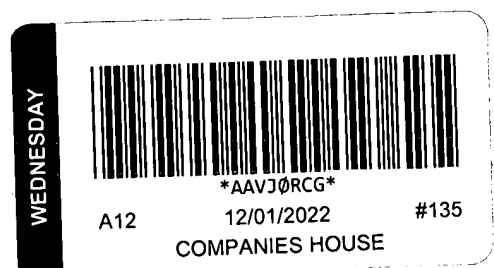


Company Registration No. 07455732 (England and Wales)

BEXLEY GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021



BEXLEY GRAMMAR SCHOOL

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BEXLEY GRAMMAR SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

Mr A Woodcock (Chair, Appointed Governor, 9 March 2017)
Mr I Beattie (Responsible Officer, Appointed Governor, 5 Mar 2019) *
Mrs S Bhat (Parent Governor, 22 November 2018)
Mrs D Briant (Vice Chair, Appointed Governor, 5 March 2019)
MRS O Diya (Parent Governor, 13 December 2016)
Mr S Elphick (Headteacher & Accounting Officer) *
Miss A Fisher (Staff Governor, 21 October 2018)
Mr R Gillespie (Appointed Governor, 5 March 2018) *
Mr T Gorrard-Smith (Appointed Governor, 5 March 2019)
Mr M Lines (Staff Governor, 21 October 2018)*
Mr T Martin (Staff Governor, 29 November 2016)
Mrs M Pickering (Appointed Governor, 5 March 2019)*
Mrs B Sangha (Parent Governor, 22 November 2018)
Mrs A Saridogan (Appointed Governor, 9 March 2017)
Mrs E Staggs (Appointed Governor, 1 July 2019)
Mr I Tonks (Appointed Governor, 8 October 2018) *
Mrs F Tyler (Parent Governor, 13 December 2020)
Mr M Woodhall (Parent Governor, 28 March 2017)*

* members of the Finance, Resources and Audit Committee

Members

Mr A Woodcock
Ms D Briant
Mr R Gillespie
Mrs M Pickering
Mr J Welsh

Senior management team

- Headteacher
- Deputy Head
- Deputy Head

Mr S Elphick
Mr D Morgan
Mr Gilmore

Company Secretary

Mr Allyn Walsh

Company registration number

07455732 (England and Wales)

Registered office

Bexley Grammar School
Danson Lane
Welling
Kent
DA16 2BL
United Kingdom

Independent auditor

Baxter & Co
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Bankers

Lloyds Bank PLC
130 The Broadway
Bexleyheath
DA6 7DP

Solicitors

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

BEXLEY GRAMMAR SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

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

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice 2015, "Accounting and Reporting by Charities", and the Academies' Accounts Direction 2020/2021 issued by the ESFA.

The trust operates an academy for pupils aged 11 to 18 serving local selective students in Bexley. It has a pupil capacity of 1357 (including a sixth form of 460 places) and had a roll of 1429 in the school census in January 2021.

The Trust exists to maintain Bexley Grammar School as an oversubscribed, high achieving, well-resourced coeducational selective Academy with a thriving Sixth Form, which specialises in Languages while offering a wealth of extra-curricular activities.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee with no share capital (registration no. 07455732) and an exempt charity. The Charitable Company's memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The governors act as the trustees for the charitable activities of Bexley Grammar School (Academy Trust Limited) and are also the directors of the Charitable Company for the purposes of company law. From the time of his or her appointment, each Governor has the right (but not the obligation) to become a member of the Trust. The Charitable Company is known as Bexley Grammar School.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

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.

Governors' indemnities

The Governors have not indemnified the directors/governors against liability to a third party.

Method of recruitment and appointment or election of Governors

The Articles of Association stipulate that the number of Governors shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

The Governing Body comprises of up to twelve members appointed by the members; the Headteacher; up to four Staff Governors elected by staff in the school; one LA Governor appointed by the LA and not less than two Parent Governors elected by parents of students registered at the Academy in a secret ballot. The Governors may also appoint up to three Co-opted Governors. In particular circumstances, as detailed in the Articles of Association the Secretary of State may appoint Governors to join the Governing body.

The term of office for any Governor shall be 4 years; save that this time limit shall not apply to the Principal and any Staff Governor shall only hold office for so long as he/she continues to be employed as a teacher or member of support staff as the case may be. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected. When seeking new Governors the Chairman assesses the skill sets of the current members and considers what qualities and experience would enhance the team for the benefit of the Academy.

