
DR CHALLONER'S GRAMMAR SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2021

Company Limited by Guarantee
Registration Number:
07451811 (England and Wales)



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REFERENCE AND ADMINISTRATIVE INFORMATION

Members

Mr Shaun Kennedy
Dr Mark Pegg
Dr John Maynard
Mrs Carol Bevins
Mr David Atkinson (*term concluded 28 February 2021*)
Mrs Stephanie Horrocks
Mr Matthew Lawrence
Mrs Stephanie Hyde (*Member from 1 September 2020*)

Trustees in office from 1 September 2020 to 9 November 2021 (Also known as Governors or Directors):

Denotes member of the Finance Committee during the year ()*

Mr Shaun Kennedy* (Chairman)
Dr Mark Pegg (Vice Chairman)
Mrs Stephanie Hyde* (Chair of Finance Committee)
Mr David Atkinson* (Headmaster and Accounting Officer)
Mrs Isobel Darby*
Mr Jonathan Pearson* (Responsible Officer since 1 September 2021)
Mr David Mackintosh*
Mr Leon Glenister
Mr Stephen Nokes
Mrs Alison Davis
Mrs Emma Westcott
Mr Giri Fox* (Responsible Officer-term concluded 31 August 2021)
Mr Joseph Cronly (*term concluded 21 October 2020*)
Mr Mike Tingey (*term concluded 24 October 2020*)
Mrs Sue Tanner (*term concluded 8 June 2021*)
Mrs Katy Munn (*Appointed 3 November 2020*)
Mr Tom Shinner* (*Appointed 3 November 2020*)
Mr Paul Serkis (*Appointed 26 April 2021*)
Mrs Ursula Baumann (*Appointed 6 September 2021*)
Mr Gareth Cadman (staff trustee)
Mr George Davies (staff trustee)

Company Secretary

Mr Sean Kennedy

Senior managers

Headmaster:

Mr David Atkinson

Chief Financial and Strategy Officer:

Mr Sean Kennedy

Deputy Headmaster:

Mr Edward Goodall

Deputy Headmaster:

Mrs Carole Black

Principal of Astra:

Ms Stephanie Rodgers

Registered Office

Dr Challoner's Grammar School
Chesham Road
Amersham
Buckinghamshire HP6 5HA

Company Registration Number

07451811 (England and Wales)

Independent Auditors:

Landau Baker Limited
Mountcliff House, Brent Street
London
NW4 2DR

Bankers:

Barclays Bank PLC
90-93 Broad Street, Reading
Berkshire
RG1 2AP

Solicitors:

Stone King LLP
16 St John's Lane
London
EC1M 4BS

REPORT OF THE TRUSTEES FOR YEAR ENDING 31 AUGUST 2021

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ending 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 based in Amersham. It was the first school in Buckinghamshire to convert to an academy under the powers of the Academies Act 2010. The operation of the academy commenced on 1 January 2011. The independent school replaced the existing foundation school (also called Dr Challoner's Grammar School) that was maintained by Buckinghamshire County Council.

The total students in the year ended 31st August 2021 numbered 1359 (2020: 1354).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Dr Challoner's Grammar School is a company limited by guarantee with no share capital (registration no. 07451811) and an exempt charity. The company's memorandum and articles of association are the primary governing documents of the company. The trustees of Dr Challoner's Grammar School are also directors of the charitable company for the purposes of company law. The charitable company operates as Dr Challoner's Grammar School. It also operates under the name "Astra" in operations as a SCITT, Teaching School Alliance and recent designation as a Teaching School Hub.

Details of the trustees who served throughout the year are detailed in the Reference and Administration information on page 3.

Members' liability

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

Trustees' Indemnities

The Articles of Association state that every trustee shall be indemnified out of the assets of the Academy Trust against any liability by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

The Academy also has entered into the Department for Education's Risk Protection Arrangement which reimburses the Academy in the event of a loss under the RPA membership rules including employer's liability, public liability and professional indemnity risks.

Method of Recruitment and Appointment or Election of Trustees

The Articles of Association require the makeup of the trustees to be as follows:

- **Up to 3** staff trustees appointed via staff election
- **A minimum of 2** parent trustees elected by parents of registered pupils of the Academy
- **Up to 8** community trustees appointed by the Members. There must always be at least 3 community trustees that are parents of pupils at the Academy.
- **Up to 5** co-opted trustees appointed by the trustees that have not themselves been co-opted.
- The Head teacher is an ex officio trustee

Trustees who are employees of the academy (including the head teacher) cannot exceed one third of the total number of trustees.

The structure of the board of trustees that was in place at the start and end of the year was as follows:

Trustee type	31 August 2021	31 August 2020
Non-parent community trustee	4	3
Parent community trustee	4	5
Elected Parent Trustee	1	2
Co-opted trustee	5	5
Staff trustee	2	2
Headteacher	1	1
TOTAL	17	18

The term of office for any trustee shall be four years excepting:

- The Head Teacher
- Staff trustees if they cease to be employed by the Academy
- The term of office can be less than four years for any trustee other than a parent trustee.

In general trustees are replaced as and when they reach the end of the term of their office. Subject to remaining eligible to be a particular type of trustee, any trustee may be re-appointed or re-elected.

The Trustees have resolved to update the Articles of Association to the those based on the latest model DFE Articles of Association during 2021-22.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new trustees will depend on their existing experience. Where necessary induction will include training on charity and educational, legal and financial matters.

All new trustees will be given a tour of the school and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees.

As there are normally only two or three new trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure

The structure consists of three levels: the trustees, senior leadership team (or leadership group) and budget holders. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy using budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. The trustees are also responsible for approving the Finance Manual under which the school's finances operate.

The Headmaster has overall executive responsibility for the academy's activities including financial activities. Much of the responsibility for financial activities has been delegated to the Chief Financial and Strategy Officer. The Headmaster is responsible for the appointment of all staff except for the Chief Financial and Strategy Officer, Deputy Headmasters and Principal of Astra the which is done in conjunction with the trustees. In addition to the above staff the senior leadership team also includes 4 assistant headteachers.

The senior leadership team control the Academy at an executive level implementing the policies laid down by the trustees and reporting back to them. Operationally the organisation is split into 2.

The first of these is that of operating Dr Challoner's Grammar School operating on the school site on Chesham Road. The second is acting as the lead school of the Astra Teaching School Hub. In practice individual members of the senior leadership team have operational responsibility within one of the two parts of the organisation (the exceptions to this are the Headmaster and Chief Financial and Strategy

Officer who have oversight of both parts of the organisation).

The senior leadership team is collectively responsible for the day-to-day operation of both aspects of the organisation, organising the staff, facilities and students. Spending control is devolved to budget holders, with expenditure above certain limits needing additional authorisation from either the senior managers or the trustees (or both).

Arrangements for setting pay and remuneration of key management personnel

The key management personnel for the academy trust comprise the members, trustees and the five senior managers as outlined on page 3 of these accounts. The only individuals within these groups who receive pay and remuneration are the two staff trustees and the five senior managers (Headmaster, Chief Financial and Strategy Officer, Deputy Headmasters and Principal of Astra).

All staff trustees are members of teaching staff. The Governing Body follows the requirements of the current School Teachers' Pay and Conditions Document ("**the Document**") in implementing the pay policy for teaching staff at the academy. The Pay Policy of Dr Challoner's Grammar School mandates that the Governing Body will ensure that every teacher's salary is reviewed with effect from 1 September each year and no later than 31 October each year with the exception of the headmaster where the review must be carried out by 31 December.

Setting pay ranges for Senior Managers

All five senior manager posts are part of the school's Leadership Group as defined in the Academy's Pay Policy. The Personnel committee has established appropriate pay ranges for each member of the Leadership Group. These individual ranges are reviewed on a regular basis, but not more than once per year. In setting the ranges the Personnel Committee has regard to the following:

The Personnel Committee has established the school group size in accordance with the provisions of the Document. Due to consistent pupil numbers the school group remains constant. By carrying out this exercise the Personnel Committee provides itself with a benchmark headmaster pay range ("benchmark range") for consideration when setting the Headmaster's pay range. When setting the Headmaster's pay range, the Personnel Committee ensures that there is appropriate scope within the range to allow for performance related process over time.

In the case of setting a range for a new Headmaster appointment, the Personnel Committee considers the requirements of the post and the extent to which the preferred candidate meets those requirements are such that it would be appropriate to set the starting point of the Headmaster's pay range above the minimum outlined in the benchmark range.

The Personnel Committee also has discretion to set a pay range in excess of the maximum outlined in the benchmark range where it considers that circumstances specific to the role or candidate warrant this. In making this determination, except in exceptional circumstances the Personnel Committee would ensure that the maximum point on the Headmaster's pay range did not exceed the maximum point on the benchmark pay range by more than 25%. Where exceptional circumstances apply the Personnel Committee seeks external advice and supports the decision with a business case.

In setting the pay ranges for the Chief Financial and Strategy Officer, the Deputy Headmasters or Principal of Astra the Personnel Committee ensures that the maximum of their ranges do not exceed the maximum of the benchmark range above. In addition, the Personnel committee would only set a pay range for these roles that overlapped with the Headmaster's pay range in exceptional circumstances.

Pay progression of Senior Managers

Members of the Leadership Group are not entitled to receive automatic annual increments. The Governing Body ensures that a review against performance objectives is undertaken annually in accordance with the school's performance management policy. Members of the Leadership Group must demonstrate sustained high quality of performance, with particular regard to leadership and management, and pupil progress at the school. The Personnel Committee will consider recommendations made to it following the performance review and will award a maximum progression of two points within the range where there has been sustained high quality of performance considering the performance objectives.

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 the following information in its accounts.

Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	1 FTE

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1
1%-50%	0
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£0
Provide the total pay bill	£6,999K
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	£0
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Connected Organisations and Related Party Relationships

Dr Challoner's Grammar School is not controlled in how it manages its operations in delivering its objectives by a third party.

Although it does not have a controlling or ownership interest, Dr Challoner's Grammar School has strong links with the following organisations:

- Dr Challoner's School Educational Trust (charity no: 298550)
- The Friends of Dr Challoner's Grammar School (charity no: 310621)

Further details of the relationship with these organisations are given in note 28 to the financial statements. Dr Challoner's Grammar School operates as Astra in its role as a SCITT, the lead school in a Teaching School Alliance (until 31 August 2021) and as the lead school of a Teaching School Hub. In relation to this function the Academy works in partnership with many local schools and organisations in the Buckinghamshire and surrounding areas to advance for the public benefit education in the United Kingdom.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the charitable company is "*advancing 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 [the Academy] offering a broad and balanced curriculum*"

"Excellence with Integrity" underpins the Academies Vision and Values that we seek to apply across the whole school community:

Values:

At DCGS we value in all our actions and intentions:

- Aspiration;
- Kindness; and
- Resilience

Vision:

At DCGS we:

- Are determined to give our best in everything that we do
- Are prepared for the opportunities and challenges of today and the future
- Serve the wider community

Objectives, Strategies and Activities

The Academy's **strategy** of achieving this is that at DCGS everyone learns through:

- Teaching that is rigorous, engaging and high quality
- Developing leadership at all levels
- Maintaining a culture of high expectations
- Showing a concern for everyone's wellbeing
- Providing a first class learning environment
- Ensuring a breadth of opportunities for all
- Promoting an open and outward facing attitude
- Engaging with the global potential of technology
- Exploring innovative and sustainable approaches

To ensure that these goals are met the school sets strategic objectives within its School Improvement Plan. The headline objectives in the School Improvement Plan for 2020-21 were:

Primary Objectives

- Use school values and character education to develop and enhance school community post Covid-19
- Improve student learning by a) implementing enhancements to digital and home learning derived from lockdown experience and b) addressing curriculum and assessment adjustments required as a result of lockdown

Other objectives 2020-21

- Deliver on all projects in the capital programme for 2020-21 and prepare for the delivery of the Science Matters Project. To include the appropriate financing of all projects.
- To maintain the outstanding provision of the Astra SCITT while continuing to offer high quality training, assessment and support for Bucks and beyond, responding to the changing TSA landscape as well as the implementation of the CCF, ECF and revised ITE Ofsted Framework from September 2020. To achieve financial sustainability through SCITT, AO and Appropriate Body work.
- Students achieve the best results they are capable of in all subjects meaning that the school's GCSE and A Level Attainment and Progress figures compare positively with Bucks Grammar

-
- Schools, BASS, YELLIS and ALIS data.
 - Through the development of a 'Lifelong Challoner's' Mindset amongst our student, alumni and parent body, to be achieved by the enhancement of community and commercial activities which align with the Academy's Vision, Values and Strategy, create a virtuous circle that benefits all stakeholders including generating significant additional resources (time and money) from sources independent from government policy to provide the future financial security required to support the Academy's prime objectives.

