

Stover School Association
(A company limited by guarantee)

Annual Report
Year ended 31 July 2021

Company No: 565995
Charity No: 306712

Stover School Association

Annual Report

Year Ended 31 July 2021

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Trustees' Report

Year Ended 31 July 2021

The Trustees are pleased to present their annual report, together with the audited financial statements of the charity for the year ended 31 July 2021. The directors of the charitable company (the company) are its Trustees for the purpose of charity law and also the School Governors.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Number: 306712

Company Number: 565995

Registered office and principal address: Stover School, Newton Abbot, TQ12 6QG

The Trustees, who served during the year, and at the year end, were as follows:

Mr J R H E Arnold

Mrs V R Bamsey BSc, MEd

Mrs M Batten BSc RHC

Resigned 7 July 2021

Vice Admiral B J Key BSc ,CBE – RN

Vice Chair

Mr S J Killick ND (Arb)

Chairman

Mrs J Milstead BSc (Hons)

Mr M G Roberts BA (Hons) MRTPI

Resigned 2 December 2020

Mr T P Synge BA FCA

Mr D Wilson ACIB

Vice Chair

Dr E J Wolstenholme BSc PhD

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The key executives and professional advisers during the year were:

Headmaster: Mr R W D Notman BCom

Bursar: Mr P T Jenkins

Bankers: Barclays Bank Plc, 3 Bedford Street, Exeter EX1 1LX

Solicitors: Knights plc, 4 Cranmere Court, Lustleigh Close, Matford Business Park, Exeter EX2 8PW

Auditors: PKF Francis Clark, Sigma House, Oak View Close, Edginswell Park, Torquay TQ2 7FF

The Senior Leadership Team (SLT) of the School comprises:

Mr Richard Notman Headmaster

Dr Jeremy Stone Deputy Head

Mr Ben Noble Head of Preparatory School

Mrs Helen Notman Senior Teacher – Safeguarding, Welfare and Boarding

Mr Patrick Jenkins Bursar

Mr Michael Mooney Senior Teacher – Pastoral

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The Trustees of Stover School present their annual report and audited financial statements for the year ended 31 July 2021 and confirm they comply with the requirements of the Charities Act 2011, the company's Articles and the Charities SORP (SORP 2015).

Foreword by Chair of Governors

The academic year which concluded in July 2021 has been both one of the most successful and one of the most challenging since I became Chair of Governors. Despite the enormous efforts from staff and parents alike, Covid-19 continued to have a significant impact on how we delivered and continue to deliver the Stover experience. Crucially, as I will highlight below, we were able to navigate the Covid challenge such that whether you look at our school community, financial performance, academic results or pastoral care, Stover has flourished in this most difficult of years. As I have done on behalf of the Governing body since the start of the pandemic, I'd like to again recognize the efforts of all staff, parents and pupils for their support and hard work over this period: our results are thanks to your combined support.

In my regular letters throughout Covid, I stressed the intent from the Governors to keep the Stover community together through the pandemic and that we would offer financial support via the Bursar to any family whose financial circumstance was heavily impacted by Covid. A number of parents across the School made use of this provision. To date only a very small (low single figures) number of families had to withdraw their child as a result of the financial impact Covid brought and of the tens of families who used this provision, as of today 98% of the arrangements made are either fully repaid or on track for full repayment. I wanted to lead with this as I think it shows beyond doubt the value existing parents placed and continue to place on a Stover education.

Our community has not stood still and this year we have welcomed over 40 new pupils; a strong double digit growth of c.10% in pupil numbers from 417 to 460. This is an all time record which is already likely to be surpassed next year. However, whilst growth has many advantages, we remain very focused on ensuring it does not come at the expense of the Stover experience. As an example, class size caps remain an ongoing commitment.

Stover's finances remain very well managed through a combination of the SLT and Bursar, the Governor Finance Committee and the main Board. The School remains well within all available lending agreements. Our gross fee revenue was up 13% (£4.44m to £5m) and our outturn or surplus up 151% (£74k to £187k). As a reminder, we remain a Charity and reinvest any surplus behind our clear vision to provide a supportive, nurturing environment enabling students to acquire excellent qualifications and the confidence to achieve their aspirations.

With the uncertainty of the pandemic, we took the decision not to invest in some of the larger strategic and capital projects that have been in our thinking for some time. Instead, our investments over the year were in part guided by the changes driven by Covid. These included heavy investment in IT across hardware, IT resilience and network improvements and of course investments in our team who went over and above for the pupils through this period. As a result, our online provision has been 'top of the class'. When the online provision was in full swing, we were also able to both bring forward and accelerate a large amount of on site maintenance and improvements. These included a significant number of repairs, redecoration and more, the most visible of which is perhaps the new dedicated dining facility for the Preparatory School.

Turning to academic results, despite 2 full school lockdowns in their exam year, both our GCSE and A level cohorts produced record breaking attainment outcomes in summer 2021. The Sixth Form cohort enjoyed a

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100% pass rate, with 89% of results being a grade C or above, while 97% of our GCSE entries were at level 4 or above, with 94% of pupils gaining 5 or more pass grades including English and Mathematics.

Much of the credit for these results sits with the pupils but I would suggest that the face to face teacher led education that we offered right through the academic year, enabled by our online capability also deserves credit. Stover was and remains able to offer a complete education comprising academic progression, pastoral care and enrichment regardless of whether the school is physically present, online or in hybrid mode. In parallel, Stover has continued to operate a full suite of mitigation practices in order to limit the transmission of the Covid-19 virus and has offered extensive support services to manage mental health and wellbeing for both our pupils, staff and families.

To conclude, the Covid pandemic has created unique challenges. Whilst as a Governing body we are always looking to support the SLT in driving the school forward, it is my opinion and the opinion of the Board that whether you judge us by our school community, financial performance, academic results or pastoral care, Stover School had a year to be proud of.

I hope you gain a great insight into the school by reading the Trustees Report, particularly in its future plans, and thank you for your interest.

S J KILLICK
Chair of Governors

5 January 2022



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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Stover School Association is a company limited by guarantee, governed by its Memorandum and Articles of Association. Under the provision of Section 30 of the Companies Act 1985, the company is entitled to omit the word "Limited" from its name. The company, at year end, currently has 8 active members. The governors are actively recruiting and a further Education Specialist governor has recently been appointed. In the event of the company being wound up, the liability of each member is limited to £1. Stover School Association is also registered with the Charity Commission as a charity.

The Governors, who are also the charity Trustees, are responsible for the overall management and control of the Stover School Charity and meet in full at least three times a year. The work of implementing most of their policies is carried out by sub committees: Audit, Finance and General Purpose, Education, and Welfare. These committees meet once each term (or more in the case of Finance). The Clerk to the Governors is responsible for coordinating the work of the Governors and their Committees, preparation of papers and the review of matters arising.