Policies and procedures adopted for the induction and training of Governors

BEXLEY GRAMMAR SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The Academy employs the services of the LA (Bexley's) Governors' Induction and Training programme. Training undertaken by Governors is described and logged at meetings of the full Governing Body.

Organisational structure

Apart from several other specific purposes the Governors mainly support the Academy as members of three Committees which deal with policies, developments and assessment of three different areas of the Academy's functioning. These committees are:

- 1) Curriculum and Pupil Progress Committee
- 2) Staffing and Pupil Welfare Committee
- 3) Finance, Resources and Audit Committee

The Governors have powers delegated to them from the full Governing Body to make decisions on behalf of the Academy within the remit of the committee's sphere of concern. The committees meet each term and their work is reported to the full Governing Body in a meeting towards the end of each term. All policies and budget decisions are decided upon by agreement of the Governing Body.

The day to day management of the school is the responsibility of the Headteacher and his Senior Management Team. The Headteacher acts as the Accounting Officer, he is a member of the Finance, Resources and Audit Committee, each of the two Deputies is attached to the other two Governors' committees. The Deputies also run Learning Teams (teams of staff with relevant responsibilities) within the school which are linked by area of concern to the relevant Governors' committees and so the work of the school and that of the Governors is clearly linked through areas of interest, self-evaluation and reporting.

Arrangements for setting pay and remuneration of key management personnel

The senior management team (SMT) are the key management personnel of the trust. Trustees are also senior management although they receive no pay or other remuneration in respect of their role as trustees. Where staff trustees are in place, they receive remuneration for their role as staff and their pay is determined in the same way as applicable to all other staff. Further details of remuneration paid to staff who are trustees is set out within the notes to the accounts.

The pay of the Headteacher is set annually by the Pay Committee, having regards to performance against objectives set the previous year. Pay of other SMT members is also set by the Pay Committee again having regard to performance against previously agreed objectives and any recommendations made by the Headteacher.

Trade Union Facility Time

Relevant union officials

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

Percentage of time spent on facility time

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

BEXLEY GRAMMAR SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

Percentage of pay bill spent on facility time

Total Cost of facility time	£0
Total Pay bill	£7,304
Percentage of the total pay bill spent on facility time	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours.	0%
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Related Parties and other Connected Charities and Organisations

Bexley Grammar School is a single Academy and is not part of a federation. It is a member of the Penhill Academies Umbrella Trust. It has no other related parties or connected charities or other organisations.

Objectives and activities

Objects and aims

The Trust's object cited in the Academy Funding Agreement is: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum known as Bexley Grammar School.

Objectives, Strategies and Activities

The Trust's main object is stated above under the heading Objects and Aims but the Academy's School Improvement Plan for the year cites 3 areas of Priority. These aims have been agreed by the Governing Body as appropriate targets and they give a clear sense of the Academy's aspirations and character as a school. As a result of the Coronavirus pandemic, the senior leadership of the school and the governing body wanted to reaffirm their vision for the school through our ethos statement whilst incorporating learning from, and reflection upon, the pandemic.

The aims are couched in terms of our ethos: intellect, empathy and courage, and are intended to achieve the objects are stated below through our School Improvement Plan which is summarised under the following priorities:

1. Intellect

- Encourage intellectual enquiry and curiosity, especially through reading
 - Seek opportunities to celebrate the excitement of learning
 - STEM
- Curriculum - Intent, Implementation, Impact
 - School statement as on the website
- Teaching and Learning
 - Planning, progression, assessment
 - Quality of books/presentation/note-taking
 - Structured progression for PSHE, assemblies, power days
 - T&L innovation group.
- Post pandemic 'catch up'
 - Year 10 programme, summer school, targeted interventions
- Wellbeing - especially post-Covid
 - Promote a balance of activities for a healthy life

2. Empathy

- Encourage kindness
 - Seek opportunities to make a positive difference to the lives of others
- Tackle/eliminate any form of sexual harassment
 - Build on our effective anti-bullying policy and behaviour policy
 - Review and amend our PSHCE programme as required
 - Educate and model positive, respectful behaviours

BEXLEY GRAMMAR SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

- Tackle/eliminate racial injustice in all its form
 - Build on our anti-bullying policy and behaviour policy
 - Review and amend our PSHCE programme as required
 - Educate and model our anti-racist stance
- Encourage cultural understanding and appreciation
 - Students should understand and appreciate their own culture while being open to the values and traditions of others
 - Increase awareness of global issues
- Improve the school environment
 - Explore energy-saving and recycling initiatives
 - Look after and take pride in the school environment

