

**POOLE GRAMMAR SCHOOL**  
(A Company Limited by Guarantee)

**Annual Report and Financial Statements**

**Period ended 31 August 2020**

Company Registration Number:  
07666111 (England and Wales)

# POOLE GRAMMAR SCHOOL

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## POOLE GRAMMAR SCHOOL

### REFERENCE AND ADMINISTRATIVE DETAILS

#### Governors – 2019/2020

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
	M Holmes-Evans	Academy (co-opted)	Education
Headteacher, Accounting Officer	A Baker (until 31 August 2020)	Principal	Admissions, Staffing, Ex officio Education, Finance, Premises
Headteacher, Accounting Officer	A Smith (from 1 September 2020)	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 (appointed 16 January 2020)	Parent	Finance
	H Hall	Parent	Education
	J Rana	Parent	Finance
	S Bates (resigned 19 July 2019)	Parent	Finance
	N Chase	Staff Teaching	Premises
	R Smith	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  
E Thompson (appointed 19 December 2019)  
A Steel

#### Company Secretary

J R T Stiby

## POOLE GRAMMAR SCHOOL

### REFERENCE AND ADMINISTRATIVE DETAILS

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#### Senior Leadership Team – 2019/2020

Headteacher - 6 <sup>th</sup> Form	A J Baker
Deputy Head - Teaching, Learning, Behaviour	S R Jenkins
Deputy Head – Assessment, Reporting, Curriculum	D M London
Deputy Head – Inclusion, Wellbeing, SENCO, DSL	K Etheridge
Bursar & Clerk to the Governors	J R T Stiby

<b>Registered Office</b>	<b>Poole Grammar School</b> Gravel Hill Poole Dorset BH17 9JU
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<b>Company Registration Number</b>	<b>07666111</b>
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<b>Independent Auditor</b>	<b>Moore (South) LLP</b> 33 The Clarendon Centre Salisbury Business Park Dairy Meadow Lane Salisbury Wiltshire SP1 2TJ
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<b>Bankers</b>	<b>Lloyds</b> PO Box 100 Andover BX1 1LT
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<b>Internal Audit/Scrutiny</b>	<b>S Lock (appointed April 2020)</b> SLL Accounting Ltd 22 Devonshire Road Salisbury SP1 3NW
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## SCHEDULE 1 – 2019/2020 GOVERNOR MEETING ATTENDANCE

### Chair of Governors and Headteacher are ex officio members of Finance, Education and Premises Committees



# **POOLE GRAMMAR SCHOOL**

## **GOVERNORS' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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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 2019 to 31 August 2020. 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 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 1,201 in the Autumn 2019 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, the Principal, 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 £253 in 2019/2020 (£308 in 2018/2019).

### **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.

# POOLE GRAMMAR SCHOOL

## GOVERNORS' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2020**

### 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 skills 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 20 Governors in position in 2019/2020, 9 are female (45%) and 11 male (55%).

Full Governor Composition - 2019/2020



### 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 Clerk to the Governors undertake induction training for new Governors. Mentoring from existing Governors is also available for new Governors.

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

The Clerk to the Governors retains a record of training undertaken by Governors.

### Organisation Structure

The Full Governing Body formally meets 4 times per academic year (October, December, March and July in 2019/2020). An Exceptional Full Governors Meeting was held in January 2020 to prepare for Headteacher recruitment.

The Annual General Meeting was held on 19 December 2019 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 the Responsible Officer termly report, a separate budget preparation briefing meeting is held for Finance Governors. Financial performance and issues are raised at every Full Governors meeting.

During 2019/2020, Finance Governors commissioned SLL Accounting Ltd to undertake Internal Auditing work following the stepping down of Stephen Bates in July 2019 as our Responsible Officer.

Schedule 1 confirms the 2019/2020 formal Governor meetings and the attendance of each Governor.

# POOLE GRAMMAR SCHOOL

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2020

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.

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 meet 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
3	2.6

Percentage of time spent on facility time

Percentage of Time	Number of Employees
0%	0
1% - 50%	3
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£546
Total pay bill	£5 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	50%
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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:



# POOLE GRAMMAR SCHOOL

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2020

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**Amenities Fund** – an historic balance still remains within the Trust Fund and will be transferred across to the academy in due course upon agreement of the Trustees of the charity. The amenities fund is made up of historic parental donations. All donations are now 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.

**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, and Academy Trust staff have been actively involved in a wide range of meetings and training events during the period under review (see also notes 24 & 26). Unfortunately, due to COVID-19 and school closures, the SWAT programme was severely curtailed from March 2020 onwards.

The Academy Trust is also a strategic partner of the Sigma Teaching Schools Alliance which is led by the Quay School. As well as offering training and support themselves, teaching schools identify and co-ordinate expertise in partner schools, using the best leaders and teachers to:

- work with strategic partners to train new entrants to the profession;
- lead peer-to-peer learning and broker school to school support;
- deliver training to teachers, support staff, and Governors;
- spot and nurture leadership potential.

The school remains an alliance member of the Poole Teaching Schools Alliance (PTSA).

In 2014, the school was appointed to deliver the Subject Knowledge Enhancement programme for Mathematics on behalf of the teaching schools. This aims to increase the supply of qualified Maths teachers in the area. Proposals to extend this work, now called Teacher Subject Specialism Training (TSST), were accepted by DfE for 2015/2016 and 2016/2017. Due to our expertise, the school was successful in 2017/2018 becoming the regional TSST provider for Maths, Core Maths, Physics and MFL which started in September 2018.

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.

Jo Denton has been seconded onto the Maths in Education and Industry as the FMSP Central Coordinator, and she also continues as their Area Coordinator.

# **POOLE GRAMMAR SCHOOL**

## **GOVERNORS' REPORT**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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### **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 3 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 2019/2020 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 Teachers Pensions Employer contributions, national pay awards for Teachers and Support staff, and COVID-19 on-going expenditure on enhanced cleaning, consumables, PPE, IT spend for digital and blended learning, the impact of working to year group bubbles, and higher supply and staffing costs for staff sick or having to isolate due to the pandemic. None of these are funded adequately enough by the ESFA.

To support strategic direction, the School Development Plan is prepared each year. It provides a framework of activity for the academic year. The final plan is taken to the first Full Governors meeting of the year after wide consultation and refinement.

# POOLE GRAMMAR SCHOOL

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### School Development Plan 2019/2020

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

1	Curriculum Development	Curriculum review, ensuring it is well planned and well implemented, identifying and sharing best practice
2	Teaching and Learning	Build on working groups, best practice on the provision of effective, efficient feedback, and "quality first teaching"
3	Wellbeing and Inclusion	Improvement of safeguarding processes, supporting mental health issues, review of the school's PSHE programme, and support to EAL, Pupil Premium and A&T students
4	Student Culture and Behaviour	Shape and improve student culture strategically, including developing positive character traits
5	Ofsted Follow Up	Respond to areas for improvement raised during the January 2018 Ofsted inspection

Due to the disruption caused by COVID-19 and school closures in March 2020, themes 1 to 4 are rolled into the 2020/2021 SDP.

