

POOLE GRAMMAR SCHOOL
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Period ended 31 August 2021

Company Registration Number:
07666111 (England and Wales)

POOLE GRAMMAR SCHOOL

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Reference and Administrative Details

Governors – 2020/2021

Position	Governor	Type	Subcommittee
Chair	K J Power	Academy	Staffing (Chair), Ex officio Education, Finance, Premises
Vice Chair	N Bichard	Academy	Premises (Chair), Discipline
	A Steel	Academy	Finance (Chair), Staffing, Admissions
	E Thompson	Academy	Education (Chair)
	A Falck	Academy	Admissions (Chair), Finance, Staffing, Discipline
	S Bowden	Academy	Education, Admissions
	F French	Academy	Staffing
	D Newell	Academy	Education, Staffing
Headteacher, Accounting Officer	M Holmes-Evans	Academy (co-opted)	Education
	A J Smith	Principal	Admissions, Staffing, Ex officio Education, Finance, Premises
	A Thomas	Parent	Premises
	J Phillips	Parent	Premises
	R Knapper	Parent	Education
	S Morris	Parent	Finance, Premises
	S Fuller	Parent	Finance
	H Hall	Parent	Education
	J Rana	Parent	Finance
	N Chase (resigned 10 Dec 2020)	Staff Teaching	Premises
	R Smith (resigned 1 Sept 2021)	Staff Teaching	Finance
	S Powell (appointed 11 March 2021)	Staff Teaching	Education
	K Stevens (appointed 17 Nov 2021)	Staff Teaching	Finance
	S Fry	Staff Support	Premises

All Governors are Directors of the Company and Trustees of the Exempt Charity.

The Full Governing Body can comprise 22 Governors (8 Academy, up to 3 Co-opted Academy, the Principal, 7 Parent, and 3 Staff Governors).

Members

K J Power
N Bichard
A J Baker (appointed September 2020)
E Thompson
A Steel

Company Secretary

J R T Stiby

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Reference and Administrative Details

Senior Leadership Team – 2020/2021

Headteacher - 6 th Form	A J Smith
Deputy Headteacher - Academic	S R Jenkins
Deputy Headteacher - Pastoral	K Etheridge
Assistant Headteacher	N C Chase (from 1 January 2021)
Assistant Headteacher	E C Gibbs (from 1 January 2021)
Bursar & Governance Professional	J R T Stiby
Deputy Headteacher, Assessment, Reporting, Curriculum	D M London (until 31 December 2020)

Registered Office	Poole Grammar School Gravel Hill Poole Dorset BH17 9JU
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Company Registration Number	07666111
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Independent Auditor	Moore (South) LLP 33 The Clarendon Centre Salisbury Business Park Dairy Meadow Lane Salisbury Wiltshire SP1 2TJ
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Bankers	Lloyds PO Box 100 Andover BX1 1LT
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Internal Audit/Scrutiny	S Lock SLL Accounting Ltd 22 Devonshire Road Salisbury SP1 3NW
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Schedule 1 – 2020/2021 Governor Meeting Attendance

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Governors' Report

The Governors present their annual report with the financial statements and auditors' reports of the Academy Trust – known as Poole Grammar School – for the period 01 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The company was incorporated on 10 June 2011 and commenced operating as an academy school on 1 July 2011.

The Academy Trust operates an academy for pupils aged 11 to 18 serving a catchment area favouring the historic Poole borough and environs. It has a net capacity of 1,176 and a roll of 1,246 in the Autumn 2020 census.

Structure, Governance and Management

Constitution

The Academy Trust is an exempt charity and a company limited by guarantee. Its primary governing documents are the memorandum and articles of association which are contained in the funding agreement dated 1 July 2011.

The Governors act as trustees for the Academy Trust and are also directors of the company for the purposes of company law. The Academy Trust is known as Poole Grammar School.

Details of the Governors who served throughout the year are included in the reference and administrative details contained on page 1.

Members and Members' Liability

Details of the five Members are the Chair and Vice Chair of the Governors, an experienced ex-Headteacher, and key Governors from the Education (Chair) and Finance Committee (see reference and administration details on page 1-2). Each Member of the Academy Trust undertakes to contribute (not exceeding £10) to the Academy Trust's assets if it should be wound up while he or she is a member, or within one year after he or she ceases to be a Member, for the debts and liabilities contracted before they ceased to be a Member.

Governors' Indemnity

The Academy Trust has purchased Governors' liability insurance (£5M) and fidelity guarantee cover (£1M – Governors and employees). The Governors' liability insurance was at a cost of £220 in 2020/2021 (£253 in 2019/2020).

Method of Recruitment and Election of Governors

Academy class of Governors were originally local authority appointed prior to academy conversion. The Governing Body ratifies further four year appointments if Governors are willing to continue if their four year term has expired. The Governing Body ratifies the co-opted class of Governor and these are usually from the Parent Governor class.

Elections are held for the Parent and Staff (Teaching and Non-Teaching) class of Governors if there is competition to fill any vacancies. Notices are given in the school publications to advertise for any Governor vacancies in these classes.

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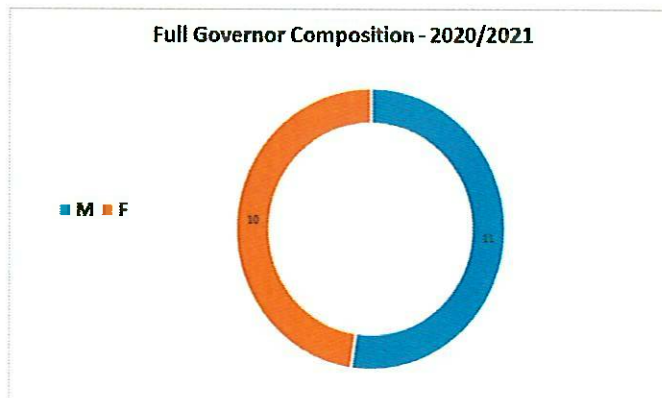
Governors' Report

Governing Body Composition

The Full Governing Body can comprise 22 Governors (8 Academy, up to 3 Co-opted Academy, the Principal, 7 Parent, and 3 Staff Governors) – see page 1 and 2. All Governors are subject to an enhanced DBS check. Parent Governors are elected by the parents of current pupils of the Academy Trust. Staff Governors are elected by the staff currently employed by the Academy Trust.

With regard to the appointment of Academy or Co-opted Academy Governors, the Full Governing Body gives consideration to the skills mix of the Governors to ensure that the body has the necessary expertise and experience to contribute to the academy's development.

Governors are committed to promoting equality and diversity and have undertaken both an equality and diversity questionnaire and skills matrix exercise to assess strengths and areas for development in outlook and capability.



Of the 21 Governors/Members in position in 2020/2021, 10 are female (48%) and 11 male (52%).

Induction and Training of Governors

All new Governors participate in an induction programme and are issued with a copy of the Governors induction pack. The Headteacher and the Governance Professional undertake induction training for new Governors. Mentoring from existing Governors is also available for new Governors.

Governor training in the year was available through the Sigma Teaching School Alliance and Governors are encouraged to attend relevant sessions.

The Governance Professional retains a record of training undertaken by Governors.

Organisation Structure

The Full Governing Body meets 4 times per academic year (October, December, March and July in 2020/2021).

The Annual General Meeting was held on 10 December 2020 and is scheduled to continue to follow the December Full Governing Body meeting in future years.

Finance and Education sub-committees meet at least 4 times per year to review, evaluate and monitor the activities covered by their terms of reference. In addition, the Admissions sub-committee usually meets once per year, Staffing sub-committee usually twice per year, and Premises three times per year. The Disciplinary sub-committee meets as and when required for pupil or employee issues. Quorum is 3 or more Governors in any of the sub-committees.

The Finance Committee receives financial reports for each period of the year. In addition to meeting 4 times a year to review all aspects of financial operations including Internal Scrutiny reports from SLL Accounting Ltd, a separate budget preparation briefing meeting is held for Finance Governors. Financial performance and issues are raised at every Full Governors meeting.

Schedule 1 confirms the 2020/2021 Governor meetings and the attendance of each Governor and Member.

The schedule of delegation is reviewed each year and sets out the financial delegations and responsibilities of the Governors and the school's management teams. In addition, individual Governors have links to the academic departments and other key school functions. These links are reviewed on an annual basis.

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Governors' Report

Subject to attendance, Governor days have been held with a variety of activities for Governors to observe and participate in (lessons, meetings with students, staff, work scrutiny, and extra-curriculum clubs).

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Staffing Governors' committee meets annually to review the performance management process for all staff and will consider pay recommendations made by the Headteacher. The Governors follow national guidance on teacher performance management and nationally agreed cost of living pay awards for all staff. Pay scales follow national agreed structures.

The Headteacher's performance management is reviewed annually by the Chair of Governors with support from the Strategic Improvement Partner and selected Governors.

Trade Union Facility Time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in schedule 2 of the Regulations.

Relevant union Officials

Number of employees who were relevant union officials	Full time equivalent employee number
4	3.7

Percentage of time spent on facility time

Percentage of Time	Number of Employees
0%	0
1% - 50%	4
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£3,385
Total pay bill	£5.8 million
% of total pay bill spent on facility time	0.1%

Paid trade union activities

Time spent on paid union activities as a percentage of total paid facility time hours	40.63%
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Related Parties and Other Connected Charities and Organisations

The Academy Trust is a beneficiary of the Poole Grammar School Trust fund (registered charity 306310). The Academy Trust provides support and administration as required to the charity.

The School Trust fund is split into several funds:

Amenities Fund – All donations are paid direct to the academy.

Old Grammarians Fund - Old Boys who wish to make a payment under the gift aid scheme do so directly to the School Trust fund. Old Grammarians who give in this way are exempt from paying their subscription to the Old Grammarians Association. These funds are primarily used to pay for the cost of the school magazine.

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Parents Staff Association - They raise funds for the school and make donations to the school for equipment and projects as proposed by the school.

Murray Peters Fund (gift and legacy) - Taking note of the wishes of the donor, the Trustees have kept this gift separate from the Trust so that the income is used specifically to support and encourage educational travel and/or of adventurous physical activity which have a clear educational benefit.

Harold Stickley Fund (legacy) - Taking note of the wishes of the donor, the Trustees have kept this legacy separate from the other funds of the Trust so that it may be used specifically to support and encourage Oxbridge pupils.

Capital Fund - This fund is used as a holding account for monies received prior to the Trustees resolving how these funds are to be dealt with so as to accord with the wishes of the donor as far as possible within the terms of the Trust Deed.