3. Courage

- Encourage integrity, honesty and individual responsibility
 - Understand that learning is underpinned by academic honesty
 - Develop leadership and the responsibility that comes with it - covid catch-up
- Develop healthy self-confidence and self-awareness
 - Be ambitious without arrogance
 - Be considerate of those around us
- Develop resilience and determination
 - Incorporate *Growth Mindset* principles in teaching and learning
 - Use failure to achieve success
- Adopt and develop the lessons learned from the pandemic
 - Use technological and other solutions from lockdown experiences to enhance our teaching and learning and other practices
 - Implement other lessons to improve the smooth running of the school day
 - Implement the actions of the Recovery Plan
- Reverse the trend of gender imbalance in recent successive year 7 intakes
 - Determine possible causes
 - Implement strategies to address the causes
 - Promote the success of girls at BGS

Public benefit

Bexley Grammar School exists to provide the best academic educational experience possible for students in the locale of the school who are deemed selective. In this regard Governors understand and comply with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Strategic report

Achievements and performance

Although students were not able to demonstrate their performance in final examinations due to the pandemic, the IB marked their IAs (coursework) this year in place of examinations. The IB then combined this marking with school predicted grades and used grade allocations for each subject based on previous cohorts to maintain parity with pre-pandemic school results and to maintain parity with students taking examinations in other countries. The 2021 results involved greater scrutiny and moderation than A level results received and we therefore celebrate the 2021 IBDP outcomes in this review.

Year 13 students set new records in every measure of achievement in the IB with a stunning set of results. 5 students achieved the much-coveted, perfect 45 points. Another 7 students dropped only one point to gain 44 points and 9 students achieved a perfect set of 7s across their six subjects. 50 of our year 13 cohort of 185 students achieved 40 points or higher - a staggering success! Just shy of 40% of students gained 38 points or more, a typical Oxford University offer. 62% of all grades were a 6 or a 7 and 92% were a 5 or higher. The whole cohort achieved an average of 5.8 points per subject (world average = 5.1 in 2020), an average of 36.0 total points per student (world average = 31.3 in 2020) and the best progress

BEXLEY GRAMMAR SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

(value-added) ever. It is remarkable that the average achievement in UCAS points (215 points) of our students is equivalent to 3 A* and 1 A at A level.

We met both our targets for average subject point score and average total point score with ease. As averages, even 0.5 of a grade is a dramatic improvement. Unfortunately, 4 students did not achieve the Diploma despite the interventions and support offered over the difficult months of the pandemic. We smashed our top grades target for 6s and 7s by 17 percentage points and beat the 7-5 target of 85% by 7 percentage points.

These grades sustain BGS's remarkable success rate in gaining the best university places for our students. Over 90% of students gained their first or reserve choice and a record 63% achieved places at Russell Group universities. We have BGS students studying at 23 of the 24 Russell Group universities (only Belfast is without a BGS student) this autumn. We celebrated another successful Oxbridge intake from BGS with 7 places, 4 at Oxford and 3 at Cambridge. Gaining the subjects and universities of choice is our ultimate prize and our students have demonstrated incredible success against the backdrop of so much disruption: BGS remains one of the top-rated schools in the country for securing places in Higher Education for our students.

Year 11

Although the disruptions affected the 2021 cohort across both of their GCSE years, we were able to prepare better for the cancellation of examinations and assess more methodically and rigorously over a greater period of time. We therefore celebrate the 2021 outcomes in this review.

190 Year 11 students achieved record-breaking GCSE grades and although comparisons cannot reliably be made with previous years we should particularly celebrate the record 41% of all grades that were achieved at 9-8 (the old A*). The 9-7 (old A*-A) measure was 68%, an increase of 5 percentage points on 2020. It is remarkable that over two thirds of all the grades awarded to our students were in this top category.

In exceeding our Attainment 8 target we demonstrated again that our students respond well to the challenging curriculum we have at GCSE.

We were delighted to achieve the elusive 100% 9-4 target which we always set ourselves, despite the struggles by a number of students with mental health issues, compounded by the pandemic. The English department did well to have only 2 grade 4s in Literature and 2 students slipped to a grade 4 in Language, despite a sustained focus on a small group of students who struggled; there could have been many more who did not achieve a level 5 without this excellent support. The upper grades (9-7) increased by about 9% from last year, supported by an impressive 78% in mathematics.