Each objective has specific, detailed success criteria defined, together with more detailed tactics to ensure that they are achieved. Responsibility for achievement of these success criteria is owned by members of the senior leadership team and progress against these criteria is monitored throughout the year.

Public Benefit

The trustees have complied with their duty to have due regard to the Charity Commission's guidance on Public Benefit in exercising their powers of duties.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The 2020-21 academic year continued to be disrupted by Covid which naturally impacted some of the school's plans which are explored below. Notwithstanding this, the school and its students continued to perform fantastically as outlined in this section.

Well Being (Staff and Students)

For several years, the school has been at the forefront of promoting the importance of wellbeing to its staff and students, together with providing training for everyone to maintain their wellbeing. This includes maintaining a significant focus for staff and students on the 5 Ways to Wellbeing: Giving, Connecting, Taking Notice, Keeping Learning and Being Active. We have also marked Time to Talk Day, a day focused on encouraging everyone to talk about mental health. This excellent and deeply embedded foundation was critical for the school in helping it manage its response to Covid-19.

Every organisation relies on having a healthy and productive workforce, and DCGS is no different. We recognise that to get the best outcomes for our students we need the best staff, and part of this responsibility is looking after the staff we have.

The school's approach to Covid-19 this year included a major focus on communicating clearly with all members of our community regarding the school's plan for operating back in full session from September 2020 and continuing to do this throughout the whole year as the landscape regarding Covid-19 evolved. Feedback from all parts of our community show that this was done very successfully and valued extremely highly.

Impact of Covid-19 on our approach to Wellbeing:

We are extremely fortunate to have a diverse staff and student body, all with their own unique circumstance and attributes. What became clear immediately was that no two peoples' experience of lockdown were the same and the strategies that we needed to employ as a school needed to work for all members of our community.

Our general approach has been:

- **When making decisions**, to ensure that they take account of the need to keep all members of our community safe, supported and connected to each other. Only once this was achieved would it be possible to provide or receive the best education possible.
- **To clearly communicate regularly and provide feedback mechanisms:** This includes explaining the rationale of decision making (including the risk assessment framework under which we are operating) and giving the opportunity for our community to feedback to decision makers.

In practice we could only achieve this for our students if our staff were fully bought into what we were trying to achieve. To facilitate this at a macro level, the school published risk assessments and proposed methods of working at each stage of the lockdown (full lockdown in March 2020, partial re-opening in June 2020, full re-opening in September 2020 and key changes following this) and gave staff the opportunity to digest these (both in terms of safety and how this may impact education delivery), make suggestions for improvement and to be able to directly ask the Headmaster and Chief Financial and Strategy Officer any questions regarding our approaches on staff-wide video calls.

This approach was supplemented by ensuring that line managers were regularly checking in with their teams to ensure that all felt connected and supported by the school, particularly those staff who were in more vulnerable situations.

The school has been working with MIND for the last four years, by participating in their Workplace Wellbeing Index. In 2021 we won our fourth Gold award in a row. This award means the school is 'achieving excellence' and has successfully embedded mental health into its policies and practises, demonstrating a long-term, in-depth commitment to staff mental health. This is evidenced through consistent messages to staff and students, making use of our varied communication channels to re-

enforce the key points about this part of our work.

Supporting the mental health of our staff and being positive role models in this regard, allows us to further support the mental health of our students - reducing stigma, improving mental health literacy and giving our students lifelong skills to support their own mental health.

For students, a similar approach was taken to the staff. Prior to June the school identified those students that could most benefit from being in school (in addition to children of key worker families) and brought them in for face to face provision. In June, once the full lockdown started to ease, the initial focus for staff with face to face time with students was a pastoral one, before later in the term we took the opportunity to deliver some live lessons to students.

Prior to re-opening in September, we crafted a detailed video message to parents and students so that they would know how the school would be operating prior to arriving, to decrease anxiety as much as possible. A similar approach was taken reassuring parents and students in relation to the mass testing that took place in March 2021.

Whilst there were things that could have been improved during this time, we are extremely proud of the approach taken and can see that both our students and staff have benefited significantly from this.

For example, this year the MIND index had specific sections focussing on the school's approach to managing staff wellbeing during the Covid pandemic. Some highlights from the report include:

- 98% were made aware of support tools available during the academic year.
- 40% used the support tools available and of these 94% found them effective.
- 96% said they were provided sufficient guidance and / or resources on how to stay mentally well during the pandemic.

One high profile conversation in society this year has surrounded issues of DEI, including Black Lives Matter and #everyonesinvited. In response to these issues the governors commissioned a report to investigate the school's approach to DEI issues. This report, published in February 2021 engaged staff, students, alumni, parents and governors and considered the curriculum, recruitment of staff and governors and gender in the Sixth Form. The findings have been used to inform the 2021-2022 School Improvement Plan.

Students' Educational Performance

This year, in the absence of exams, schools were required to provide teacher assessed grades for each student in each subject. The school did this through a system that took into account student performance in two sets of assessments and other significant work. The school's chosen process and the grades generated were subject to a quality control process implemented by the examination boards.

The approach means that comparisons between prior years and between schools are harder to make. Notwithstanding this, the academic performance of this year's cohorts was outstanding. Results are not being officially reported this year. In terms of student progression, well over 80% of year 13 students secured a place at one of their first-choice destinations, a figure in line with recent years. From the GCSE cohort only a dozen students have moved to other establishments, leading to a year 12 cohort the same size as last year's.

To ensure that standards are continually raised, the school operates a comprehensive self-evaluation programme which includes observation of lessons, scrutiny of students' work, subject reviews, questionnaires and focus groups. Owing to the restrictions and additional challenges created by the pandemic this structure was streamlined this year, to ensure that capacity existed to deliver the assessment and grading process described above. Professional development reviews and appraisals took place, and curriculum area reviews focussed on learning from the experiences of student learning during the lockdown periods.

Astra Teaching School Hub and SCITT

Astra is the business unit within the School that is responsible for the work in contributing to the wider

schools community with a specific focus on increasing the number of excellent teachers across the local area..

Following a competitive bidding process in the Autumn of 2020, Astra has been recognised as one of only 81 Teaching School Hubs in the country and has responsibility for providing all schools in the county with access to the 'golden thread' of professional development as part of the government's Teacher Recruitment and Retention strategy. This new landscape replaces the model of over 750 Teaching School Alliances (of which Astra was one) and positions Astra as the sole Teaching School Hub in Buckinghamshire, with the remit of working with nearly 250 schools and other partners in the region.

The remit of Astra now includes but is not limited to

- Initial Teacher Training and QTS awarding body (delivered mainly through its SCITT)
- Early Career Framework implementation (first cohort 2021-22)
- Appropriate Body Induction
- National Professional Qualification (first cohort 2021-22)
- Continuing Professional Development

The Astra Business unit prioritised effective engagement with all its partners regarding both the impacts of Covid-19 and the changing Teaching School landscape to ensure that successful outcomes would be delivered to all partners despite the disruptions. Some key achievements are included below.

Initial Teacher Training:

As an 'outstanding' SCITT (Ofsted 2018), Astra's work makes a significant contribution to attracting and developing new entrants to the teaching profession.

2020-21 Cohort:

For our 2020-21 cohort of trainees, despite the ongoing impact of Covid-19 on schools, Astra was able to ensure that all the primary and secondary salaried and unsalaried trainees on a trajectory to gain QTS had the opportunity to complete the course in the 2020/21 academic year by pivoting its delivery model to allow remote teaching and learning via technologies such as Zoom, GoToWebinar, NASBTT Learn and Google Meets. Additional seminars and individual support were offered to both trainees and schools. During the January - March lockdown, some trainees also continued to work with children of key workers and vulnerable children in schools. Whether in school or working remotely, all SCITT trainees were monitored closely during lockdown and received rigorous training, quality assurance and wellbeing support, including help gaining employment.

- In 2020/21 Astra SCITT trained and awarded Qualified Teacher Status to a record number of 76 new entrants (2019/20: 65; 2018/9: 56, 2017/8: 59, 2016/7: 47).
- To date, over 80% of the 2020/21 trainees secured employment for September 2021, with 50% being employed in their main placement school. Breakdowns show a slight bias towards secondary trainees securing employment in non-selective schools, underlining the significant contribution the Astra SCITT is making to Bucks. Historically, all Astra SCITT cohorts have enjoyed high completion and employment rates, above national benchmarking data.
- Two trainees (Maths and English) have gained ECT positions at DCGS.

2021-22:

For the 2021/22 academic year, the Astra SCITT has recruited a further 71 primary and secondary trainees from across its 3 Hubs (Amersham; Aylesbury; Marlow). 3 part time trainees from 2020/21 will also complete their training in 2021/22. (We have also recruited 4 applicants for the 2022-23 course year). The trainees have been placed across 39 local partnership schools, mainly in Buckinghamshire.

Assessment Only QTS Route:

As well as offering QTS courses for Initial Teacher Training, the Astra SCITT is also an accredited

provider of the Assessment Only route to QTS and accredited 36 candidates with QTS in 2020/21 (23 in 2019/20), including 18 UK candidates, 13 overseas candidates and 5 candidates from the UK independent sector.

The impact of Covid-19 on the Assessment Only route had been significant for candidates who applied for assessment but had not received a school visit at the time when lockdown was announced, although Astra has used remote meetings and deployed assessors located overseas in order to ensure QTS awards could be made, with a rigorous quality assurance process. As a result of these contingency plans, as well as an increase in the number of assessors deployed, the number of awards are notably higher than in 2019/20.

Other Astra Activities

Outside of the main ITT programme, other Astra activities were impacted due to Covid-19 reducing demand for face-to-face school visits, CPD and services. Notwithstanding this, Astra still was able to significantly contribute to the local education area by providing services including but not limited to:

- **Appropriate Body Work:** The induction of 146 Newly Qualified Teachers (NQTs) during 2019/20, in its role as an NQT Appropriate Body.
- **CPD:** CPD courses were rewritten to be able to be effectively delivered remotely as well as in person depending on the Covid-19 status. Despite the challenges we were still able to train 60 participants on our ITT Mentor programme with Bucks New University and delivered 8 NQT twilight sessions in addition to the weekly SCITT Professional Studies programme.

Preparation for 2021-22

Much of 2021-22 has involved liaising with partner schools in readiness for the launch of the Teaching School Hub Landscape. Outside of schools significant partnership work includes:

- **Best Practice Network (BPN):** BPN will act as Astra's Lead Provider for both the new two year statutory Early Career Framework and revised National Professional Qualifications. To date, Astra has worked with Best Practice to recruit 152 ECTs and 146 Early Career Mentors in 80 schools to the two year programme across Bucks, launching in September 2021. Astra has also worked with Best Practice to recruit and train over 50 expert colleagues as facilitators to both the ECF and suite of NPQs.
- **Buckinghamshire Council:** The focus of this partnership is to enable the delivery of further CPD and the training and deployment of expert colleagues as ABLEs (Astra / Buckinghamshire Leaders of Education) into a wide range of professional studies programmes, as well as bespoke school to school support. Astra will be working collaboratively with Buckinghamshire Council on the Appropriate Body induction provision for Buckinghamshire from September 2021, at the time of writing over 190 ECT's had signed up for this service.

Improvements to the School Facilities:

2020-21 saw the successful implementation of one of the busiest years for capital works across the school site. This large complex programme (over £1.6m) was successfully managed with projects being delivered on time and on budget despite the complexities of delivering them during the pandemic. Highlights of the programme included:

- The commencement of Phase 1 of the Science Matters extension and refurbishment of our science laboratories and associated spaces. Phase 1 is due to complete by February 2022
- The completion of the site wide upgrade of fire safety systems including a site-wide replacement of our fire alarm and emergency lighting together with the replacement and repair of all fire doors across the school site.
- The commencement of the full replacement of the end of life heating system supplying our admin block. This project is due to complete in October 2022.
- The upgrade of LED lighting across multiple teaching blocks, enhancing the learning environment for our students as well as reducing our energy consumption.
- Other works included the enhancement of traffic safety measures across the site, the installation of a DDA compliant ramp to improve access around the central areas of the school site and the development of a new PE staff working and changing areas that facilitate the introduction of specialist coaches for our students.