The Academy Trust is an ordinary member of the South West Academic Trust (SWAT), which consists currently of eleven selective schools in the South West of England, plus the University of Exeter. SWAT seeks to advance the education of pupils of any member school through partnership and collaboration. Academy Trust staff have been involved in a wide range of meetings and training events during the period under review (see also note 27). Unfortunately, due to COVID-19 and school closures, the 2020/2021 SWAT programme has been constrained.

The Academy has been a member of the Wessex Teacher Training Partnership since 2006 and trains a number of graduate entrants to the teaching profession each year.

The school seconds some specialist staff into the Maths in Education and Industry organisation.

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Governors' Report

Objectives and Activities

Objects - Academy Trust – Poole Grammar School

The Academy Trust's objects are contained in the articles of association in the funding agreement. The principal objects are:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy");
- to promote for the benefit of the inhabitants of the historic Borough and county town of Poole and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Objects - Trading Subsidiary – Poole Grammar School Enterprises Limited

Following Full Governor approval on 10 July 2014, Poole Grammar School Enterprises Limited was set up ready to trade on 1 September 2014. Its object is "to carry out any trade or business for the purposes of raising funds for the Academy Trust".

Its initial purpose is to support the external catering activities whereby Poole Grammar serves hot meals to local schools. The surplus generated is donated across to the Academy Trust at the close of the financial year.

Governance of the Trading Subsidiary includes 2 Governors, the Headteacher, the Bursar, the Finance & HR Manager and the Catering Manager. The 2020/2021 results from the Trading Subsidiary are consolidated in the Academy financial statements.

Aims of Poole Grammar School

The aims of Poole Grammar School were reviewed in 2016 and condensed into the following single aim that is applicable for the whole school community:

- to promote and pursue excellence in a stimulating and creative environment, where all are committed to lifelong learning.

Objectives, Strategies and Activities

The school models income and expenditure for the medium term. The aim is to ensure that expenditure matches income in each of the forward years.

However, there are increasing expenditure pressures associated with:

- supply costs for staff still impacted by COVID-19;
- increasing utility, food and fuel prices;
- increasing NI employer contributions in 2022;
- support staff national pay awards from April 2021;
- increasing construction and labour prices for capital projects; and
- expected pressures on funding with 2022 Teachers national pay awards after the 2021 "pause".

None of these are funded adequately enough by the Government.

To support strategic direction, the School Development Plan is prepared each year. It provides a framework of activity for the academic year at school wide and department/function level. Staff objectives are linked to

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Governors' Report

development plans. The final plan is taken to the first Full Governors meeting of the year after wide consultation and refinement.

School Development Plan 2020/2021

There were 5 main themes to the School Development Plan which are summarised below:

1	Curriculum Development	Ensuring curriculum is demonstrably ambitious, broad, balanced and coherently planned ensuring students have their cultural capital enriched.
2	Teaching and Learning	Improving aspects of teaching and learning as set out in the school's "teaching and learning strategy".
3	Wellbeing and Inclusion	Development of a collaborative and communicative wellbeing structure for the school.
4	Student Culture and Behaviour	Improving student culture in order to improve behaviour and so outcomes for students.
5	Digital and Blended Learning (D&BL) Strategy	To devise and implement an effective D&BL strategy in case of partial, or full closure due to the ongoing COVID-19 crisis

Public Benefit

The Governors have given consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

The Academy Trust clearly states these public benefit credentials in its objects (see page 8). It provides education to children and young people that:

- is balanced and broadly based;
- promotes the spiritual, moral, cultural, mental and physical development of students at the school and of society;
- prepares students at the school for the opportunities, responsibilities and experiences of later life;
- promotes, sustains and increases individual and collective knowledge and understanding of specific areas of study, skills and expertise.

The admissions policy of Poole Grammar School aims to reflect the underlying ethos of the school which is to provide a selective education for boys from the historic Borough of Poole and its environs.

Strategic Report

Achievements, Performance and National Recognition

The school has achieved and performed exceptionally in a wide range of areas inside and outside of the classroom. The core business of achieving excellent results at GCSE, A level and University entrance for those pupils leaving the school has been complemented with pupil performances in diverse areas ranging across the spectrum of the arts, music and sport.

Additionally the achievements and performance in developing students into fully committed members contributing to society is somewhat more intangible but in many ways more important. This area is one that the whole school community works together in addition to the first rate exam results.

Exam results and achievements are listed below. Year on year comparisons have been affected by national curriculum reform and the use of both Teacher Assessed Grades (TAGs) and Centre Assessed Grades (CAGs) by schools due to the COVID-19 pandemic in 2021 and 2020 respectively. The achievement highlights are

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indicative of the tremendous range of activities and success that take place across the school and enrich the life of the school.

Exam results

A level summary	TAGs CAGs							
	2021	2020	2019	2018	2017	2016	2015	2014
Total number of entries	510	465	470	466	419	438	542	459
% Pass rate	100	100	99.79	98.93	98.09	97.7	98.8	99.1
% A*/A/B grades	82.1	79.78	72.34	70.13	60.53	59.21	67.3	67
A level only A*/A/B	82.05	79	71.49	69.57				
% A* grades	31.5	25.81	13.8	15.1	8.61	6.9	10.3	15
Oxbridge success	8	5	4	4	2	3	3	6
% UCAS success	92	96	93	93	88	86	93	93
ALPS T Score (1 highest)	1	2	3	4	5	4	2	4

GCSE level Summary	TAGs CAGs							
	2021	2020	2019	2018	2017	2016	2015	2014
Total number of entries	1,775	1,808	1,780	1,844	1,914	1,899	2,035	1,900
%A*/A/7/8/9 grades	73.4	70.2	62.5	55.95	57.5	57.5	41.3	47
% of pupils gaining 10+A*/A/7/8/9	35.8	33.0	20.5	24.02	28.5	29.4	8.8	18
%A*-C/9-5 - strong pass	98.2	99.03	93.38	92.2%				
%A*-C/9-4 - pass	99.8	99.98	97.5	97.19				
% pupils gaining the EBacc	67	67	78	68.71	70.35	73.5	63.5	61
Attainment 8	75.5	74.9	72.7	69.54	69.23	68.74		
Progress 8	N/A	0.35	0.57	0.45	0.42	0.33	0.17	0.22

Achievement highlights include:

- outstanding A level and GCSE results based on Teacher Assessment Grades (TAGs) for 2021;
- university entrance - 92% of university applicants successful with their first or second choice (including clearing);
- Year 12 and 13 student successes in the Arkwright scholarship scheme;
- Year 8 cricketers made it to the County Cup final;
- 24 hour drumathon organised and performed by students and staff held in 21/22 July 2021 which raised over £3,300 for the Poole Hospital NHS charity.

Review of Activities

a) Teaching and Learning

- 2020/2021 refinement and relaunch of D&BL strategy and arrangements to support school operations during pandemic constraints and lockdown periods;

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- Staff training on Zoom, Loom and use of Moodle to support the D&BL strategy;
- comprehensive, rigorous and robust A level and GCSE TAGs arrangements set up following the cancellation of the 2021 national exams. Comprehensive QA of this process by the school. The rigor of these arrangements evidenced by low numbers of appeals (16) and from these only 1 grade amendment;
- Ofsted interim visit (26 November 2020) reviewed curriculum, attendance, behaviour, safeguarding and well-being during the pandemic;
- pioneering work with Public Health England/Porton Down from October 2020 over mass testing of staff and students using PCR and LFD. Poole Grammar was 1 of 4 schools nationally supporting this trial before national roll-out of testing kits to schools. National media coverage of the school on GMTV in 2021;
- for second year running, Jurassic Maths Hub run as part of a national scheme funded by DfE. This led to 4 training sessions for run by our Maths teaching staff for BCP schools.

b) Staffing and Governance

- Teaching and learning, and service adjustments to support year group bubbles for 2020/2021. Staff well-being survey undertaken in 2021. All designed to protect the health and safety and well-being of the school community;
- comprehensive inward and outward communications during 2020/2021 to inform the school community of COVID-19 arrangements, and respond and adjust where appropriate;
- increased use of supply to cover staff long term absences. Successful recruitment actions;
- staff training to support regular standalone COVID-19 testing and test and trace;
- comprehensive restructuring of the SLT roles and responsibilities in 2020/2021 following Donna London's departure to take up Headship of Shaftsbury School;
- significant adjustments to staffing organisation and governance arrangements during the pandemic including use of Zoom to interview candidates for staffing vacancies, internal and external meetings;
- successful migration to a new payroll provider in September 2020 following the withdrawal of BCP service to academies;
- review of Governor skills launched in 2021.

c) Buildings and Grounds

- Complete refresh of COVID-19 risk assessments for school full reopening for September 2020 and revision of arrangements as Government guidance changed;
- infrastructure and accommodation changes, school re-organisation, and service adjustments to support year group bubbles for 2020/2021. All to protect the health and safety and well-being of the school community;
- confirmation that our latest Sports Hall CIF bid submitted in early January 2021 was approved in principle late June 2021;
- creation of 6th Form office space;
- installation of perspex screening in numerous school settings to protect staff;
- comprehensive signage and access changes to support social distancing and year group bubbles throughout the school;
- sanitiser stations installed at all entrances and most teaching spaces;

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- re-purposing works to create the Study Centre, Futures Hub, N4, Maths offices, and first floor corridor works and LED lighting. Clearance of G4 and numerous office moves during the 2021 Summer holidays. Astroturf refreshed in February 2021;
- negotiation of favourable gas and electricity contracts for 2020/2021. These were a direct result and benefit of being involved with the Dorset Business Managers Forum.

d) Funding

- Development of outside funding streams e.g. trading subsidiary. Scope for lettings income has deteriorated due impact of COVID-19, aging facilities and inadequate funds to maintain these. Catering revenue severely impacted by the school lockdowns during 2020/2021;
- hot meal agreements continued with Hillbourne, and St Mary's. The latter extended their requirements for the full year;
- although trading subsidiary income was reduced by national school lockdowns, daily catering services continued throughout to support children of key workers etc at Hillbourne, St Mary's and Poole Grammar;
- complex negotiations with school trip providers and insurance organisations over cancelled or deferred trips due to COVID-19 risks (Rome, ski trips x 2, Costa Rica, Iceland, music trip). Re-imbursement exercises for parents where appropriate;
- welcome 2020/2021 pandemic funding support with national "catch up" funding and testing funding;
- 16-19 bursary national clawback exercise, TSST clawback at the close of the programme;
- continued sharing of best practice and advice between SWAT Business and Finance Managers, and the Dorset Business Managers Forum;
- new to you uniform sales and virtual fund-raising events (quiz, balloon race etc) managed by the PSA during the pandemic;
- Sports Hall funding generously supported by the PSA and school community;
- successfully applied to charities to fund accessibility requirements that are not properly funded through the EHCP route.

e) Curriculum

- developing the school curriculum as appropriate to the Poole Grammar community and to meet new Ofsted framework;
- curriculum pandemic constraints during 2020/2021 impacting some practical elements of subjects;
- new PSHE curriculum underway. Full compliance with SRE requirements;
- curriculum day trips re-introduced in the Summer term under COVID-19 constraints (Sandbanks and Corfe Castle).

f) Pastoral/pupil provision

- Due to the pandemic, enhanced SEN and pastoral support for SEN and vulnerable students;
- Continued development of SEN and pastoral teams to provide appropriate support to all students;
- "Round Britain Race" organised to promote well-being across the school community;
- whole school safeguarding training;
- accessibility investment to support student joining in September 2021.