All Trustees give of their time freely and no remuneration other than some travel expenses were paid in the year.

Governor Recruitment and Training

The Governing body requires breadth and depth of experience to carry out its duties effectively and efficiently. When recruiting new trustees the important attribute is a passion for the work of our School and an understanding of education as a holistic and rounded experience of personal growth.

We advertise locally and appoint by recommendation for new trustees. Where possible the Governors consider that the skills and experience of the Board should comprise the following:

- A Governor with a legal background
- A Governor with a financial/accounting background
- A Governor with education experience
- A Governor with senior managerial or business experience
- A Governor with experience of equal opportunities or disability needs
- A Governor with experience of medical and safeguarding
- A Governor with experience of estates, planning and asset management
- At least one female Governor and at least one male Governor

Individual Governors may have one or more of these skills.

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ORGANISATIONAL MANAGEMENT

The Governors determine the general policy of the School. The day to day running of the School is delegated to the Headmaster, supported by senior staff. The Headmaster undertakes the key leadership role, overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration of both the Preparatory and Senior Schools is undertaken within the policies and procedures set out and approved by the Governors. These regulate any significant expenditure decisions, (including any major capital projects), and major educational decisions having been referred to the Governors for prior approval.

The Headmaster oversees the recruitment of all educational staff, whilst under delegated authority. The Bursar oversees the recruitment of administrative and non-teaching support staff. The Headmaster and the Bursar are invited to attend Governors' meetings, along with other members of the Leadership team as and when required.

Other Relationships

Stover School Association has a wholly owned non charitable trading subsidiary, Stover Enterprises Limited, which was established to operate commercial activities on the School's premises. The results of Stover Enterprises Limited are consolidated within the overall School results. Further details of Stover Enterprises Limited activities and results are given in note 4 to the accounts.

The Headmaster is a member of the Society of Heads, which provides an opportunity to share expertise, knowledge and experience across the independent school sector. The Association also permits appropriate representation to Government and regulators of the views of the sector. Other association affiliations are relevant, such as AGBIS (the Board of Trustees), ISBA (the Bursar), ISC and BSA (the School), BBSN (the Registrar) and AMCIS (the Marketing Manager).

STRATEGIC REPORT

Stover School Mission

Stover School provides education which nurtures, inspires, prepares, challenges, and celebrates each pupil. Our holistic approach combines a progressive research based curriculum, with a resilient moral code based on sound family and Christian principles. We prepare confident and independent young people to adapt and succeed in an ever changing world.

Aims

Our aims are set to reflect our educational mission, through Research Based Learning (RBL) and the ethos of the School. In setting our objectives and planning our activities, our Governors have given careful consideration to the Charity Commission's public benefit guidance.

Our key aims for the year included:

- Invest in educational excellence enabling the provision of effective, inspiring and stimulating teaching to pupils of wide ranging abilities and cultural backgrounds, encouraging their enthusiasm for learning, enabling each pupil to achieve their potential
- Maintain an ongoing evaluation of the quality and content of both teaching and learning
- Provide a broad, forward looking curriculum at all levels with appropriate resources
- Maintain a supportive and happy environment where the individual and spiritual needs of pupils and staff are recognized and provided for
- Provide sound moral values through clear expectations of behavior, emphasizing respect and consideration for others
- Encourage self-confidence, self-motivation and self-discipline within a safe and caring community
- Engage and maintain effective communication with members of the School and wider community

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- Value the School's special, natural environment and historic estate and use them wherever appropriate in the curriculum
- Provide continuing support of our pupils already in receipt of fee assistance through bursaries – subject to regular reviews and the schools ability to financially meet the overall commitments
- Develop our links with local state schools and the community through opportunities to share on-site facilities and staffing and through outreach activities.

OUR ETHOS, STRATEGY & POLICIES

Stover School is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. Our fees are set at a level to ensure the financial viability of the School, whilst remaining accessible to a wide range of the local community.

Our School welcomes pupils from all backgrounds. To admit a prospective pupil we look for a 'goodness of fit' with the school's ethos by interviewing, observing during taster days and reviewing previous school reports. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes. We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Our School is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment.

In the last Independent Schools' quality Inspectorate reports". – Compliance inspection 2017 – "school fully compliant with all D of E and ISI regulations". In the ISI Quality Inspection 2020 – "Quality of Pupil Achievement – Good, Quality of Pupil Personal Development – Excellent".

Parents are given regular information about their children's academic progress and personal growth through regular reporting, both formally and informally. We maintain regular contact with parents throughout the year via telephone, email, and face to face meetings where necessary and through our school newsletter. Preparatory pupils have class teachers and Older pupils have a Form Tutor, who is responsible for their well-being, pastoral care and academic development. The Senior Management Team's continuous focus on Research Based Learning, a BYOD approach to technology, Value-Added outcomes and individualisation of assessment and learning continues to drive high standards of attainment. The continued improvement in the quality of the school's provision has again been well received in the local market place, with pupil numbers continued to grow above 440 during the academic year.

Demand is very strong, particularly across the Senior school, where some year groups are full. Applications for the coming year are very strong with rising attendance at Open Days (Virtual and actual). Looking ahead, certain year groups are likely to be oversubscribed for September 2022.

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The continuing uncertainty brought by the Covid-19 pandemic coupled with the Spring Term school lock-down had significant impact on budgeted out-turn. However, the Summer Term re-opening brought accelerated pupil growth, allowing planned investment to continue. Governors reviewed the Schools strategy regularly throughout the year and we are pleased to report that some major projects were re-scheduled for the Summer holidays, including a new Preparatory School Dining Hall, new Reception Classroom and play area, and restoration of specific heritage assets. Investment in ICT hardware continued as a high priority in view of the potential for further virtual lesson delivery and our strategic focus on RBL learning.

Due to rapid growth in pupil numbers and careful budgeting during lock down, we have achieved a surplus which satisfies our bank covenant and proves long term sustainability.

PLANS FOR THE FUTURE

The management team will continue to drive educational standards across all stages of the school, and the sustainability of the school through surpluses. Our Strategy Day in September 2020 with updates during another Covid impacted year, continues to focus and deliver key on-going improvement and innovation in educational, pastoral and pupil enrichment outcomes alongside facility enhancement. As the pattern of healthy year on year surplus is now established, the updated five-year rolling facility plan includes:

- Additional classroom space to accommodate the growth in school numbers
- Delivering an Astroturf facility, subject to heritage approval and planning
- Continued liaison with Teignbrige Planning directly and via our planning consultants, on building much needed new sports facilities and replacing all the temporary classrooms with new.
- Update of Performance spaces.
- Improved site parking and driveway repairs
- Continuing premises update and repairs and maintenance
- Restoration of heritage assets

The Covid Pandemic and lockdown uncertainty resulted in a number of capital projects being delayed in favour of the priority to keep pupils and staff safe and financially support those suffering hardships as a result of the pandemic. It is the opinion of the Trustees that despite Covid-19 and its widespread impact, the school remains in a strong position due to astute management and governance. The school has the full backing of its bank, Barclays Plc., and will place the highest priority on continuing to meet its covenants.