School Response to COVID-19

The school was able to write its school improvement plan for 2020-21 knowing that the traditional school year would be disrupted by the pandemic at various points throughout the year. Excellent progress was made against all the objectives, together with achieving the successes above, all whilst delivering a first class education to our students.

This was only achievable by an exceptionally detailed operation planning process that was well designed, monitored and improved upon across the year to respond to new challenges as they arose. As before our staff and students had to learn new routines and practices, requiring all to adapt their working patterns and methods responding to the logistical challenges of operating with year group "bubbles", continuing to adapt to the evolving use of technology to improve students' outcomes and the need to respond resiliently when circumstances required.

Some of the more disruptive elements to the mode of operations throughout the year that the school had to effectively plan for included:

- Imbedding new habits for staff and students to ensure everyone understood the "new normal" way the school had to operate in 2020-21
- The school needing to set up systems to identify and trace close contacts of persons who had tested positive for Covid-19 that recently attended the school site and arrange the safe collection by parents of students identified.
- The need to set up a hybrid model of teaching catering for those students able to attend the school site whilst simultaneously meeting the needs of those required to self isolate.
- The need to revert back to a fully remote method of teaching during the January – March lockdown.
- The need to operate a school whilst simultaneously arranging an on-site asymptomatic testing site for students returning after the lockdown.
- The need for the school and teachers to swiftly respond to the late government announcement of exam cancellations to ensure year 11 and year 13 students received fair and appropriate grades at the end of the year.

All of this was achieved through the hard work and dedication of all of our staff. It is worth noting a couple of decisions that improved the student experience throughout the year.

- In advance of government introducing lateral flow tests, the school purchased early batches to allow staff concerned that they had symptoms access to the tests. This decision allowed staff to routinely test quickly and avoided the need for unnecessary staff isolation
- In January the school appointed 2 members of support staff to act as Covid co-ordinators to take over processes that had been set up, designed, and ran by the senior leadership team (such as contact tracing). This was a vital decision as it allowed the freeing up of senior staff time to ensure the delivery of some of the major successes outlined above.

Overall, we are exceptionally proud that we limited the adverse impact that Covid-19 had on our community in so far as was practicable.

FINANCIAL REVIEW

Going Concern

After making appropriate enquiries, the trustees have 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.

For the avoidance of doubt, Covid-19 does not impact this assessment (see Reserves Policy section below).

Financial report for the year

The financial statements have been prepared in accordance with the accounting policies disclosed in note 1 of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities – FRS 102" ('SORP 2019') and Academies: Accounts Direction 2019 to 2020.

Most of the Academy's income is obtained from the ESFA / DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA / DfE during the period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the ESFA / DfE and other donors. In accordance with SORP 2019, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2021, total expenditure of **£10,050K** was covered by recurrent grant funding from the ESFA / DfE together with other incoming resources and a planned use of existing reserves. The excess of income over expenditure for the period (excluding restricted fixed asset funds and pension funds) was **£246K**.

At 31 August 2021 the net book value of fixed assets was **£17,450K** and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services in accordance with the Trusts objectives.

Key Financial Performance Indicators

At the start of the year the Academy sets its budget based on total reserves readily available to spend (i.e. excluding the fixed asset reserve and the pension reserve) by taking into account likely future trends in income and expenditure. The budget is then split between cost centres for which budget holders are given responsibility to manage.

The major source of budgeted income is from General Annual Grant, but other sources of income become available to the Academy throughout the year.

When determining the medium term financial plan and specific year's budgets the trustees have specific regard to two key financial measures that provide indications of sustainability:

- Recurring staffing and non-staffing costs should not exceed recurring base income
- Recurring staffing costs should ideally not exceed 80% of recurring base income or expenditure

When determining an individual year's budget the key figure that the trustees consider is the net surplus or deficit. A net surplus is where expected income exceeds expected expenditure and a net deficit is where expected expenditure exceeds expected income. For 2021-22 the budget was set at a net deficit of **£82K**, reflecting the planned funding of a large part of the capital programme from revenue reserves.

Performance against budget at a cost centre level is monitored by the headmaster and Chief Financial and Strategy Officer via monthly management reports that are also circulated to all Trustees and scrutinised by the Finance Committee at its meetings. The management reports contain a forecast out-turn position that include the likely variance from budget at the end of the year. If appropriate, the budget may be adjusted throughout the year in accordance with the Academy's Financial Regulations.

Unless income is ring-fenced for a specific purpose, the decision as to exactly which items of expenditure are funded by which items of income is not made until the end of the financial year. The reasons for this are as follows:

- The final decisions regarding capitalising expenditure only occur at the year end, once such expenditure has been shown to meet the capitalisation criteria as laid down in the accounting policies.
- The matching of capital income, such as Devolved Formula Capital Grant, to this expenditure can therefore only be formalised at the year end.
- The decision as to which items of expenditure to capitalise for accounting purposes does not impact on the Academy's "total reserves readily available to spend"
- Budgets are set based on estimates of likely donations from other parties, including the Educational Trust and the Friends. If the actual donations received vary from that budgeted then the Academy will fund the expenditure incurred from alternate reserves.

Because of this the management information presented throughout the year takes a different format to that shown in the final accounts. However, they do reconcile to the final accounts if the impact of the pension reserve and fixed asset reserve are excluded (accounting items that do not affect budgeting).

In 2020-21 the Academy's outturn position was a surplus of **£246K** broken down as follows:

- Restricted Funds: £54K contribution to reserves
- Unrestricted Funds: £192K contribution to reserves

The figures above include a £121K Transfer from Teaching School Funds into Unrestricted Reserves. This transfer represents the in-year surplus on the Teaching School Funds which has been used to pay back part of the initial investment from unrestricted funds that was required to finance the teaching school and SCITT during its growth phase. Further details can be found in note 31

The overall £328K underspend against budget largely relates to a mixture of real in year savings and some slippage of works into 2021-22. Staffing is the single biggest item of expenditure budget that the academy has. These budgets are monitored particularly closely and for 2020-21 the variance from budget was only a slight favourable variance of 1.1%.

Reserves policy

The trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

In reviewing the levels of reserves the trustees have particular regard to:

- **Revenue:** the likely levels of future income to be received from the ESFA / DfE given the new national funding formula guidance and demand for services, balanced against the likely increase in staffing and other costs due to inflation.
- **Capital:** The need to use free reserves to help support the planned capital programme

The trustees have set budgets and reserve levels based on a 3 year medium term plan that ensures that the Academy can continue to provide excellent education across the period whilst ensuring that it has sufficient cashable reserves to provide a buffer to enable the Academy to effectively manage reductions in spending across the period in which its funding will be cut, in order to minimise the future impact of these reductions on the education of the pupils.

The trustees have determined that the level of cashable reserves by the end of 2021-22 should be at least £200K. The level of GAG funds should be no higher than 12% of annual GAG in accordance with

the Academy's funding agreement.

The Trustees have come to this assessment having reviewed the impact of Covid-19 in 2020-21, and the potential impact that it could have in future years as part of the detailed budget setting process.

Financial position

The Academy held fund balances at 31 August 2021 of **£13,460K** comprising:

Unrestricted	£784K	
Restricted	<u>£130K</u>	
Total reserves readily available for spend		£914K
Restricted (Fixed Assets)		£17,450K
Restricted (Pensions)		<u>-£4,904K</u>
Total reserves		£13,460K

In addition, the Academy held £2K in relation to acting as an agent in administering the VI form bursary scheme.

The pension reserve deficit is in relation to the local government pension scheme. It is being tackled by the school contributing to the pension fund. Upon advice from the actuary the school contributes the equivalent of 22.8% of the payroll of employees who are members of the local government pension scheme. Of this amount 6.0% is used to reduce the deficit directly. From 1 April 2021 the total contribution increased to 22.9% and from 1 April 2022 it will rise again to 23.0%.

Investment policy

The Trustees' investment powers are set down in the Memorandum and Articles of Association which permit the investment of monies of the School that are not immediately required for its purposes in such investments as may be thought fit subject to any restrictions which may from time to time be imposed or required by law.

The School's current policy is to invest surplus funds in interest bearing accounts (including in 95 day call off accounts) with banks approved by the Finance Audit and Risk Committee.

Covid-19 has not impacted this strategy in any significant way.

Principal Financial Risks and Uncertainties

The nature of the academy is such that the main financial instruments that it deals in are mainly bank balances, cash, trade creditors and limited trade debtors. The Academy has not made any investments in the period other than holding the cash in its bank accounts and 95-day notice account. As such there is limited risk in the nature of the academy's transactions.

The academy currently has healthy levels of reserves and the liquidity risk, credit risk and cashflow risk to the academy for the next 12 months is low.

The Academy has a pension deficit, but this is not seen to provide any significant risk to the Academy (see note 27).

Risk Management

The Academy manages its risk via the Corporate Risk Register. This document is formally reviewed by the Full Governing Body at least once a year at which it will select the three risks that it would like scrutinised in more detail throughout the year (together with how this will most effectively be carried out). The items selected would be those that governor committees do not usually scrutinise as part of their terms of reference. Scrutiny reports are made back to the Finance, Audit and Risk Committee.

The Full Governing Body understand that the programme of work may be subject to change in the

event, that other more significant risks materialise in the meantime.

The planned areas for scrutiny from the corporate risk register during 2020-21 were:

- Management and Capacity Stretch
- Temporary Absence of Senior Specialists (key person risk)
- Major Social Discipline Issues (e.g. drugs)

The first two of these reviews were carried out by the Chair of Governors on behalf of the governing body, with no significant issues identified. The final review did not happen as managing the risks associated with Covid-19 then took priority.

The remaining items on the list will be carried forward for the Full Governing Body to consider when considering its scrutiny works programme for 2021-22

Covid-19 Risk Management Process:

A huge amount of work went into this process to ensure that the risks in relation to both Health and Safety but also the quality of education were considered. Stakeholders have been communicated with and consulted as risk assessments have evolved to the changing Covid-19 landscape and this will continue. Essentially risks have been managed at 3 levels:

- **Corporate Risk Assessment:** The procedures and processes that must be followed across the school site, together with the rationale for those decisions
- **Departmental / Activity Risk Assessments:** Compiled by the department and activity leads that provide more detail on activity specific risks specific to that department. This will be informed by both the controls in the corporate risk assessment as well as staffing individual risk assessments
- **Individual Risk Assessments:** We are fortunate to have a diverse staff body which greatly enhances what we can provide to our students. The diversity in individuals' characteristics, together with the factors associated with the specific roles that they perform mean that it may be relevant for us to carry out individual adjustments for those members of the team. Therefore, Individual Risk Assessments are carried out and, where relevant, these will inform the contents of Departmental Risk Assessments.

Whilst the above framework has been designed and is being implemented by the Senior Leadership Team, there has been oversight from governors at all stages of the process. Specific Strategy meetings have been convened at key points to review the plans and since September 2020 at each committee a Covid-19 update is given so that all governors remain up to date with the current scenario and can scrutinise the approach taken by the school.

The financial risks to the Academy of Covid-19 have been reviewed in detail by the Finance, Audit and Risk Committee as well as the Full Governing Body as part of setting the 2021-22 budget. The 2 biggest impacts of this were assessed as:

- Drops in Student Numbers (particularly for VI form and Astra SCITT trainees)
- Loss of income generation from various sources (whilst also incurring costs)

The first of these risks did not materialise and recruitment remains strong. Whilst we have lost significant income and incurred extra costs (much of which is not covered by Covid-19 specific government grants) the way that we have operated in responding to the crisis has meant that the Full Governing Body has been able to satisfy itself that the school is managing the scenario in a way that provides Value for Money and that even in the worst-case scenario of a full year lockdown, together with the associated costs and losses in revenue, it has sufficient reserves to operate a high class education.

The main **operational risks** in relation to Covid-19 related to the need for teaching staff to amend lesson planning and delivery at short notice in response to the number of students that were able to attend their lessons in person and those that were not due to needing to self-isolate so as to ensure a great educational experience for all.