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g) Expanding ICT provision

- Investment in WiFi across the school site to support student access to appropriate school systems;
- bidding for nationally provided laptops and IT support at every opportunity to support our students;
- IT infrastructure investment (hardware and software) to support the D&BL strategy and pandemic driven constraints, including communications with parents using the SIMs Parent App, virtual open evenings, virtual parent evenings, investment in Zoom (curriculum lessons) and Microsoft Teams (music tuition);
- to counter the increasing risk to schools, cyber-security training for all staff;
- IT investment to support remote working during the pandemic.

h) Inspection and Accountability

- GDPR and safeguarding training for new employees;
- comprehensive internal scrutiny review by SLL Accounting Ltd during 2020/2021;
- health & safety audit report (July 2021) undertaken by Dorset County Council with recommendations being worked through during 2021/2022;
- the school provides leadership in a number of BCP initiatives – In Year Fair Access Panel, BCP Learning Partnership, Transition Working Group, Schools Forum.

Key Financial Performance Indicators

Staffing Costs as a % of Total Expenditure (excluding capital and FRS 102 Pension)

	2020/21	2019/20	2018/19	2017/18	2016/17
Total Staff Costs	5,942,568	5,624,111	5,355,623	£5,175,905	£5,028,620
Total Expenditure	7,034,005	6,761,216	6,874,878	£6,564,938	£6,314,831
Total Staff Costs as a % of Expenditure	84.5%	83.2%	77.9%	78.8%	79.6%

Split of Staff Costs (%)

%	2020/21	2019/20	2018/19
Teaching Staff	67.72%	68.23%	65.87%
Admin & Support	23.67%	23.22%	24.33%
Management	8.60%	8.55%	9.80%

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

The detailed accounts are contained on pages 32 to 36 and include the following statements:

- Consolidated Statement of Financial Activities (SoFA) including Income and Expenditure Account and Statement of Total Recognised Gains and Losses;

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Governors' Report

- Consolidated Balance Sheet;
- Academy Balance Sheet
- Statement of Cash Flow Statement.

Notes to the Financial Statements are contained from pages 37 to 59.

The highlights for the year ended 31 August 2021 are (excluding Pension and Fixed Assets Funds):

2020/2021	£	£	£
	Unrestricted General Fund	Restricted General Fund	Total General Funds
Incoming Resources	582,319	6,672,271	7,254,590
Resources Expended	(468,446)	(6,565,559)	(7,034,005)
Net Incoming/(outgoing) Resources	113,873	106,712	220,585
Transfers between Funds	-	(53,310)	(53,310)
Net Incoming/(outgoing) Resources	113,873	53,402	167,275
Brought Forward Funds	427,836	170,292	598,128
Carried Forward Funds	541,709	223,694	765,403

Commentary on 2020/2021 Results – 2020/2021 is the first year that Poole Grammar received the *minimum* national funding that has been introduced as part of a fairer funding formula for Secondary Schools across England. For over 7 years until 2020/2021, the school had been under-funded in per pupil terms.

Funding has fluctuated throughout the year in response to national COVID-19 pressures with catch up and testing funding supporting pandemic expenditure pressures, and nationwide Government clawback programmes for 16-19 Bursary and TSST funds that have eroded the financial position.

As with all schools, COVID-19 had a considerable impact on normal operations in the year. Internal and external catering income was significantly reduced. Savings were made in some areas (utilities, photocopying, fuel) to help negate COVID-19 related costs including PPE, enhanced cleaning, IT requirements for teaching and learning, and a myriad of other mitigation measures needed to keep the school community safe.

Overall, there is a consolidated surplus of £187K for 2020/2021 which includes £20K held in the fixed asset fund.

Reserves Policy

The Academy Trust aims to carry forward a prudent level of resources from the General Annual Grant, the General Non-GAG Restricted Fund and the General Unrestricted Fund to cover short, medium and long term policy needs. The Governors' policy focuses on adequate reserves held for years where funding levels and cost increases are predicted to adversely affect financial performance and stability.

Due to the recent history of chronic under-funding until 2020/2021, the Academy Trust has worked hard in the last decade to rebuild and protect a reserve largely due to the transfer of surpluses generated by the trading subsidiary, and careful decision making on staffing, curriculum demands and academy expenditure. The importance of financial scrutiny and control is upper most in the school and Governing Body's approach to the future.

The Academy Trust has a large pension scheme deficit. This deficit potentially could result in a cash flow effect in the form of changing employers' pension contributions over a period of years. This liability would not crystallise and is backed by the government.

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At the end of the year under review the balances held in these funds were as follows:

£	2020/2021	2019/2020	2018/2019	2017/2018	2016/2017	2015/2016
Restricted Funds	223,694	170,292	127,431	87,940	52,470	500
Unrestricted Fund	541,709	427,836	489,242	722,297	989,138	881,481
Pension Deficit	(4,641,000)	(4,062,000)	(2,918,000)	(2,260,000)	(2,425,000)	(2,309,000)
Fixed Asset Fund	11,550,121	11,799,142	12,114,168	12,399,836	12,515,276	12,693,892
Total Funds	7,674,524	8,335,270	9,812,841	10,950,073	11,131,884	11,266,873

The Finance Committee review on a regular basis the level of reserves held by the Academy Trust. A review in 2020/2021 has recommended that we hold at least £450K in reserves which gives us broadly a month of salary and pension costs cover. Academies are encouraged to support CIF bids with contributions towards critical capital projects. Our reserves will be called upon to support the sports hall project when we have full approval. We expect to obtain this in Spring 2022 once planning consent is obtained from the Local Authority. The Finance Committee are sighted on inflationary pressures on costs and projects that the school has to bear due to the impact of the pandemic and global supply chain constraints.

Investment Policy

The Academy regularly reviews the scope and level of funds in interest bearing accounts to protect fragile reserves and the likely calls on these by unfunded cost pressures facing the education sector.

Decisions and statements relating to this are regularly reviewed by the Finance Committee.

The Academy Trust has limited options in relation to investments as it is bound by ESFA rules. The Academy has chosen to put available cash reserves into an interest bearing savings bank account. This cash is available on 32 days' notice and can be withdrawn from this account without penalty.

Principal Risks and Uncertainties

COVID-19

The previous annual report outlined the principal risks and uncertainties that COVID-19 had on the school with the outbreak of the pandemic in February 2020. These risks, uncertainties, interruptions and changes to normal school operations continued throughout 2020/2021.

The following major issues had to be contended with during the year:

- full return of students in September 2020 in year group bubbles with timetable adjustments to reduce student movements between lessons;
- curriculum modifications at various stages to minimise risks in the practical and performing subjects;
- risk assessments undertaken for every member of staff and school activity. Adjustments made to support the safety and well-being of employees and students;
- increased use of supply teachers to cover staff sickness and absence;
- staggered lunch and breaks to mitigate transmission rates of COVID-19;
- prevention measures of social distancing, handwashing, enhanced cleaning, sanitiser stations, increased ventilation, mask wearing on school buses and communal areas of school premises, provision of appropriate PPE for staff;
- training and investment support to switch seamlessly back to Digital and Blended learning when national lockdowns in 2020/2021 dictated school closures for most students;
- extension of IT WiFi services to support flexible student learning;
- attendance performance measures regularly reviewed by Governors during the pandemic;
- catch up funding was made available from the Government on a termly basis;

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Governors' Report

- remaining open for the students of key workers and vulnerable students during these lockdown periods;
- reduced catering income both from within the school and from the schools we serve during the enforced lockdown periods;
- virtual meetings when required;
- move to virtual parents evenings, open evenings;
- cancellation of the 2021 national exams with all schools undertaking Teacher Assessed Grades (TAGs) for all Year 11 and Year 13 students. Assessment windows set up for students to support the TAGs process;
- cancellation and postponement of school trips due to COVID-19 with potentially significant financial risks;
- delays announcing the CIF bid outcomes;
- increased cyber-crime and cyber-attacks targeting schools.

Testing Trials and National Testing – In October 2020, 4 schools nationally including Poole Grammar were chosen to trial COVID-19 testing in staff and students. As a consequence, the majority of students and staff were tested on a regular basis from trained school staff from that date throughout the remainder of the academic year. This trial shaped the roll-out of national testing in schools introduced in the Spring of 2021. The school received testing funding for this.

Putting the pandemic issues to one side, Governors identified the following principal risks and uncertainties facing the Academy Trust, all of which are detailed fully in the Academies Risk Register which is reviewed annually.

Strategic and Reputational Risk:

The continuing success of the Academy Trust depends on maintaining the highest educational standards in order to continue to attract applicants in sufficient numbers. Governors are clearly focussed on monitoring and reviewing the achievement and success of students.

Governors continue to give due regard to other aspects of the school's activities where there could be a reputational risk, including safeguarding, health and safety, discipline, and the more prevalent risk of cyber-crime targeting schools.

Funding constraints have been a key risk in recent years. However, 2020/2021 represented the first year that Poole Grammar has received the minimum funding for students from the fairer funding model. This was far from a normal year with the impact of COVID on staffing and supply costs, lost revenue, and all the mitigation expenditure required to support a safe teaching and learning environment.

Employee Risk:

Governors have put in place clear succession plans and continue to review and monitor arrangements for recruitment and the development of existing staff to minimise the risk resulting from changes in key staff.

Governors have supported short term actions required due to serious illness or loss of key staff in both teaching and non-teaching areas. These have included use of supply teachers, short term contracts and reallocation of duties where needed.