We also narrowly missed our target English Baccalaureate measure (5+) by 1%, an ambitious target at 92%, and very high against national comparisons from previous years. The 98% of students entered for the breadth of academic subjects that the EBacc represents is also very impressive, especially in a pandemic year where the curriculum could have been narrowed considerably to support students. All BGS students studied the three separate sciences, two foreign languages, and at least one humanities subject alongside mathematics and both English and English Literature – the majority took eleven GCSEs.

It is therefore particularly impressive that 2 students achieved straight grade 9s in their 11 subjects! 18 students achieved only 8s and 9s, 65 students secured straight 9-7 grades and 112 students, nearly 60% of the cohort, achieved 8 or more 9-7 grades. Our highest achievers remain some of the very best in the country.

Subject highlights include:

- Over 50% grade 9s in: Chinese (64%) (taken by 14 students), Food (60%) (10) and Music (60%) (25)
 - Over 25% grade 9s in: Computer Science (taken by 53 students), Japanese (18), Latin (39), PE (16), and Russian (15).
 - Over 75% grades 9-7 in: Maths (all students), Chinese - (93%) (14 students), Computer Science (53), Design & Technology (90%) (20), Economics (51) Food (100%) (10), Music (88%) (25), PE (16), Psychology (39), Russian (15), Textiles (4).
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BEXLEY GRAMMAR SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

These are outstanding GCSE results from a deliberately stretching, grammar curriculum which we maintained throughout the pandemic. Students and parents should be incredibly proud of these impressive results in such uncertain times. And our dedicated staff have been rewarded for the belief in our students and the commitment that they have shown in all the challenges that schools have faced this year.

Key financial and other performance indicators

1) Staffing costs to be within +/- 4% of budget allocation:

For the year ending 31st August 2021 teaching costs were at 98.26% (99.46% 2020) of budget allocation and overall staffing costs were at 98.59% (99.39% 2020) of budget allocation.

2) Learning resources expenditure to be within +/- 7% of budget allocation:

For the year ending 31st August 2020 learning resources expenditure was 104.74% (78.27% 2020) of budget allocation.

3) Examination results to be in line with SIP targets:

Please see section headed 'Achievements and Performance'.

The Academy has been fully staffed during the past year with some turnover of staffing in-year but a very small change in staffing (only 4 new teachers in September out of 95) for the new academic year because of the pandemic. The planned staffing cost for the current academic year starting from September 2021 is 2.5% below the previous year's final staffing cost due to a reduction in staffing of 5 FTE achieved through the Recovery Plan. This reduction in staffing cost may be eroded by an award above an average of 2% for education support staff or any change to the pay freeze for teachers. Increases to employer national insurance contributions are planned but current guidance suggest these will be funded separately. Adjustments have been made to the Sixth Form curriculum to make it more efficient which has led to larger class sizes but they should not have a negative material impact on the experience of students. Staffing costs are the Academy's main expense and the good value of our staff can be seen in our examination results (see Achievements and Performance) and the level of activity and commitment in the school (see newsletters on our website).

In all of our expenditure, the Finance Manager, Governors and Senior Team seek best value and query the choices and options made.

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Working with support from the ESFA, the school is implementing a detailed recovery plan to ensure that it returns to an in-year surplus within two years. Further details are set out in note 27 to the accounts regarding the trustees' assessment of going concern.

Financial review

We receive our income from a number of different sources. The majority of our income comes from central government via the Education Skills Funding Agency who provide us with grant, based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant - GAG). The ESFA may provide us with additional grants which are earmarked for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/ESFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as other government grants. Such income is collectively referred to as "Restricted Funds". Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of our facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the trustees.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending.

BEXLEY GRAMMAR SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

The following balances held were held at 31 August:

Fund	Category	2021 £'000	2020 £'000
GAG	Restricted General Funds	(414)	(274)
Other DfE/ESFA/LA Grants	Restricted General Funds	30	2
Other Income	Restricted General Funds	109	91
	Sub-total General Restricted Funds	(275)	(181)
Unspent Capital Grants	Restricted Fixed Asset Fund	750	1
Other Income	Unrestricted General Fund	-	-
	Sub-Total Spendable Funds	475	(180)
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	8,486	8,895
Share of LGPS Deficit	Restricted Pension Reserve	(2,395)	(2,584)
	Total All Funds	<u>6,566</u>	<u>6,131</u>

During the year under review, there was a decrease of £94k (2020: decrease of £120k) on general restricted funds, no change (2020: £nil) on unrestricted funds and after LGPS valuation adjustments, depreciation and capital income and expenditure, an overall increase of £435k (2020: decrease of £(904)k).

