

Stover School Association
(A company limited by guarantee)

Annual Report
Year ended 31 July 2019

Company No: 565995
Charity No: 306712

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Stover School Association

Annual Report

Year Ended 31 July 2019

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Stover School Association

Trustees' Report

Year Ended 31 July 2019

The Trustees are pleased to present their annual report, together with the audited financial statements of the charity for the year ended 31 July 2019. 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:

Ms B L Atkinson MSc BSc (Hons) RGN DipN (Lond)

Mrs V R Bamsey BSc

Mrs M Batten BSc RHC

Lt Col. R D Hourahane

Mr P S Housego MA LLB

Mrs L J Jones MA

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

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, Devon EX1 1LX

Solicitors: Over, Taylor, Biggs, 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 David Burt Head of Preparatory School

Mrs Helen Notman Senior Teacher, Pastoral Care and Boarding

Mr Patrick Jenkins Bursar / Clerk to Governors

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The Trustees of Stover School present their annual report and audited financial statements for the year ended 31 July 2019 and confirm they comply with the requirements of the Charities Act 2011, the company's Articles and the Charities SORP (SORP 2015).

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 currently has 13 members. 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, Estates, Education, and Personnel & 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
- 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 are undertaken within the policies and procedures approved by the Governors which provide for any significant expenditure decisions and major capital projects to be 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.

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.

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
- Value the School's special, natural environment and historic estate and to use them wherever appropriate in the curriculum

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- Provide continuing support of our pupils already in receipt of fee assistance through bursaries
- Develop our links with local state schools and the community through opportunities to share on-site facilities and staffing and through outreach activities.

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.

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 report, the pastoral care provided by our Form Tutors, Heads of House and Heads of Year, and the staff at large, was described as "excellent".

Parents are given regular information about their children's social and academic progress through regular reporting, both formally and informally, and through parent evenings. We maintain regular contact with parents throughout the year via informal contacts by telephone and email, where necessary and through our newsletter. Older pupils have a Form Tutor responsible for 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 continuing to grow above 400 during the academic year. The school continues on its path of growth and sustainability.

Projected demand for Year 7 places for the coming year is very strong; the year group is likely to be full by the end of the autumn term.

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Year Ended 31 July 2019

As a result of the quality and consequent pupil number improvements, the school is again able to deliver a six figure surplus year end position for 2018/19. This means that capital and school improvement investment planned during the Governor Strategy Day continues to be delivered. During the year improvement to classrooms and ICT infrastructure has continued; with complete refurbishment of the Senior and Preparatory ICT suites. The boarding house was completely updated and refurbished.

PLANS FOR THE FUTURE

The management team will continue to drive educational standards across all stages of the school, and sustainability through surpluses. Strategy Day in December 2018 helped focus and deliver core programs. As the pattern of year on year surplus is now established, the facilities will be embellished. The five year development plan includes:

- Delivering the Astroturf facility, subject to heritage approval and planning
- The provision of a swimming pool on site, subject to heritage approval and planning
- Update of the Jubilee Hall Performance space
- Replacement of the Reception classroom space
- The rolling cycle for the replacement and update of all IT hardware across the school will continue.
- Ever continuing premises updating, repairs and maintenance
- Update of the Preparatory School classrooms and facilities will be a major focus going forwards
- The setting up of a new Combined Cadet Force (CCF) at Stover from September 2019

PUBLIC BENEFIT

The local authority discussion with the school over the locating of a community based astro-turf on the Stover School site have continued to progress with environmental impact reports and other key reports being commissioned. The school has delivered a need, feasibility and realisation study to the authority for final consideration and is awaiting the outcome of the authority decision making process.

A 5-year, site and facility strategy plan has been shared with local planners and suitable applications will be made to progress these enhancements to the site

The all-weather covered sports area is being used by the Sports Schools Partnership and the local community, in particular by the Stover Tennis Club and the tennis academy run by a local tennis professional. Internal lights have now been added to the facility.

Sport

Stover School is part of the Devon School's Sports Partnership. This enables 46 local State Primary schools, 2 state special schools and 6 state secondary schools free access to our facilities on a regular basis (tournaments take place at the school at least once per half term). The facilities that are used included the netball courts, tennis courts, rugby pitches, hockey pitches and football pitches. In the summer term the pitch areas become an athletics track and cricket pitches and these are used by Partnership schools.