Due to the increasing importance of technology in supporting the teachers through this process, in

particular the ability to connect to cloud services, in achieving the school's objectives a separate strategy is in place to help manage technology risks across the school. Even prior to Covid-19 the volume of cyber-attacks against educational institutions has been increasing. This has increased greatly. As the School had already implemented a cloud first policy it had trained its staff and students on the safe use of remote technologies such as google classroom so was in a strong position to manage this risk.

Notwithstanding this, additional services were deemed necessary or desired to assist with education and security assessments and DPIA's needed to be carried out to ensure that these were fit for purpose. In addition to this, commercial terms needed reviewing as many services were offered free of charge on the basis that they would flip to a paid model at some point in the future (once departments were dependent on them).

To help manage this risk, a triage system has been put in place whereby new requests can be scrutinised from a DPIA and commercial point of view before being authorised.

FUNDRAISING

Most of the fundraising associated with the Academy is carried out by one of 2 closely connected organisations (further details can be seen in the related parties note):

- Dr Challoners School Education Trust ("DCSET")
- The Friends of Dr Challoner's Grammar School ("the Friends")

DCSET is a separate charity with its own Trustees and carries out the majority of Fundraising on behalf of the school. The objects of DCSET are *"the provision of scholarships, prizes, grants, equipment, buildings, playing fields and other assistance for the benefit of Dr Challoner's Grammar School (or "the School") and its pupils"*.

The Trustees of DCSET confirm annually that they have referred to the Charity Commission's guidance on public benefit when reviewing the DCSET's aims and objectives, in planning future activities, and making grants to the school.

The DCSET Trustees oversee the directing and controlling of the charity together with its running and operations (including fundraising practices). To minimise the administrative burden on DCSET, the DCSET Trustees have authorised Dr Challoner's Grammar School and its staff to carry out the operational decisions of the Trustees under authority delegated in a document agreed by both the Trust and the School that incorporates a data sharing agreement and the delegation of financial authorities to the School. This agreement defines the responsibilities of each person and organisation involved in the administration of the Trust's affairs to avoid the duplication or omission of functions and to provide a framework of accountability for Trustees and Dr Challoner's Grammar School Staff.

With regards to fundraising activities the DCSET Trustees approve the Fundraising Strategy which has been drafted by the School's Officers, taking into account all relevant guidance including the Charity Commission publication "Charity fundraising : a guide to trustee duties (CC20)".

To ensure that the Trustees have access to the appropriate expertise in this area the school employs a Development Director, who is a specialist in fundraising and fundraising regulations. The Fundraising Strategy is written to ensure all fundraising activities and approaches to constituents for funds meet the guidelines issued by the Charity Commission, GDPR and PECR legislation. The Development Director co-ordinates all fundraising activities carried out through DCSET. The majority of these activities are controlled by the Development Office. Those that are not (such as pupils collecting for charity days) have been risk assessed to ensure that they are suitable.

DCSET is aware of the potential sensitivities in asking donors for money during this time and will only make approaches where it is appropriate to do so. The majority of donors give to an annual fund by monthly direct debit. In August 2020 the private phase of the "Science Matters" campaign was launched with an aim to raise over £1m to support the extension and refurbishment of our science facilities. Pledges received over the last 12 months indicate that we will achieve this target over the next few years. DCSET was able to pass across £499K for this project in 2020-21.

So far there has been limited impact of Covid-19 on donors' willingness to give to DCSET via this method. This situation is kept under constant review.

The Friends is an unincorporated association, registered with the charity commission that provides financial assistance with the cost of educational facilities provided by Dr Challoner's Grammar School. The Friends Fundraising Activities involve running various events associated with the school (e.g. school discos, quiz nights etc. to which those wishing to participate buy tickets). The school makes its parent body aware of these events via its website and weekly email to which parents can subscribe.

The majority of the Friends income is generated from school community events. Covid-19 required the Friends in some instances to carry out some activities virtually which they managed to do with great success and were able to pass across £45K of funding to the school.

PLANS FOR FUTURE PERIODS

Impact of Covid-19:

The strategic plans for the school are outlined in the annual School Improvement Plan (see below). Notwithstanding this it is recognised that Covid-19 will have an impact on both the delivery of these strategic objectives and the day to day operations of the Academy during 2021-22.

The primary operational priorities have not changed:

- **Continual monitoring and review** of our full risk assessment processes that manages the Health and Safety Implications of Covid-19 whilst allowing students to have a full and varied education and effectively communicating changes to all stakeholders.
- **Instilling the right behavioural habits** in students and staff to ensure following the processes in our risk assessments become second nature.
- **Providing the appropriate support, training and tools to our staff** to ensure that their wellbeing is being looked after and that they can provide the biggest positive impact to students.
- **Providing the required pastoral support to help all students** successfully integrate into school, with a particular focus on ensuring those students that need the support can catch up.
- **Effective Contingency Planning** regarding what effective educational and pastoral delivery would look like in the various scenarios where groups of students or teachers were unable to attend the school site for education delivery

By implementing the above this will ensure that first class education can continue to be provided throughout the academic year and that students will be in the right mindset to be able to effectively engage with this provision.

The above operational strategies apply just as equally to our Astra Business Unit and how we support all participants and staff in those activities.

School Improvement Plan

The plans for future periods are managed via the Annual School Improvement Plan. Usually this is agreed in June each year. The 2020-21 School Improvement Plan was ratified later than usual at the Full Governing Body meeting on 3 November 2020 due the school focussing on the immediate operational matters of re-opening the school in September 2020. The 2021-22 School Improvement Plan was ratified by the Full Governing Body at its meeting in June 2021. Details of the 2021-22 plan include:

Primary Objectives:

Character Education:

Use school values and character education to develop and enhance school community post Covid-19:

- Everyone's behaviour makes a positive contribution to learning and character development
- Co-curricular provision and educational visits give every student the opportunity for positive character development
- Understand the impact of a Challoner's education, enabling further improvements and celebration

Learning:

Improve student learning by:

- implementing enhancements to digital and home learning derived from lockdown experience
- reviewing and revising marking and assessment practice to improve progress and outcomes

Other Objectives:

Student Outcomes:

Students achieve the best results they are capable of in all subjects, preparing them for the next stage in their education.

To establish the Astra Teaching School Hub - Buckinghamshire as an outstanding provider of the 5 TSH priorities:

To maintain the outstanding provision of the Astra SCITT while continuing to offer high quality training, assessment and support for Bucks and beyond. To maintain financial sustainability through all Astra activities.

Infrastructure Projects:

- Complete phase 1 of the Science Matters project, and determine approach to phase 2 by November 2022, and deliver as appropriate
- Improve the condition of the school learning environment by delivery of projects funded by CIF or Salix Loans, or reserves earmarked to support those bids
- Remaining Projects within the 2021-22 academic year of the Medium Term Capital Plan complete on time and on budget by August 2022.
- Where relevant, adjustments are made to the site to ensure that the student and staff experience is not adversely disrupted due to the Covid-19 response.
- Improve the H&S infrastructure at school through enhanced traffic management strategies
- Finalise and Implement the Information and Operations Strategy to improve support services ability to most effectively support teaching and learning
- Implement and embed changes to business support systems and staffing to improve support services ability to meet all stakeholders' needs

Lifelong Challoners

Through the development of a 'Lifelong Challoner's' Mindset amongst our student, alumni and parent body, to be achieved by the enhancement of community and commercial activities which align with the Academy's Vision, Values and Strategy, create a virtuous circle that benefits all stakeholders including generating significant additional resources (time and money) from sources independent from government policy to provide the future financial security required to support the Academy's prime objectives.

AUDITORS

The members have appointed Landau Baker as the Academy Trust auditors.

In so far as the trustees are aware:

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

Approved by order of the board of trustees on 9 November 2021 and signed on its behalf by:



Mr Jonathan Pearson
Trustee

GOVERNANCE STATEMENT

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Headmaster, 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 Dr Challoner's Grammar School and the Secretary of State for Education. The Headmaster is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees (full governing body) has formally met 3 times during the year. The Full Governing Body carries out a review of the governance framework on an annual basis. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings Attended	Out of a possible
Mr D Atkinson	3	3
Mr G Cadman	3	3
Mr J Cronly	0	0
Mrs I Darby	2	3
Ms A Davis	3	3
Mr G Davies Craine	3	3
Mr G Fox	3	3
Mr L Glenister	3	3
Mrs S Hyde	3	3
Ms E Judge (Westcott)	3	3
Mr S Kennedy	3	3
Mr M Lawrence	0	0
Ms D Mackintosh	3	3
Mr S Nokes	1	3
Mr J Pearson	3	3
Dr M Pegg	3	3
Mr T Shinner	3	3
Mr P Serkis	1	1
Mrs S Tanner	2	2
Mr M Tingey	0	0

The following trustee movements had no adverse impact on the operation of the board of trustees:

- **Appointments:** Katy Munn 3 November 2020; Tom Shinner 3 November 2020; Paul Serkis 26 April 2021;
- **Resignations:** Matthew Lawrence 1 September 2020; Joe Cronly 21 October 2020; Gini Fox 31 August 2021; Mike Tingey 24 October 2020; Sue Tanner 8 June 2021

Board of Trustees Assessment of Own Performance, Challenges Faced and the Effective Scrutiny of Data Provided by Key Management Personnel

In discharging its duties the Full Governing Body has particular regard to assessing its own effectiveness including reflecting on key challenges faced and ensuring that the data presented to it by key management personnel, upon which it bases its decisions is complete and robust.

The Full Governing Body continually reviews the skill sets to identify whether there are any skills gaps that if filled could add further value to the governance of the Academy. At the point that a Trustee leaves, this skills gap is assessed and used to inform the appointment of any replacement Trustee.

Having the appropriate skills on the Full Governing Body enables it to effectively challenge key management personnel regarding the running of the school. The Full Governing Body review the outcomes of key decision made to ensure that the outcome is as intended.

A good example for 2020-21 regarding ensuring it has the skills to carry out its functions would be the training of another governor by the Responsible Officer to provide cover in the event that the Responsible Officer was not available to carry out their duties.

The detailed scrutiny of data presented to the Full Governing Body (be that financial data or data related to teaching and learning), is carried out at both specific committee level and, where appropriate an individual governor may be charged with carrying out work on behalf of that committee to provide the relevant assurance to that committee. The role of the responsible officer is a key example of this. Further to this, management data presented to the committee is reconciled at points during the year to statutory sources (e.g. to audited statement of accounts or national school performance data). In addition to receiving reports from key management personnel the Trustees regularly attend parent consultation evenings so that they can hear of any issues directly from parents, students and teachers.

Using the above methodologies, the Full Governing Body continues to conclude that it remains a reflective and effective vehicle for the trustees to exercise their governance responsibilities.

Role of the Finance, Audit and Risk Committee

The Finance Committee is a sub-committee of the main board of trustees. Its main purposes are:

1. To prepare and recommend the annual financial plan for ratification by the full Governing Body, having taken account of the priorities determined by other committees and set down in the School Improvement Plan.
2. To have authority to approve any virements made by the Chief Financial and Strategy Officer and Headmaster up to values outlined in Financial Regulations.
3. To recommend to the full Governing Body, via the Financial Regulations, the level of financial authority to be delegated to the Headmaster for the day-to-day management of the school and to keep this reviewed annually.
4. To have authority to agree the use of any planned carry forward having regard to the priorities established in the School Improvement Plan within limits outlined in Financial Regulations.
5. To receive and review budget monitoring reports from the Chief Financial and Strategy Officer.
The report should show:
 - a. actual and committed spend against budget
 - b. outturn forecast
 - c. any recommended corrective/remedial action where significant variances from planned income/expenditure arise.
 - d. any virements for authorisationThe Committee will report back any such virements to the full Governing Body
6. To review the corporate risk register on an annual basis and recommend to the full Governing Body the areas of review to be carried out by the Responsible Officer
7. To receive reports from the Responsible Officer and any other person carrying out risk reviews identified by the FGB. Reports should reflect the scope of works as outlined in the Financial Regulations and as the committee requests.
8. To arrange for an audit/independent examination of the academy accounts and any subsidiary accounts, in line with regulatory timetables.

