-	-	-	74
Enduring Gift – Rouse Awards	10	-	-	-	-	10
Enduring Gift – Aristotelian Prize	-	-	-	-	-	-
Total endowed funds	488	-	-	-	15	503
GROUP AND SCHOOL RESTRICTED FUNDS						
Prizes and Travel	75	2	(2)	-	-	75
A C Hawkins Bequest	15	-	(1)	-	-	14
Bursaries and Scholarships:						
- CCC Bursary	-	1	(1)	-	-	-
- Old Perseans	39	2	(4)	-	-	37
- Millennium Bursary Appeal	78	-	(9)	-	-	69
- Earnshaw-Smith Bursary	225	1	(9)	-	-	217
- Neve Bursary	4	-	-	-	-	4
Annual Fund	279	77	(47)	-	(1)	308
Access to Excellence	-	-	-	-	-	-
Capital Works	242	-	-	-	(81)	161

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	Balance at 2019 £'000	Income £'000	Expenditure £'000	Revaluation £'000	Transfers £'000	Balance at 2020 £'000
GROUP AND SCHOOL RESTRICTED FUNDS						
Continued						
Enduring Gift – Bursaries	1,103	215	(113)	-	-	1,205
Enduring Gift – PAC	194	7	-	-	(4)	197
Enduring Gift – Outreach	19	16	(1)	-	1	35
Enduring Gift – Outdoor Pursuits	-	31	-	-	-	31
Total restricted funds	2,273	352	(187)	-	(85)	2,353
GROUP AND SCHOOL DESIGNATED FUNDS						
Enduring Gift	528	77	-	-	-	605
Current Bursaries Fund	1,362	-	-	-	(240)	1,122
Future Bursaries Fund	1,715	17	-	-	293	2,025
Travel Bursaries Fund	22	-	-	-	-	22
Total designated funds	3,627	94	-	-	53	3,774
UNRESTRICTED FUNDS						
GROUP						
General Reserve	48,533	28,018	(24,481)	-	17	52,087
Total funds – group	54,921	28,464	(24,668)	-	-	58,717
SCHOOL						
General Reserve	48,480	27,967	(24,439)	-	17	52,025
Total funds - School	54,868	28,413	(24,626)	-	-	58,655

Enduring Gift

In March 2015 the School launched its 'Enduring Gift' campaign – a major fundraising appeal with the following goals: doubling the means-tested support from the Bursary Funds to keep The Perse accessible to families who cannot afford a full fee and providing support in cases of unexpected hardship; expanding the School's educational reach into the community, locally and beyond; The Performing Arts Centre project – a once in a lifetime opportunity to transform and enhance the heart of the School.

Donations received through the Enduring Gift campaign have therefore been transferred between the following fund categories:

Endowed funds: donations where the donor has stipulated that the income generated should provide bursaries for the future.

Restricted funds: donations received for the provision of bursaries, the Performing Arts Centre and Outreach.

Designated funds: donations received which may be used at the discretion of the Trustees in furtherance of the general objects of the charity.

ENDOWED FUNDS

Endowment

In accordance with a Charity Commission Order, £299,418 of the School's permanent endowment was expended in 2000/01 to build a sports hall and sixth form centre. The order requires that the funds spent on the buildings must be replaced by an annual transfer from the general fund over 20 years in instalments of £14,971 per annum. The endowment fund relates to the amounts transferred over the last 20 years totalling £299,400 and £35,035 being the original capital of the independent educational regional charity scheme of 1910.

Bursaries and scholarships

The Cambridgeshire County Council (CCC) Bursary was established in 1978 from a donation of £16,000. The donation was made to generate income to provide bursaries for the benefit of children who at the time of the award are day pupils from maintained primary schools in Cambridge.

The Farrell Bursary was established in 1978 by a donation of £5,000 in memory of Michael Farrell from his widow. Income is applied in making bursary awards to pupils resident within 25 miles of the city of Cambridge.