The drive to develop community links, in an effort to secure more public use of the school site has continued. The new grass cricket wicket has enjoyed its first summer use and while still bedding in, has been a great success. Local clubs will be able to use this facility more next year.

The Clay Pidgeon shooting club has grown and more success is being achieved in competitions. The air rifle range is also now in place and the school will be offering archery lessons in 2019/20.

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The PE department has donated a number of hockey sticks to Teign School, a local state secondary provider, to enable them to start to play hockey with their pupils.

Additionally, a number of community sporting activities have taken place on the Stover School site for which we provide ground staffing, stewarding and parking free of charge. These include various regional and local cross county events and a Stover community 5k charity run, which raises funding for local charities. The Teignbridge Trotters, Templar 10 cross country event is now held on the school grounds annually.

Music

The Music Department hosted our annual Cancer Research UK fundraising evening with all music and the Jubilee Hall facilities being donated for the benefit of the charity.

ENVIRONMENTAL INITIATIVES: Cutting our 'carbon footprint'

The school continues to successfully run all heating through its Biomass system. All key stages have built eco-initiatives into their curriculums, where appropriate. Our school Eco Committee is pupil-driven and has launched paper and food recycling and a LED light bulb replacements program. In addition "TURN IT OFF" stickers have been placed on all light switches and taps around the site to preserve resources. All initiatives give pupils an appreciation of sound global sustainability values for the future.

RISK MANAGEMENT

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

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

- Reputation - the School's success is built on its reputation for the education 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 continue is 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 our estate and an approach to enrolment that works with supportive parents whose children have an appetite for learning and an effective bursary scheme.

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

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REVIEW OF ACTIVITIES AND ACHIEVEMENTS

Pupil numbers and fees

Pupil numbers at the school increased from **398** at the start of the year to **410** by the year end. This increase continues the upward trend in pupil numbers that started in 2015. The target now is to maintain the very encouraging growth and strategies are in place to accommodate pupils in new classrooms as the numbers grow.

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 structure with other independent schools to remain in line and very competitive. The additional challenge of the rise in employers' contributions to the Teachers' Pension Scheme will be absorbed by the school for the financial year 2019/20.

Our fees for the year, before the deduction of any means assisted bursaries and scholarships were:

Pre-Prep year - £2,740 per term

Preparatory School - £2,800 to £3,480 per term

ALL Senior School - £4,260 per term

ACADEMIC PERFORMANCE

End of Key Stage 2 (Year 6)

Following our second year fully following the 'New Curriculum' (2014) for English Reading, writing and mathematics, I can report that our Year 6 pupils have attained very well indeed. By taking last year's Y6 SATS paper (unknowingly), we are able to directly compare the attainment of our Stover pupils in these 3 Key areas with children in State schools across the country. See below for our outcomes:

- Reading: Expected / Exceeding Level Stover-84%
- Writing: Expected / Exceeding Level Stover-62%
- Maths: Expected / Exceeding Level Stover-73%
- Combined (all 3): Stover-73% national average 64%

This year was another positive year for pupil attainment. The school continues not to put pressure on pupils, but to enable them to achieve their personal best in tests. We continue to hold the belief that by combining a broad, engaging curriculum with excellent teaching, children can (and will) achieve more than when 'trained' for exams.

Stover pupils continue to show high attainment at GCSE and A level. Over the past 3 years 91% of all GCSE papers sat in Stover School were passed with a grade 4/C or above. This compares with the latest national figure (for equivalent subjects) of 72%. Over the same period 69% of A level examinations were passed with grades A* to C in Stover, and all VIth Form leavers have either been placed on the course of their choice or are undertaking gap years.

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Performing Arts - in the Preparatory School

All pupils from Nursery to Year 6 participated in a drama production during the Year. Nursery and Pre-Prep had their respective Nativity performances. Years 3-6 performed the musical version of Robin and the Sherwood Hoodies. All Preparatory School pupils participated in a Public Speaking experience as follows:

- Years 3 and 4 held inter-house public speaking competitions.
- Year 5 pupils gained 100% pass rate in their English Speaking Board examinations, with a higher than usual number of children achieving 'Distinction'.
- Year 6 pupils participated in an inter-house debate.

In 2018/19, 50 Prep students took 77 LAMDA assessments with a 100% pass rate - 33 achieving a merit and 34 achieving a distinction.

At this year's Paignton Festival most of the students entered. Pupils achieved 4 first places, 9 second places and 3 third places.