9. To ensure, if appropriate, that the Academy and any associated entities are registered with the appropriate regulatory bodies (e.g. the Charity Commission, Companies House).
10. To confirm annually the authorised signatories for the academy's banking transactions.
11. To ensure that the latest Financial Regulations are followed carefully within school and that any recommendations from the auditors or the Responsible Officer are considered.
12. To prepare and keep under review a Charging Policy covering charges in relation to students and parents
13. To review annually the Financial Regulations and recommend to the Full Governing Body for approval.
14. To review on an annual basis all contracts with a lifetime value of greater than £100,000 that the school has entered into
15. To receive confirmation that the Chairman of Governors, Chairman of the Finance Committee and Headmaster are monitoring finances by receiving monthly reports from the Chief Financial and Strategy Officer

The committee members, together with attendance at meetings during the year was as follows:

	Meetings Attended	Out of a possible
Mr D Atkinson	3	4
Mrs I Darby	1	1
Mr G Fox	4	4
Mrs S Hyde	4	4
Mr S Kennedy	4	4
Mr M Lawrence	0	0
Mr D Mackintosh	4	4
Mr J Pearson	1	1
Mr T Shinner	2	2

Review of Value for Money

As accounting officer, the Headmaster has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Headmaster understands that value for money refers to the educational and wider societal outcome achieved in return for the taxpayer resources received.

The Headmaster 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 appropriate. The Headmaster for the academy trust has delivered improved value for money during the year as can be demonstrated by delivering a comprehensive capital programme on time and on budget despite the inflationary costs of the pandemic.

Impact of Covid-19 on Value for Money:

Treatment of own staff during lockdown:

The imbedding of new technologies has meant that more of our staff have been able to work effectively remotely, meaning the impact of the pandemic on productivity has lessened over time, including in periods of full lockdown such as the lockdown that occurred between January and March. An example of this is that our visiting music teachers were still able to provide lessons to students via digital means during the lockdown period.

For those staff unable to perform duties remotely, the Academy did **not** apply for Furlough Grant during the lockdown period. There was no budgetary impact of this decision for staff funded by General Annual Grant as we did not have a shortfall in income.

Treatment of Suppliers during Lockdown:

Policy Procurement Notes (PPN): PPN 02/20 and PPN 04/20 were issued by the government through the lockdown period. The essence of these notes was to encourage public sector bodies to make payments to contractors in the absence of services with the aim of securing supply of critical services in the medium and long term. The basis being that if grant was being received anyway for these services, they should be passed to the contractors that would have been doing that work.

The most significant area in which we continued to pay a supplier for a service no longer provided, and for which revenue had reduced was the external catering contract. Under the terms of the PPN agreement that we entered with the catering contractor we agreed:

- To suspend the income owed to the school for using the catering space
- To continue to meet the cost of their fixed overheads, ensuring any profit element of this was removed. The most significant element of this was in relation to the depreciation of the capital investment
- The Catering Supplier placed its staff on furlough. However, as most of the staff have been working at the school for many years, the Academy committed to paying the contractor the 20% of the outstanding wage bill until the end of March, so that those staff would not be disadvantaged as those staff are just as much part of our community as directly employed staff.
- In addition to this the school also agreed a profit loss sharing mechanism with the supplier for those periods that the school was open but where the school mandate large numbers of student bubbles were not allowed to attend the school site, reducing the ability to make sales.

Impact on VFM in obtaining supplies during lockdown:

There has been little impact on VFM achieved by the school. Through careful planning in advance the school has been able to place most of its major orders competitively as required by financial regulations in sufficient time to allow delivery before it was required.

Where we have required a quick turnaround item to facilitate a necessary site improvement this has been usually of low value that only requires one quote with financial regulations. Where it is above £1,000 this item would have been assessed by the Chief Financial and Strategy Officer as to whether it provided VFM before being ordered in accordance with the Financial Regulations.

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 ongoing process designed to identify and prioritise the risks to the achievement of the school's policies aims and objectives, to evaluate the likelihood of those risks being realised, the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Dr Challoner's Grammar School for the whole year ending 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which Dr Challoner's Grammar School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period 1 September 2020 – 31 August 2021 and up to the date of approval of the annual report and financial statements.

Throughout the year, where risks are identified, these are discussed at weekly senior management meetings. Where significant, these are brought to the trustees' attention via the various committees and actions agreed. The process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The School'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 board of trustees
- Regular reviews by the finance audit and risk committee of reports that indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Setting targets to measure financial performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Delegation of authority and segregation of duties;
- Identification and management of risks

Internal Scrutiny Reviews and the Role of the Responsible Officer

The board of trustees have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the board of trustees have appointed a trustee (Mr Giri Fox for 2020-21) to act as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems.

The checks carried out in the current period included but were not limited to:

- testing of payroll systems
- testing of purchasing systems
- testing of income systems
- testing of control account / bank reconciliations

On a termly basis the RO reports to the finance committee on the operation of the systems of control and on the discharge of the governing body's financial responsibilities as per his planned schedule of works.

The RO may be asked to look at specific risks on the corporate risk register and report findings on these items to the Finance, Audit and Risk Committee. During this year no such review was required as these were carried out via other means.

No significant issues have been identified from the work of the Responsible Officer.

The management of Covid-19 risks was managed via separate strategy committee meetings and is now a standing item on all governor committee agendas to ensure that all trustees remain aware of the key risks and the measures the Academy has in place to mitigate them.

For 2021-22 a sub group of governors representing the various committees carried out a separate review of the of the corporate risk register together with the areas for recommendation for scrutiny in 2021-22. This review will be considered by the Finance, Audit and Risk Committee in October 2021 and Full Governing Body in November 2021 in setting the future programme. Any involvement of the RO in these 2021-22 programme will be determined at that point.

Review of effectiveness

As Accounting Officer, the Headmaster has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of the Responsible Officer
- The work of regarding Internal Scrutiny carried out by the Finance, Audit and Risk Committee
- The work of the external auditor

-
- The work of the senior leadership team who have responsibility for the development and maintenance of the internal control framework.
 - A review of the agenda and minutes of full governing body and committee minutes

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control and, where relevant, plans to address weaknesses and ensure continuous improvement of the system are in place.

Approved by order of the members of the board of trustees on 9 November 2021 and signed on its behalf by:



Mr Jonathan Pearson
Trustee



Mr David Atkinson
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Dr Challoner's Grammar School Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency ("ESFA") of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. 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 board of trustees 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.



Mr David Atkinson
Accounting Officer

9 November 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who act as governors of Dr Challoner's Grammar School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 trustees are required to:

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

The trustees are responsible for keeping 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 trustees 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 ESFA/DfE have been applied for the purposes intended.

The trustees 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 board of trustees on 9 November 2021 and signed on its behalf by:



Mr Jonathan Pearson
Trustee

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF DR CHALLONER'S GRAMMAR SCHOOL

OPINION

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

In our opinion the financial statements:

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

BASIS OF 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The governing body are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material

misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Governing body's report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governing body's report and the Strategic report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governing body's report including the Strategic 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governing body's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the governing body are responsible for assessing the academy'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 governing body either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

We considered the nature of the industry and its control environment, and reviewed the academy's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the

risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the academy's operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

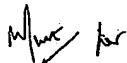
In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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

USE OF OUR REPORT

This report is made solely to the academy'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's members those matters we are required to state to them in an Auditors' 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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

 for Landau Baker Limited

Michael Durst (Senior Statutory Auditor)

for and on behalf of

Landau Baker Limited
Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 9 November 2021

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO DR CHALLONER'S GRAMMAR SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 29 January 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Dr Challoner's Grammar School during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Dr Challoner's Grammar School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Dr Challoner's Grammar School and the 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 Dr Challoner's Grammar School and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF DR CHALLONER'S GRAMMAR SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Dr Challoner's Grammar School's funding agreement with the Secretary of State for Education dated 25 May 2012, and the Academies Financial Handbook extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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's income and expenditure.

The work undertaken to draw to our conclusion includes:

- review of management reporting documents.
- review of Trustees/Governors meeting minutes.
- confirming compliance with the Academy Trust's Scheme of Delegation.
- compliance with delegated authorities.
- consideration of whether any personal benefit has been derived from the Academy Trust's transactions by staff or related parties.

-
- adherence to tendering policies.

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 year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Landau Baker Limited

Reporting Accountant

Landau Baker Limited
Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 9 November 2021

STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Year to 31 Aug 2021 £000	Year to 31 Aug 2020 £000
Income and endowments from						
Donations and Capital Grants	3	£0	£66	£1,253	£1,319	£241
<i>Charitable Activities:</i>						
- Funding for the Academy Trust's Educational Operations	4	£221	£7,618	£0	£7,839	£7,411
Teaching School Activities	4	£124	£739	£0	£863	£636
Other Trading Activities	5	£27	£0	£0	£27	£58
Investments	6	£2	£0	£0	£2	£2
Total	17	£374	£8,423	£1,253	£10,050	£8,348
Expenditure On						
Raising Funds	7	£18	£145	£12	£175	£127
<i>Charitable activities</i>						
Academy Trust's educational operations	8	£169	£7,527	£227	£7,923	£7,637
Teaching Schools	7	£124	£609	£0	£733	£590
Total	17	£311	£8,281	£239	£8,831	£8,354
Net Income / (Expenditure)		£63	£142	£1,014	£1,219	-£6
Transfers between funds	17	£129	-£509	£380	£0	£0
Net movement in resources before other recognised gains and losses		£192	-£367	£1,394	£1,219	-£6
Other recognised (losses) / gains						
Actuarial (losses) / gains on defined benefit pension schemes	17,27	£0	-£368	£0	-£368	-£314
Other recognised (losses) / gains		£0	£0	£0	£0	£0
Net Movement in Funds		£192	-£735	£1,394	£851	-£320
Reconciliation of Funds						
Total funds brought forward	17	£592	-£4,039	£16,056	£12,609	£12,929
Total funds carried forward	17	£784	-£4,774	£17,450	£13,460	£12,609

Further details regarding prior year comparatives (including the split between unrestricted and restricted funds) can be found in notes 3-8 of the accounts.

BALANCE SHEET as at 31 August 2021

Company number: 07451811

	Note	31-Aug-21 £000	31-Aug-20 £000
Fixed Assets			
Tangible Assets	13	£17,450	£16,056
Investments		<u>£0</u>	<u>£0</u>
		£17,450	£16,056
Current assets			
Stock	14	£0	£0
Debtors	15	£539	£401
Cash in bank and in hand		<u>£1,408</u>	<u>£1,143</u>
		£1,947	£1,544
Current Liabilities			
Creditors: amounts falling due within one year	16	<u>-£1,033</u>	<u>-£876</u>
		-£1,033	-£876
		£914	£668
Total assets less current liabilities		£18,364	£16,724
Long term liabilities			
Creditors: Amounts falling due after more than one year		£0	£0
Other		<u>£0</u>	<u>£0</u>
		£0	£0
Net assets excluding pension liability		£18,364	£16,724
Pension scheme liability	27	<u>-£4,904</u>	<u>-£4,115</u>
Total Net Assets		£13,460	£12,609
Funds of the Academy Trust:			
Restricted funds			
Restricted fixed asset fund	17	£17,450	£16,056
Restricted general fund	17	£130	£76
Pension Reserve	17	<u>-£4,904</u>	<u>-£4,115</u>
		£12,676	£12,017
Unrestricted Funds			
General Fund	17	<u>£784</u>	<u>£592</u>
		£784	£592
Total Funds		£13,460	£12,609

The financial statements on pages 37 to 67 were approved by Trustees and authorised for issue on 9 November 2021 and are signed on their behalf by Mr Jonathan Pearson, Trustee.



Mr Jonathan Pearson
Trustee

STATEMENT OF CASH FLOWS

	Notes	2021 £000	2020 £000
Net cash provided by (used in) operating activities	21	£643	£446
Cash flows from investing activities	23	-£378	-£143
Cash flows from financing activities	22	£0	£0
Change in cash and cash equivalents in the reporting period		£265	£303
Reconciliation of net cash flow to movement in net funds			
Cash and cash equivalents at 1 September 2020		£1,143	£840
Cash and cash equivalents at 31 August 2021	24	£1,408	£1,143

NOTES TO THE FINANCIAL STATEMENTS

1 Principal Accounting Policies

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

1.1 Basis of preparation

The financial statements of the academy trust, which is a public benefit entity as defined 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 (FRS102), 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 2019 (FRS102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going Concern

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

1.3 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.