#### 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 Centre Assessed Grades (CAGs) by schools due to the COVID-19 pandemic in 2020. The achievement highlights are indicative of the tremendous range of activities and success that take place across the school and enrich the life of the school.

# POOLE GRAMMAR SCHOOL

## GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

### Exam results

#### A level summary

	2020	2019	2018	2017	2016	2015	2014	2013
Total number of entries	465	470	466	419	438	542	459	539
% Pass rate	100	99.79	98.93	98.09	97.7	98.8	99.1	99.4
% A*/A/B grades	79.78	72.34	70.13	60.53	59.21	67.3	67	68.6
A level only A*/A/B	79	71.49	69.57					
% A* grades	25.81	13.8	15.1	8.61	6.9	10.3	15	11.12
Oxbridge success	5	4	4	2	3	3	6	2
% UCAS success	96	93	93	88	86	93	93	94
ALPS T Score (1 highest)		2	3	4	5	4	2	4

#### GCSE level Summary

	2020	2019	2018	2017	2016	2015	2014	2013
Total number of entries	1,842	1,780	1,844	1,914	1,899	2,035	1,900	1,944
%A*/A/7/8/9 grades	70.24	62.13	55.95	57.5	57.5	41.3	47	58
% of pupils gaining 10+A*/A/7/8/9	32.39	23.72	24.02	28.5	29.4	8.8	18	26
%A*-C/9-5 - strong pass	99.03	93.38	92.2%					
%A*-C/9-4 - pass	99.98	97.5	97.19					
% pupils gaining the EBacc	66.5	72.7	68.71	70.35	73.5	63.5	61	77
Attainment 8	74.73	72.29	69.54	69.23	68.74			
Progress 8 (2020 provisional)	0.46	0.55	0.45	0.42	0.33	0.17	0.22	

Achievement highlights include:

- outstanding A level and GCSE results based on CAGs for 2020;
- university entrance - 96% of university applicants successful with their first or second choice (including clearing);
- student successes in Bebras Computing Challenge with two students qualifying for the finals in Oxford;
- student successes in British Informatic Olympiad;
- shortlisting of a number of DT students for the Arkwright Scholarship programme;
- Year 7 5 a-side football came 5<sup>th</sup> in the national finals;
- cross-country – national, regional and county success and participation by students;
- sailing and windsurfing – national selection, participation and success by individual students;
- swimming successes – county champions and participation national level competition;
- numerous events and activities promoting student interactions across SWAT schools and local schools including Montacute and Hillbourne;
- Sixth Form tutor group organised a "sleep-out" to raise awareness of homelessness and raise funds for the YMCA;



# POOLE GRAMMAR SCHOOL

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2020

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- charity fundraising – including a range of local, national and international charities (for example Brain Tumour Research, Julia's House, Children in Need, YMCA) nominated by staff and students. Record amount donated to the Poole Food Bank;
- PPE support for care workers – staff and students who were in school during the official school closure period made 2,500 of PPE face shields in the DT department. These were distributed to local hospitals and surgeries while they faced PPE shortages and were extremely well received;
- residential school trips were severely impacted by COVID-19 with the 2020 Trenches and PGL trips cancelled and the Music tour postponed. However, a number did take place successfully before 20 March 2020 namely Berlin, Bari (Erasmus), Bardonecchia, and Finland (Erasmus).

#### Review of Activities

##### a) Teaching and Learning

- pre-pandemic, continued use of subject action plans to promote support and improve the consistency of performance across subjects;
- Prince's Teaching Institute - Subject Leadership and Research awards for English and History. Music Subject Leadership Mark awarded in 2020. English Department put forward for the 'Bernice McCabe Award';
- researching new ideas and areas of learner cognitive development for example quality first teaching, metacognition techniques and practices;
- continued development of data and tracking systems which enable staff and students to work towards challenging targets by subject area, and developing self-assessment;
- TSST Regional programme to re-train participants across the South West in Maths, Core Maths, Physics and MFL;
- rigorous and comprehensive support to the national CAG process following the Government decision not to hold public exams in 2020.

##### b) Staffing and Governance

- SLT re-alignment of responsibilities following the retirement of Keith McDonald;
- Sigma Teaching School – joint training day held on 25 October 2019;
- 2019 culture survey and action plans developed;
- whole school safeguarding training;
- rigorous selection process for Headteacher recruitment pursued by Governors and school;
- significant adjustments to staffing organisation and governance arrangements during the pandemic school closures, including use of Zoom to interview candidates for staffing vacancies, internal and external meetings;
- negotiation and migration to new payroll provider during the pandemic, following withdrawal of BCP service to academies.

##### c) Buildings and Grounds

- creation and move of Sixth Form office;
- re-roof of CR5 to prevent further water ingress;

# POOLE GRAMMAR SCHOOL

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2020

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- COVID-19 secure preparations works and Risk Assessments for school opening for students of key workers, June and July partial reopening, and September full re-opening;
- Admin block office moves;
- main boiler pump replacement work;
- planting of over 100 saplings from the Woodland Trust on school grounds;
- submission of high quality bid for a new Sports Hall which is desperately needed as 1960s gyms are no longer fit for purpose nor adequately sized, with numerous logistical and safety issues. Strong support for the replacement Sports Hall from Michael Tomlinson MP;
- migration to new MFDs and Printers in February 2020 which are higher spec and cost effective;
- cleaning service provided by Rapid Clean from October 2019;
- 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 to aging facilities and inadequate funds to maintain these. Catering revenue from 20 March 2020 was severely impacted by the school closures;
- hot meal agreements continued with Hillbourne, St Mary's and Stanley Green. Poole Grammar provided reduced catering services to all the 3 schools throughout the school closures to support pupils of key workers and the later reopening of schools in June/July;
- continued planning and action to cope with funding pressures including sharing of best practice between SWAT Business and Finance Managers, and joining of the Dorset Business Managers Forum in 2019/2020;
- pre-pandemic, strong PSA activities to support fund raising to benefit Poole Grammar students. Events included the PSA Quiz Night, Battle of the Bands, and PGS Got Talent;
- Sports Hall funding generously supported by the school community in ParentPay;
- continued lobbying for a more equitable per pupil funding policy for schools in the BCP Local Authority.

#### e) Curriculum

- developing the school curriculum as appropriate to the Poole Grammar community and to meet new Ofsted framework;
- curriculum constraints during COVID-19 school closures, affecting re-opening for students of key workers, and partial re-opening for Years 10s, 12s and others;
- reviewing and developing changes to GCSE and A level specifications and the development of new qualifications e.g. Core Maths;
- ensuring a broad range of enrichment activities to build resilience and wider employability skills.

#### f) Pastoral/pupil provision

- on-going review of SEN, pastoral system and facilities;
  - impact of COVID-19 led to systematic touching base and school support for SEN and vulnerable students;
  - pupil voice; continued development of feedback and innovative systems for the pupil voice to be heard through school councils and through focus groups;
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# POOLE GRAMMAR SCHOOL

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2020

- opportunities for students to volunteer in a variety of settings, for example Anti-bullying Ambassadors;
- briefings on LGBTQ+ issues to support young people.