Financial Risk:

The Governors have given due consideration to the risks associated with financial mismanagement and/or compliance failures.

Governors are very much sighted on the increasing Local Government Pension Scheme deficit since becoming an Academy and the impact of Employer contribution increases following triennial reviews.

POOLE GRAMMAR SCHOOL

Governors' Report

Physical Asset Risk:

Governors have given due consideration to the risks associated with any possible failure of the IT and physical assets serving the school community. Replacement, management and resilience strategies are implemented where appropriate to reduce risks.

Natural Risk:

This relates to adverse weather and management strategies are adopted as appropriate to reduce the impact on the school community. The increasing frequency of extreme weather events (heatwaves, flooding and high winds) are of concern to the school.

Student Risk:

Governors have given due consideration to the risks associated with trips and activities involving the pupils and the risk management strategies to minimise these. The Vice Chair of Governors is a member of the school's Health and Safety committee and Chair of the Premises Committee which regularly assesses and improves the safety of the physical environment for pupils, staff and visitors.

Key review mechanisms and controls to mitigate the above risks include:

- 3 year medium term financial modelling of income and expenditure reviewed in the light of local, national and international developments;
- a clear annual strategic development plan (SDP) identifying key strategic planning objectives and resources to achieve them;
- regular progress monitoring and challenge to the SDP as it is implemented during the academic year;
- regular review of School Improvement Plan (SIP) and comprehensive understanding of the Academy's strengths and areas for development in the light of Ofsted requirements and the ambitions of Poole Grammar School;
- comprehensive budget planning, monitoring and review, with special attention to funding constraints and pressures, and the critical task of ensuring enough funding to protect the educational offer and standards. This work supported the need to establish a trading subsidiary in 2014/2015;
- identification of key risks and funding opportunities facing the Academy Trust in the medium term and devise strategies to reduce the impact of risk, and exploit selective opportunities that support the education mission of the Academic Trust;
- formal agendas for Governors' meetings;
- detailed terms of reference for all committees and the annual appointment of chair, vice chair and governance professional positions;
- clear financial delegation levels;
- regular third party audit of the school's financial procedures and controls (SLL Accounting Ltd audits, and Moore (South));
- formal written procedures reviewed on a regular basis;
- clear safeguarding and vetting procedures as required by law to protect children and young people;
- rigorous review of educational progress and achievement to ensure continuing high standards;
- comprehensive planning and review of admissions processes.

Following the internal scrutiny recommendations, there has been a comprehensive review of our current risks in 2021/2022. This has led to the rationalisation down to 11 key risk and the mitigation measures to reduce risk. These are regularly reviewed by the relevant Governor sub-committee.

POOLE GRAMMAR SCHOOL

Governors' Report

Fundraising

The Academy Trust fund raises through its parental donations to support the school's extra-curricular activities and through voluntary contributions for day school trips. The ESFA encourages fundraising to support CIF projects and this has formed an element of our successful 2021 CIF bid for a replacement Sports Hall. This is agreed in principal as planning permission is currently being sought. CIF funding will be released once planning consent is obtained.

Our Parents Staff Association (part of the School Trust Fund) fundraise on the Academy Trust's behalf. This activity is monitored by the Academy Trust through the Headteacher and other staff involvement.

To the best of the Academy Trust's knowledge, there have been no complaints relating to fundraising activities.

The Academy Trust has a commitment to the protection of the public, including vulnerable people from unreasonably intrusive or persistent fundraising approaches and undue pressure to donate. The Academy Trust makes it clear that all donations are voluntary.

Plans for Future Periods

Poole Grammar pursues the strategic vision of providing a thriving, successful school delivering outstanding academic results and well rounded, resilient students, staffed by outstanding people, with outstanding facilities to support the school and local community. To support and deliver this vision, a comprehensive and ambitious School Development Plan has been developed to cover 2021/2022 and the medium term.

School Development Plan 2021/2022

There has been a step change in the scope and ambition of this School Development Plan. It has been subject to wide consultation and involvement across the school community. The 9 main themes are:

- Safeguarding;
- Teaching, Learning and Curriculum Development;
- Leadership;
- Pastoral Matters including behaviour and attendance
- Assessment and Reporting;
- Communication with stakeholders and partnerships
- Staff Development
- Buildings and Resources
- Admissions

Department and function plans encourage participation of all staff in the SDP. 2021/2021 personal objectives are also aligned to the appropriate SDP activities within these main themes.

Funds held as Custodian Trustee on Behalf of Others

The Poole Grammar School Trust Fund (PGSTF) - This is a registered charity independent of the school and has its own trustees and is subject to a financial review by its auditors. Its purpose is: "the promotion of charitable educational trusts for the benefit of Poole Grammar School in the county of Dorset".

In accordance with the trust deed the Headteacher is a trustee. Two trustees are appointed by The Poole Old Grammarians Association (POGA) and two by the Poole Grammar School Parents Staff Association (PSA). None of the trustees receive any remuneration for holding their office.

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Governors' Report

The PGSTF is divided into various divisions one of which is amenities. This receives donations from parents and the PGSTF, where applicable, reclaims gift aid on these donations and makes such disbursements to the school towards its amenities costs for pupils. The school runs an amenities committee which reviews and approves as appropriate bids for use of parental donations for pupil activities. The school administers the collection of the amenities donations on behalf of the PGSTF without making a charge for this. Donations come directly into the school.

The Academy Trust also administers the financial arrangements and support relating to the schools' involvement in the Maths for Education and Industry programme (Dorset Further Maths).

Information Supplied to the Auditor

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- The Governors 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.

The governors report, incorporating a strategic report, was approved by order of the board of governors, as company directors, on 9 December 2021 and signed on its behalf by:



Ken Power

Chair of the Governing Body and Academy Trust

POOLE GRAMMAR SCHOOL

Governance Statement

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Poole Grammar School has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

As Governors, we have reviewed and taken account of the Academy Trust handbook and the competency framework for governance.

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Poole Grammar School and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

Information on individual Governor attendance for Full Governors and all the sub-committees held in 2020/2021 is contained in schedule 1.

As referred to in the Governors Report, an independent consultant undertook a review of Governance in 2015/2016. This highlighted the strengths and weaknesses of the Governing Body and made 10 recommendations that were accepted by the Governing Body in an extra-ordinary meeting held in May 2016. Examples of the recommendations included reviewing the aims of the school (complete), developing longer term strategic planning, involvement in the planning of the SDP (complete), and greater use of open questioning. Specific Governor training was held in January 2018 and the Governor skills reviewed on a regular basis.

To maintain effective oversight of funds, the Finance Committee receives financial reports for each period of the year. There is an action to restore the timeliness of these financial reports in 2021/2022 where there had been understandable delays due to the pandemic circumstances and staff changes. In addition to meeting 4 times a year to review all aspects of financial operations including regular internal scrutiny reports, a separate budget preparation briefing meeting is held for Finance Governors. Financial performance and issues are raised at every Full Governors meeting. In addition, the Chair of Governors, Chair of Finance, outgoing and incoming Headteachers met in August 2020 to review the 2019/2020 outturn and additional IT investment required in 2020/2021 due to the pandemic.

Governors continue to review progress of actions to satisfy the 10 recommendations and keep Governance review and effectiveness as a regular activity of the FGB.

Review of Value for Money

As Accounting Officer, the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return on the taxpayers resources received.

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. Value for money examples in 2020/2021 include;

- training of in house staff to undertake regular COVID-19 testing in school;
- use of skilled in-house Site Teams for refurbishment and adjustments of school facilities during the pandemic;
- complex negotiations with travel companies and insurers to minimise financial risks associated with school trips affected by COVID-19;
- renegotiated utility contracts for electricity and gas;

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Governance Statement

- competitive tendering of the payroll service ready for September 2020 following withdrawal of BCP service;
- allocation of curriculum budgets based on student numbers, curriculum cost demands. Those facing national curriculum changes or requiring critical teaching resources can bid for a centrally controlled curriculum contingency;
- use of Schools' Buying Hub South West for framework agreements and tendering process for temporary accommodation that will be required in 2022

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at Poole Grammar School for the period ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the academy trust is exposed together with the operating financial and compliance controls that have been implemented to mitigate those risks. There is a formal and regular process for identifying, evaluating and managing the Academy Trust's significant risks for 2020/2021 and up to the date of approval of the Annual Report and Financial Statements. The risk register is a cornerstone of this assessment and is now reviewed at every sub-committee meeting.

The Risk and Control Framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews primarily by the Finance Committee (and where appropriate the Premises Committee) of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing guidelines as evidenced by the schedule of delegation and financial procedures;
- delegation of authority and segregation of duties;
- identification and management of risks.

Internal Scrutiny - The Academy Trust has moved away from a Responsible Officer arrangements that had been in place up to 2019, to an internal scrutiny programme of review steered by the Finance Governors and undertaken by SLL Accountancy Ltd. This has been in place for 2019/2020 and 2020/2021 with recommendations submitted and presented to the Finance Governors.

The internal scrutiny reviews are very comprehensive and include recommendations on best practice and improvements in Governance and internal controls. This has led to a fundamental review and refresh of the risk register undertaken by the school. This new risk register has been approved by Full Governors and is subject to regular review by every Governor sub-committee.

POOLE GRAMMAR SCHOOL

Governance Statement

Governors are developing a strategy in 2021/2021 to address Member and Trustee developments that Academy Trusts are facing.

Review of Effectiveness

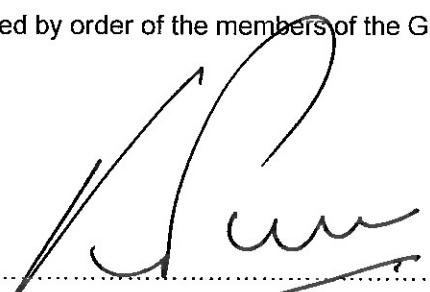
As Accounting Officer for 2020/2021, the Headteacher (Dr A J Smith) has responsibility for reviewing the effectiveness of the system of internal control.

During 2020/2021, this consideration has been informed by the:

- internal scrutiny report and recommendations undertaken by SLL Accounting Ltd in 2021 which the Academy Trust is following up;
- health & safety audit by Dorset County Council issued July 2021 which the Academy Trust is following up;
- reports as appropriate from the Data Protection Officer on GDPR and cyber-crime issues;
- work of the external auditor;
- financial management and governance self-assessment process;
- work of the executive managers within the Academy Trust who have the responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of these reviews of the system of internal control and has implemented plans to address any identified weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 9 December 2021 and signed on behalf by:


.....
K J Power

Chair


.....
A J Smith

Accounting Officer

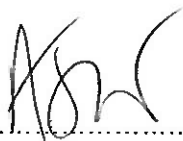
POOLE GRAMMAR SCHOOL

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Poole Grammar School I have considered my responsibility to notify the Academy Trust Governing Body and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.