1.3.1 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.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of 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 grant are reflected in the balance in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

1.3.2 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.

1.3.3 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.

1.3.4 Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected cost of sale. If it is practical to recognise the fair value at receipt, it is recognised in stock and "Income from other trading activities". Upon sale, the value of the stock is charged against "Income from other trading activities" and the proceeds are recognised as "income from other trading activities". Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within "Income from other trading activities".

1.3.5 Donated fixed assets

Where the donated good is a fixed asset it is measured at fair value unless, unless it is impractical to measure this reliably in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 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 allocated on the portion of the asset's use.

1.4.1 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.

1.4.2 Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

1.5.1 Recognition:

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

For clarification, where the academy makes bulk purchases of similar items that meet the definition of capital expenditure and individually are below the capitalisation threshold but collectively amount to more than the capitalisation threshold these are capitalised in the year of acquisition.

1.5.2 Funding:

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life.

Where there are specific conditions attached to the funding requiring the continued use of the asset, the 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.

1.5.3 Depreciation:

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

Freehold buildings	2%
Furniture and equipment	20%
Motor Vehicles	20%
Computer equipment and software	33.33%

Depreciation is not charged in the year of acquisition but is charged in the year of disposal.

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

1.5.4 Impairment:

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.

1.6 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.

1.7 Provisions

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

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

1.8 Leased assets

Rents under operating leases are charged on a straight line basis over the lease term.

1.9 Investments

The academy held no investments during the year.

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 as detailed in note 15. Prepayments are not financial instruments.
- Cash at bank – is classified as a basic financial instrument and is measured at face value.
- Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. 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.

1.11 Stock

The Academy holds no stock.

1.12 Taxation

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

1.13 Pensions

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

1.13.1 Teachers' Pension Scheme (TPS)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

1.13.2 Local Government Pension Scheme (LGPS)

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

income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.14 Fund Accounting

1.14.1 Unrestricted Funds

Unrestricted Funds represent those resources which may be used towards meeting any of the charitable objectives of the Academy at the discretion of the trustees.

1.14.2 Restricted Fixed Asset Funds

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.

1.14.3 Restricted Pension Reserve

The Restricted Pension Reserve is the value of the local government pension scheme deficit.

1.14.4 Restricted General Funds

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 ("ESFA")

1.15 Critical Accounting Estimates and Areas of Judgement

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.

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.

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 27, 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 2016 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.

1.16 Agency Funds and Income and Expenditure

The academy trust acts as an agent in the following areas:

- Disbursing 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.
- Disbursing salary grants to partner schools and bursaries to trainees on the Astra SCITT course as the trust does not have control over the charitable application of the funds.

- Other items of pass through costs including the collection of exam remark fees from parents to pass across to exam boards.

Where a balance of such funds is held at the end of the year this is shown as a receipt in advance (creditor) on the balance sheet.

2 General Annual Grant ("GAG")

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2021 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes. The academy trust has not exceeded these limits during the year ended 31 August 2021.

3 Donations and Capital Grants

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	31-Aug-21 £000	31-Aug-20 £000
Capital Grants	£0	£0	£674	£674	£101
Donated Fixed Assets	£0	£0	£0	£0	£0
Other Donations	£0	£66	£579	£645	£140
	£0	£66	£1,253	£1,319	£241
2020 Total	£0	£90	£151	£241	

4 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	31-Aug-21 £000	31-Aug-20 £000
DfE / ESFA Grants					
General Annual Grant (GAG)	£0	£6,894	£0	£6,894	£6,325
Pupil Premium Grant	£0	£33	£0	£33	£29
Other DfE / ESFA Grants	£0	£407	£0	£407	£409
Teaching Schools Grants	£0	£120	£0	£120	£0
	£0	£7,454	£0	£7,454	£6,763
Other Government and Public Sector Grants					
Local Authority Grants	£0	£48	£0	£48	£38
Other Grants	£0	£0	£0	£0	£0
Covid-19 Additional Funding (DFE)					
Covid-19 Catch-Up Premium	£0	£74	£0	£74	£0
Other Covid-19 Funding	£0	£36	£0	£36	£8
	£0	£7,612	£0	£7,612	£6,809
Other income from the academy trust's educational operations: Astra	£124	£619	£0	£743	£636
Other income from the academy trust's educational operations: Other	£221	£126	£0	£347	£602
	£345	£8,357	£0	£8,702	£8,047
2020 Total	£309	£7,738	£0	£8,047	

The academy received £74K of funding for Covid-19 catch-up premium during 2020-21 and spent the full allocation of this grant in 2020-21.

5 Other Trading Activities

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	31-Aug-21 £000	31-Aug-20 £000
Hire of Facilities	£10	£0	£0	£10	£42
Other Trading Activities	£17	£0	£0	£17	£16
Total	£27	£0	£0	£27	£58
2020 Total	£58	£0	£0	£58	

6 Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	31-Aug- 21 £000	31-Aug- 20 £000
Investment Income					
Interest on Bank Balances	£2	£0	£0	£2	£2
Interest on Short Term Deposits	£0	£0	£0	£0	£0
Dividends from Investment	£0	£0	£0	£0	£0
	£2	£0	£0	£2	£2
2020 Total	£2	£0	£0	£2	

7 Expenditure

	Staff Costs £000	Non Pay Premises £000	Other £000	31-Aug- 21 £000	31-Aug-20 £000
Expenditure on raising funds	£134	£12	£29	£175	£127
Academy's educational operations:					
Direct costs	£5,166	£179	£429	£5,774	£5,404
Allocated support costs	£1,345	£458	£346	£2,149	£2,233
Teaching Schools	£354	£0	£380	£734	£590
	£6,999	£649	£1,184	£8,832	£8,354
2020 Total	£6,426	£536	£1,392	£8,354	

Net incoming resources for the period are stated after:	31-Aug-21 £000	31-Aug-20 £000
Operating Leases:	£0	£0
Depreciation	£239	£168
Fees Payable to Auditor:		
Audit Fees	£5	£5
Other Advice	£3	£3
Loss on Disposal of Fixed Assets	£0	£0
Profit on Disposal of Investment	£0	£0

Included within expenditure are £1,337 of gifts (2020: £4,317) made by the Trust.

8 Charitable Activities

	Unrestricted Funds £000	Restricted Funds £000	31-Aug-21 £000	31-Aug-20 £000
Charitable Activities				
Direct Costs - Educational Operations	£144	£5,630	£5,774	£5,404
Support Costs - Educational Operations	£25	£2,124	£2,149	£2,233
	£169	£7,754	£7,923	£7,637
2020 Total	£167	£7,470	£7,637	

	Unrestricted Funds £000	Restricted Funds £000	31-Aug-21 £000	31-Aug-20 £000
Analysis of Support Costs				
Support Staff Costs	£0	£1,345	£1,345	£1,203
Depreciation	£0	£48	£48	£33
Technology Costs	£0	£18	£18	£25
Premises Costs	£0	£234	£234	£218
Other Support Costs	£25	£464	£489	£742
Governance Costs	£0	£15	£15	£12
Total Support Costs	£25	£2,124	£2,149	£2,233
2020 Total	£7	£2,226	£2,233	

9 Staff

9a Staff Costs

	31-Aug-21 £000	31-Aug-20 £000
Wages and salaries	£4,932	£4,587
Social Security Costs	£484	£442
Pension Costs	£1,572	£1,389
Apprenticeship Levy	£11	£8
	£6,999	£6,426
Supply Staff Costs	£0	£0
Staff restructuring costs	£0	£0
	£6,999	£6,426

9b Staff Numbers:

The average number of persons (headcount) employed by the academy during the period was as follows:

	31-Aug-21 No	31-Aug-20 No.
Teachers	88.9	87.6
Administration and Support	81.3	83.3
Managers	9.1	7.7
	179.3	178.6

The majority of Administrative and Support staff included in the figures above work part time.

9c Higher Paid Staff

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

	31-Aug-21	31-Aug-20
£60,001 - £70,000	4	3
£70,001 - £80,000	1	2
£80,001 - £90,000	2	1
£90,001 - £100,000	0	0
£100,001 - £110,000	0	1
£110,001 - £120,000	1	0
	8	7

9d Key Management Personnel

The key management personnel of the academy trust comprise the trustees and the senior managers as listed on page 3. 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 for the year ending 31 August 2021 was £647K (2020: £494K) – the increase is mainly due to the promotion of 2 colleagues to 2 new posts during the year that now meet the definition of "senior Manager" – an additional Deputy Headteacher and the Principal of Astra.

10 Related Party Transactions – Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Headmaster and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headmaster and staff under their contract of employments.

The value of trustees' remuneration and other benefits for the year ending August 2021 was:

- Mr D Atkinson (headmaster and trustee):
 - Remuneration: £110K - £115K (2020: £105K - £110K)
 - Employer's Pension Contribution Paid: £25K - £30K (2020: £20K - £25K)
- Mr G Cadman (staff trustee):
 - Remuneration: £50K-£55K (2020: £50K-£55K)
 - Employer's Pension Contribution Paid: £10K-£15K (2020: £10K-£15K)
- Mr G Davies (staff trustee):
 - Remuneration: £45K-£50K (2020: £40K-£45K)
 - Employer's Pension Contribution Paid: £10K-£15K (2020: £10K-£15K)

During the year ended 31 August 2021, travel and subsistence expenses totalling £422 were reimbursed or paid directly to 2 trustees (2020: £2,669 to 4 trustees).

11 Trustees' and Officers' Insurance

In December 2014 the Academy entered into the Department for Education's Risk Protection Arrangement which protects officers and trustees from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover of up to £5,000,000 on any one claim. The cost for this cover is not separately identifiable from the RPA charging mechanism.

12 Intangible Fixed Assets

The academy did not hold any intangible fixed assets at the balance sheet date.

13 Tangible Fixed Assets

	Freehold Land and Buildings	Furniture and Equipment	Computer Equipment	Motor Vehicles	Assets Under Construction	TOTAL
	£000	£000	£000	£000	£000	£000
Cost						
As at 1 September 2020	£16,088	£492	£126	£75	£135	£16,916
Additions	£760	£124	£39	£0	£710	£1,633
Disposals	£0	-£110	-£46	£0	£0	-£156
Transfers	£135	£0	£0	£0	-£135	£0
At 31 August 2021	£16,983	£506	£119	£75	£710	£18,393
Depreciation						
As at 1 September 2020	-£569	-£208	-£48	-£35	£0	-£860
Charged in Year	-£98	-£87	-£41	-£13	£0	-£239
Disposals	£0	£110	£46	£0	£0	£156
Transfers	£0	£0	£0	£0	£0	£0
At 31 August 2021	-£667	-£185	-£43	-£48	£0	-£943
Net Book Value						
At 31 August 2021	£16,316	£321	£76	£27	£710	£17,450
As at 1 September 2020	£15,519	£284	£78	£40	£135	£16,056

The trust's transactions in relation to additions to land and buildings and assets under construction relating to land and buildings included the following significant transactions:

- **Land and Buildings:**
 - £866K in relation to the completion of the site wide Fire Safety Project (of which £135K was incurred in 2020-21 and was under Assets under Construction)
- **Assets under construction:**
 - £599K in relation to phase 1 of the Science Matters Project that will conclude in February 2022
 - £110K in relation to the admin building heating refurbishment project that will conclude in October 2021

Prior to conversion, the playing fields and other pieces of land for the school were formally owned by the governing body of the predecessor school. The academy is the beneficial owner of this land.

Prior to conversion, the footprint of the buildings and other pieces of land for the school was held pursuant to certain historic charitable trusts. The land was permanent endowment (meaning that the capital value of the land must be retained and cannot be disposed of – only income from that capital may be expendable). Permanently endowed property cannot be held by an incorporated charity such as the Academy.

As such this element of land continues to be "held" by its historic trust (which is not itself a company, but just a historic type of arrangement for holding charitable assets). The Charity Commission has created an order that made Dr Challoner's Grammar School the sole corporate trustee of that Land Trust.

For legal reasons a lease has been put in place between the Academy (in its role as corporate trustee) and the Academy (as occupier of the land). For the purpose of these accounts these land and buildings have been consolidated as freehold land and buildings in the Academy's accounts.

14 Stock

The academy did not carry any stock at the balance sheet date.