PUBLIC BENEFIT

An astro-turf planning application was withdrawn earlier in the year in favour of an all-encompassing site and buildings "Master Plan" application which is currently in development with appointed planning consultants and landscape architects and will be presented by the end of 2021. The Plan aims to satisfy English Heritage and Local planners and therefore deliver the facilities outlined above, that a school of this size demands. These enhanced facilities will also provide significant public benefit, as they will also be available to the general community

Existing facilities continue to be enjoyed by the local community including the Sports Schools Partnership, Ipplepen Cricket Club, Newton Brewers and Exeter Spitfires Baseball Teams, and Stage Coach Theatre Group. Going forwards, (Covid allowing) we will once again host the Templar 10 Cross-Country event, South

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West School Cross-Country Championship; Westward League Cross-Country events and the South Devon & Torbay Table Tennis League.

RISK MANAGEMENT

The Governors are responsible for the overseeing of the risks faced by the School. Detailed considerations of risks are delegated to the school's Senior Management Team however, each governor sub-committee retains control of these by considering a relevant risk matrix at each sub-committee meeting. The Governors' Audit Committee reviews all sub-committee risk registers and considers any salient reportable feedback.

Currently the risks as identified by the Governors are:

- COVID 19 – New for 2020/21 and since March 2020, strategies have been evolving in line with changing Government, Department of Education and Public Health England guidelines. We manage the risk by adhering to strict guidelines and practices on and off site, testing, track and trace and shielding as necessary, to ensure the safety of pupils, parents, staff and others. During the crisis we have aimed to provide the highest level of pastoral care for all members of our school community.
- Reputation - the School's success is built on its reputation for providing excellent education and supporting the personal growth and well-being of our pupils. We manage this risk through safeguarding policies, staff recruitment policies, pastoral support for both pupils and staff, careful monitoring of pupil performance to allow early intervention where required, and active identification and resolution of health and safety related issues.
- Finance - our ability to function and invest fully in our service reliant on pupil fees and the ability to pay bills as they fall due. This risk is managed by marketing activity, having a reputation for curriculum and pastoral excellence and active cash-flow management, including access to adequate short, medium, and long-term credit facilities for the School.
- Curriculum - Curricular excellence requires a shared understanding of pedagogy coupled with up to date facilities and clear understanding of our pupils. We manage this risk by combining rigorous recruitment with sound performance management, ongoing investment in educational facilities

Due to the sound risk management processes established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated and It is recognised that systems can only provide reasonable but not absolute, assurance that major risks will be foreseen and therefore managed.

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

Pupil numbers and fees

Pupil numbers at the school increased from 440 at the start of the year to 472 by the year end. This increase continues the upward trend in pupil numbers that started in 2015. Strategy plans have been formulated to continue this growth trend, accommodating pupil numbers by adding staffing, extra classes and classrooms, in order exceed 500 pupils in the coming year.

We are mindful that any increase in fees needs to be carefully managed and, while we are having to cover our overheads, we always compare our fee structure with other independent schools, in order to be competitive. The additional challenge of the rise in employers' contributions to the Teachers' Pension Scheme was absorbed by the school for the financial year 2019/20.

Fee increases were deferred as a result of the continued uncertainty, until January 2021 and before the deduction of any means assisted bursaries and scholarships, were:

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Pre-prep year: £2,765 per term
Preparatory School: £2,970 to £3,695 per term

ALL Senior School: £4,520 per term

ACADEMIC PERFORMANCE

PREPARATORY SCHOOL

End of Key Stage 2 (Year 6)

In November 2019, the decision was taken to move away from taking the previous year's SATs papers in the Prep School and instead to replace them with standardised computer-based adaptive assessments which are taken by all pupils in Years 1 to 6, at the beginning of February. This data was then used to inform teaching staff and enhance progress for the next twelve months of pupil learning. Assessments in both English and Maths would still continue every half term.

The comparable InCAS data will be available for the first time in 2021 when pupils re-take the standardised assessments and added value measures

Due to the pandemic, nationally, no tests at the end of KS2 were completed by any schools across the country. However, at Stover Preparatory School, pupils across both Key Stages sat half termly assessments in Numeracy and Literacy, combined with standardised InCAS assessments. We are therefore able to state that at Stover.

In Writing – pupils achieving Expected or Exceeding Level – 87.1%

In Reading – pupils achieving Expected or Exceeding Level - 87.1%

In Maths - pupils achieving Expected or Exceeding Level – 83.88%

SENIOR SCHOOL

Academic results in the Senior School for year end 2020 where the best the school has achieved in its recorded history, with 94.3% of all GCSE papers sat being passed with a grade 4/C or above, compared with a national figure of 78.8%., 89% of Stover pupils gained 5 or more GCSEs at grade 4 or above, including English and Maths; again, well above the national average. At A level, 90% of the examinations were passed with grades A* to C, with 39% of results being at A or A* level. All Vllth Form leavers placed on the University course of their choice or undertook gap year. This is testament to the dedicated approach both our pupils and staff have taken over the previous two years and is in no small measure due to the continuing teacher to pupil instruction and support that the school offered virtually throughout the lockdown period.

CHARITY FUND RAISING

The School continued with fundraising initiatives throughout the year, raising money for a number of charities including the Royal British Legion Poppy Appeal, Comic Relief/Red Nose Day, Cancer Research UK, Children in Need, RNLI, and ABF The Soldiers Charity. A total of circa £2,000.

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Community Service

As part of the Duke of Edinburgh's Award, our pupils fulfill a wide variety of services in the local community ranging from country park ranger services to providing care in old people's homes. Biennially our pupils take part in a self-funded cultural visit to a far-away location to undertake a number of charitable initiatives in local schools and communities. Though the trip to Uganda had to be postponed in 2020, recent trips have visited Tanzania and Borneo.

ACCESS POLICY

It is important that access to a Stover education is not restricted to those who can afford our fees. We believe our pupils benefit from learning within a diverse pupil community. A great deal of learning occurs through social interaction, conversation and shared experiences. This helps our pupils to develop emotional intelligence; a tool that will stand them in good stead for the rest of their lives. Our bursary policy, together with our broadly non-selective approach to admissions, contributes to a wide access to the education we offer and the facilities we enjoy.