In addition to the above, several students managed to obtain auditions for West End and other professional productions, some achieving recalls in London and four Prep School students were selected to audition for a Netflix series

Performing Arts - in the Senior School

All KS3 pupils have timetabled Drama lessons, and LAMDA lessons remain popular, with pupils gaining qualifications in a variety of categories – many with Distinction. Successful theatre club trips were made to Exeter ('Hamlet', 'Othello' and 'A Midsummer Night's Dream'), Plymouth ('Oliver') and Teignmouth ('Cat on a Hot Tin Roof' and 'Macbeth'); as well as Theatre Alibi bringing their production of 'The Boy who climbed into the Moon' to Stover's Jubilee Hall. A workshop on Stand Up Comedy was made available to KS3 and KS4.

The debating society once again competed successfully in the 'Youth Speaks' event, and the VIth Form team advanced to the regional stage.

Music – in the Preparatory School

We had another 100% pass rate in ABRSM examinations, with a large number of pupils in the Preparatory School performing in Music Assemblies in front of their peers, teachers and parents on instruments as diverse as: violin, cello, piano, drums, trumpet, flute, recorder and guitar as well as singing solos and duets.

The Pre-Prep, Preparatory and Chamber Choirs performed at numerous school events and concerts throughout the year.

Music – in the Senior School

The impressive level of participation in music and singing throughout the Senior School has increased yet further, with around 190 individual music lessons per week. Every pupil in the senior school takes part in at least one public performance per year. The 'Big Band' continues to add to its repertoire, as well as performing for the local community outside the school, a smaller band ('A Fillet of Stover Soul') has been added and has performed for community events in Torquay and Bovey Tracey. The Orchestra is now a full orchestra with every section represented, and the quality of its performance is very high, with evident enjoyment from all pupils involved. The male voice choir continues to attract new recruits from throughout the Senior School, and has 25 full time members plus several members of staff. The Senior Choir thus numbers more than 100 singers. The specialist Choirs (Cantabile, Camerata and the Girls' Choir), all performed at a variety of events this year in the local area.

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A full programme of concerts and performances has been run, including a Cancer Research UK Concert for charity, the Carol Service in Exeter Cathedral and a Summer Concert. The programme of lunchtime concerts continues, providing our less experienced musicians with a useful opportunity to gain confidence in performing live. The demand for A Level Music continues, and there was a 100% pass rate in practical ABRSM Examinations. Throughout the school, well over half of the children take place in at least one extracurricular music activity each week. The music department received the ISM Gold Certificate, recognising the participation in, and high grades attained in GCSE Music.

Sport

Pre-Prep PE is going from strength to strength with a structured PE curriculum that enables the children to have a fundamental and broad curriculum experience. The children are learning a range of fundamental skills such as running, jumping, hopping, throwing, catching, kicking, and striking, as well as fitness, cross country, and games, leading onto specific sports such as football, rugby, netball, hockey, rounders, cricket and athletics. In KS2, our children are following a rigorous games programme as well as a PE curriculum involving the termly sports such as football, rugby, netball, hockey, rounders, cricket and athletics. The children are also competing in fixtures with other Preparatory Schools each term and we have had some very pleasing results.

Our House fixtures are coinciding with the Senior School to enable us to have a whole school approach. Nursery are now involved in our House events that we have each term, which has been a huge success.

We are part of the Dartmoor Sport Partnership, which provides our pupils access to extra events meeting other children from local primary schools. These have been a wide range of events such as Young Play Leader Conferences, KS1 football, Cross Country, Cyclo-Cross and KS1 class festivals.

Young Play Leaders - this year we have our Year 6 YPLs running Wake Up, Shake Up and playground activities once a week.

Swimming - For the last two years, we have achieved fantastic results and experiences at the Devonport Royal Swimming Gala, the ESSA Regional Swimming qualifier and subsequently qualifying for the Small School Swimming Finals.

The number of Senior School inter-school fixtures has grown yet further. The U14 boys rugby team was particularly successful this year, and the girls' cross country team again did very well, with representation in the Devon squad, and one runner competing in the national finals.

Stover School again hosted the Area and Devon Schools cross country championships. The equestrian team won through to the regional competition, and climbing and mountain biking have been added to the sports curriculum. Links with Teignbridge Titans Netball Club, Newton Abbot Rugby Club and Stover Golf Club have been maintained. The number of pupils having extra tennis lessons from our new 'in house' coach on our courts has increased. The South Dartmoor Schools Sports Partnership continues to be a great success in terms of the number of children participating in events and in offering leadership opportunities; and our grounds and playing fields were used to host several events.