#### g) Expanding ICT provision

- continued work to improve use of Moodle and rollout of Windows 10 across the school community;
- continued development of effective ICT systems and infrastructure as a tool for assessment, delivering teaching and learning innovation and enhancing home school relationships e.g. through mobile technologies, SIMS Parent App, appointment scheduling for parents evenings;
- development of School Information Management Systems (SIMS) to reduce workload and increase effective use of data;
- as a result of the COVID-19 national school closures, undertaking urgent investment in IT systems and capabilities to support continued teaching and learning delivery from 20 March 2020 onwards, including virtual school open evening and preparations for new students joining in September 2020.

#### h) Inspection and Accountability

- active involvement of Data Protection Officer during 2019/2020. GDPR training for new employees;
- comprehensive internal scrutiny review by SLL Accounting Ltd during 2019/2020;
- QA checklists introduced across all levels of Poole Grammar to strengthen accountability;
- 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)

	2019/20	2018/19	2017/18	2016/17	2015/16
Total Staff Costs	£5,624,111	£5,355,623	£5,175,905	£5,028,620	£4,935,870
Total Expenditure	£6,761,216	£6,874,878	£6,564,938	£6,314,831	£6,245,733
Total Staff Costs as a % of Expenditure	83.2%	77.9%	78.8%	79.6%	79%

Staff Split (%)

%	2019/20	2018/19	2017/18
Teaching Staff	46%	50%	50%
Admin & Support	51%	46%	46%
Management	3%	4%	4%

### 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.

# POOLE GRAMMAR SCHOOL

## GOVERNORS' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2020**

### Financial Review

The detailed accounts are contained on pages 30 to 34 and include the following statements:

- Consolidated Statement of Financial Activities (SoFA) including Income and Expenditure Account and Statement of Total Recognised Gains and Losses;
- Consolidated Balance Sheet;
- Trust Balance Sheet
- Consolidated Cash Flow Statement.

Notes to the Financial Statements are contained from pages 35 to 58.

The highlights for the year ending 31 August 2020 are (excluding Pension and Fixed Assets Funds):

	£	£	£
2019/2020	Unrestricted General Fund	Restricted General Fund	Total General Funds
Incoming Resources	630,484	6,112,376	6,742,860
Resources Expended	(340,611)	(6,420,605)	(6,761,216)
Net Incoming/(outgoing) Resources	<b>289,873</b>	<b>(308,229)</b>	<b>(18,356)</b>
Transfers between Funds	(351,279)	351,090	(189)
Net Incoming/(outgoing) Resources	<b>(61,406)</b>	<b>42,861</b>	<b>(18,545)</b>
Brought Forward Funds	489,242	127,431	616,673
<b>Carried Forward Funds</b>	<b>427,836</b>	<b>170,292</b>	<b>598,128</b>

**Commentary on 2019/2020 Results** – For 2019/2020, Poole Grammar remained under the minimum funding standards set out by the Government and was also affected by funding top slicing by the local authority. The school has now moved to the Government's minimum funding level of £5K per main school student from 1 September 2020 after many years of significant underfunding.

As with all schools, COVID-19 had a considerable impact on normal operations in the year. Internal and external catering income was significantly reduced from 20 March 2020. Savings were made in some areas (utilities, photocopying, fuel) to help negate COVID-19 related costs (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 loss of £18K compared with the budgeted surplus of £5K for 2019/2020. The trading subsidiary returned a surplus of £45K which was transferred across to the Academy Trust.

### 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.

Governors have a clear focus on the impact of the unfair funding formula which has led to the Academy Trust being one of the most poorly funded schools in the country. This has been compounded by funding cuts and unfunded costs increases, such as national insurance, pay and pensions, and curriculum changes over recent years.

Since then, the academy has worked hard 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.



# POOLE GRAMMAR SCHOOL

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2020

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

£	2019/2020	2018/2019	2017/2018	2016/2017	2015/2016	2014/2015
Restricted Funds	170,292	127,431	87,940	52,470	500	500
Unrestricted Fund	427,836	489,242	722,297	989,138	881,481	770,961
Pension Deficit	(4,062,000)	(2,918,000)	(2,260,000)	(2,425,000)	(2,309,000)	(1,152,000)
Fixed Asset Fund	11,799,142	12,114,168	12,399,836	12,515,276	12,693,892	12,971,861
Total Funds	8,335,270	9,812,841	10,950,073	11,131,884	11,266,873	12,591,322

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 £467K in reserves which gives us broadly a month of salary and pension costs cover.

#### 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. Finance Governors supported the managed migration of the school bank accounts from HSBC to Lloyds which offer enhanced interest bearing current and deposit accounts. This migration was completed in 2017. Any residual HSBC bank accounts were closed during 2019.

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 principal risks and uncertainties faced by all schools was caused by the impact of COVID-19 across the world in 2020.

There were significant consequences for the normal operations of the school from February 2020 onwards. Centre Assessed Grades (CAGs) were submitted after very robust procedures to ensure fairness and consistency for every student facing the cancelled 2020 public exams. Although schools in the UK were instructed to close from 20 March, Poole Grammar was open for students of key workers and vulnerable students from 23 March onwards. This was followed by partial re-opening in June for Years 10 and 12 students and other students that needed support.

Considerable efforts were made to progress teaching and learning across the school community during the lockdown period, complimented with extensive pastoral support for SEN and vulnerable students. IT infrastructure and skills for remote teaching and learning needed to be developed at pace with the focus on the Moodle platform and the use of Zoom. COVID secure risk assessments were developed for the June re-opening and developed further to support the safe full re-opening planned for September 2020. All were developed in the face of ever changing Government guidance and an absence of funding.

Governors and the school recognised the considerable impact on the mental health and well-being of students and staff impacted by the pandemic and school closure. Governance and management actions were strong during the lockdown period. All planned Governor meetings took place via Zoom. SLT meetings continued via Zoom. Numerous interviews took place via Zoom to fill staffing vacancies. The normal open evening event for new students and parents became a virtual event.

COVID-19 expenditure was separately recorded to support the safety of the school community. Although catering income during the lockdown declined to minimal levels, our team continued to serve the local schools we provide services to, and also to those on site all day during the lockdown. Government sought bids for limited

# POOLE GRAMMAR SCHOOL

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2020

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COVID-19 related costs (FSM and cleaning costs) in July 2020. Such bids would only be supported if the school applying was likely to be in deficit by 31 August. Poole Grammar applied for £12K of which £4K was for IT and remote working equipment required because of the pandemic. Successful bids would be transferred to the schools in October 2020.

The Chair of Governors has sought parental/carer feedback on the extent of IT provision in the home setting. With the increased focus on the digital and blended learning strategies developed by Poole Grammar, Governors are strongly minded to increase IT investment to support this. Increased investment has been scheduled in 2020/2021 largely supported by the "catch up" funding released to schools on a termly basis by Government.

Putting the pandemic to one side, Governors have 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, and discipline.

Funding constraints have been a key risk in recent years and remain acute into 2019/2020 as noted above with the implications of the COVID-19 global pandemic and the diversion of funding meant for Poole Grammar to support the Higher Needs Block. The school has responded to these pressures with a constant review of staffing against a difficult national recruitment environment. The school has applied sensible cuts to both the curriculum and support area budgets, and any trading subsidiary surpluses are donated in their entirety back to the Academy Trust to support its education mission. Lobbying for improved funding has continued throughout 2019/2020 through the new BCP Schools Forum and positive intervention from the local MP.