BURSARY POLICY

The Governors view our bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can accessing the education we offer. Our bursary awards must satisfy our admissions process and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk.

In assessing means we take a number of factors into consideration including family income, investments and savings and family circumstances, for example dependent relatives and the number of siblings. However, our school does not have an endowment fund and, in making our awards, we have to be mindful that we must ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards. Our Bursary policy states that these awards should be tested annually.

Information about fee assistance through bursaries is provided to all applying to the School. Further details of our bursary policy are available on our website.

Bursaries

This year the value of means tested bursaries totaled £298,160 (2020: £281,297) and represented 5.0% (2020: 5.1%) of our gross fees.

Family discounts policy

To underline the value we place on continuity for families, and to assist with affordability for families with more than one child, we offer discounts where parents have more than one child at the School. These discounts stand at 10% for a second child, 20% for a third, and so on.

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NHS, Armed Forces and Police

In support of the Armed Forces Covenant, where they are eligible for the Continued Education Allowance (CEA), serving members of the Armed Forces are offered 10% reduction. (Non CEA approved) Forces personnel, can apply for scholarships and bursaries, but eligible for a 20% reduction. We continued to support NHS staff and members of the police force with 10% fee remission.

SCHOLARSHIP POLICY

The purpose of our scholarship awards is to recognize high academic potential or the ability to excel in Sport, Music or The Arts.

Scholarships are awarded with a fixed remission of fees of between 5% and 15%. Where further assistance is required, scholarship awards may be supplemented by a means tested bursary. We make information on scholarships available to prospective parents and we advertise the availability of scholarship awards from time to time. Further details of our scholarship policy are available on our website.

The progress of pupils receiving scholarships is reviewed annually to ensure their progress is in line with their abilities. No scholarships were withdrawn in the year as a result of reviews.

Scholarships

The School awarded scholarships totaling **£174,453** (2020: £172,495) and representing **3%** (2020: 3.2%) of our gross fees.

Assistance for our teaching staff

As part of our emphasis on attracting and retaining high calibre staff, we offer a discount scheme when staff members choose to educate their children at Stover School.

OUR FINANCES

Results for the year ended 31 July 2021 are shown in the Consolidated Statement of Financial Activities. The continued effects of the Covid-19 related site lockdown and Government regulations this year were mitigated with substantial growth in pupil numbers throughout and these factors improved the yearend figures in income terms. Hence, the total incoming resources were **£5.769m** (2020: £5.104m). After expenditure of **£5.581m** (2020: £5.029m) including depreciation of **£241k** (2020: £250k), the accounts show **a net incoming of resources for the year of £187k (2020: £74k)**. Expenditure on new capital purchases was **£154k** (2020: £250k).

In the financial year, the school did take some advantage of the Government CJRS grant, totalling £108,890, but made the decision from the outset not to furlough any teaching, learning support, and pastoral staff and only include staff where no physical on site work could be achieved.

Boarding Fees were charged at Day Fee rate where services were not received. Individual, hardship bursaries, assessed on need, continued during Spring Term Lockdown. This enabled pupils from families who suffered considerable financial hardship due to the Covid crisis to continue to be educated at the school

The Governors continued to invest in the maintenance and refurbishment of the School buildings up to the first lockdown, in order to maintain the best possible range of facilities for our pupils. This program is financed from the general fund, with capital development projects pursued in years of surplus.

As a charity the parents of our pupils have the assurance that all the income of the School must be applied for educational purposes. As an educational charity we enjoy tax exemption on our educational activities and on our investment income and gains provided these are applied for our charitable aims.

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As a charity we are also entitled to an 80% reduction on our business rates on the property we occupy for our charitable purposes. The financial benefits we receive from these tax exemptions are all applied for educational purposes and indirectly help us to maintain our bursary awards. However, as an educational

charity, we are unable to reclaim VAT input tax on our costs as we are exempt for VAT purposes. We also pay tax as an employer through the national insurance contributions we make.

PAY POLICY FOR SENIOR STAFF

The Governors consider the Board of Governors, who are also the Charity's Trustees, and the senior leadership team to comprise the key management personnel of the charity, responsible for managing and directing the charity on a day to day basis. Governors are not remunerated and give of their time freely. Related party transactions are set out in Note 17 to the financial statements.

When setting the pay policy for the senior management team, the Governors have available to them the published pay scales of the state sector, and also various benchmarking data for the independent sector. Salary levels are set to ensure that the School attracts the best talent available, whilst being mindful to control costs to ensure that the School makes a sufficient surplus to allow for future investment.

DEVELOPMENTS AND MAINTENANCE

The Estates Team continued to focus on remedial and longer-term restoration works which were financed from previous years surpluses and ring fenced as a Restoration Fund. This was in line with our commitment to English Heritage, the Local Planning Department, and our own wishes to be excellent custodians of the historical Stover Estate. Projects such as the Clock House roof and a refurbishment plan for windows across the estate have been prioritised with an associated delivery plan.

A great deal of work was directed towards planning for the Astro-turf Pitch during the year and we were advised by our consultants to withdraw the current application in favour of an Estate encompassing Master Plan. This will include the siting and build of a sports hall, including a swimming pool if feasible, the replacement of temporary classrooms and the all-weather / Astro facility. Upgrading of Classrooms and new dining facilities will also feature over the coming summer.

More upgrading of laptop and other electronic devices, resulting in faculties having access to the latest technology for lessons, continued throughout the year. This was particularly timely again for the Spring Term lockdown. This, annual rolling program will continue, with the purchase of more laptops, Notebooks and interactive screens, across the whole school, to further enhance the educational delivery but also ensure that any return to distance learning can be adequately catered for and enhanced.

The Bursar, Estates Manager, and the Estates team, will continue to work closely with heritage and conservation experts to preserve the Stover Estate, with emphasis on the priority areas and buildings such as The Old Stables, The Lodge, The Walled Garden, Mansion House, and Clock House. Further works have been achieved by The Stover Heritage Trust to date, from Lottery funding. We are pleased to be part of extensive plans for the renovation and preservation of historical assets on the Stover School grounds as part of this funding and look forward to the wider community enjoying access to specific heritage assets on school grounds, that have been otherwise hidden and neglected for many years.

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RESERVES POLICY

The Governors review the reserves of the charity, annually, which, in accordance with current SORP guidance, relate solely to funds that are freely available for the charity's purposes, and therefore exclude restricted funds and funds tied up in fixed assets.