.....
A J Smith
Academy Headteacher and Accounting Officer

POOLE GRAMMAR SCHOOL

Statement of Governors' Responsibilities

The Governors (who act as trustees for charitable activities of Poole Grammar School and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Skills and Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

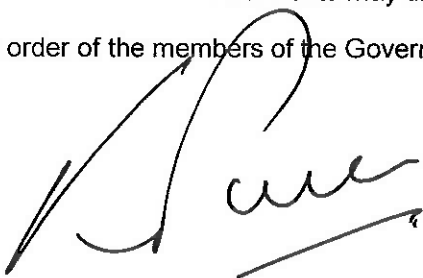
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

The Governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Governing Body on 9 December 2021 and signed on its behalf by:



K J Power

Chair of Governors

POOLE GRAMMAR SCHOOL

Independent Auditor's Report to the Members of Poole Grammar School

Opinion

We have audited the consolidated accounts of Poole Grammar School (the 'parent academy trust') and its subsidiary (the 'group') for the year ended 31 August 2021 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the academy trust balance sheet, the consolidated statement of cash flows and the notes to the consolidated accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the group's and parent academy trust's affairs as at 31 August 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

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 accounts' section of our report. We are independent of the group and parent academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

POOLE GRAMMAR SCHOOL

Independent Auditor's Report to the Members of Poole Grammar School

Other information

The Governors are responsible for the other information, which comprises the information included in the governors annual report other than the accounts and our auditor's report thereon. Other information includes the governors' report (incorporating the strategic report and directors' report), the governance statement and the statement of regularity, propriety and compliance. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated accounts 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 accounts 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 matters prescribed by the Companies Act 2006

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

- the information given in the Governors' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the consolidated accounts are prepared is consistent with the consolidated accounts; and
- the strategic report and the directors' report included within the Governors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report, included within the governors report.

We have nothing to report in respect of the following matters in relation to which 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent Auditor's Report to the Members of Poole Grammar School

Responsibilities of Governors

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

In preparing the accounts, the Governors are responsible for assessing the group and parent academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the group or parent academy trust, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the accounts due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the academy trust.

POOLE GRAMMAR SCHOOL

Independent Auditor's Report to the Members of Poole Grammar School

Our approach was as follows:

- The engagement partner selected staff for the audit, led by persons who it was deemed had sufficient experience and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We assessed the risk of irregularities as part of our audit planning, and ongoing review, including those due to fraud. Management override was identified as a significant fraud risk. This is due to the ability to bypass controls through inappropriate expenditure and accounting policies adopted.
- Completeness of income was identified as a significant risk to the audit, as grant income may not be recognised in accordance with the SORP.
- We obtained an understanding of the legal and regulatory requirements applicable to the academy and group and we considered the most significant to be Academies Accounts Direction, the Charity SORP, Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council and UK Taxation legislation. We considered how the academy trust and group complies with these requirements by discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. Consideration was also made of the internal controls in place to mitigate the identified risks.
- We assessed the control environment, documenting the systems, controls and processes adopted. The audit approach incorporated a combination of controls where appropriate, analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and additional corroborative evidence was obtained as required.
- We obtained an understanding and assessed the impact of Covid-19 on the operations of the Academy Trust and adapted our audit approach accordingly. We enquired and obtained evidence to support the going concern assumption and reviewed support received through the Coronavirus support schemes, dovetailed with work undertaken on management override.
- The consolidated financial statements of the group incorporate the results of the subsidiary company. Moore (South) LLP are auditors to the whole group and the same approach has been adopted to the subsidiary company as is appropriate to that entity.

POOLE GRAMMAR SCHOOL

Independent Auditor's Report to the Members of Poole Grammar School

To address the risk of fraud through management override we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify any unusual transactions;
- tested items of expenditure to ensure that they were valid and appropriate;
- confirmed monthly management accounts were reviewed by the board;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- reviewed the disclosures within the accounts to ensure they meet the requirements of the accounting standards and relevant legislation.

In response to the risk of irregularities with regards to completeness of income we:

- completed analytical work, to include comparison with prior periods;
- agreed a sample of documentation to confirm that relevant entries were reflected in the accounting records and allocated to the correct period and
- reviewed minutes of governors meetings and confirmed income sources mentioned were included correctly within the accounts.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Use of our report

This report is made solely to the parent academy trust'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 parent academy trust'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 parent academy trust and the parent academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ann Mathias

Ann Mathias (Senior Statutory Auditor)
for and on behalf of Moore (South) LLP

Chartered Accountants
Statutory Auditor

15 DECEMBER 2021

33 The Clarendon Centre
Dairy Meadow Lane
Salisbury Business Park
Salisbury
Wiltshire
SP1 2TJ

Independent Reporting Accountant's Assurance Report on the Regularity to Poole Grammar School and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 23 August 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Poole Grammar School during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Poole Grammar School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Poole Grammar School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Poole Grammar School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Poole Grammar School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Poole Grammar School's funding agreement with the Secretary of State for Education dated 16 July 2013 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

POOLE GRAMMAR SCHOOL

Independent Reporting Accountant's Assurance Report on the Regularity to Poole Grammar School and the Education and Skills Funding Agency

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- analytical procedures on the general activities of the academy trust;
- a review of minutes of committees and board meetings which may be relevant to regularity;
- consideration of discussions with key personnel including the accounting officer and governing body;
- tests of control have been carried out on a control activity which are relevant to regularity;
- substantive testing of individual transactions.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Moore (South) LLP

Reporting Accountant

Moore (South) LLP
33 The Clarendon Centre
Salisbury Business Park
Dairy Meadow Lane
Salisbury
Wiltshire
SP1 2TJ

Dated 15 DECEMBER 2021

POOLE GRAMMAR SCHOOL

Consolidated Statement of Financial Activities for the year ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2021 £	Total 2020 £
Incoming from:						
Donations and capital grants	2	-	26,929	45,971	72,900	54,478
Charitable activities:						
- Funding for the academy trusts educational operations	3	480,503	6,645,342	-	7,125,845	6,565,606
Other trading activities	4	101,460	-	-	101,460	144,949
Investments	5	356	-	-	356	3,511
Total Incoming Resources		582,319	6,672,271	45,971	7,300,561	6,768,544
Expenditure on:						
Raising funds	6	94,458	-	-	94,458	94,687
Charitable activities:						
- Academy trust educational operations	7	373,988	6,935,559	348,302	7,657,849	7,293,428
Total resources expended		468,446	6,935,559	348,302	7,752,307	7,388,115
Net income/ (expenditure)		113,873	(263,288)	(302,331)	(451,746)	(619,571)
Gross transfers between funds	16	-	(53,310)	53,310	-	-
Net income/(expenditure) for the year		113,873	(316,598)	(249,021)	(451,746)	(619,571)
Other recognised gains and (losses)						
Actuarial (losses)/gains on defined benefit pension schemes	16,26	-	(209,000)	-	(209,000)	(858,000)
Net movements in funds		113,873	(525,598)	(249,021)	(660,746)	(1,477,571)
Reconciliation of funds						
Total funds brought forward at 1 September 2020		427,836	(3,891,708)	11,799,142	8,335,270	9,812,841
Total funds carried forward at 31 August 2021		541,709	(4,417,306)	11,550,121	7,674,524	8,335,270

All of the Academy's activities derive from continuing operations during the above financial period.

POOLE GRAMMAR SCHOOL

Consolidated Statement of Financial Activities for the year ended 31 August 2021 (including Income and Expenditure Account) Continued

Comparative year information Year ended 31 August 2020		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2020	Total 2019
	Note	£	£	£	£	£
Incoming from:						
Donations and capital grants	2	-	28,794	25,684	54,478	121,390
Charitable activities:						
- Funding for the academy trusts educational operations	3	482,024	6,083,582	-	6,565,606	6,407,584
Other trading activities	4	144,949	-	-	144,949	206,842
Investments	5	3,511	-	-	3,511	4,217
Total Incoming Resources		630,484	6,112,376	25,684	6,768,544	6,740,033
Expenditure on:						
Raising funds	6	94,687	-	-	94,687	135,515
Charitable activities:						
- Academy trust educational operations	7	245,924	6,706,605	340,899	7,293,428	7,385,750
Total resources expended		340,611	6,706,605	340,899	7,388,115	7,521,265
Net income/ (expenditure)		289,873	(594,229)	(315,215)	(619,571)	(781,232)
Gross transfers between funds	16	(351,279)	351,090	189	-	-
Net income/(expenditure) for the year		(61,406)	(243,139)	(315,026)	(619,571)	(781,232)
Other recognised gains and (losses)						
Actuarial (losses)/gains on defined benefit pension schemes	16,26	-	(858,000)	-	(858,000)	(356,000)
Net movements in funds		(61,406)	(1,101,139)	(315,026)	(1,477,571)	(1,137,232)
Reconciliation of funds						
Total funds brought forward at 1 September 2019		489,242	(2,790,569)	12,114,168	9,812,841	10,950,073
Total funds carried forward at 31 August 2020		427,836	(3,891,708)	11,799,142	8,335,270	9,812,841

POOLE GRAMMAR SCHOOL

Consolidated Balance Sheet as at 31 August 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	12		11,521,047		11,785,531
Intangible assets	11		9,074		13,611
Investments	13		-		-
			<u>11,530,121</u>		<u>11,799,142</u>
Current assets					
Debtors	14	133,784		161,324	
Cash at bank and in hand		<u>1,175,137</u>		<u>1,014,001</u>	
		<u>1,308,921</u>		<u>1,175,325</u>	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(523,518)</u>		<u>(577,197)</u>	
Net current assets			<u>785,403</u>		<u>598,128</u>
Total assets less current liabilities			<u>12,315,524</u>		<u>12,397,270</u>
Pension scheme deficit			<u>(4,641,000)</u>		<u>(4,062,000)</u>
Net assets including pension deficit			<u>7,674,524</u>		<u>8,335,270</u>
Funds of the Academy:					
Restricted funds					
- Fixed asset fund	16		11,550,121		11,799,142
- General fund	16		223,694		170,292
- Pension reserve	16		<u>(4,641,000)</u>		<u>(4,062,000)</u>
Total restricted fund			<u>7,132,815</u>		<u>7,907,434</u>
Unrestricted funds					
- General fund	16		<u>541,709</u>		<u>427,836</u>
Total unrestricted fund			<u>541,709</u>		<u>427,836</u>
Total funds			<u>7,674,524</u>		<u>8,335,270</u>