The pandemic, as in the previous year, has had significant impact on all those additional areas of income that are not government funded. Because of restrictions in the number of pupils that we could give access to the canteen at any one time, canteen income has been significantly reduced. Similarly, for much of the year, lettings were not permitted and our income was proportionately reduced.

Going forward, the escalating cost of energy is a threat alongside any further disruption to our income streams caused by Covid. As detailed below, year 12 recruitment is always unpredictable and any disruption to our open events in school could have an effect on numbers.

The implementation of the first year of our Recovery Plan has gone better than expected so far. We were able to reduce our overall staffing by 5 FTE members of staff in September 2021, indicating that we are likely to meet our target of 6 or 7 FTE by September 2022. This rapid progress has enabled us to set a budget with an in-year balance for 2021-2022. We are therefore on course to be in overall surplus by the end of 2022-2023 as planned.

Reserves policy

Our governors recognise that it is prudent to keep a sum as a reserve in case of unexpected costs arising however this needs to be balanced with the fact that any Academy is funded for the benefit of the students currently in the Academy. Therefore the use of reserve is carefully considered at the termly meetings of the Finance, Resources and Audit Committee. Funding cuts, particularly at Post 16, alongside rising costs (including pensions, NI, unfunded pay rises, the apprenticeship levy) and a drop in Post 16 student numbers have necessitated substantial use of reserves in recent years to balance the budget. Due, in part, to the pandemic, the reserve at the end of the financial year was negative at -£275k.

BEXLEY GRAMMAR SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

Investment policy and powers

The Academy currently has no material investments policy in place and no investments. Should we be in a position to make investments on behalf of the school, the Governors' permission and views about options would be sought.

Principal risks and uncertainties

The Governors review and approve the Academy's Risk Management Register on an annual basis. The register informs and directs the activities of staff within the Academy should risk occur and is a fundamental part of routine operations.

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances (a register of risk is kept and is annually updated). The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to professional, financial, legal, physical, contractual, technological and environmental) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. Data protection and Safeguarding information) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is subject to audit and the scrutiny of The Responsible Officer and external auditors.

The greatest risk of a reduced income each year is the number of students we recruit into year 12 of the sixth form. Governors and senior management focus a great deal of attention on the recruitment process and a number of strategies have been adopted in recent years. The pandemic has introduced its own risks since recruitment and induction have had to be entirely online. A lesser but significant risk is ensuring the maximum retention of students into year 13 whilst balancing the need for a few students to re-think their future plans if they are not coping with the demands of the sixth form.

Performance Management and Job Descriptions are, in part, built on individual aspects of the register to ensure that correct responses follow unexpected and undesirable events.

Our fundraising practices

The trust organises fundraising events and appeals and co-ordinates the activities of our supporters both in the academy and in the wider community on behalf of the trust.

The trust does not use professional fundraisers or involve commercial participators.

There have been no complaints about fundraising activity this year.

The trust complies with the Fundraising Regulator's Code of Fundraising Practice.

All fundraising is undertaken by the trust in a manner that seeks to ensure that it is not unreasonably intrusive or persistent. Contact is made through email, academy newsletters, our website, social media and via students. All fundraising material contains clear instructions on how a person can be removed from mailing lists.

Plans for future periods

We intend to use some of our forecasted capital income/devolved capital to sustain our ICT refresh plan and for building maintenance as required. Energy consultants Briars conducted a thorough review our energy efficiency, lighting installation and cost-saving options and proposed 'Project Halo' as a comprehensive solution to radically improving our energy efficiency. We submitted this proposal for funding through the government carbon reduction fund but were not successful. We have re-submitted on appeal and await the outcome. We also have continuing concerns over the condition of some of our plumbing, some of the floor and stair coverings in the school as well as considerable areas of the school roofing. We are awaiting the guidance on what will be eligible for a CIF application in order to submit a capital bid to implement works which would address as many of these issues as possible and contribute to greener energy use and save money for many years to come.

BEXLEY GRAMMAR SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The School Fund continues to be used for issues which have a high impact on improving the school experience for the majority of students. A range of support for extra-curricular activities for students will be provided this year from the surplus in this fund.

All of the main elements of our funding will, of course, be spent on delivering an excellent educational experience to our students.