#### 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 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.

The Local Government Pension Scheme deficit is seen as a risk. However, 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.

#### 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.

# POOLE GRAMMAR SCHOOL

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### Natural Risk:

This relates to adverse weather and management strategies are adopted as appropriate to reduce the impact on the school community.

#### Pupil 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 clerk positions;
- clear financial delegation levels;
- regular third party audit of the school's financial procedures and controls (RO and 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.

#### 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 therefore the school is actively seeking funds to support its Sports Hall bid.

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.

# **POOLE GRAMMAR SCHOOL**

## **GOVERNORS' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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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 deliver this vision, plans for the future include:

- working to maximise funding streams from ESFA and the BCP Local Authority to support the Main School and Sixth Form;
- regular submission of robust capital proposals to improve the school facilities, including the need for a Sports Hall without impinging on the school's existing playing fields;
- active engagement and support to the LA's feasibility studies and plans to increase the Secondary schools provision to meet the demographic pressures in the medium term;
- strategic review of significant cost drivers and ways to manage these to the advantage of the school's future aspirations;
- IT and systems investment to support the vision;
- strengthening educational partnership and trading opportunities to support a thriving Grammar School.

#### **School Development Plan 2020/2021**

The 5 main themes of the School Development Plan are:

- Curriculum Development;
- Teaching and Learning;
- Wellbeing and Inclusion;
- Student Culture and Behaviour;
- Digital & Blended Learning.

#### **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.

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 Jo Denton's key involvement in the Maths for Education and Industry (Dorset Further Maths).



# POOLE GRAMMAR SCHOOL

## GOVERNORS' REPORT

*FOR THE YEAR ENDED 31 AUGUST 2020*

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### 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 10 December 2020 and signed on its behalf by:



Ken Power

Chair of the Governing Body and Academy Trust

# POOLE GRAMMAR SCHOOL

## GOVERNANCE STATEMENT

*FOR THE YEAR ENDED 31 AUGUST 2020*

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### 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 guidance in DfE's Governance handbook and 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. He 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 2019/2020 is contained in schedule 1 on page 3.

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. In addition to meeting 4 times a year to review all aspects of financial operations including the Responsible Officer termly report, 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 possible additional IT investment required 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 trusts deliver 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 for 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 2019/2020 include:

- profits generated by the Trading Subsidiary supports the Academy Trust deficit caused by inadequate funding and unfunded cost pressures, which in 2020 included COVID-19 related expenditure;
- competitive tendering of cleaning service, replacement catering vans, and Multi-Function Devices used by the school;
- renegotiation of utility contracts during the year for electricity and gas;
- renegotiation of payroll service ready for September 2020 following withdrawal of BCP service;

# POOLE GRAMMAR SCHOOL

## GOVERNANCE STATEMENT

### FOR THE YEAR ENDED 31 AUGUST 2020

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- 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 skilled in-house Site Teams for refurbishment of school premises during the summer;
- Poole Grammar School has an efficiency rating of 4 (1 highest, 10 lowest) in terms of student progress to funding measures.

#### 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 2020 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. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks for 2019/2020 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 reviewed on a regular basis.

#### 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.

2019/2020 saw a change to the internal scrutiny arrangements for the Trust. In response to the stepping down of the Responsible Officer (Stephen Bates) in the Summer of 2019, Finance Governors assessed internal scrutiny options in the light of updated guidance in the Academies Financial Handbook. This led to the appointment in April 2020 of SLL Accountancy Ltd to undertake our internal scrutiny reviews and report to the sub-committee.

Their first review was undertaken in April/May 2020. The final report and recommendations were circulated to Finance Governors in August 2020. The review was very comprehensive and included recommendations on updating the Finance Manual, schedule of delegation, changes to who can be Members in 2020/2021, risk

# POOLE GRAMMAR SCHOOL

## GOVERNANCE STATEMENT

*FOR THE YEAR ENDED 31 AUGUST 2020*

register (structure and usage across sub-committees) and ensuring consistency of sub-committee terms of reference. The recommendations have been accepted and were reviewed in the September 2020 Finance Committee. This has led to changes in the schedule of delegation, Trust Members, sub-committee terms of reference, and the review of the risk register with other actions progressed during 2020/2021.

### Review of Effectiveness

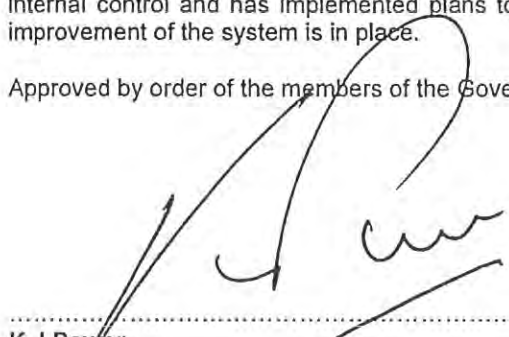
As Accounting Officer for 2019/2020, the Headteacher (A J Baker) has responsibility for reviewing the effectiveness of the system of internal control.

During 2019/2020, this consideration has been informed by the:


- work of the Responsible Officer prior to stepping down;
- internal scrutiny report and recommendations undertaken by SLL Accounting Ltd in 2020;
- reports from the Data Protection Officer to Full Governors on GDPR 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 10 December 2020 and signed on behalf by:

  
.....  
K J Power

Chair

  
.....  
A J Smith

Accounting Officer (from 1 September 2020)



## POOLE GRAMMAR SCHOOL

### STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE


*FOR THE YEAR ENDED 31 AUGUST 2020*

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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 2019.

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 2019.

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 Head Teacher and Accounting Officer (from 1 September 2020)

# POOLE GRAMMAR SCHOOL

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

*FOR THE YEAR ENDED 31 AUGUST 2020*

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 2015 and the Academies Accounts Direction 2019 to 2020;
- 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.

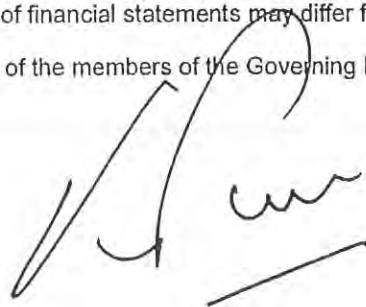
The Governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have 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 10 December 2020 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

*FOR THE YEAR ENDED 31 AUGUST 2020*

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### 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 2020 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 financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2019 to 2020 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 and parent academy trust's affairs as at 31 August 2020 and of its 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 2019 to 2020.

### 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 consolidated accounts' section of our report. We are independent of the Group and the parent academy trust in accordance with the ethical requirements that are relevant to our audit of the consolidated 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

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

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

# POOLE GRAMMAR SCHOOL

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

*FOR THE YEAR ENDED 31 AUGUST 2020*

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### Other information

The Governors are responsible for the other information, which comprises the information included in the annual report other than the consolidated 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 consolidated 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 consolidated accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 consolidated 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.

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' report (which includes the strategic report and directors' report) for the financial year for which the consolidated accounts are prepared is consistent with the accounts; and
- the Governors' report including the incorporated strategic report has 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.