Unrestricted free reserves are beneficial in the event of a downturn in the school's financial performance, be it through a downturn in pupil numbers, changes in Government policy, reduction in net fees or unexpected expenditures being incurred. The Governors are aware that at present most of the charity's unrestricted funds are represented by freehold property (held for charity use, but a Reserves fund of some £80,000 was established during the year which aided cashflow through lockdown) and are therefore not readily realisable.

Despite the Covid lockdown and virtual educational offerings over the summer period, the school is in a much stronger financial position and plans to remain so. The charity's net debt position has improved considerably in recent years, and the school continues to generate cash surpluses which are in line with our bank covenants. As a consequence, it is the governors' continued policy for the charity to accumulate annual surpluses in order to be able to invest in the charity's future. Governors review this policy annually.

Trustees' Responsibilities

The Trustees (who are also directors of Stover School Association for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and the United Kingdom Accounting Standards (UK 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, including the income and expenditure 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
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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.

Stover School Association

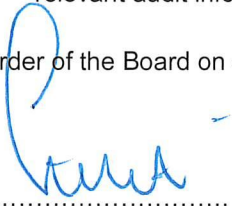
Trustees' Report

Year Ended 31 July 2021

In so far as the Trustees are aware:

- 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 auditor is aware of that information.

By Order of the Board on 5 January 2022



.....
S J Killick
Chairman of Governors

Stover School Association

Independent Auditors' Report to the Members of Stover School Association

Year Ended 31 July 2021

Opinion

We have audited the financial statements of Stover School Association (the 'Charitable Company') and its subsidiary (the Group) for the year ended 31 July 2021, which comprise the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, the Consolidated and Company Balance Sheet, Consolidated Statement of Cash Flows and notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 and the Charitable Company's affairs as at 31 July 2021 and of the Group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Charities SORP; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusion 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 ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Stover School Association

Independent Auditors' Report to the Members of Stover School Association

Year Ended 31 July 2021

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' Report set out on pages 2 to 15, the trustees 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 and Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the Group and the education sector in which it operates to identify the key laws and regulations affecting the Group. The key laws and regulations we identified were compliance with requirements relating to safeguarding.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily FRS 102 (effective 1 January 2019) - (Charities SORP), the Companies Act 2006 and the Charities Act 2011.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place.

We also identified the individuals who have responsibility for ensuring that the Group complies with laws and regulations and deals with reporting any issues if they arise.

Stover School Association

Independent Auditors' Report to the Members of Stover School Association

Year Ended 31 July 2021

As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the Group's ability to continue trading and the risk of material misstatement to the accounts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management and those charged with governance regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements;
- Reviewed legal and professional costs to identify any possible non compliance or legal costs in respect of non compliance.;
- Reviewed Board and Finance Committee minutes.

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud of which there were none.

We also evaluated the risk of fraud through management override including that arising from management's incentives. The key risks we identified were the manipulation of the financial statements (including the risk of override of controls) and we determined that the principal risks were related to fraudulent financial reporting, in particular to fraud in revenue recognition and grant funding received.

In response to the identified risk, as part of our audit work we:

- Used data analytics to test journal entries throughout the year, for appropriateness;
- Reviewed grant funding agreements;
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

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

Use of our report

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



CHRISTOPHER HICKS BA FCA DChA (Senior Statutory Auditor)

PKF Francis Clark
Chartered Accountants and Statutory Auditor
Sigma House
Oak View Close, Edginswell Park
Torquay
TQ2 7FF

5 January 2022

Stover School Association

Consolidated Statement of Financial Activities (Incorporating Consolidated Income and Expenditure Account)

Year Ended 31 July 2021

	Notes	General Fund £	Restricted Fund £	2021 Total £	General Fund £	Restricted Fund £	2020 Total £
Income							
Charitable Activities							
School fees receivable	2	5,015,872	-	5,015,872	4,434,762	-	4,434,762
Ancillary trading income	3	479,555	-	479,555	382,307	-	382,307
Other trading activities							
Commercial trading operations	4	107,811	-	107,811	94,247	-	94,247
Government grant - CJRS		108,890	-	108,890	138,475	-	138,475
Other income		56,124	-	56,124	42,943	-	42,943
Donations		-	500	500	-	11,596	11,596
Total income		5,768,252	500	5,768,752	5,092,734	11,596	5,104,330
Expenditure							
Charitable Activities							
School operating costs	5	5,512,831	5,000	5,517,831	4,967,403	6,446	4,973,849
Costs of generating funds							
Commercial trading operations	5	63,500	-	63,500	55,747	-	55,747
Total expenditure	5	5,576,331	5,000	5,581,331	5,023,150	6,446	5,029,596
Net income / (expenditure) before transfers		191,921	(4,500)	187,421	69,584	5,150	74,734
Transfers between funds		-	-	-	-	-	-
Net income / (expenditure) and movement in funds for the year		191,921	(4,500)	187,421	69,584	5,150	74,734
Funds as at 1 August 2020		1,027,915	5,150	1,033,065	958,331	-	958,331
Funds as at 31 July 2021		1,219,836	650	1,220,486	1,027,915	5,150	1,033,065

Stover School Association

Consolidated Balance Sheet

31 July 2021

		2021 £	2020 £
	Notes		
Fixed assets			
Intangible assets	8	-	-
Tangible assets	9	<u>2,250,756</u>	<u>2,349,231</u>
		2,250,756	2,349,231
Current assets			
Stock		49,967	45,123
Debtors	11	223,438	304,382
Cash at bank and in hand		<u>640,065</u>	<u>54,473</u>
		913,470	403,978
Current liabilities			
Amounts falling due within one year	12	<u>(1,072,584)</u>	<u>(809,707)</u>
Net current liabilities		(159,114)	(405,729)
Total assets less current liabilities		2,091,642	1,943,502
Long term liabilities			
Amounts falling due after one year	12	<u>(871,156)</u>	<u>(910,437)</u>
Net assets		<u>1,220,486</u>	<u>1,033,065</u>
Restricted funds	13/14	650	5,150
Unrestricted general fund	13/14	<u>1,219,836</u>	<u>1,027,915</u>
Total funds		<u>1,220,486</u>	<u>1,033,065</u>

These financial statements were approved by the Governors on 5 January 2022 and signed on their behalf by:



 S J Killick
 Chairman of Governors

Company No. 565995

Stover School Association

Company Balance Sheet

31 July 2021

	Notes	2021 £	2020 £
Fixed assets			
Intangible assets	8	-	-
Tangible assets	9	2,250,756	2,349,231
Investments	10	2	2
		<u>2,250,758</u>	<u>2,349,233</u>
Current assets			
Stocks		7,984	4,392
Debtors	11	302,594	365,064
Cash at bank and in hand		601,123	30,412
		<u>911,701</u>	<u>399,868</u>
Current liabilities			
Amounts falling due within one year	12	(1,070,817)	(805,599)
Net current liabilities		<u>(159,116)</u>	<u>(405,731)</u>
Total assets less current liabilities		2,091,642	1,943,502
Long term liabilities			
Amounts falling due after one year	12	(871,156)	(910,437)
Net assets		<u>1,220,486</u>	<u>1,033,065</u>
Restricted funds			
	13/14	650	5,150
Unrestricted general fund			
	13/14	1,219,836	1,027,915
Total funds		<u>1,220,486</u>	<u>1,033,065</u>