Outdoor Education

Residential trips were held for pupils in Years 2-6. In addition a wide range of day trips took place for pupils of all ages to enhance the curriculum, making the most of the beauty and diversity of our local area.

Outdoor learning has gone from strength to strength with classes using the outdoor classroom, field spaces and woodland area to benefit their lessons. Mrs Claire Harrison has also completed her training and is now Forest School Level 3 trained.

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All pupils in Years 7, 8 and 9 again went on outward bound residential trips on Dartmoor, and teams were prepared and entered for the Ten Tors and Jubilee Challenge events on Dartmoor, and Duke of Edinburgh Bronze, Silver and Gold Awards were worked towards and achieved. The Summer Activity Week included surfing, kayaking, climbing and caving.

CHARITY FUND RAISING

The Preparatory School continued with fundraising initiatives throughout the year, raising money for a number of charities including Children's Hospice South West, That Food bank, Children in Need and Macmillan.

In the Senior School each House ran its own charity events throughout the year, and money raised was donated to the Rowcroft Hospice to support their work with people living with life-limiting illnesses in South Devon. Pupils also collected money for the Royal British Legion Poppy Appeal, and a mufti day and curry lunch was organised to raise money for the ABF Soldiers Charity.

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. Every 3 years or so our pupils take part in a self-funded cultural visit to a far-away location to undertake a number of community initiatives in local schools and communities. The most recent such trip was to Borneo last year.

ACCESS POLICY

It is important to us that access to the education we offer is not restricted to those who can afford our fees. We believe our pupils benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experiences which helps our pupils develop an understanding of the perspectives of other people that will be vital in their adult lives. Our bursary policy, together with our broadly non-selective approach to admissions, contribute 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 in 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 £341,448 and represented 6.2% of our gross fees.

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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.

Armed Forces and Police.

In support of the Armed Forces Covenant, serving members of the Armed Forces are offered a 20% discount (Non CEA approved) on the fees, as well as being able to apply for scholarships and bursaries. A similar level of discount is also given to children of serving police officers.

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 in the local media. Further details of our scholarship policy are available on our website.

The School awarded scholarships totaling £177,249 and representing 3.2% of our gross fees.

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.

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 2019 are shown in the Consolidated Statement of Financial Activities, which report total incoming resources of £5.335m (2018: £4.862m). After expenditure of £5.157m (2018: £4.752m) including depreciation of £208k (2018: £189k), the accounts show **a net incoming of resources for the year of £178k (2018: incoming of £110k)**. Expenditure on new capital purchases were £349k (2018: £139k). This reflects further, significant improvements around the site in a continuing and difficult climate in which the Independent sector operates in general and the South West in particular. Next year's budgets are still set to continue the trend of a six figure surplus trading position.

The Governors invest in the maintenance and refurbishment of the School buildings to maintain a wide range of facilities for our pupils. This programme 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.

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 policies and 'teaching link' programme. 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.

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In addition to the very substantial benefits our School brings to our pupils, the local community and society through the education we offer, our bursary programme and our broader public benefit programme create a social asset without cost to the Exchequer.

Developments and Maintenance

The Estates Team continue to focus on remedial and longer term restoration works were identified over the last 4 years and a yearly schedule is drawn up and actioned. Updating of roofs, windows, plaster and painting, re carpeting, grounds enhancements are all very evident across the whole site again this year. Planned and unplanned maintenance budgets have increased again and will be in place over next 4 years at least.

Major upgrading of the Boarding facilities across Park Houses has commenced and is to be finalized during the Summer break. The top floor of Mansion boarding is now being turned into much needed classroom space with new facilities.

A major ICT upgrade is planned with a completely re furnished and stocked IT Suite in Senior School. The rolling program of all new hardware continues with the purchase of new lap tops, Notebooks, and iPads across the whole school. We are planning to invest another circa £50,000 in the coming year on IT improvements. We are also improving the WiFi connectivity around the site and a new lease line will be operational to manage 1gb/1gb by end of the Autumn term which should revolutionize the speed and usability on site

The Bursar, Estates manager, and the expanding 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 Walled Garden, Mansion, Park and Clock House.

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 all of the charity's unrestricted funds are represented by freehold property (held for charity use) and are therefore not readily realisable. The charity has no unrestricted free reserves, but nevertheless with a further year of six figure surplus being generated, 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 continues to generate healthy cash surpluses. 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.