### Responsibilities of Governors

As explained more fully in the statement of Governors' responsibilities, the Governors (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the consolidated 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 consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the Governors are responsible for assessing the 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 academy trust, or have no realistic alternative but to do so.

# POOLE GRAMMAR SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2020

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### Auditor's responsibilities for the audit of the consolidated accounts

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

### Use of our report

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



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

Chartered Accountants  
Statutory Auditor



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



# POOLE GRAMMAR SCHOOL

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO POOLE GRAMMAR SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

*FOR THE YEAR ENDED 31 AUGUST 2020*

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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 2019 to 2020, 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 2019 to 31 August 2020 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 23 March 2010 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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.

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.

## POOLE GRAMMAR SCHOOL

### INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO POOLE GRAMMAR SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2020*

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#### 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 2019 to 31 August 2020 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

Dated: ..... *16 December 2020* .....

# POOLE GRAMMAR SCHOOL

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General	Fixed asset £	Total 2020 £	Total 2019 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	28,794	25,684	54,478	121,390
Charitable activities:						
- Funding for educational operations	4	482,024	6,083,582	-	6,565,606	6,407,584
Other trading activities	5	144,949	-	-	144,949	206,842
Investments	6	3,511	-	-	3,511	4,217
<b>Total</b>		<b>630,484</b>	<b>6,112,376</b>	<b>25,684</b>	<b>6,768,544</b>	<b>6,740,033</b>
<b>Expenditure on:</b>						
Raising funds	7	94,687	-	-	94,687	135,515
Charitable activities:						
- Educational operations	8	245,924	6,706,605	340,899	7,293,428	7,385,750
<b>Total</b>	7	<b>340,611</b>	<b>6,706,605</b>	<b>340,899</b>	<b>7,388,115</b>	<b>7,521,265</b>
<b>Net income/(expenditure)</b>		<b>289,873</b>	<b>(594,229)</b>	<b>(315,215)</b>	<b>(619,571)</b>	<b>(781,232)</b>
Transfers between funds	18	(351,279)	351,090	189	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial losses on defined benefit pension schemes	20	-	(858,000)	-	(858,000)	(356,000)
<b>Net movement in funds</b>		<b>(61,406)</b>	<b>(1,101,139)</b>	<b>(315,026)</b>	<b>(1,477,571)</b>	<b>(1,137,232)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		489,242	(2,790,569)	12,114,168	9,812,841	10,950,073
Total funds carried forward		427,836	(3,891,708)	11,799,142	8,335,270	9,812,841

# POOLE GRAMMAR SCHOOL

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2019 £
Income and endowments from:					
Donations and capital grants	3	-	30,574	90,816	121,390
Charitable activities:					
- Funding for educational operations	4	831,366	5,576,218	-	6,407,584
Other trading activities	5	206,842	-	-	206,842
Investments	6	4,217	-	-	4,217
<b>Total</b>		<b>1,042,425</b>	<b>5,606,792</b>	<b>90,816</b>	<b>6,740,033</b>
Expenditure on:					
Raising funds	7	135,515	-	-	135,515
Charitable activities:					
- Educational operations	8	720,027	6,321,336	344,387	7,385,750
<b>Total</b>	<b>7</b>	<b>855,542</b>	<b>6,321,336</b>	<b>344,387</b>	<b>7,521,265</b>
Net income/(expenditure)		186,883	(714,544)	(253,571)	(781,232)
Transfers between funds	18	(419,938)	452,035	(32,097)	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(356,000)	-	(356,000)
<b>Net movement in funds</b>		<b>(233,055)</b>	<b>(618,509)</b>	<b>(285,668)</b>	<b>(1,137,232)</b>
Reconciliation of funds					
Total funds brought forward		722,297	(2,172,060)	12,399,836	10,950,073
Total funds carried forward		489,242	(2,790,569)	12,114,168	9,812,841

# POOLE GRAMMAR SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2020

CONSOLIDATED BALANCE SHEET		2020		2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	12		13,611		18,148
Tangible assets	13		11,785,531		12,096,020
			<u>11,799,142</u>		<u>12,114,168</u>
<b>Current assets</b>					
Debtors	15	161,324		273,564	
Cash at bank and in hand		<u>1,014,001</u>		<u>969,596</u>	
		1,175,325		1,243,160	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	<u>(577,197)</u>		<u>(626,487)</u>	
<b>Net current assets</b>			598,128		616,673
<b>Net assets excluding pension liability</b>			12,397,270		12,730,841
Defined benefit pension scheme liability	20		<u>(4,062,000)</u>		<u>(2,918,000)</u>
<b>Total net assets</b>			<u>8,335,270</u>		<u>9,812,841</u>
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>	18				
- Fixed asset funds			11,799,142		12,114,168
- Restricted income funds			170,292		127,431
- Pension reserve			<u>(4,062,000)</u>		<u>(2,918,000)</u>
<b>Total restricted funds</b>			7,907,434		9,323,599
<b>Unrestricted income funds</b>	18		<u>427,836</u>		<u>489,242</u>
<b>Total funds</b>			<u>8,335,270</u>		<u>9,812,841</u>

The accounts on pages 30 to 56 were approved by the Governors and authorised for issue on 10 DECEMBER 2020 and are signed on their behalf by:

.....  
 Dr K J Power  
 Chair of the Governing Body and Academy Trust

Company Number 07666111



# POOLE GRAMMAR SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2020

### ACADEMY TRUST BALANCE SHEET

		2020		2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	12		13,611		18,148
Tangible assets	13		11,785,531		12,096,020
Investments	14		1		1
			<u>11,799,143</u>		<u>12,114,169</u>
<b>Current assets</b>					
Debtors	15	164,890		279,223	
Cash at bank and in hand		<u>1,011,618</u>		<u>963,934</u>	
		1,176,508		1,243,157	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	<u>(577,197)</u>		<u>(626,487)</u>	
<b>Net current assets</b>			<u>599,311</u>		<u>616,670</u>
<b>Net assets excluding pension liability</b>			<u>12,398,454</u>		<u>12,730,839</u>
Deferred income	17		-		-
Defined benefit pension scheme liability	20		<u>(4,062,000)</u>		<u>(2,918,000)</u>
<b>Total net assets</b>			<u><u>8,336,454</u></u>		<u><u>9,812,839</u></u>
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>	18				
- Fixed asset funds			11,799,142		12,114,168
- Restricted income funds			170,292		127,431
- Pension reserve			<u>(4,062,000)</u>		<u>(2,918,000)</u>
<b>Total restricted funds</b>			<u>7,907,434</u>		<u>9,323,599</u>
<b>Unrestricted income funds</b>	18		<u>429,020</u>		<u>489,240</u>
<b>Total funds</b>			<u><u>8,336,454</u></u>		<u><u>9,812,839</u></u>

The accounts on pages 30 to 58 were approved by the Governors and authorised for issue on 10/12/2020 and are signed on their behalf by:

.....  
Dr K J Power  
Chair of the Governing Body and Academy Trust

Company Number 07666111

# POOLE GRAMMAR SCHOOL

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	21		41,083		(323,296)
Cash flows from investing activities					
Dividends, interest and rents from investments		3,511		4,217	
Capital grants from DfE Group		25,684		90,816	
Purchase of tangible fixed assets		(25,873)		(66,323)	
Net cash provided by investing activities			3,322		28,710
Net increase/(decrease) in cash and cash equivalents in the reporting period			44,405		(294,586)
Cash and cash equivalents at beginning of the year			969,596		1,264,182
Cash and cash equivalents at end of the year			1,014,001		969,596

# POOLE GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

---

### 1 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 on page 1 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, is set out below.