The Pye Bursary was established and endowed in 1978 by a donation of £7,000 from the Pye Foundation. Income is applied in making bursary awards to pupils resident within 25 miles of the city of Cambridge.

In June 2017 a donation was received for £10,000 to fund prizes for the School's annual Rouse Awards and in 2021 £4,000 was received to fund the Aristotelian Prize.

RESTRICTED FUNDS

Prizes and Travel

The Prizes and Travel Fund was set up from various donations and bequests to be used for the awarding of prizes to pupils of the School and from donations from Rouse (1965) of £1,600 and Cooper (1971) of £1,000 and Howie and Perrett (1988) of £1,000 to be used for travel bursaries which are awarded annually at the Head's discretion.

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The A C Hawkins Bequest Fund was established in 1973 out of a legacy of £7,132 to be applied towards helping pupils learn to swim.

Bursaries and Scholarships

The Old Persean Society made a donation in 2000 of £69,707. Income and capital generated by the donation is to be used to provide bursaries for sixth form students.

The Millennium Appeal Bursary Fund was set up from donations and bequests to the School from a campaign appeal launched in 1997.

The estate of Georgina Earnshaw-Smith gifted funds for a bursary to be established in the name of her late husband, Eric Earnshaw-Smith, relating to classical, literary, other arts or humanities studies.

A legacy was received in 2011 from the late Maureen Neve with the clear requests that the money be used to provide a bursary or bursaries. The first Neve bursary was awarded in the 2011/12 academic year.

Annual Fund and Access to Excellence Fund

The Annual Fund was established in 2002. This is an annual appeal encouraging regular donations to raise funds for bursaries and specific projects nominated by the School.

The Access to Excellence campaign raised funds inter alia to support the development of the School by building additional facilities at all three sites. The campaign raised significant funds to help achieve the first phase of the development project. A proportion of the funds raised was devoted to means-tested bursary support for pupils.

Three pupils currently benefit from Annual Fund and Access to Excellence Fund bursaries (2020: 3).

Capital works

The Capital Works Funds consists of a donation towards the cost of the kitchen refurbishment (included within fixed assets) in 2018 which is being released to unrestricted reserves over five years.

DESIGNATED FUNDS

The Current Bursaries Fund was set up in order to assist with the financing of means-tested bursary awards. The fund was established from allocations from the income and expenditure account. An amount has been transferred from unrestricted funds to the Current Bursaries Fund so as to maintain the level of the fund at the equivalent of approximately one full academic year's worth of bursary awards, which is estimated to be £1,029k for the year 2021/22.

The Future Bursaries Fund was established in 2011/12, and the opening balance is made up of transfers from unrestricted funds of the annual balance between 5% of gross fee income and actual bursary spend in the year funded by the School from that year's operations, up to and including the year ended 31 August 2020. The fund is now being expended at a rate of £350k per annum, via transfer to unrestricted reserves, to fund bursaries provided by the School.

The Travel Bursaries Fund was established to provide means tested assistance for some school trips

17. PENSION ARRANGEMENTS

Defined Benefit Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £2,805k (2020: £1,898k) and at the year-end £237k (2020 - £227k) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgement that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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

The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

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

Until the cost cap mechanism revision is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Group Personal Pension Schemes

The School operates three group personal pension schemes. The Schemes are defined contribution schemes, the assets of the schemes being held separately from those of the School in independently administered funds. The School's contributions to the schemes were 13.75% (2020: 13.75%) for the Aviva non teaching staff pension scheme with employee contributions of 6.25% (2020: 6.25%). The second scheme is the NEST scheme which the School uses to fulfil its obligations under auto-enrolment legislation. Contribution rates for this scheme were 6% for the employer (2020: 6%) and 3% for employees (2020: 3%). The third scheme is the APTIS (Aviva Pension Trust for Independent Schools) scheme which is available to those members of the teaching staff as an alternative to the Teachers' Pension Scheme. Contribution rates for this scheme were 23.68% (combined pension and death in service benefit) (2020:23.68%) maximum, although employees may opt for a lower employer contribution to be paid, subject to a minimum of 13.75% with additional taxable salary received in lieu. Employee contributions were 6.25% minimum (2020: 6.25%)

Employer contributions paid to the schemes in the year were £461k (2020: £461k) and the amount due to the schemes at 31 August 2020 was £52k (2020: £53k).