These financial statements were approved by the Governors on 5 January 2022 and signed on their behalf by:



 S J Killick
 Chairman of Governors

Company No. 565995

Stover School Association

Consolidated Cash Flow Statement

Year ended 31 July 2021

	Notes	2021 £	2020 £
Net cash inflow from operations	(i)	847,544	199,401
Returns on investments and Servicing of finance			
Finance costs paid		(33,300)	(26,961)
Capital expenditure and financial Investment			
Payments for tangible fixed assets		(153,475)	(236,994)
Proceeds from sale of fixed assets		1,080	4,850
Net cash outflow from capital expenditure		<u>(152,395)</u>	<u>(232,144)</u>
Financing			
Repayment of bank borrowing		(28,024)	-
Payment to finance lease creditors		(27,056)	(23,865)
New finance lease agreements		33,662	25,795
Net cash (outflow) / inflow from financing		<u>(21,418)</u>	<u>1,930</u>
Increase / (decrease) in cash in the year		<u><u>640,431</u></u>	<u><u>(57,774)</u></u>
Reconciliation of net cash flow to movement in net funds	(ii)		
Increase / (decrease) in cash		<u>640,431</u>	<u>(57,774)</u>
Change in net funds		640,431	(57,774)
Net funds at 1 August 2020		(366)	57,408
Net (debt) funds at 31 July 2021		<u><u>640,065</u></u>	<u><u>(366)</u></u>

Stover School Association

Consolidated Cash Flow Statement

Year ended 31 July 2021

(i) Reconciliation of net incoming resources to net cash flow from operations

	2021 £	2020 £
Net income for the year	187,421	74,734
Elimination of non-operating cashflows:		
Financing costs	33,300	26,961
Amortisation charge	-	1,569
Loss on disposal of fixed assets	9,690	675
Depreciation charge	241,176	249,903
(Increase) / decrease in stock	(4,844)	(4,028)
(Increase) / decrease in debtors	80,944	(42,846)
Increase / (decrease) in creditors	276,062	(88,349)
Increase / (decrease) in deposits	23,795	(19,218)
Net cash inflow from operations	847,544	199,401

(ii) Analysis of changes in net funds

	At 1 August 2020 £	Cash flows £	At 31 July 2021 £
Cash at bank and in hand	54,473	585,592	640,065
Bank overdraft	(54,839)	54,839	-
	(366)	640,431	640,065

Stover School Association

Notes and Accounting Policies

Year Ended 31 July 2021

1 Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention with items being recognised at cost or transaction value unless otherwise stated in the notes to these accounts.

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

The charity constitutes a public benefit entity as defined by FRS 102.

The functional and presentational currency is sterling.

Going Concern

The Charity has prepared budgets and cashflows for the 12 months following the approval of these financial statements, making what they believe to be reasonable assumptions on the level of fee income given actual recruitment levels in the Autumn 2021 term. The School also has long term facilities in place with its bankers, and the projections indicate full compliance with its banking covenants. Based on these projections, but accepting the inherent uncertainties caused by the impact of the Covid 19 pandemic, the Trustees do not believe that there is any material uncertainty related to events or conditions that may cast significant doubt on the Charity's ability to continue as a going concern. Accordingly the financial statements have been prepared on a going concern basis.

Basis of consolidation

The financial statements present the consolidated statement of financial activities (SOFA), the consolidated cash flow statement and the consolidated and Charity balance sheets of Stover School Association and its wholly-owned subsidiary undertaking, Stover Enterprises Ltd (registered number 3255297). In accordance with section 408 of the Companies Act 2006, no separate SOFA has been presented for the charity alone.

Fees receivable

Fees receivable and extra tuition fees consist of charges for the school year ending 31 July, less bursaries and allowances. Fees received in advance represents amounts received for future periods and are released to incoming resources in the period for which they have been received.

Donations

Donations receivable for the general purpose of the Charity are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are shown as Restricted Funds.

Other income

Income from commercial trading activities is recognised when the goods and services are provided. Investment income is recognised when it is receivable.

Stover School Association

Notes and Accounting Policies

Year Ended 31 July 2021

1 Accounting Policies (*continued*)

Government grants

Revenue grants are credited to the profit and loss account in the period to which they relate.

Expenditure

Expenditure is included on an accruals basis and is shown gross of irrecoverable VAT. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities (SOFA).

Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Costs of charitable activities include expenditure associated with achieving the objects of the charity and include both the direct costs and all support costs relating to these activities.

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

Support costs include central functions and have been allocated to charitable activities on a basis consistent with the use of resources. No attempt has been made to apportion support costs to other categories where such costs are insignificant or a reliable basis cannot be determined.

Intangible fixed assets and amortisation

Intangible assets are included at cost.

Intangible fixed assets are amortised by equal annual instalments over their estimated useful lives as follows:-

Software	3 years
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Tangible fixed assets and depreciation

Tangible fixed assets are included at cost.

The initial cost of Stover House and Gardens is not depreciated. In the opinion of the Governors such omission does not have a material effect on the financial statements.

Tangible fixed assets other than freehold land are depreciated by equal annual instalments over their estimated useful lives as follows:

Freehold buildings	20 years to 50 years
Fixture & fittings	5 and 20 years
Computer equipment	3 years
Motor vehicles	4 years

Stover School Association

Notes and Accounting Policies

Year Ended 31 July 2021

1 Accounting Policies (*continued*)

Pension schemes

a) Teachers' pension

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme actuary as advised to the School. The Scheme is a multi- employer scheme and it is not possible for the School to identify its share of the Scheme assets and liabilities. Accordingly, in accordance with IAS19 contributions are accounted for as if the Scheme were a defined contribution scheme. Further details of the Scheme are given in note 18.

b) Non-teaching staff

The School operates a defined contribution scheme for certain non-teaching staff. Contributions are charged in the year in which they become payable.

Operating leases

The costs of operating leases are charged to the SOFA on a straight line basis over the lease term.

Hire purchase agreements and finance leases

Assets held under hire purchase agreements and finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Stock

Stock is valued at the lower of cost and net realisable value, after having due regard for obsolete and slow moving items.