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Year Ended 31 July 2019

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 period. In preparing these financial statements, the Trustees are required to:

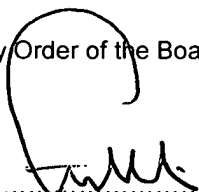
- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed 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.

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 4 December 2019


.....
S J Killick
Chairman of Governors

Stover School Association

Independent Auditors' Report to the Members of Stover School Association

Year Ended 31 July 2019

Opinion

We have audited the financial statements of Stover School Association (the 'Charity') and its subsidiary (the 'Group') for the year ended 31 July 2019, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheet, Consolidated Cash Flow Statement 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 affairs of the Group and the Charity as at 31 July 2019, 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
- 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

The Trustees are responsible for the other information.

Stover School Association

Independent Auditors' Report to the Members of Stover School Association

Year Ended 31 July 2019

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 (incorporating the Strategic Report and the Trustees' Report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charity 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 parent charity 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 page 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's and the parent charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Stover School Association

Independent Auditors' Report to the Members of Stover School Association

Year Ended 31 July 2019

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.

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 charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Francis Clark

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

18 December 2019

Stover School Association

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

Year Ended 31 July 2019

	Notes	General Fund £	Restricted Fund £	2019 Total £	General Fund £	Restricted Fund £	2018 Total £
Income							
Charitable Activities							
School fees receivable	2	4,518,266	-	4,518,266	4,059,444	-	4,059,444
Ancillary trading income	3	656,323	-	656,323	588,756	-	588,756
Other trading activities							
Commercial trading operations	4	122,449	-	122,449	156,102	-	156,102
Other income		37,880	-	37,880	46,128	-	46,128
Donations		-	-	-	1,277	10,335	11,612
Total income		5,334,918	-	5,334,918	4,851,707	10,335	4,862,042
Expenditure							
Charitable Activities							
School operating costs	5	5,086,887	10,800	5,097,687	4,666,081	-	4,666,081
Costs of generating funds							
Commercial trading operations	5	59,520	-	59,520	85,801	-	85,801
Total expenditure	5	5,146,407	10,800	5,157,207	4,751,882	-	4,751,882
Net income / (expenditure) before transfers		188,511	(10,800)	177,711	99,825	10,335	110,160
Transfers between funds		-	-	-	-	-	-
Net income / (expenditure) and movement in funds for the year		188,511	(10,800)	177,711	99,825	10,335	110,160
Balance brought forward at 1 August 2018		769,820	10,800	780,620	669,995	465	670,460
Balance carried forward at 31 July 2019		958,331	-	958,331	769,820	10,800	780,620

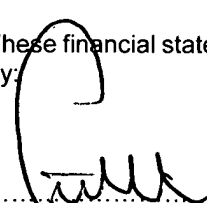
Stover School Association

Consolidated Balance Sheet

31 July 2019

	Notes	2019 £	2018 £
Fixed assets			
Intangible assets	8	1,569	6,986
Tangible assets	9	2,367,665	2,221,433
		<u>2,369,234</u>	<u>2,228,419</u>
Current assets			
Stocks		41,095	32,764
Debtors	11	261,536	500,066
Cash at bank and in hand		78,776	125,028
		<u>381,407</u>	<u>657,858</u>
Current liabilities			
Amounts falling due within one year	12	(865,303)	(1,201,712)
Net current liabilities		<u>(483,896)</u>	<u>(543,854)</u>
Total assets less current liabilities		<u>1,885,338</u>	<u>1,684,565</u>
Long term liabilities			
Amounts falling due after one year	12	(927,007)	(903,945)
Net assets		<u>958,331</u>	<u>780,620</u>
Restricted funds	13/14	-	10,800
Unrestricted general fund	13/14	<u>958,331</u>	<u>769,820</u>
Total funds		<u>958,331</u>	<u>780,620</u>

These financial statements were approved by the Governors on 4 December 2019 and signed on their behalf by:


 S J Killick
 Chairman of Governors

Company No. 565995

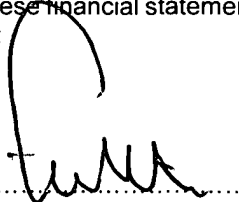
Stover School Association

Company Balance Sheet

31 July 2019

		2019 £	2018 £
	Notes		
Fixed assets			
Intangible assets	8	1,569	6,986
Tangible assets	9	2,367,665	2,221,433
Investments	10	2	2
		<u>2,369,236</u>	<u>2,228,421</u>
Current assets			
Stocks		4,181	4,963
Debtors	11	322,102	607,622
Cash at bank and in hand		45,984	29,363
		<u>372,267</u>	<u>641,948</u>
Current liabilities			
Amounts falling due within one year	12	(856,165)	(1,185,804)
Net current liabilities		<u>(483,898)</u>	<u>(543,856)</u>
Total assets less current liabilities		1,885,338	1,684,565
Long term liabilities			
Amounts falling due after one year	12	(927,007)	(903,945)
Net assets		<u><u>958,331</u></u>	<u><u>780,620</u></u>
Restricted funds	13/14	-	10,800
Unrestricted general fund	13/14	<u>958,331</u>	<u>769,820</u>
Total funds		<u><u>958,331</u></u>	<u><u>780,620</u></u>

These financial statements were approved by the Governors on 4 December 2019 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 2019

	Notes	2019 £	2018 £
Net cash inflow from operations	(i)	658,815	325,429
Returns on investments and Servicing of finance			
Finance costs paid		(36,282)	(44,546)
Capital expenditure and financial Investment			
Payments for tangible fixed assets		(348,545)	(138,577)
Proceeds from sale of fixed assets		4,000	101,749
Net cash outflow from capital expenditure		<u>(344,545)</u>	<u>(36,828)</u>
Financing			
Repayment of bank borrowing		(68,626)	(497,560)
New bank loan advanced		-	900,000
Repayment of other borrowing		-	(70,963)
Payment to finance lease creditors		(14,136)	(11,286)
New finance lease agreements		60,350	6,500
Net cash inflow/(outflow) from financing		<u>(22,412)</u>	<u>326,691</u>
Increase/(decrease) in cash in the year		<u><u>255,576</u></u>	<u><u>570,746</u></u>
Reconciliation of net cash flow to movement in net funds			
Increase in cash	(ii)	<u>255,576</u>	<u>570,746</u>
Change in net funds		255,576	570,746
Net funds at 1 August 2018		<u>(198,168)</u>	<u>(768,914)</u>
Net funds at 31 July 2019		<u><u>57,408</u></u>	<u><u>(198,168)</u></u>

Stover School Association

Consolidated Cash Flow Statement

Year ended 31 July 2019

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

	2019 £	2018 £
Net income for the year	177,711	110,160
Elimination of non-operating cashflows:		
Financing costs	36,282	44,546
Amortisation charge	5,417	8,381
Loss on disposal of fixed assets	(4,000)	8,584
Depreciation charge	202,313	180,214
(Increase) / decrease in stock	(8,331)	11,581
Decrease / (increase) in debtors	238,530	(291,337)
(Decrease) / Increase in creditors	(50,572)	269,879
Increase / (decrease) in deposits	61,465	(16,579)
Corporation tax paid	-	-
Net cash inflow from operations	658,815	325,429

(ii) Analysis of changes in net funds

	At 1 August 2018 £	Cash flows £	At 31 July 2019 £
Cash at bank and in hand	125,028	(46,252)	78,776
Bank overdraft	(323,196)	301,828	(21,368)
	<u>(198,168)</u>	<u>255,576</u>	<u>57,408</u>

Stover School Association

Notes and Accounting Policies

Year Ended 31 July 2019

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 2015) – (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.

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 as 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 2019

1 Accounting Policies (*continued*)

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 2019

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 2019

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, estimated 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 as 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 2019

2 Charitable activities - School fees

	2019 £	2018 £
Gross school fees receivable	5,490,752	5,041,983
Less:		
Scholarships	(177,249)	(212,643)
Bursaries	(341,448)	(363,082)
Other discounts and awards	(453,789)	(406,814)
	<u>4,518,266</u>	<u>4,059,444</u>

3 Charitable activities – Ancillary trading income

	2019 £	2018 £
Catering and transport	406,210	381,245
School trips and other re-chargeables	226,173	182,508
Entrance and registration fees	13,317	13,894
Other income	10,623	11,109
	<u>656,323</u>	<u>588,756</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	
	2019 £	2018 £	2019 £	2018 £
Turnover and fee income	122,449	156,102	4,815,794	4,349,705
Cost of sales: Subsidiary	(51,013)	(68,372)		
Gross profit: Subsidiary	71,436	87,730		
Administration: Subsidiary	(20,752)	(33,040)		
Other income	34	-		
Income for the year	50,718	54,690	5,287,643	4,721,551
Deed of Covenant	(50,718)	(54,690)	50,718	54,690
Gross incoming resources	-	-	5,338,361	4,776,241
Costs of charitable activities	-	-	(5,097,687)	(4,666,081)
Retained income	-	-	240,674	110,160