15 Debtors

	31-Aug-21 £000	31-Aug-20 £000
Trade Debtors	£311	£287
VAT Debtors	£116	£61
Prepayments and accrued income	£112	£53
Other Debtors	£0	£0
	£539	£401

16 Creditors: Amount falling due within 1 year

	31-Aug-21 £000	31-Aug-20 £000
Trade creditors	£5	£77
Taxation and Social Security	£239	£117
Accruals and Deferred Income	£783	£523
Other Creditors	£6	£158
	£1,033	£875

The accruals / deferred income constitutes:

Deferred income of £225K comprised:

- £100K received in relation to SCITT fees for 2021-22
- £52K income received for visits taking place in 2021-22
- £45K music fees for lessons taking place in Autumn 2021
- £28K other income received in advance

Expenditure Accruals: £558K

Deferred Income	2021 £000	2020 £000
Deferred Income at 1 September 2020	£319	£530
Released from previous years	-£319	-£530
Resources deferred in the year	£225	£319
Deferred Income at 31 August 2021	£225	£319

17 Funds

	Balance as at 31 August 2020 £000	Incoming Resources £000	Resources Expended £000	Gains Losses and Transfers £000	Balance as at 31 August 2021 £000
Restricted General Funds					
General Annual Grant (GAG)	£62	£6,895	-£6,467	-£380	£110
Teaching Schools Fund	£0	£739	-£602	-£129	£8
6 Form Bursary Fund	£0	£0	£0	£0	£0
Pupil and Service Premium Fund	£0	£33	-£33	£0	£0
Covid-19 Catch-Up Premium	£0	£74	-£74	£0	£0
Other Covid-19 Funding	£0	£36	-£36	£0	£0
Other DfE / ESFA Grants	£0	£407	-£407	£0	£0
Other Public Sector Grants	£0	£48	-£48	£0	£0
Educational Visits Contingency Fund	£14	£116	-£118	£0	£12
Shares in DCGS Enterprise Ltd	£0	£0	£0	£0	£0
Pension Fund	-£4,115	£0	-£421	-£368	-£4,904
Other Restricted Funds	£0	£75	-£75	£0	£0
	-£4,039	£8,423	-£8,281	-£877	-£4,774
Restricted Fixed Asset Funds					
Donation from predecessor school	£10,977	£0	-£18	£0	£10,959
DfE / EFA Capital Grants	£1,190	£674	-£38	£0	£1,826
3rd party donations	£2,033	£579	-£54	£0	£2,558
Capital expenditure financed from GAG	£1,856	£0	-£129	£380	£2,107
	£16,056	£1,253	-£239	£380	£17,450
Total Restricted Funds	£12,017	£9,676	-£8,520	-£497	£12,676
Unrestricted Funds					
Unrestricted Funds	£592	£374	-£311	£129	£784
Total Unrestricted Funds	£592	£374	-£311	£129	£784
Total Funds	£12,609	£10,050	-£8,831	-£368	£13,460

As outlined in the Trustees' report the reserves readily available for spend exclude the restricted fixed asset fund, the pension fund and agency funds held. The reserves readily available for spend at the end of August 2021 were: £914K (2020: £668K)

Analysis of Restricted General Funds held at 31 August 2019:

General Annual Grant:

This is the main funding the Academy received under its funding agreement with the Secretary of State for Education. Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2021. Note 2 discloses that this limit was not breached.

Teaching School Funds:

This fund represents transactions in relation to the Astra Business Unit which encompasses all teaching school activities and the SCITT funded from restricted sources. In 2020-21 £122K (2019-20: £46K) was transferred from this fund to unrestricted funds to start to repay the investment from unrestricted reserves that was made during the growth phase of the SCITT. £8K was left in this fund and represents the remaining balance of the teaching school hub set up grant that will be spent in 2021-22.

Pupil and Service Premium Fund:

At Dr Challoner's Grammar School we aim to use this funding to narrow the disadvantage gap by addressing inequalities and raising the attainment of those pupils in low-income families. The Student Development Office ("SDO") offers a range of services including those that provide support for students with relatively low prior attainment to help 'close the gap'. It also provides specific staff time to help monitor progress and attainment, to help ensure students have every opportunity to access the wider school curriculum and to support transition planning as the students consider GCSE, A Level and careers options.

In addition to this general support, we develop, for those pupils who attract the premium, an individual funding support package tailored to their needs.

This plan is developed with the active involvement of parents who are asked annually to help the school identify any specific needs that this funding could help directly support so as to make the biggest impact for their child in one of the following areas:

- have full access to our curriculum
- access our extra-curricular provision
- improve their levels of attainment and progress

Examples of how this funding has been used include the provision of computer equipment and enabling pupils to attend an enriching educational visit.

The fund has been set up so that it is possible that all the funding is spent directly on individual plans. In this instance the funding of the SDO staffing time will be financed by the school's general reserves. This provides us with the most flexibility to meet our most disadvantaged student's needs.

Educational Visits Contingency Fund ("EVCF")

The cost of each visit has a budget. The voluntary contribution from parents is based on the premise that each visit's costs will match exactly to the budget. Whilst most trips come in on budget there will always be some that vary. Where costs are not as great as anticipated and small surpluses occur, these are transferred to this fund. (Where large surpluses occur on an individual trip the surplus is refunded to the parent and not transferred to the EVCF). For visits ran in 2020-21 there was a £2K deficit on this fund (2020: £3K surplus on fund).

The EVCF is primarily used to fund any small unavoidable overspends on those trips whose costs slightly exceed budget. It can also be used in relation to miscellaneous expenditure relating to educational visits generally and for making contributions or remitting charges in relation to the cost of a visit as outlined in the Charging and Remissions Policy.

Pension Fund (negative reserve)

This negative reserve represents the deficit in relation to the local government pension scheme. It is being tackled by the school contributing to the pension fund. Note 27 contains more details.

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

	Balance as at 31 August 2019 £000	Incoming Resources £000	Resources Expended £000	Gains Losses and Transfers £000	Balance as at 31 August 2020 £000
Restricted General Funds					
General Annual Grant (GAG)	£0	£6,325	-£6,118	-£145	£62
Teaching Schools Fund	£0	£538	-£492	-£46	£0
6 Form Bursary Fund	£0	£0	£0	£0	£0
Pupil and Service Premium Fund	£0	£29	-£29	£0	£0
Other DfE / ESFA Grants	£0	£409	-£409	£0	£0
Other Public Sector Grants	£0	£46	-£46	£0	£0
Educational Visits Contingency Fund	£11	£381	-£378	£0	£14
Shares in DCGS Enterprise Ltd	£0	£0	£0	£0	£0
Pension Fund	-£3,467	£0	-£334	-£314	-£4,115
Other Restricted Funds	£0	£100	-£100	£0	£0
	-£3,456	£7,828	-£7,906	-£505	-£4,039
Restricted Fixed Asset Funds					
Donation from predecessor school	£10,996	£0	-£19	£0	£10,977
DfE / EFA Capital Grants	£1,004	£101	£85	£0	£1,190
3rd party donations	£2,008	£50	-£25	£0	£2,033
Capital expenditure financed from GAG	£1,920	£0	-£209	£145	£1,856
	£15,928	£151	-£168	£145	£16,056
Total Restricted Funds	£12,472	£7,979	-£8,074	-£360	£12,017
Unrestricted Funds					
Unrestricted Funds	£457	£369	-£280	£46	£592
Total Unrestricted Funds	£457	£369	-£280	£46	£592
Total Funds	£12,929	£8,348	-£8,354	-£314	£12,609

18 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	31-Aug-21 £000	31-Aug-20 £000
Tangible Fixed Assets			£17,450	£17,450	£16,056
Investments	£0	£0		£0	£0
Current Assets	£784	£1,163		£1,947	£1,544
Current Liabilities		-£1,033		-£1,033	-£876
Pension Scheme Liability		-£4,904		-£4,904	-£4,115
	£784	-£4,774	£17,450	£13,460	£12,609

Comparative information for the preceding period is as follows:

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	31-Aug-20 £000	31-Aug-19 £000
Tangible Fixed Assets			£16,056	£16,056	£15,928
Investments	£0	£0		£0	£0
Current Assets	£411	£1,133		£1,544	£1,285
Current Liabilities		-£876		-£876	-£817
Pension Scheme Liability		-£4,115		-£4,115	-£3,467
	£411	-£3,858	£16,056	£12,609	£12,929

19 Capital Commitments

The only capital commitments at the end of 2020-21 relate to the contracts in relation to phase 1 of the Science Matters Project and the completion of the Admin Building Heating refurbishment project.

Project:	Supplier	Value of Contract	Amount Recognised up to August 2021	Remaining Commitment
Science Matters Phase 1	Neville Special Projects	£1,132,811	£496,600	£636,211
Admin Heating Project	Constant Air Systems	£126,127	£107,014	£19,113
TOTAL	TOTAL	£1,258,938	£603,614	£655,324

20 Financial Commitments

Operating Leases

As at 31 August the total of the Academy's future minimum lease payments under non-cancellable operating leases was £0 (2020: £0)

21 Reconciliation of net income / (expenditure) to net cash inflow from operating activities

	2021 £000	2020 £000
Net income / (expenditure) as per the SOFA	£1,219	-£6
Adjusted for:		
Investment Disposal	£0	£0
Depreciation (note 13)	£239	£168
Disposal of Fixed Assets	£0	£0
Capital Grants and Capital Income	-£1,253	-£151
Interest Receivable (note 6)	-£2	-£2
Defined Benefit Pension cost less contributions payable (note 27)	£358	£272
Defined Benefit pension finance cost (note 27)	£63	£62
(increase) / decrease in stocks	£0	£0
(increase) / decrease in debtors	-£139	£45
increase / (decrease) in creditors	£158	£58
Net cash provided by / (used in) operating activities	£643	£446

22 Cash flows from financing activities

	2021 £000	2020 £000
Repayments of borrowing	£0	£0
Cash inflows from new borrowing	£0	£0
Net cash provided by / (used in) financing activities	£0	£0

23 Cash flows from investing activities

	2021 £000	2020 £000
Investment Income	£2	£2
Proceeds from investment disposal	£0	£0
Proceeds from sale of fixed assets	£0	£0
Purchase of fixed assets	-£1,633	-£296
Capital Grants from DfE / EFA	£674	£101
Capital funding from other sources	£579	£50
Net cash provided by / (used in) investing activities	-£378	-£143

24 Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash in hand and at bank	£1,408	£1,143
Notice deposits (less than 3 months)	£0	£0
Total cash and cash equivalents	£1,408	£1,143

25 Contingent Liabilities

During 2017-18 the school entered into partnership with a new provider (Aspens) for the provision of catering services in both the main canteen and in the Sixth Form cafe area from 1 September 2018 for five years. Part of this partnership includes Aspens investing significantly in the school's infrastructure. During the summer holidays in 2018 there was a complete refurbishment and refit of the (extremely old) main canteen kitchen equipment and an overhaul of the Sixth Form cafe space. The value of this investment was £177,500 at the end of August 2018 and is being amortised over the term of the contract. Assuming the contract term concludes in 2023 the school will have no commitment. However, if the school exits the contract

prior to this, then it may be liable to repay to Aspens a proportion of the investment as follows:

Example Date Contract Terminated	Amount to be Repaid
31 August 2021	£71,000
31 August 2022	£35,500
31 August 2023	£0

26 Members' liability

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

27 Pension and Similar Obligations

The Academy's employees belong to one of 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 Buckinghamshire County Council. Both are multi-employer defined benefit pension schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2019. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

27.1 Teachers' Pension Scheme

27.1.1 Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 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 contribution are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

27.1.2 Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%

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

The pension costs paid to TPS in the period amounted to £1,109K (2020: £965K) of which £339K (2020: 294K) was paid by employees and £770K (2020: 671K) was paid by the Academy.

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

27.2 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 year ended 31 August 2021 was £503K (2020: £338K), of which employer's contributions totalled £381K (2020: £264K) and employees' contributions totalled £122K (2020: £74K). The agreed contribution rates for employers is 22.9% from 1 April 2021 until April 2022 where it will rise to 23.0%.

The pension reserve deficit is in relation to the local government pension scheme. 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.