#### 1.1 Basis of preparation

The accounts 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 their 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The accounts are prepared in sterling which is the functional currency and rounded to the nearest £1.

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

#### 1.2 Going concern

The Governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

#### 1.3 Basis of consolidation

The Statement of Financial Activities (SoFA) and Balance Sheet consolidate the financial statements of the parent academy and its subsidiary company, Poole Grammar School Enterprises 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 company 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 Cash Flows and the related notes on pages 30 to 58 constitute the consolidated financial statements of Poole Grammar School for the financial year ended 31 August 2020.

#### 1.4 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 (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 1 Accounting policies

(Continued)

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet 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 are 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 Academy Trust has provided the goods or services.

### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### 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 events 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.

# POOLE GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 1 Accounting policies

(Continued)

#### 1.6 Intangible fixed assets and amortisation

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 rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software 20% Straight Line

#### 1.7 Tangible fixed assets and depreciation

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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly 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 life, as follows:

Buildings	2% Straight Line
ICT Infrastructure	20% Straight Line
ICT Equipment (computers, laptops)	33% Straight Line
Fixtures, fittings & equipment	10% 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.

#### 1.8 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.

#### 1.9 Leased assets

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.



# POOLE GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 1 Accounting policies

(Continued)

#### 1.10 Financial instruments

The Academy Trust only holds 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. Prepayments are not financial instruments.

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

Amounts due from the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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 Academy Trust's wholly owned subsidiary are held at face value less any impairment.

#### 1.11 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.

#### 1.12 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 and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The 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 are recognised in the period to which they relate.

# POOLE GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 1 Accounting policies

(Continued)

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 net income or expenditure 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.

#### 1.13 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.

#### 1.14 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.

The funds received and paid, and any balances held are disclosed in note 26.

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

The Academy Trust makes estimates and 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.

# POOLE GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 2 Critical accounting estimates and areas of judgement

(Continued)

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 20, 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 2020. 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.

#### Critical areas of judgement

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 13 for further detail to this estimation.

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	25,684	25,684	90,816
Other donations	-	28,794	28,794	30,574
	<u>-</u>	<u>54,478</u>	<u>54,478</u>	<u>121,390</u>

# POOLE GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 4 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	5,438,308	5,438,308	5,196,264
Other DfE group grants	-	582,700	582,700	347,470
	-	6,021,008	6,021,008	5,543,734
<b>Other government grants</b>				
Local authority grants	-	17,279	17,279	24,407
Other grants (eg Wessex TTP)	-	13,573	13,573	8,077
<b>Exceptional government funding</b>				
Coronavirus job retention scheme grant	-	19,795	19,795	-
Coronavirus exceptional support	-	11,927	11,927	-
	-	62,574	62,574	32,484
<b>Other funding</b>				
Other incoming resources	482,024	-	482,024	831,366
<b>Total funding</b>	482,024	6,083,582	6,565,606	6,407,584

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	6,747	-	6,747	9,786
Catering income external	138,202	-	138,202	197,056
	144,949	-	144,949	206,842

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Bank interest received	3,511	-	3,511	4,217

# POOLE GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2020 £	Total 2019 £
Expenditure on raising funds					
- Direct costs	37,644	-	57,043	94,687	135,493
- Allocated support costs	-	-	-	-	22
Academy's educational operations					
- Direct costs	4,624,696	340,899	424,875	5,390,470	5,518,364
- Allocated support costs	1,195,771	358,680	348,507	1,902,958	1,867,386
	<u>5,858,111</u>	<u>699,579</u>	<u>830,425</u>	<u>7,388,115</u>	<u>7,521,265</u>

### Net income/(expenditure) for the year includes:

	2020 £	2019 £
Fees payable to auditor for:		
- Audit	8,450	8,250
- Other services	4,600	2,451
Operating lease rentals	38,387	36,288
Depreciation of tangible fixed assets	336,362	339,850
Amortisation of intangible fixed assets	4,537	4,537
Net interest on defined benefit pension liability	52,000	58,000
	<u>52,000</u>	<u>58,000</u>

### 8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<b>Direct costs</b>				
Educational operations	245,924	5,144,546	5,390,470	5,518,364
<b>Support costs</b>				
Educational operations	-	1,902,958	1,902,958	1,867,386
	<u>245,924</u>	<u>7,047,504</u>	<u>7,293,428</u>	<u>7,385,750</u>



# POOLE GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 8 Charitable activities

(Continued)

Analysis of costs	2020	2019
	£	£
<b>Direct costs</b>		
Teaching and educational support staff costs	4,639,727	4,442,418
Staff development	4,510	9,996
Depreciation and amortisation	340,899	344,387
Technology costs	30,655	57,020
Educational supplies and services	116,657	159,912
Examination fees	110,295	138,618
Other direct costs	147,727	366,013
	<u>5,390,470</u>	<u>5,518,364</u>
<b>Support costs</b>		
Support staff costs	1,198,483	1,110,109
Technology costs	21,768	-
Recruitment and support	2,634	10,094
Maintenance of premises and equipment	88,507	72,612
Cleaning	114,405	106,763
Energy costs	74,487	85,794
Rent, rates and other occupancy costs	46,868	47,641
Insurance	34,413	37,708
Security and transport	21,141	22,415
Catering	108,077	152,180
Finance costs	52,000	58,000
Legal costs	26,569	35,562
Other support costs	100,181	117,807
Governance costs	13,425	10,701
	<u>1,902,958</u>	<u>1,867,386</u>

# POOLE GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	4,283,650	4,244,750
Social security costs	423,111	420,076
Pension costs	1,132,255	915,609
Staff costs - employees	5,839,016	5,580,435
Agency staff costs	19,095	19,188
	5,858,111	5,599,623
Staff development and other staff costs	22,253	9,996
Total staff expenditure	5,880,364	5,609,619

#### Staff numbers

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

	2020 Number	2019 Number
Teachers	71	77
Administration and support	78	70
Management	5	6
	154	153

#### Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	2	3
£100,001 - £110,000	1	1

#### Key management personnel

The key management personnel of the Academy Trust comprise the Governors and the senior management team as listed on page 1. 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 £631,847 (2019: £679,439).

# POOLE GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 10 Governors' remuneration and expenses

One or more of the Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as Governors.