Funds structure

Funds held by the School are:

Unrestricted general fund

These are funds that can be used in accordance with the charitable objects at the discretion of the Trustees.

Restricted funds

These are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of the restricted fund is included in Note 13.

Stover School Association

Notes and Accounting Policies

Year Ended 31 July 2021

1 Accounting Policies (*continued*)

Critical accounting judgements and key sources of estimation uncertainty

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

The estimated 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 revision and future periods if the revision affects both current and future periods. The critical judgement that the Trustees have made in the process of applying the company's accounting policies is that key management personnel comprises the Senior Leadership Team as listed on page 1.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. The company holds the following financial instruments, all of which considered to be basic:

- Short term trade and other debtors
- Short term trade and other creditors
- Short term intra group loans; and
- Bank overdrafts

Charitable status

The charity is a company limited by guarantee and is registered with the Charity Commission for England and Wales. The members of the company are the Trustees listed on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The charitable company is incorporated in England and Wales.

Stover School Association

Notes and Accounting Policies

Year Ended 31 July 2021

2 Charitable activities - School fees

	2021	2020
	£	£
Gross school fees receivable	5,961,501	5,493,203
Less:		
Scholarships	(174,453)	(172,496)
Bursaries	(298,160)	(281,297)
Other discounts and awards	(473,016)	(604,648)
	<u>5,015,872</u>	<u>4,434,762</u>

3 Charitable activities – Ancillary trading income

	2021	2020
	£	£
Catering and transport	383,717	289,734
School trips and other re-chargeables	77,188	74,072
Entrance and registration fees	14,898	12,950
Other income	3,752	5,551
	<u>479,555</u>	<u>382,307</u>

4 Trading Income and Expenditure

The School has a wholly owned subsidiary, Stover Enterprises Limited, which lets property owned by the School to third parties for recreational, educational and commercial purposes and also operates the school shop. Trading results extracted from its unaudited accounts are shown below, together with the School's own results for the year, to distinguish them from the consolidated Statement of Financial Activities:

	Subsidiary		Charity	
	2021	2020	2021	2020
	£	£	£	£
Turnover and fee income	107,811	94,247	5,290,360	4,650,003
Cost of sales: Subsidiary	<u>(59,748)</u>	<u>(52,397)</u>		
Gross profit: Subsidiary	48,063	41,850		
Administration: Subsidiary	<u>(14,533)</u>	<u>(12,777)</u>		
Other income	-	-		
Income for the year	<u>33,530</u>	<u>29,073</u>	<u>5,671,722</u>	<u>5,018,883</u>
Deed of Covenant	<u>(33,530)</u>	<u>(29,073)</u>	<u>33,530</u>	<u>29,073</u>
Gross incoming resources	-	-	5,705,252	5,047,956
Costs of charitable activities	-	-	<u>(5,517,831)</u>	<u>(4,973,849)</u>
Retained income	<u>-</u>	<u>-</u>	<u>187,421</u>	<u>74,107</u>

Stover School Association

Notes and Accounting Policies

Year Ended 31 July 2021

5 Analysis of Expenditure

	Staff costs £	Other costs £	Depreciation £	Total 2021 £	Total 2020 £
Charitable activities-					
Salary & Staff Costs	3,733,159	-	-	3,733,159	3,551,510
Teaching	-	295,177	-	295,177	236,236
Catering	-	204,063	-	204,063	135,875
Estates/Grounds	-	478,825	199,500	678,325	546,397
Governance	-	71,895	-	71,895	72,075
Support costs of schooling	-	493,536	41,676	535,212	431,756
Charity	3,733,159	1,543,496	241,176	5,517,831	4,973,849
Cost of generating funds:					
Trading costs of the subsidiary	-	63,500	-	63,500	55,747
Total Resources Expended Group	3,733,159	1,606,996	241,176	5,581,331	5,029,596

6 Expenditure – Other Disclosures

	2021 £	2020 £
Auditors' remuneration:		
Audit fees	14,820	12,500
Accounting and other compliance services	4,758	2,630
Payroll services	10,502	11,055
Depreciation of intangible fixed assets (note 8)	-	1,569
Depreciation of tangible fixed assets (note 9)	241,176	249,903
Bank and other loan interest payable	34,002	26,961

During the year there were no payments to Governors (2020: £164 to one Governor); this amount relates to both reimbursed expenditure and direct payments made to third parties for travel, meetings and training. Governors are not remunerated.

Stover School Association

Notes and Accounting Policies

Year Ended 31 July 2021

7 Staff Costs

	2021 £	2020 £
Wages and salaries	3,010,379	2,868,354
Social security costs	258,794	245,768
Other pension costs	463,986	437,388
	<u>3,733,159</u>	<u>3,551,510</u>
 Average number of employees	 137	 134
 The number of higher paid employees was: £90,001 - £100,000	 <u>1</u>	 <u>1</u>
 Of these employees, the number with retirement benefits accruing in defined benefit pension schemes was	 <u>1</u>	 <u>1</u>
	 2021 £	 2020 £
Aggregate employee remuneration of key management personnel	<u>443,926</u>	<u>326,448</u>

8 Fixed Assets - Intangible

	Software £	Charity Total £	Subsidiary Total £	Group Total £
Cost				
At 1 August 2020	33,404	33,404	-	33,404
At 31 July 2021	<u>33,404</u>	<u>33,404</u>	<u>-</u>	<u>33,404</u>
Depreciation				
At 1 August 2020	33,404	33,404	-	33,404
At 31 July 2021	<u>33,404</u>	<u>33,404</u>	<u>-</u>	<u>33,404</u>
Net book amounts				
At 31 July 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 July 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Stover School Association

Notes and Accounting Policies

Year Ended 31 July 2021

9 Fixed Assets - Tangible

	Freehold properties £	Fixtures & fittings £	Computer equipm't £	Motor vehicles £	Charity Total £	Subsidiary Fixtures & fittings £	Group Total £
Cost							
At 1 August 2020	3,420,283	2,705,421	119,930	135,533	6,381,167	1,492	6,382,659
Additions	15,367	93,598	13,816	30,694	153,475	-	153,475
Disposals	-	(43,663)	-	(2,600)	(46,263)	-	(46,263)
Transfers	-	-	-	-	-	-	-
At 31 July 2021	3,435,650	2,755,356	133,746	163,627	6,488,379	1,492	6,489,871
Depreciation							
At 1 August 2020	1,889,731	1,958,691	93,004	90,510	4,031,936	1,492	4,033,428
Charge for year	52,416	147,084	18,575	23,101	241,176	-	241,176
Eliminated on disposals	-	(32,958)	-	(2,531)	(35,489)	-	(35,489)
Transfers	-	-	-	-	-	-	-
At 31 July 2021	1,942,147	2,072,817	111,579	111,080	4,237,623	1,492	4,239,115
Net book amounts							
At 31 July 2020	1,530,552	746,730	26,926	45,023	2,349,231	-	2,349,231
At 31 July 2021	1,493,503	682,539	22,167	52,547	2,250,756	-	2,250,756

All tangible fixed assets are used in direct furtherance of the charity's objectives.