18. RELATED PARTY TRANSACTIONS

Five trustees (2020: five) had children attending the School as at 31st August 2021. Fees were paid on the same terms as for all other children attending the School (see note 4).

19. OPERATING LEASES GROUP AND SCHOOL

At 31 August 2021 the Group and the School had annual commitments under operating leases which expire as shown in the banding below:

	Land & Buildings £'000	Office Equipment & vehicles £'000	Total 2021 £'000	Land & Buildings £'000	Office Equipment & vehicles £'000	Total 2020 £'000
Within 1 year	12	298	310	12	240	252
2 – 5 years	42	302	344	48	396	444
>5 years	-	22	22	6	36	42
	<u>54</u>	<u>622</u>	<u>676</u>	<u>66</u>	<u>672</u>	<u>738</u>

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At 31st August 2021 the Group and the School had contracted with tenants under non-cancellable operating leases for the following future minimum lease payments:

Amount due:	2020	2020
	£'000	£'000
Within 1 year	150	84
Between 1 and 5 years	50	-

20. CAPITAL COMMITMENTS

At 31 August 2021 the School had capital commitments of £609k contracted but not provided for in the financial statements (2020: £508k) relating to the main hall façade and the new mezzanine floor.

21. NET DEBT RECONCILIATION

	1 September 2020 £'000	Cash flows £'000	31 August 2021 £'000
Cash at bank and in hand	13,405	(805)	12,600
Bank loans	(10,667)	666	(10,001)
Net Debt	<u>2,738</u>	<u>(139)</u>	<u>2,599</u>

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22. ANALYSIS OF PRIOR YEAR TOTAL FUNDS

	Note	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total Funds 2020 £'000
INCOME FROM:						
Donations and legacies		-	74	339	-	413
Charitable Activities-						
Tuition fees	2	24,865	-	-	-	24,865
Other educational income		780	-	-	-	780
Other ancillary activities	3	1,312	-	-	-	1,312
Other Trading Activities						
Lettings		53	-	-	-	53
Subsidiary trading activities		252	-	-	-	252
Investments	5	179	20	13	-	212
CJRS income		479	-	-	-	479
TOTAL INCOME		<u>27,920</u>	<u>94</u>	<u>352</u>	<u>-</u>	<u>28,366</u>
EXPENDITURE ON:						
Raising funds						
Fundraising		(166)	-	-	-	(166)
Investment property costs		(13)	-	-	-	(13)
Charitable activities						
Operating costs		(23,885)	-	(5)	-	(23,890)
Bank interest		(244)	-	-	-	(244)
Grants, awards and prizes		-	-	(182)	-	(182)
Other activities		(75)	-	-	-	(75)
TOTAL EXPENDITURE	6	<u>(24,383)</u>	<u>-</u>	<u>(187)</u>	<u>-</u>	<u>(24,570)</u>
NET INCOME		3,537	94	165	-	3,796
Transfers between funds		17	53	(85)	15	-
Other recognised losses		-	-	-	-	-
NET MOVEMENT IN FUNDS	16	<u>3,554</u>	<u>147</u>	<u>80</u>	<u>15</u>	<u>3,796</u>
Balances b/fwd 1 September		<u>48,533</u>	<u>3,627</u>	<u>2,273</u>	<u>488</u>	<u>54,921</u>
Balances c/fwd 31 August		<u>52,087</u>	<u>3,774</u>	<u>2,353</u>	<u>503</u>	<u>58,717</u>