The value of Governors' remuneration and other benefits was as follows:

	2020	2019
	£	£
A J Baker (Head Teacher and Trustee)		
Remuneration	105,000 – 110,000	100,000 – 105,000
Employer's pension contributions paid	25,000 – 30,000	15,000 – 20,000
N Chase (Staff Trustee)		
Remuneration	50,000 – 55,000	50,000 – 55,000
Employer's pension contributions paid	10,000 – 15,000	5,000 – 10,000
S Fry (Staff Trustee)		
Remuneration	20,000 – 25,000	20,000 – 25,000
Employer's pension contributions paid	0 – 5,000	0 – 5,000
R Smith (Staff Trustee)		
Remuneration	45,000 – 50,000	45,000 – 50,000
Employer's pension contributions paid	10,000 – 15,000	5,000 – 10,000

During the period ended 31 August 2020, travel and subsistence expenses totalling £592 (2019: £833) were reimbursed to 3 (2019: 2) Governors in relation to undertaking their roles of Principal and staff, and not with respect to their services as Governors.

Related party transactions involving the trustees are set out in Note 24.

### 11 Insurance for Governors and officers

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was £253 (2019: £308). The cost of this insurance is included in the total insurance cost.

# POOLE GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 12 Intangible fixed assets (Academy and Group)

	Computer Software £
<b>Cost</b>	
At 1 September 2019 and at 31 August 2020	35,685
<b>Amortisation</b>	
At 1 September 2019	17,537
Charge for year	4,537
At 31 August 2020	22,074
<b>Carrying amount</b>	
At 31 August 2020	13,611
At 31 August 2019	18,148

### 13 Tangible fixed assets (Academy and Group)

	Land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 September 2019	14,171,683	241,422	125,614	14,538,719
Additions	-	25,873	-	25,873
At 31 August 2020	14,171,683	267,295	125,614	14,564,592
<b>Depreciation</b>				
At 1 September 2019	2,157,531	211,851	73,317	2,442,699
Charge for the year	306,013	17,785	12,564	336,362
At 31 August 2020	2,463,544	229,636	85,881	2,779,061
<b>Net book value</b>				
At 31 August 2020	11,708,139	37,659	39,733	11,785,531
At 31 August 2019	12,014,152	29,571	52,297	12,096,020

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 valuations 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 (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 14 Investments

	Academy 2020 £	2019 £	Group 2020 £	2019 £
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, for year to 31 August 2020 which has 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

	2020 £	2019 £
Turnover	138,203	197,056
Cost of sales	(94,687)	(135,494)
Gross profit	<u>43,516</u>	<u>61,562</u>
Interest received	72	35
Bank charges	-	(22)
Profit	<u>43,588</u>	<u>61,575</u>
Retained profit brought forward at 1 September 2019	2	127,912
Charitable donation under gift aid	(44,771)	(189,485)
	<u>(1,181)</u>	<u>2</u>

#### Balance sheet

	2020 £	2019 £
Called up share capital	1	1
Net assets/(liabilities)	<u>(1,181)</u>	<u>2</u>
	<u>(1,180)</u>	<u>3</u>



# POOLE GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 15 Debtors

	Academy 2020 £	2019 £	Group 2020 £	2019 £
Trade debtors	36,983	24,042	32,959	16,413
VAT recoverable	20,439	33,317	20,898	35,287
Other debtors	-	304	-	304
Prepayments and accrued income	107,468	221,560	107,467	221,560
	<u>164,890</u>	<u>279,223</u>	<u>161,324</u>	<u>273,564</u>

### 16 Creditors: amounts falling due within one year

	Academy 2020 £	2019 £	Group 2020 £	2019 £
Trade creditors	165,355	226,207	165,355	226,207
Other taxation and social security	100,225	192,035	100,225	192,035
Other creditors	154,989	30,767	154,989	30,767
Accruals and deferred income	156,628	177,478	156,628	177,478
	<u>577,197</u>	<u>626,487</u>	<u>577,197</u>	<u>626,487</u>

### 17 Deferred income

	2020 £	2019 £
Deferred income is included within:		
Creditors due within one year	<u>93,569</u>	<u>89,991</u>
Deferred income at 1 September 2019	89,991	123,868
Released from previous years	(89,991)	(123,868)
Resources deferred in the year	<u>93,569</u>	<u>89,991</u>
Deferred income at 31 August 2020	<u>93,569</u>	<u>89,991</u>

The deferred income relates to income received in the period to 31 August 2020 which relates to the year ended 31 August 2021. The above deferred income relates to the following:

Trips	£53,744
Rates grant	£19,861
Catering	£14,149
Lockers	£2,360
Music	£1,900
Donations	£1,555

# POOLE GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 18 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
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)
	<u>(2,790,569)</u>	<u>6,112,376</u>	<u>(6,706,605)</u>	<u>(506,910)</u>	<u>(3,891,708)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants and transfers on conversion	12,114,168	25,684	(340,899)	189	11,799,142
	<u>12,114,168</u>	<u>25,684</u>	<u>(340,899)</u>	<u>189</u>	<u>11,799,142</u>
<b>Total restricted funds</b>	<u>9,323,599</u>	<u>6,138,060</u>	<u>(7,047,504)</u>	<u>(506,721)</u>	<u>7,907,434</u>
<b>Unrestricted funds</b>					
General funds	489,242	630,484	(340,611)	(351,279)	427,836
	<u>489,242</u>	<u>630,484</u>	<u>(340,611)</u>	<u>(351,279)</u>	<u>427,836</u>
<b>Total funds</b>	<u>9,812,841</u>	<u>6,768,544</u>	<u>(7,388,115)</u>	<u>(858,000)</u>	<u>8,335,270</u>

# POOLE GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 18 Funds

(Continued)

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 2020.

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.

Other DfE/ESFA grants include Bursary fund income of £20,229 (2019: £76,099) and expenditure of £20,632 (2019: £17,035). Bursary funds carried forward at 31 August 2020 were £58,661 (2019: £59,064).

Other restricted funds include Amenities (Donations) fund income of £19,141 (2019: £25,347) and expenditure of £24,743 (2019: £28,557). Amenities (Donations) funds carried forward at 31 August 2020 were £61,161 (2019: £66,764).

Other restricted funds include Sports hall (Donations) fund income of £3,880 (2019: £5,227) and expenditure of £Nil (2019: £Nil). Sports hall (Donations) funds carried forward at 31 August 2020 were £9,107 (2019: £5,227).

# POOLE GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 18 Funds

(Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	5,196,264	(5,648,299)	452,035	-
Other DfE / ESFA grants	17,966	347,470	(309,996)	-	55,440
Other government grants	-	32,484	(32,484)	-	-
Other restricted funds	69,974	30,574	(28,557)	-	71,991
Pension reserve	(2,260,000)	-	(302,000)	(356,000)	(2,918,000)
	<u>(2,172,060)</u>	<u>5,606,792</u>	<u>(6,321,336)</u>	<u>96,035</u>	<u>(2,790,569)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants and transfers on conversion	<u>12,399,836</u>	<u>90,816</u>	<u>(344,387)</u>	<u>(32,097)</u>	<u>12,114,168</u>
<b>Total restricted funds</b>	<u>10,227,776</u>	<u>5,697,608</u>	<u>(6,665,723)</u>	<u>63,938</u>	<u>9,323,599</u>
<b>Unrestricted funds</b>					
General funds	<u>722,297</u>	<u>1,042,425</u>	<u>(855,542)</u>	<u>(419,938)</u>	<u>489,242</u>
<b>Total funds</b>	<u>10,950,073</u>	<u>6,740,033</u>	<u>(7,521,265)</u>	<u>(356,000)</u>	<u>9,812,841</u>