Finance lease and hire purchase agreements

Included within the net book value of £2,250,756 is £89,182 (2020: £67,601) relating to assets held under finance leases and hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £32,608 (2020: £29,572).

10 Fixed Assets - Investments

Company

Unlisted subsidiary undertaking at cost.
As at 1 August 2020 and 31 July 2021

£
2

The unlisted subsidiary undertaking, which is wholly-owned, is Stover Enterprises Limited (Company Number: 3255297), the principal activity of which is letting property and operating the school shop. The company's registered office address is Stover School, Newton Abbot, TQ12 6QG.

Stover School Association

Notes and Accounting Policies

Year Ended 31 July 2021

11 Debtors

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Fees receivable	121,140	178,608	121,140	178,608
Trade debtors	38,953	92,231	38,224	91,583
Amounts owed by subsidiary undertaking:				
Deed of covenant payment	-	-	33,530	29,073
Other amounts owed	-	-	46,355	37,766
Prepayments and accrued income	63,345	33,543	63,345	28,034
	<u>223,438</u>	<u>304,382</u>	<u>302,594</u>	<u>365,064</u>

12 Creditors: payable within one year

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Loans and bank overdraft	35,530	81,839	35,530	81,839
Finance leases and hire purchase agreements	31,104	21,771	31,104	21,771
Trade creditors	100,509	43,085	100,509	40,677
Fees received in advance	174,588	72,789	174,588	72,789
Refundable deposits	235,474	211,679	235,474	211,679
PAYE and social security	62,448	60,654	62,448	60,654
Accruals and deferred income	432,931	317,890	431,164	316,190
	<u>1,072,584</u>	<u>809,707</u>	<u>1,070,817</u>	<u>805,599</u>

Creditors: payable after one year

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Bank loan	836,446	873,000	836,446	873,000
Finance leases and hire purchase agreements	34,710	37,437	34,710	37,437
	<u>871,156</u>	<u>910,437</u>	<u>871,156</u>	<u>910,437</u>

The bank loan and overdraft are secured by legal charges over the Charity's freehold property. Obligations under finance leases, hire purchase agreements and other loans are secured by a charge over the assets to which they relate.

Stover School Association

Notes and Accounting Policies

Year Ended 31 July 2021

13 Funds

General Fund (Unrestricted)

The general fund is held to finance the fixed assets and to cover normal fluctuations in working capital.

Clockhouse Clock Fund (Restricted)

This represents a gift to the School to fund the repair & refurbishment of the Clockhouse Clock.

Drama Outreach Programme (Restricted)

This represents a donation from The Rotary Club to support the Drama Outreach Programme.

Music Department Fund (Restricted)

This represents a donation from a parent of their deposit in recognition & appreciation of education of their child at Stover School. The money will benefit the Music Department.

Analysis in movements in funds

	Balance 1 August 2020 £	Income £	Expenditure £	Transfers In/(out) £	Funds 31 July 2021 £
Unrestricted funds					
General funds	1,027,915	5,768,252	(5,576,331)	-	1,219,836
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Restricted Funds					
Clockhouse Clock	5,000	-	(5,000)	-	-
Drama Outreach Programme	150	-	-	-	150
Music Department Fund	-	500	-	-	500
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	5,150	500	(5,000)	-	650
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total funds	1,033,065	5,768,752	(5,581,331)	-	1,220,486
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

Stover School Association

Notes and Accounting Policies

Year Ended 31 July 2021

13 Funds (continued)

Analysis in movements in funds – previous year

	Balance 1 August 2019 £	Income £	Expenditure £	Transfers In/(out) £	Funds 31 July 2020 £
Unrestricted funds					
General funds	958,331	5,092,734	(5,023,150)	-	1,027,915
Restricted Funds					
Clockhouse Clock	-	5,000	-	-	5,000
3D Printer	-	3,500	(3,500)	-	-
Rugby Scrum Machine	-	2,946	(2,946)	-	-
Drama Outreach Programme	-	150	-	-	150
	-	11,596	(6,446)	-	5,150
Total funds	958,331	5,104,330	(5,029,596)	-	1,033,065

14 Allocation of Net Assets

	Restricted Funds 2021 £	Unrestricted Funds 2021 £	Total Funds 2021 £	Restricted Fund 2020 £	Unrestricted Funds 2020 £	Total Funds 2020 £
Fixed Assets	-	2,250,756	2,250,756	-	2,349,231	2,349,231
Cash at bank	650	639,415	640,065	5,150	49,323	54,473
Other net current liabilities	-	(763,649)	(763,649)	-	(460,202)	(460,202)
Creditors due after one year	-	(906,686)	(906,686)	-	(910,437)	(910,437)
Total	650	1,219,836	1,220,486	5,150	1,027,915	1,033,065

15 Share Capital

The company is limited by guarantee, having no share capital. In the event that the company is wound up, the liability of each member is limited to £1.

Stover School Association

Notes and Accounting Policies

Year Ended 31 July 2021

16 Financial Commitments

Operating leases

At 31 July 2021, the company and group had total future minimum lease payments as follows:

	2021 £	2020 £
Within one year	38,524	37,871
Within two to five years	32,814	40,550
	<u>71,388</u>	<u>78,421</u>

17 Related Party Transactions

- (a) During the financial year the School received a donation under a Deed of Covenant of £33,530 (2020: £29,073) from Stover Enterprises Ltd, a wholly owned trading subsidiary.
- (b) Where Governors have relatives who attend the school, they pay the appropriate fees on the same terms as others. Where scholarships, bursaries or other benefits apply to such fees, these are awarded using the same criteria as apply to all.
- (c) The company is under the effective control of the Governors, who are also directors of the company, Trustees of the charity and members of the Stover School Association.

18 Pension Schemes

(a) Teachers' Pension 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 £615,226 (2020: £415,765) and at the year-end £50,466 (2020: £49,667) was accrued in respect of contributions to this scheme.

The Teachers' Pension Scheme (TPS or scheme) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS following enrolment.

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

Stover School Association

Notes and Accounting Policies

Year Ended 31 July 2021

18 Pension Schemes (continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

(b) Non-teaching staff

The employer's contributions to the non-teaching staff defined contribution scheme during the year was £39,806 (2020: £22,449). At 31 July 2021 £3,615 (2020: £2,986) was accrued in respect of contributions to this scheme.