Stover School Association

Notes and Accounting Policies

Year Ended 31 July 2019

5 Analysis of Expenditure

	Staff costs £	Other costs £	Depreciation £	Total 2019 £	Total 2018 £
Charitable activities-					
Salary & Staff Costs	3,238,872	-	-	3,238,872	2,968,568
Teaching	-	439,572	-	439,572	399,494
Catering	-	203,478	-	203,478	198,754
Estates/Grounds	-	396,479	188,139	584,618	525,002
Governance	-	76,318	-	76,318	78,763
Support costs of schooling	-	535,238	19,591	554,829	495,500
Charity	3,238,872	1,651,085	207,730	5,097,687	4,666,081
Cost of generating funds:					
Trading costs of the subsidiary	3,385	56,135	-	59,520	85,802
Total Resources Expended Group	3,242,257	1,707,220	207,730	5,157,207	4,751,883

6 Expenditure – Other Disclosures

	2019 £	2018 £
Auditors' remuneration:		
Audit fees	12,500	12,000
Accounting and other compliance services	8,910	11,753
Payroll services	8,514	6,167
Depreciation of intangible fixed assets (note 8)	5,417	8,381
Depreciation of tangible fixed assets (note 9)	202,313	180,215
Bank and other loan interest payable	36,282	70,032

During the year £1,226 was paid to five Governors (2018: £792 to three Governors); 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 2019

7 Staff Costs

	2019 £	2018 £
Wages and salaries	2,700,175	2,469,577
Social security costs	235,227	218,140
Other pension costs	303,470	280,851
	<u>3,238,872</u>	<u>2,968,568</u>
Average number of employees	125	128
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>
	2019 £	2018 £
Aggregate employee remuneration of key management personnel	<u>359,820</u>	<u>354,444</u>

8 Fixed Assets - Intangible

	Software £	Charity Total £	Subsidiary Total £	Group Total £
Cost				
At 1 August 2018	33,404	33,404	-	33,404
At 31 July 2019	<u>33,404</u>	<u>33,404</u>	<u>-</u>	<u>33,404</u>
Depreciation				
At 1 August 2018	26,418	26,418	-	26,418
Charge for year	5,417	5,417	-	5,417
At 31 July 2019	<u>31,835</u>	<u>31,835</u>	<u>-</u>	<u>31,835</u>
Net book amounts				
At 31 July 2018	6,986	6,986	-	6,986
At 31 July 2019	<u>1,569</u>	<u>1,569</u>	<u>-</u>	<u>1,569</u>

Stover School Association

Notes and Accounting Policies

Year Ended 31 July 2019

9 Fixed Assets - Tangible

	Freehold properties £	Fixtures & fittings £	Computer equipm't £	Motor vehicles £	Charity Total £	Subsidiary Fixtures & fittings £	Group Total £
Cost							
At 1 August 2018	3,412,417	2,241,122	317,591	150,845	6,121,975	1,492	6,123,467
Additions	7,866	269,432	19,433	51,814	348,545	-	348,545
Disposals	-	-	(86,440)	(46,292)	(132,732)	-	(132,732)
Transfers	-	20,350	-	(20,350)	-	-	-
At 31 July 2019	3,420,283	2,530,904	250,584	136,017	6,337,788	1,492	6,339,280
Depreciation							
At 1 August 2018	1,786,844	1,672,347	307,181	134,170	3,900,542	1,492	3,902,034
Charge for year	51,354	124,510	9,824	16,625	202,313	-	202,313
Eliminated on disposals	-	-	(86,440)	(46,292)	(132,732)	-	(132,732)
Transfers	-	12,275	-	(12,275)	-	-	-
At 31 July 2019	1,838,198	1,809,132	230,565	92,228	3,970,123	1,492	3,971,615
Net book amounts							
At 31 July 2018	1,625,573	568,775	10,410	16,675	2,221,433	-	2,221,433
At 31 July 2019	1,582,085	721,772	20,019	43,789	2,367,665	-	2,367,665

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 £2,367,665 is £72,899 (2018: £22,949) 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 £36,688 (2018: £15,635).