### 19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2020 are represented by:</b>				
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
Creditors falling due within one year	-	(577,197)	-	(577,197)
Defined benefit pension liability	-	(4,062,000)	-	(4,062,000)
<b>Total net assets</b>	<u>427,836</u>	<u>(3,891,708)</u>	<u>11,799,142</u>	<u>8,335,270</u>

# POOLE GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 19 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Intangible fixed assets	-	-	18,148	18,148
Tangible fixed assets	-	-	12,096,020	12,096,020
Current assets	489,242	753,918	-	1,243,160
Creditors falling due within one year	-	(626,487)	-	(626,487)
Defined benefit pension liability	-	(2,918,000)	-	(2,918,000)
<b>Total net assets</b>	<b>489,242</b>	<b>(2,790,569)</b>	<b>12,114,168</b>	<b>9,812,841</b>

### 20 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, which is managed by Dorset County Council. 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 £80,910 were payable to the schemes at 31 August 2020 (2019: £85,415) and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

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

##### Valuation of the Teachers' Pension Scheme

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



# POOLE GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 20 Pension and similar obligations

(Continued)

The key elements of the 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 £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. 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 employer's pension costs paid to the TPS in the period amounted to £717,984 (2019: £800,688).

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

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2020 was £237,000 (2019: £232,000), of which employer's contributions totalled £180,000 (2019: £175,000) and employees' contributions totalled £57,000 (2019: £57,000). The agreed contribution rates for future years are 20 to 21% for employers and 5.5 to 12.5% for employees, and which rate is dependent on salary level. The estimated value of employer contributions for the forthcoming year is £192,000.

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 for Education. The guarantee came into force on 18 July 2013.

Total contributions made	2020 £	2019 £
Employer's contributions	180,000	175,000
Employees' contributions	57,000	57,000
Total contributions	237,000	232,000
Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.30	3.70
Rate of increase for pensions in payment/inflation	2.30	2.20
Discount rate for scheme liabilities	1.60	1.85
Inflation assumption (CPI)	2.30	2.20

# POOLE GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 20 Pension and similar obligations

(Continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2020 Years	2019 Years
Retiring today		
- Males	23.3	22.9
- Females	24.8	24.8
Retiring in 20 years		
- Males	24.7	24.6
- Females	26.2	26.6

Scheme liabilities would have been affected by changes in assumptions as follows:

	2020 £'000	2019 £'000
Discount rate + 0.1%	(155)	(121)
Discount rate - 0.1%	159	124
Mortality assumption + 1 year	254	197
Mortality assumption - 1 year	(244)	(190)
Pension increases and deferred revaluation + 0.1%	135	108
Pension increases and deferred revaluation - 0.1%	(132)	(105)
Long term salary increase + 0.1%	23	15
Long term salary increase - 0.1%	(22)	(15)

#### The Academy Trust's share of the assets in the scheme

	2020 Fair value £	2019 Fair value £
Equities	1,328,000	1,273,000
Gilts	311,000	326,000
Other bonds	205,000	177,000
Diversified Growth Fund	148,000	145,000
Property	256,000	260,000
Other assets	333,000	310,000
Total market value of assets	2,581,000	2,491,000

The actual return on scheme assets was £(72,000) (2019: £185,000).

# POOLE GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 20 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2020 £	2019 £
Current service cost	234,000	244,000
Past service cost	-	57,000
Interest income	(48,000)	(58,000)
Interest cost	100,000	116,000
Benefit changes, curtailments and settlements gains or losses	-	(57,000)
Total operating charge	<u>286,000</u>	<u>302,000</u>

#### Changes in the present value of defined benefit obligations

2020  
£

At 1 September 2019	5,409,000
Current service cost	412,000
Interest cost	100,000
Employee contributions	57,000
Actuarial loss	740,000
Benefits paid	(75,000)
At 31 August 2020	<u>6,643,000</u>

#### Changes in the fair value of the Academy Trust's share of scheme assets

2020  
£

At 1 September 2019	2,491,000
Interest income	46,000
Actuarial loss/(gain)	(118,000)
Employer contributions	180,000
Employee contributions	57,000
Benefits paid	(75,000)
At 31 August 2020	<u>2,581,000</u>

# POOLE GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 21 Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the reporting period (as per the statement of financial activities)	(619,571)	(781,232)
Adjusted for:		
Capital grants from DfE and other capital income	(25,684)	(90,816)
Investment income receivable	(3,511)	(4,217)
Defined benefit pension costs less contributions payable	234,000	244,000
Defined benefit pension scheme finance cost	52,000	58,000
Depreciation of tangible fixed assets	336,362	339,850
Amortisation of intangible fixed assets	4,537	4,537
Decrease in debtors	112,240	71,265
(Decrease) in creditors	(49,290)	(164,683)
Net cash provided by/(used in) operating activities	41,083	(323,296)

### 22 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	969,596	44,405	1,014,001

### 23 Commitments under operating leases

At 31 August 2020 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	30,627	27,779
Amounts due in two and five years	60,331	27,310
	90,958	55,089

# POOLE GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### 24 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 Academies Financial Handbook 2019, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and in accordance 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 2020 have been consolidated into these accounts.

The Academy Trust is a member of the South West Academy Trust (SWAT) with N Bichard and A J Baker on the board of SWAT. Mr J Stiby was appointed Company Secretary of SWAT in April 2017. A membership fee of £500 was paid (2019: £500).

Poole Grammar School took over the administration of the SWAT funds in April 2018 under an agency arrangement. See Note 26 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 Baker 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 2020, £nil was transferred to the Academy Trust (2019: £412) from the Amenities Section of the Trust Fund. The Parent Staff Association donated £237 for equipment especially for Poole Grammar School and for reimbursement of costs for PSA events (2019: £922), and the Old Grammarians donated £nil toward the Dolphin magazine costs (2019: £8,849).

At 31st August 2020, the Trust Fund had £91,618 (2019: £116,596) in investments, £42,260 (2019: £29,315) in current assets, £nil (2019: £nil) in liabilities and £133,878 (2019: £145,911) in funds. The charity had turnover of £16,061 (2019: £21,316), expenditure of £2,657 (2019: £14,187), losses of £25,437 (2019: loss of £8,875) and an overall decrease in funds of £12,033 (2019: decrease of £1,746). 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 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.

### 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.



# POOLE GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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### 26 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 2020 the trust received £20,229 (2019: £20,720) and disbursed £20,632 from the fund (2019: £17,035). An amount of £58,661 (2019: £59,064) is included in reserves relating to undistributed funds that is repayable to ESFA.

SWAT - At 31 August 2020, the trust held a balance of £9,507 (2019: £5,490) 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 2020, the Trust received £5,506 (2019: £8,375) and made payments of £3,140 (2019: £5,446) as an agent for the South West Academic Trust.

Teacher Subject Specialism Training – During the accounting period ending 31 August 2020, the Trust received £202,077 (2019: £227,782) and made payments of £202,077 (2019: £227,782) as an agent for the Department of Education.

## Document Activity Report

### Document Sent

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