The deficit is being tackled by the school contributing to the pension fund. Upon advice from the actuary up until 1 April 2021 the school contributed the equivalent of 22.8% of the payroll of employees who are members of the local government pension scheme. Of this amount 6.0% is being used to reduce the deficit directly. From 1 April 2021 the school contributed 22.9% of the payroll of employees who are members of the local government pension scheme. Of this amount 6.1% is being used to reduce the deficit directly.

Employee contribution rates are set dependent on their estimated earnings. It is the Academy's policy to set and review employee contribution rates as at 1 April each year. For each employee the contribution rate is set based on the Academy's estimate of the employee's likely total earnings for the forthcoming year. When carrying out this estimate the Academy takes into account the employee's expected level of overtime or additional hours (based on total overtime paid in the preceding 12 months). The contribution rates for employees were as follows:

For the period 1 September 2020 – 31 March 2021:

Band	Estimated Earnings	Contribution Rate	
		Main LGPS Section	50/50 LGPS Section
1	Up to £14,600	5.5%	2.75%
2	£14,601 to £22,800	5.8%	2.90%
3	£22,801 to £37,100	6.5%	3.25%
4	£37,101 to £46,900	6.8%	3.40%
5	£46,901 to £65,600	8.5%	4.25%
6	£65,601 to £93,000	9.9%	4.95%
7	£93,001 to £109,500	10.5%	5.25%
8	£109,501 to £164,200	11.4%	5.70%
9	More than £164,200	12.5%	6.25%

For the period 1 April 2021 – 31 August 2021:

Band	Estimated Earnings	Contribution Rate	
		Main LGPS Section	50/50 LGPS Section
1	Up to £14,600	5.5%	2.75%
2	£14,601 to £22,900	5.8%	2.90%
3	£22,901 to £37,200	6.5%	3.25%
4	£37,201 to £47,100	6.8%	3.40%
5	£47,100 to £65,900	8.5%	4.25%
6	£65,901 to £93,400	9.9%	4.95%
7	£93,401 to £110,000	10.5%	5.25%
8	£110,001 to £165,000	11.4%	5.70%
9	More than £165,000	12.5%	6.25%

27.2.1 Principal Actuarial Assumptions

Financial assumptions as at	31-Aug-21	31-Aug-20
Rate of increase in salaries	3.90%	3.25%
Rate of increase in pensions in payment / inflation	2.90%	2.25%
Discount rate for scheme liabilities	1.65%	1.60%
Inflation assumption (CPI)	2.90%	2.25%
Commutations of pensions to lump sums	50.00%	50.00%

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

Mortality assumptions as at	31-Aug-21	31-Aug-20
<i>retiring today</i>		
Males	21.6	21.8
Females	25.0	25.1
<i>retiring in 20 years</i>		
Males	22.9	23.2
Females	26.4	26.6

Sensitivity Analysis:

The tables below show how the measurement of scheme liabilities would have been affected by changes in the relevant assumption that were reasonably possible at the balance sheet date.

	31-Aug-21	31-Aug-20
	£000	£000
Discount Rate + 0.1%	-£241	-£189
Discount Rate - 0.1%	£247	£194
Mortality Assumption - 1 year increase	£435	£315
Mortality Assumption - 1 year decrease	-£417	-£303
CPI Rate + 0.1%	£225	£177
CPI Rate - 0.1%	-£219	-£173

27.2.2 Assets and Liabilities

The Academy's share of the assets and liabilities in the scheme was:

	Fair value as at 31 August 2021		Fair value as at 31 August 2020	
	£000	% of total	£000	% of total
Gilts	£480	9%	£394	11%
Equities	£2,777	55%	£2,054	55%
Other Bonds	£716	14%	£587	16%
Property	£297	6%	£234	6%
Cash	£69	1%	£98	3%
Alternative Assets	£59	1%	£34	1%
Hedge Funds	£233	5%	£178	5%
Absolute Return Portfolio	£480	9%	£167	4%
Total Market Value of Assets	£5,111	100%	£3,746	100%
Present value of scheme liabilities:				
funded	£10,015		£7,861	
Surplus (deficit) in the scheme	-£4,904	100%	-£4,115	100%

The total return on fund assets for the year to 31 August 2021 was £743K (2020: £112K)

27.2.3 Amounts Recognised in the Statement of Financial Activities

	At 31 August 2021	At 31 August 2020
	£000	£000
Current Service cost	£648	£533
Net interest on the defined liability (asset)	£63	£62
Administration expenses	£3	£3
Total Operating Charge	£714	£598

27.2.4 Movements in the present value of defined benefit obligations

	At 31 August 2021	At 31 August 2020
	£000	£000
Opening defined benefit obligation	£7,861	£7,004
Current Service Cost	£648	£533
Interest Cost	£128	£128
Change in Financial Assumptions	£1,308	£493
Change in Demographic Assumptions	-£102	-£164
Experience loss / (gain) on defined benefit obligation	-£160	£70
Liabilities assumed / (extinguished) on settlements	£0	£0
Estimated benefits paid net of transfers in	£251	-£277
Past service cost including curtailments	£0	£0
Contributions by scheme participants and other employers	£81	£74
Unfunded pension payments	-	-
Closing defined benefit obligation	£10,015	£7,861

27.2.5 Movement in the fair value of the Academy's share of scheme assets

	At 31 August 2021 £000	At 31 August 2020 £000
Opening fair value of scheme assets	£3,746	£3,537
Interest on assets	£65	£66
Return on assets less interest	£678	£46
Other actuarial gains / (losses)	£0	£39
Administration expenses	-£3	-£3
Contributions by employer including unfunded	£293	£264
Contributions by scheme participants and other employers	£81	£74
Estimated benefits paid plus unfunded net of transfers in	£251	-£277
Settlement prices received / (paid)	-	-
Closing fair value of scheme assets	£5,111	£3,746

27.2.6 Net Pension Scheme Liability

	At 31 August 2021 £000	At 31 August 2020 £000
Net Pension Scheme Liability	-£4,904	-£4,115

28 Connected Organisations

Dr Challoner's Grammar School has strong connections with the following organisations.

28.1 *Dr Challoner's School Educational Trust (charity registration 298550)*

Dr Challoner's School Educational Trust ("DCSET") is a charity that has been set up under a Trust Deed in 1987 and gained charitable status in March 1988. The objects of the DCSET are the provision of scholarships, prizes, grants, equipment, buildings, playing fields, and other assistance for the benefit of Dr Challoner's Grammar school and its pupils. As such DCSET makes regular donations to the School under the direction of its trustees.

Although Dr Challoner's Grammar School is not a corporate trustee of DCSET, of DCSET's 6 trustees, 3 also act as existing trustees of the school and 2 are members of the school staff.

DCSET's statement of accounts can be viewed online at the Charity Commission's website: <http://www.charity-commission.gov.uk/>

Dr Challoner's Grammar School administers the finances of DCSET on its behalf.

During 2020-21 the Academy received £599,398 (2020: £134,872) from DCSET of which £499,000 was in relation to phase 1 of the Science Matters project.

28.2 *Friends of Dr Challoner's Grammar School (charity registration 310621)*

Friends of Dr Challoner's Grammar School (the Friends) is an unincorporated association, registered with the charity commission that provides financial assistance with the cost of educational facilities provided by Dr Challoner's Grammar School.

Although Dr Challoner's Grammar School is not a corporate trustee of the Friends, the Headteacher acts as President of the Friends and one of the Academy's Assistant Headteachers is heavily involved in the day to day running of the Friends.

The Friends' statement of accounts can be viewed online at the Charity Commission's website: <http://www.charity-commission.gov.uk/>

Dr Challoner's Grammar School does not administer the finances of the Friends.

During 2020-21 the Academy received £45,000 (2020: £2,540) from the Friends.

29 Related Party Transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest.

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Other than certain trustees' remuneration and expenses already disclosed in note 9 the following were the only related party transactions that took place in the financial period:

Expenditure Related Party Transactions:

Clare Atkinson:

Clare Atkinson, spouse of David Atkinson, a trustee and Accounting Officer, is employed by the academy trust as a Development Director. Clare Atkinson was employed by the predecessor school of the Academy Trust and transferred to the Academy Trust on 1 January 2011. This was many years prior to David Atkinson becoming Accounting Officer of the Academy.

Clare Atkinson is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee. In the event that there is a review of Clare Atkinson's hours or responsibilities that may impact on her future pay David Atkinson is completely removed from this process. Any review is carried out by the Chief Financial and Strategy Officer. Where such a review results in a recommendation for a change in pay this recommendation is also reviewed by a Deputy Headmaster prior to any recommendation being presented to the Pay and Personnel Committee for consideration and approval.

There have been no such recommendations in 2020-21.

Income Related Party Transactions:

There were no income related party transactions during 2020-21.

30 Agency Arrangements

VI form bursary grant

The purpose of this grant is to remove financial barriers for students in the 16-19 stage of education. Essentially the Academy receives funding from the DFE to pass to those students most in need in line with the rules of the scheme. The balance on this fund represents the balance regarding discretionary bursaries not distributed in 2020-21. This funding will be added to the funding received in 2020-21 for consideration when assessing students applying to the scheme next academic year.

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the trust received £5K (2020: £7K) and disbursed £6K (2020: £8K) from the fund. £2K is held in cash / creditors at the end of the year (2020: £2K).

SCITT Bursaries and SCITT Salaried Grants

The SCITT administers the grants paid direct to students (bursaries and scholarships) and schools employing salaried students (School Direct Salary Grants) help them meet the living costs / costs of paying a salary whilst they train with the Astra SCITT. Although these budgets should be net neutral, the amount of monies passed through Astra to the end parties is significant.

The amounts of grant paid across depend on various factors including the subject studied, the prior degree qualifications the student has obtained, whether the employing school is a Fringe School etc. Note 31 contains further details.

Other arrangements

The school also acts as an agent in collecting monies to be passed across to other organisations. Examples include collecting income from parents for exam remarks and the instrument purchase scheme. £6K of income was collected in this manner in 2020-21 (2020: £24K). All income was passed across (2020: All income was passed across).

31 Teaching School Trading Account

Dr Challoner's Grammar School is both a Teaching School and a SCITT. It manages the transactions in relation to being a Teaching School and SCITT via an internal business unit called Astra.

	31-Aug-21 £000	31-Aug-20 £000
Income		
Direct Income:		
DFE Grants	£120	£0
Other Grants	£0	£0
	£120	£0
Other Income		
SCITT Trading Income	£619	£538
Other Trading Income	£124	£98
Fundraising	£0	£0
	£743	£636
Total Income	£863	£636
Expenditure		
Direct Costs		
Direct Staff Costs	£258	£175
Staff Development	£0	£0
Other Direct Costs	£343	£295
Total Direct Costs	£601	£470
Other Costs		
Support Staff Costs	£96	£95
Depreciation	£0	£0
Technology Costs	£0	£0
Recruitment and Support	£0	£0
Security and Support	£0	£0
Other Support Costs	£37	£25
Share of Governance Costs	£0	£0
Total Other Costs	£133	£120
Total Expenditure	£734	£590
Net Surplus / Deficit (Main Account)	£129	£46

In addition to the above account there is a separate "Agency Account" in relation to Bursary Grants and Salaried Grants that are passed through the school to the end recipients. These are not reflected in the figures above. Grants passed through are as follows:

Grant Type	2020-21	2019-20
Bursaries	£833K	£797K
Salaried Grants	£74K	£75K
TOTAL	£907K	£872K

2016-17 was the first year in which Astra operated as a SCITT. Prior to 2015-16 the teaching school had managed to operate within designated funds provided to support it. However, during 2015-16 a transfer of £108K was made from unrestricted funds to the Astra Business Unit – mainly in relation to covering set up costs of the SCITT (this was the year in which we incurred all the set-up costs but had no student income). Investments in future years were authorised by the trustees as it was deemed necessary in order to produce a programme that is of high quality so as to attract trainee numbers, to engage and train staff and partners to ensure all provision meets all OFSTED criteria and to allow us to develop an appropriate marketing programme to attract trainees and increase trainee numbers in the future. This strategy led to the SCITT being rated outstanding in every category by OFSTED.

Since 2018-19 the Astra Business Unit has used the annual surpluses generated to repay the unrestricted reserves the initial investment.

2020-21 involved the last repayment to unrestricted reserves from the surplus generated. The balance of £8K on the Astra Fund at the end of this year represents the unspent monies in relation to the £80K Teaching School Hub set up grant that was received in 2021-22.