10 Fixed Assets - Investments

Company

Unlisted subsidiary undertaking at cost.
As at 1 August 2018 and 31 July 2019

£
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 2019

11 Debtors

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Fees receivable	183,979	245,852	183,979	245,852
Trade debtors	11,370	14,484	10,220	4,087
Amounts owed by subsidiary undertaking:				
Deed of covenant payment	-	-	19,236	54,690
Other amounts owed	-	-	62,963	67,582
Prepayments and accrued income	66,187	239,730	45,704	235,411
	<u>261,536</u>	<u>500,066</u>	<u>322,102</u>	<u>607,622</u>

12 Creditors: payable within one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Loans and bank overdraft	34,777	391,822	34,777	391,822
Finance leases and hire purchase agreements	16,862	7,119	16,862	7,119
Trade creditors	118,436	227,793	111,098	216,880
Fees received in advance	77,625	37,952	77,625	37,952
Refundable deposits	230,897	169,432	230,897	169,432
PAYE and social security	57,827	57,649	57,827	57,649
Accruals and deferred income	328,879	309,945	327,079	304,950
	<u>865,303</u>	<u>1,201,712</u>	<u>856,165</u>	<u>1,185,804</u>

Creditors: payable after one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loan	886,591	900,000	886,591	900,000
Finance leases and hire purchase agreements	40,416	3,945	40,416	3,945
	<u>927,007</u>	<u>903,945</u>	<u>927,007</u>	<u>903,945</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 2019

13 Funds

General Fund (Unrestricted)

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

Phyllis Dence Fund (Restricted)

This represents a gift to the School to fund an annual concert and the purchase of musical instruments.

Drama Centre (Restricted)

This represents donations received for this specific project.

Tennis Cover – Friends of Stover Income (Restricted)

This represents gift to the school by the Friends of Stover to purchase the Tennis Cover.

Analysis in movements in funds

	Balance 1 August 2018 £	Income £	Expenditure £	Transfers In/(out) £	Funds 31 July 2019 £
Unrestricted funds					
General funds	769,820	5,334,918	(5,146,407)	-	958,331
Restricted Funds					
Phyllis Dence Fund	465	-	(465)	-	-
Drama Centre	10,335	-	(10,335)	-	-
	10,800	-	(10,800)	-	-
Total funds	780,620	5,334,918	(5,157,207)	-	958,331

13 Funds (continued)

Analysis in movements in funds – previous year

	Balance 1 August 2017 £	Income £	Expenditure £	Transfers In/(out) £	Funds 31 July 2018 £
Unrestricted funds					
General funds	669,995	4,851,707	(4,751,882)	-	769,820
Restricted Funds					
Phyllis Dence Fund	465	-	-	-	465
Drama Centre	-	10,335	-	-	10,335
	465	10,335	-	-	10,800
Total funds	670,460	4,862,042	(4,751,882)	-	780,620

14 Allocation of Net Assets

	Restricted Funds 2019 £	Unrestricted Funds 2019 £	Total Funds 2019 £	Restricted Fund 2018 £	Unrestricted Funds 2018 £	Total Funds 2018 £
Fixed Assets	-	2,369,234	2,369,234	-	2,228,419	2,228,419
Cash at bank	-	78,776	78,776	10,800	111,142	121,942
Other net current liabilities	-	(562,672)	(562,672)	-	(660,470)	(660,470)
Creditors due after one year	-	(927,007)	(927,007)	-	(909,271)	(909,271)
Total	-	958,331	958,331	10,800	769,820	780,620

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.

16 Financial Commitments

Operating leases

At 31 July 2019, the company and group had total future minimum lease payments as follows:

	2019 £	2018 £
Within one year	25,548	12,551
Within two to five years	44,579	44,133
	<u>70,128</u>	<u>56,684</u>

17 Related Party Transactions

- (a) During the financial year the School received a donation under a Deed of Covenant of £50,718 (2018: £54,690) 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

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 £282,383 (2018: £262,336) and at the year-end £37,423 (2018 - £43,792) was accrued in respect of contributions to this scheme.

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

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.

18 Pension Schemes (continued)

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment 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 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 this 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.

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 a remedy to the discrimination conclusion has been determined by the Employment Tribunal 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.

(b) Non-teaching staff

The employer's contributions to the non-teaching staff defined contribution scheme during the year was £21,087 (2018: £18,515). At 31 July 2019 £3,612 (2018: £2,744) was accrued in respect of contributions to this scheme.