The financial statements on pages 32 to 59 were approved by the Governors, and authorised for issue on 9 December 2021 and are signed on their behalf by:

K J Power

Chair of the Governing Body and Academy Trust

Company Registration Number 07666111

POOLE GRAMMAR SCHOOL

Balance Sheet (Academy only) as at 31 August 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	12		11,521,047		11,785,531
Intangible assets	11		9,074		13,611
Investments	13		1		1
			<u>11,530,122</u>		<u>11,799,143</u>
Current assets					
Debtors	14	142,346		164,890	
Cash at bank and in hand		<u>1,166,574</u>		<u>1,011,618</u>	
		<u>1,308,920</u>		<u>1,176,508</u>	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(523,518)</u>		<u>(577,197)</u>	
Net current assets			<u>785,402</u>		<u>599,311</u>
Total assets less current liabilities			<u>12,315,524</u>		<u>12,398,454</u>
Pension scheme deficit			<u>(4,641,000)</u>		<u>(4,062,000)</u>
Net assets including pension deficit			<u>7,674,524</u>		<u>8,336,454</u>
Funds of the Academy:					
Restricted funds					
- Fixed asset fund	16		11,550,121		11,799,142
- General fund	16		223,694		170,292
- Pension reserve	16		<u>(4,641,000)</u>		<u>(4,062,000)</u>
Total restricted fund			<u>7,132,815</u>		<u>7,907,434</u>
Unrestricted funds					
- General fund	16		<u>541,709</u>		<u>429,020</u>
Total unrestricted fund			<u>541,709</u>		<u>429,020</u>
Total funds			<u>7,674,524</u>		<u>8,336,454</u>

The financial statements on pages 32 to 59 were approved by the Governors, and authorised for issue on 9 December 2021 and are signed on their behalf by:

K J Power
Chair of the Governing Body and Academy Trust

Company Registration Number 07666111

POOLE GRAMMAR SCHOOL

Consolidated Statement of Cash Flows for the year ended 31 August 2021

		2021 £	2020 £
Net cash provided by (used in) operating activities	Notes 20	194,090	41,083
Cash flows from investing activities	21	(32,954)	3,322
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		161,136	44,405
		<hr/>	<hr/>
Reconciliation of net cash flow to movement in net funds			
Cash and cash equivalents at 1 September 2020		<u>1,014,001</u>	<u>969,596</u>
Cash and cash equivalents at 31 August 2021		<u>1,175,137</u>	<u>1,014,001</u>

POOLE GRAMMAR SCHOOL

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

1. Statement of Accounting Policies

Poole Grammar School is a charitable company limited by guarantee incorporated in England and Wales. The address of its principal place of business is given in page 2 and the nature of its operations are set out in the Governors' report.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted) judgements and key sources of estimation uncertainty, are set out below.

Basis of Preparation and Basis of Consolidation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Poole Grammar School meets the definition of a public benefit entity under FRS 102.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the parent academy and its subsidiary company, Poole Grammar School Enterprise Limited, over which it has control. The results of both companies are consolidated on a line by line basis. No separate SOFA has been presented for the parent academy alone as permitted by section 408 of the Companies Act 2006.

These financial statements comprising the consolidated Statement of Financial Activities, the Consolidated and Parent Academy Balance Sheet, the Consolidated Statement of Cashflows and the related notes on pages 32 to 59 constitute the consolidated financial statements of Poole Grammar School for the financial year ended 31 August 2021.

Going Concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

POOLE GRAMMAR SCHOOL

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

The General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of a period is deducted from income and recognised as a liability.

Capital grants are recognised where there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance related conditions), where the receipt is probable and it can be measured reliably.

- **Donations**

Donations are recognised on a receivable basis (where there is no performance related conditions) where the receipt is probable and the amount can be reliably measured. Gift aid is claimed on eligible donations and this is recognised on a receivable basis.

- **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the trust has provided the goods or services.

Expenditure

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

- **Expenditure on raising funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities and non-charitable trading.

- **Charitable activities**

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rate calculated to write off the cost of each asset on a straight line basis over its expected useful life as follows:

Purchase of computer software

20% Straight Line

POOLE GRAMMAR SCHOOL

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

Tangible Fixed Assets

Assets costing £1,000 (and computers and laptops costing below £1,000 each) or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the grants related are credited to the restricted fixed asset fund in the Statement of Financial Activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Freehold buildings	2% Straight Line
Fixtures, fittings and equipment	10% Straight Line
ICT Infrastructure	20% Straight Line
ICT Equipment (computers, laptops)	33% Straight Line
Motor Vehicles	20% Straight Line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Agency Arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

POOLE GRAMMAR SCHOOL

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

The funds received and paid, and any balances held are disclosed in note 28.

Leased Assets

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

Leasing arrangements which transfer to the Academy substantially take all the benefits and risks of ownership of an asset and are treated as if the asset had been purchased outright and are capitalised and depreciated over the shorter of the lease term or the useful economic lives of the equivalently owned assets.

Investments

The academy's shareholding in the wholly owned subsidiary, Poole Grammar School Enterprises Limited, is included in the balance sheet at the costs of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

POOLE GRAMMAR SCHOOL

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency/Department for Education.

Financial Instruments

The academy trust holds only basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The academy trust makes assumptions concerning the future. The resulting accounting estimates and assumptions will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

On conversion to an academy trust, the assets and liabilities of the Trust are measured at fair value. This includes any buildings. The valuation of buildings involves a significant degree of estimation; refer to Note 12 for further detail of this estimation.

POOLE GRAMMAR SCHOOL

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

2. Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Capital grants	-	26,929	26,929	25,684
Other donations	-	45,971	45,971	28,794
	<u>-</u>	<u>72,900</u>	<u>72,900</u>	<u>54,478</u>

3. Funding for the Academy Trusts' educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	5,998,185	5,998,185	5,438,308
Other DfE/ESFA grants	-	85,046	85,046	217,527
Teachers pay and pension grants	-	320,302	320,302	313,604
Pupil premium	-	49,712	49,712	51,569
	<u>-</u>	<u>6,453,245</u>	<u>6,453,245</u>	<u>6,021,008</u>
Other Government grants				
Other grants (eg Wessex TTP)	-	11,067	11,067	13,573
SEN from LA	-	11,757	11,757	17,279
	<u>-</u>	<u>22,824</u>	<u>22,824</u>	<u>30,852</u>
Covid-19 Additional funding (DfE/ESFA)				
Coronavirus exceptional support	-	(4,167)	(4,167)	11,927
Catch up funding	-	72,000	72,000	-
	<u>-</u>	<u>67,833</u>	<u>67,833</u>	<u>11,927</u>
Covid-19 additional funding (non-DfE/ESFA)				
Coronavirus job retention scheme grant	-	-	-	19,795
Covid testing support	-	101,440	101,440	-
	<u>-</u>	<u>101,440</u>	<u>101,440</u>	<u>19,795</u>
Other income from the academy trust's educational operations	480,503	-	480,503	482,024
	<u>480,503</u>	<u>6,645,342</u>	<u>7,125,845</u>	<u>6,565,606</u>

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for the Teachers Pay and Pension grant and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

POOLE GRAMMAR SCHOOL

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

4. Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Hire of facilities	5,461	-	5,461	6,747
Catering income external	95,999	-	95,999	138,202
	<u>101,460</u>	<u>-</u>	<u>101,460</u>	<u>144,949</u>

5. Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Bank interest received	356	-	356	3,511
	<u>356</u>	<u>-</u>	<u>356</u>	<u>3,511</u>

6. Expenditure

	Staff Costs £	Non Pay Expenditure		Total 2021 £	Total 2020 £
		Premises £	Other Costs £		
Expenditure on raising funds:		-			
Direct costs	44,616	-	49,842	94,458	94,687
Allocated support costs	-	-	-	-	-
Academy's educational operations:					
Direct costs	4,953,153	348,302	373,466	5,674,921	5,390,470
Allocated support costs	1,251,799	333,841	397,288	1,982,928	1,902,958
	<u>6,249,568</u>	<u>682,143</u>	<u>820,596</u>	<u>7,752,307</u>	<u>7,388,115</u>

POOLE GRAMMAR SCHOOL

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

	2021 £	2020 £
Incoming/outgoing resources for the period include:		
Operating leases	33,693	38,387
Profit/(loss) on disposal of fixed assets	-	-
Depreciation	343,765	336,362
Amortisation of intangible fixed assets	4,537	4,537
Net interest on defined benefit pension liability	63,000	52,000
Fees payable to external auditor Moore South (LLP)	9,200	8,450
- prior year under accrual of audit services	1,050	-
- other services	4,112	4,120
- prior year under accrual of other services	3,868	-
Fees payable to internal auditor SLL Accounting Ltd	480	480

7. Charitable Activities

	Total 2021 £	Total 2020 £
Direct costs	5,674,921	5,390,470
Support costs	1,982,928	1,902,958
	<u>7,657,849</u>	<u>7,293,428</u>

Analysis of support costs

	Educational Operations	Total 2021 £	Total 2020 £
Support staff costs	1,251,799	1,251,799	1,198,483
Premises costs	316,944	316,944	284,193
Other support costs	296,419	296,419	228,107
Governance costs	117,766	117,766	192,175
	<u>1,982,928</u>	<u>1,982,928</u>	<u>1,902,958</u>

POOLE GRAMMAR SCHOOL

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

8. Staff

Staff Costs

	2021 £	2020 £
Staff costs during the period were:		
Wages and salaries	4,466,823	4,283,650
Social security costs	438,979	423,111
Operating costs of defined benefit schemes	1,269,239	1,132,255
Apprenticeship levy	7,244	6,432
	<u>6,182,285</u>	<u>5,845,448</u>
Supply teachers costs	61,599	19,095
Staff restructuring costs	5,684	-
	<u>6,249,568</u>	<u>5,864,543</u>

Staff Severance Payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £5,684 (2020 nil). Individually the payments were £5,684.

Staff Numbers

The average number of persons employed by the Academy during the period was as follows:

	2021 No	2020 No
Charitable Activities		
Teachers	86	71
Administration and support	74	78
Management	6	5
	<u>166</u>	<u>154</u>

Higher paid staff

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

£60,001 - £70,000	2	2
£90,001 - £100,000	1	0
£100,001 - £110,000	0	1

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team listed on page 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £631,645 (2020: £631,847).

POOLE GRAMMAR SCHOOL

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

9. Related party transactions - Governors' remuneration and expenses

One or more trustees has been paid remuneration or have received other benefits from an employment with the academy trust. The principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff under their contracts of employment and not in respect of their services as governors.

	2021 £	2020 £
A J Baker (Head Teacher and Trustee, left August 2020)		
Remuneration	-	105,000 – 110,000
Employer's pension contributions paid	-	25,000 – 30,000
A J Smith (Head Teacher and Trustee, started Sept 2020)		
Remuneration	90,000 – 95,000	-
Employer's pension contributions paid	20,000 – 25,000	-
N Chase (Staff Trustee), resigned as a trustee Mar 21		
Remuneration	50,000 – 55,000	50,000 – 55,000
Employer's pension contributions paid	10,000 – 15,000	10,000 – 15,000
S Fry (Staff Trustee)		
Remuneration	20,000 – 25,000	20,000 – 25,000
Employer's pension contributions paid	5,000 – 10,000	0 – 5,000
R Smith (Staff Trustee), resigned Sept 21		
Remuneration	45,000 – 50,000	45,000 – 50,000
Employer's pension contributions paid	10,000 – 15,000	10,000 – 15,000

During the period ended 31 August 2021, expenses totalling £348 were reimbursed to 1 Governor (2020: £592 to 3 governors) in relation to undertaking their roles of Principal and staff, and not with respect to their services as Governors. £100 was reimbursed to 1 Governor for expenses in respect of their Governor role (2020: nil).

Related party transactions involving the trustees are set out in Note 27.

10. Governors' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2021 was £220 (2020: £253). The cost of this insurance is included in the total insurance cost.

POOLE GRAMMAR SCHOOL

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

11. Intangible Fixed Assets (Academy and Group)

	Computer Software £	Total £
Cost		
At 1 September 2020	35,685	35,685
Additions	-	-
Disposals	-	-
At 31 August 2021	35,685	35,685
Depreciation		
At 1 September 2020	22,074	22,074
Charged in period	4,537	4,537
Disposals	-	-
At 31 August 2021	26,611	26,611
Net book values		
At 31 August 2021	9,074	9,074
At 31 August 2020	13,611	13,611

12. Tangible Fixed Assets (Academy and Group)

	Freehold Land & Buildings £	Furniture & Equipment £	Computer Equipment £	Total £
Cost				
At 1 September 2020	14,171,683	125,614	267,295	14,564,592
Additions	35,488	2,453	41,340	79,281
Disposals	-	-	-	-
At 31 August 2021	14,207,171	128,067	308,635	14,643,873
Depreciation				
At 1 September 2020	2,463,544	85,881	229,636	2,779,061
Charged in period	306,402	12,626	24,737	343,765
Disposals	-	-	-	-
At 31 August 2021	2,769,946	98,507	254,373	3,122,826
Net book values				
At 31 August 2021	11,437,225	29,560	54,262	11,521,047
At 31 August 2020	11,708,139	39,733	37,659	11,785,531

The land and buildings are included based upon the valuation exercise undertaken on behalf of the ESFA in 2012. They were valued on the depreciated replacement cost method as at the 31 August 2012. The land was valued at £2,048,403 and the buildings at £11,299,658.

The academy has not obtained a separate valuation as the academies trust did not consider it an effective use of public funds to obtain an additional valuation. The ESFA have conducted another desktop valuation of the land and buildings but the academy has chosen not to use this revaluation as there are some questions over the values and assumptions made by ESFA.

POOLE GRAMMAR SCHOOL

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

13. Investments

	Academy		Group	
	2021	2020	2021	2020
	£	£	£	£
Investment in wholly owned subsidiary	1	1	-	-
	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>

The following is a summary of the financial statements of Poole Grammar School Enterprises Limited, company number 09178413, registered office Poole Grammar School, Poole, BH17 9JU, for the year to 31 August 2021 which have been included in the consolidated financial statements. Its object is "to carry out any trade or business for the purpose of raising funds for the Academy Trust". It is 100% controlled by the Academy Trust.

Profit and Loss Account

	2021	2020
	£	£
Turnover	95,998	138,203
Cost of sales	(94,459)	(94,687)
Gross Profit	1,539	43,516
Interest received	1	72
Profit	<u>1,540</u>	<u>43,588</u>
Retained profits brought forward at 1 September 2020	(1,181)	2
Charitable donation under gift aid	(359)	(44,771)
Retained profits carried forward at 31 August 2021	<u>-</u>	<u>(1,181)</u>

Balance Sheet

	2021	2020
	£	£
Called up share capital	1	1
Net assets/(liabilities)	-	(1,181)
	<u>1</u>	<u>(1,180)</u>

14. Debtors

	Academy		Group	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	11,099	36,983	1,731	32,959
Prepayments and accrued income	110,368	107,468	110,368	107,467
Vat recoverable	20,879	20,439	21,685	20,898
	<u>142,346</u>	<u>164,890</u>	<u>133,784</u>	<u>161,324</u>

POOLE GRAMMAR SCHOOL

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

15. Creditors: amounts falling due within one year

	Academy		Group	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	231,938	165,355	231,938	165,355
Taxation and social security	117,112	100,225	117,112	100,225
Other creditors	29,980	154,989	29,980	154,989
Accruals and deferred income	144,488	156,628	144,488	156,628
	<u>523,518</u>	<u>577,197</u>	<u>523,518</u>	<u>577,197</u>

Deferred Income

	2021	2020
	£	£
Deferred income at 1 September 2020	93,569	89,991
Resources deferred in the year	74,394	93,569
Amounts released from previous years	(93,569)	(89,991)
Deferred income at 31 August 2021	<u>74,394</u>	<u>93,569</u>

At the balance sheet date the academy trust was holding funds received in advance for trips, donations and music lessons due to take place during the academic year 2021/22, lockers purchased for 2021/22, and the rates grant.

POOLE GRAMMAR SCHOOL

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

16. Funds

	Balance at 1 September 2020 £	Incoming Resources £	Resources Expended £	Gains Losses and Transfer £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	-	5,998,185	(5,816,338)	(53,310)	128,537
Other DfE/ESFA grants (TSST)	41,231	57,253	(98,484)	-	-
Other DfE/ESFA grants	-	49,807	(49,807)	-	-
LEA and other grants	132	22,824	(22,956)	-	-
Covid testing grants	-	101,440	(101,440)	-	-
Covid catch up grants	-	72,000	(63,564)	-	8,436
Pupil premium	-	49,712	(49,712)	-	-
Teachers pay & pension grants	-	320,302	(320,302)	-	-
Bursary	58,661	(26,181)	(16,098)	-	16,382
Amenities (Donations)	61,161	25,435	(26,858)	-	59,738
Sports hall (Donations)	9,107	1,494	-	-	10,601
Pension reserve	(4,062,000)	-	(370,000)	(209,000)	(4,641,000)
	(3,891,708)	6,672,271	(6,935,559)	(262,310)	(4,417,306)
Restricted fixed asset funds					
Dfe group capital grants, capital donations and transfers on conversions	11,799,142	45,971	(348,302)	53,310	11,550,121
	11,799,142	45,971	(348,302)	53,310	11,550,121
Total restricted funds	7,907,434	6,718,242	(7,283,861)	(209,000)	7,132,815
Unrestricted funds					
Unrestricted funds	427,836	582,319	(468,446)	-	541,709
Total unrestricted funds	427,836	582,319	(468,446)	-	541,709
Total funds	8,335,270	7,300,561	(7,752,307)	(209,000)	7,674,524

The specific purposes for which the funds are to be applied are as follows:

Restricted General Funds are those which are supplied for a specific duty and the funds spent only in accordance with the agreement or restriction placed upon each.

Restricted Fixed Asset Funds are those assets which have been capitalised as a result of a donation from the original school on conversion to an academy or assets purchased from one of the other funds since gaining academy status and transferred.

Unrestricted Funds are all other sources of income generated by the academy through trading or fundraising and to which no restrictions apply regarding the way they are spent.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

POOLE GRAMMAR SCHOOL

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

A transfer has been made from the unrestricted fund into the restricted general fund. This is to reallocate GAG expenditure made by the Academy out of unrestricted funding received and brought forward. A transfer has also been made from the restricted general fund into the restricted fixed asset fund. This is to reallocate capital expenditure made by the Academy out of the GAG funding received from the ESFA.

Comparative information in respect of the proceeding period is as follows:

	Balance at 1 September 2019 £	Incoming Resources £	Resources Expended £	Gains Losses and Transfer £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	-	5,438,308	(5,789,398)	351,090	-
Other DfE/ESFA grants	55,440	582,700	(538,248)	-	99,892
Other government grants	-	62,574	(62,442)	-	132
Other restricted funds	71,991	28,794	(30,517)	-	70,268
Pension reserve	(2,918,000)	-	(286,000)	(858,000)	(4,062,000)
	(2,790,569)	6,112,376	(6,706,605)	(506,910)	(3,891,708)
Restricted fixed asset funds					
DfE group capital grants and transfers on conversion	12,114,168	25,684	(340,899)	189	11,799,142
	12,114,168	25,684	(340,899)	189	11,799,142
Total restricted funds	9,323,599	6,138,060	(7,047,504)	(506,721)	7,907,434
Unrestricted funds					
Unrestricted funds	489,242	630,484	(340,611)	(351,279)	427,836
Total unrestricted funds	489,242	630,484	(340,611)	(351,279)	427,836
Total funds	9,812,841	6,768,544	(7,388,115)	(858,000)	8,335,270

17. Analysis of net assets between funds

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Intangible fixed assets	-	-	9,074	9,074
Tangible fixed assets	-	-	11,541,047	11,541,047
Current assets	541,709	747,212	-	1,288,921
Current liabilities	-	(523,518)	-	(523,518)
Pension scheme liability	-	(4,641,000)	-	(4,641,000)
Total net assets	541,709	(4,417,306)	11,550,121	7,674,524

POOLE GRAMMAR SCHOOL

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

Comparative information in respect of the preceding period is as follows:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Intangible fixed assets	-	-	13,611	13,611
Tangible fixed assets	-	-	11,785,531	11,785,531
Current assets	427,836	747,489	-	1,175,325
Current liabilities	-	(577,197)	-	(577,197)
Pension scheme liability	-	(4,062,000)	-	(4,062,000)
Total net assets	427,836	(3,891,708)	11,799,142	8,335,270

18. Capital Commitments

	2021 £	2020 £
Contracted for, but not provided in the financial statements	-	-

19. Financial Commitments

Operating leases

At 31 August 2021 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Land and buildings		
Amounts due within one year	-	-
Amounts due between one and five years	-	-
Amounts due after five years	-	-
	<u>-</u>	<u>-</u>
Other		
Amounts due within one year	24,163	30,627
Amounts due between one and five years	34,771	60,331
Amounts due after five years	-	-
	<u>58,934</u>	<u>90,958</u>

POOLE GRAMMAR SCHOOL

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(451,746)	(619,571)
Amortisation (Note 11)	4,537	4,537
Depreciation (Note 12)	343,765	336,362
Capital grants from DfE and other capital income	(45,971)	(25,684)
Interest receivable	(356)	(3,511)
Defined benefit pension scheme cost (Note 26)	307,000	234,000
Defined benefit scheme finance cost (Note 26)	63,000	52,000
(Increase)/decrease in debtors	27,540	112,240
(Increase)/decrease in creditors	(53,679)	(49,290)
Net cash provided by/ (used in) Operating Activities	194,090	41,083

21. Cash flows from investing activities

	2021 £	2020 £
Interest received	356	3,511
Purchase of tangible assets	(79,281)	(25,873)
Capital grants from DfE/ESFA	25,971	25,684
Capital funding received from sponsors and others	20,000	-
Net cash outflow from capital expenditure and financial investment	(32,954)	3,322

22. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,175,137	1,041,001
Total cash and cash equivalents	1,175,137	1,041,001

23. Analysis of changes in net funds

	1 September 2020	Cash flows	31 August 2021
	1,041,001	161,136	1,175,137

24. Contingent Liabilities

The academy had no contingent liabilities at 31 August 2021.

25. Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

26. Pension and Similar Obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to nil (2020: £80,910) were due to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education in March 2019.

Pension and similar obligations

The key elements of the latest valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- 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 £196,000 million giving a notional past service deficit of £22,100 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. The 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.

The pension costs payable to TPS in the period amounted to £752,429 (2020: £717,984).

POOLE GRAMMAR SCHOOL

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

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 trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2021 was £278,000 (2020: £237,000), of which employer's contributions totalled £214,000 (2020: £180,000) and employees' contributions totalled £64,000 (2020: £57,000). The agreed contribution rates for future years are 21% to 22% for employers and 5.5% to 12.5% for employees, and which rate is dependent on salary level.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department of Education. The guarantee came into force on 18 July 2013.

Principal Actuarial Assumptions

	At 31 August 2021	At 31 August 2020
Rate of increase in salaries	3.90%	3.30%
Rate of increase for pensions in payment/inflation	2.90%	2.30%
Discount rate for scheme liabilities	1.65%	1.60%
Inflation assumption (CPI)	2.90%	2.30%
Commutation of pensions to lump sums	50.00%	50.00%

The above assumptions are set with reference to market conditions at 31 August 2021.

The estimate of the Employer's past service liability duration is 24 years.

An estimate of the Employer's future cashflows is made using notional cashflows based on the estimated duration above. These estimated cashflows are then used to derive a Single Equivalent Discount Rate (SEDR). The discount rate derived is such that the net present value of the notional cashflows, discounted at this single rate, equates to the net present value of the cashflows using the annualised Merrill Lynch AA rated corporate bond yield curve (where the spot curve is assumed to be flat beyond the 30 year point). This approach is consistent with the approach used at the previous accounting date.

Similarly to the approach used to derive the discount rate, the Retail Prices Index (RPI) increase assumption is set using the Single Equivalent Inflation Rate (SEIR) approach, using the notional cashflows described above. The single inflation rate derived is that which gives the same net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve, as applying the BoE implied inflation curve. As above, the Merrill Lynch AA rate corporate bond yield spot curve is assumed to be flat beyond the 30 year point and the BoE implied inflation spot curve is assumed to be flat beyond the 40 year point. This is consistent with the approach used at the previous accounting rate.

As future pension increases are expected to be based on the Consumer Prices Index (CPI) rather than RPI, it is assumed that CPI will be 0.30% below RPI. This is a reasonable estimate for the future differences in the indices based on different calculation methods and recent independent forecasts and is consistent with the approach used at the previous accounting date.

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Notes to the Financial Statements for the year ended 31 August 2021 (continued)

Salaries are assumed to increase at 1.0% p.a. above CPI. This is consistent with the approach used at the previous accounting date.

Sensitivity Analysis

	£	£	£
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	7,832,000	8,019,000	8,211,000
Projected service cost	579,000	597,000	615,000
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	8,045,000	8,019,000	7,993,000
Projected service cost	597,000	597,000	597,000
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	8,183,000	8,019,000	7,859,000
Projected service cost	615,000	597,000	580,000
Adjustment to mortality age rating assumption	+1 Year	None	-1 Year
Present value of total obligation	8,351,000	8,019,000	7,701,000
Projected service cost	623,000	597,000	571,000

The assumed life expectations on retirement age 65 are:

	At 31 August 2021	At 31 August 2020
<i>Retiring today</i>		
Males	23.1	23.3
Females	24.6	24.8
<i>Retiring in 20 years</i>		
Males	24.4	24.7
Females	26.1	26.2

POOLE GRAMMAR SCHOOL

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

The Academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 August 2021 £	Fair value at 31 August 2020 £
Equities	1,852,000	1,328,000
Liability driven investments	398,000	311,000
Other Bonds	187,000	205,000
Property	296,000	256,000
Diversified growth fund	224,000	148,000
Secured income funds	-	14,000
Multi asset credit	159,000	117,000
Infrastructure	208,000	175,000
Cash	<u>54,000</u>	<u>27,000</u>
Total market value of assets	3,378,000	2,581,000
Present value of scheme liabilities		
- Funded	<u>(8,019,000)</u>	<u>(6,643,000)</u>
Surplus/(deficit) in the scheme	<u>(4,641,000)</u>	<u>(4,062,000)</u>

The total return on the scheme assets was £187,000 (2020: (£72,000)).

Total expenditure recognised in the Statement of Financial Activities

	2021 £	2020 £
Current service cost	307,000	234,000
Net Interest	<u>63,000</u>	<u>52,000</u>
Total operating charge	<u>370,000</u>	<u>286,000</u>

Changes in the present value of defined benefit obligations were as follows:

	2021 £	2020 £
At 1 September 2020	6,643,000	5,409,000
Current service cost	519,000	412,000
Interest cost	106,000	100,000
Employee contributions	64,000	57,000
Change in financial assumptions	932,000	426,000
Change in demographic assumptions	(82,000)	(132,000)
Actuarial loss	(111,000)	446,000
Benefits paid	<u>(52,000)</u>	<u>(75,000)</u>
At 31 August 2021	<u>8,019,000</u>	<u>6,643,000</u>

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Notes to the Financial Statements for the year ended 31 August 2021 (continued)

Movements in the fair value of Academy's share of scheme assets:

	2021 £	2020 £
At 1 September 2020	2,581,000	2,491,000
Interest of assets	43,000	48,000
Return on assets less interest	530,000	(156,000)
Other actuarial gains/(losses)	-	38,000
Employer contributions	214,000	180,000
Employee contributions	64,000	57,000
Administration expenses	(2,000)	(2,000)
Benefits paid	(52,000)	(75,000)
At 31 August 2021	<u>3,378,000</u>	<u>2,581,000</u>

The estimated value of employer contributions for the period ended 31 August 2022 is £222,000.

27. Related Party Transactions

Owing to the nature of the academy trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

The Academy Trust is the parent company of the Poole Grammar School Enterprises Limited trading subsidiary which commenced trading 1 September 2014. The results for the year ended 31 August 2021 have been consolidated into these accounts.

The Academy Trust is a member of the South West Academy Trust (SWAT) with N Bichard on the board of SWAT. Mr J Stiby was appointed Company Secretary of SWAT in April 2017. No membership fee was paid in 2020-21 (2020: £500).

Poole Grammar School took over the administration of the SWAT funds in April 2018 under an agency arrangement. See Note 28 for further details.

The Academy Trust is a beneficiary of the School Trust Fund (registered charity 306310). The Academy Trust provides support and administration as required. A J Smith was a trustee of both entities during the year. The objects of the charity are 'The promotion of Charitable Educational Trusts for the benefit of Poole Grammar School in the County of Dorset'. During the year to 31 August 2021 the Parent Staff Association donated £22,364 for equipment especially for Poole Grammar School and for reimbursement of costs for PSA events (2020: £237). £20,000 of this was to go towards the Sports Hall building project.

At 31st August 2021, the Trust Fund had £116,383 (2020: £91,618) in investments, £25,484 (2020: £42,260) in current assets, £nil (2020: £nil) in liabilities and £141,867 (2020: £133,878) in funds. The charity had turnover of £14,982 (2020: £16,061), expenditure of £24,660 (2020: £2,657), gains of £17,667 (2020: loss of £25,437) and an overall increase in funds of £7,988 (2020: decrease of £12,033). Please see page 7 of the Governors report for further details.

R Bichard, spouse of N Bichard, a trustee, is employed by the academy trust as a teacher. R Bichard's appointment was made in open competition and N Bichard was not involved in the decision making process

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Notes to the Financial Statements for the year ended 31 August 2021 (continued)

regarding the appointment. R Bichard is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

28. Agency Arrangements

Bursary - The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the trust received £16,382 (2020: £20,229) and disbursed £16,098 from the fund (2020: £20,632). During the year, £35,118 was paid to the ESFA as undistributed funds from previous years

An amount of £16,382 is included in reserves relating to undistributed funds that can be carried forward into 2021/22. An amount of £7,445, is included other creditors relating to undistributed funds that is repayable to ESFA. For the period ended 31 August 2020, an amount of £58,661 was included in reserves and £35,118 of this was repayable to the ESFA.

SWAT - At 31 August 2021, the trust held a balance of £8,471 (2020: £8,483) as an agent for the South West Academic Trust. This is included within other creditors falling due within one year.

During the accounting period ending 31 August 2021, the Trust received £1 (2020: £5,506) and made payments of £13 (2020: £3,140) as an agent for the South West Academic Trust.

Teacher Subject Specialism Training – During the accounting period ending 31 August 2021, the Trust received £183,982 (2020: £202,077) and made payments of £183,982 (2020: £202,077) as an agent for the Department of Education.

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