Funds held as custodian trustee on behalf of others

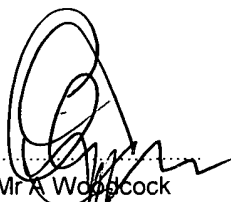
No funds are currently held on behalf of others.

Auditor

In so far as the governors are aware:

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

The Governors' Report, incorporating a Strategic Report, approved by order of the Board of Governors, as the company Directors, on 06 December 2021 and signed on the Board's behalf by:



Mr A Woodcock
Chair of Governors

BEXLEY GRAMMAR SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has met formally 5 times during the year (including an extraordinary meeting to agree a new governance structure). Attendance during the year at meetings of the Board of Governors was as follows:

Governors	Meetings attended	Out of possible
Mr A Woodcock (Chair, Appointed Governor)	5	5
Mr I Beattie (Responsible Officer, Appointed Governor)	5	5
Mrs D Briant (Vice Chair)	3	3
Mrs S Bhat (Parent Governor)	5	5
Mrs O Diya (Parent Governor)	0	2
Mr S Elphick (Headteacher & Accounting Officer)	5	5
Miss A Fisher (Staff Governor)	5	5
Mr R Gillespie (Appointed Governor)	3	3
Mr T Gorrard-Smith (Appointed Governor)	4	5
Mr M Lines (Staff Governor)	4	5
Mr T Martin (Staff Governor)	5	5
Mrs M Pickering (Appointed Governor)	5	5
Mrs B Sangha (Parent Governor)	5	5
Mrs A Saridogan (Appointed Governor)	3	5
Mrs E Stagg (Appointed Governor)	5	5
Mr I Tonks (Appointed Governor)	5	5
Mrs F Tyler (Parent Governor)	3	3
Mr M Woodhall (Parent Governor)	3	5

The composition of the board of governors has remained stable this year but, following recommendations from an external governance review, the composition has been rationalised to ensure a clear separation between members and trustees.

Though the Articles of Association permit the elected Chair to hold office for four years, the Trustees require the election of a Chair every year in order to facilitate a regular review of the Chair's performance.

The remit of each committee was reviewed at the beginning of the academic year and amendments were made to the composition of each committee having regard to the change in membership of the Trust and governing body and to the skills of each member.

The Finance, Resources and Audit Committee is a sub-committee of the main board of governors. The members of the Committee have been selected by the main Governing Body because of their familiarisation with issues related to financial management and issues connected to the particular work of this committee. Its purpose is to:

- help plan and recommend the budget for approval by the full Governing Body;
- receive regular reports from the Responsible Officer, the school's auditors and the Finance Manager;
- support the strategic planning of school developments which demand funding;

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- oversee health and safety and security issues;
- oversee all contracts entered into by the school and all purchases which require particular procurement processes, such as tendering processes.

The committee works to ensure that best value is obtained in all aspects of the academy's business.

The committee has worked tirelessly to implement an ambitious Recovery Plan designed to reduce staffing costs significantly. It has also continued to focus on issues of cost-cutting as the school plans for further decreases in funding at the same time as substantial increases in costs in order to assure an in-year balance. It continued to review its methodology of risk management for the school, developing a more effective feedback mechanism for health and safety issues. The committee also made decisions from a range of options available to the school in order to move closer to eliminating in-year deficits. The disappointing fall in post 16 student numbers in September 2019 negated the effect of the choices that had been made to reduce in-year deficits which instead, increased. The 2020 numbers increased again and need to remain stable for the implementation of the Recovery Plan to be most effective.

Attendance at meetings during the year was as follows:

Governors	Meetings attended	Out of possible
Mr I Beattie (Responsible Officer, Appointed Governor)	4	4
Mr R Gillespie (Appointed Governor)	2	2
Mr S Elphick (Headteacher & Accounting Officer)	4	4
Mr M Lines (Staff Governor)	3	4
Mrs M Pickering (Appointed Governor)	4	4
Mr I Tonks (Chair, Appointed Governor)	4	4
Mr M Woodhall (Parent Governor)	3	4

Review of Value for Money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The following sets out how the accounting officer for the academy trust has delivered improved value for money during the year:

The bulk of the school's budget is spent on staffing and during the previous academic year the school was fully staffed with well qualified, specialist teachers who delivered a demanding curriculum to a high level of success despite the adjustments and adaptations they had to make in response to the disruption of the pandemic (see 'Achievements and Performance' section above and the results tables on our website).

Similarly, support staff are well qualified, experienced people. These include a strong team of Higher Level Teaching Assistants (specialists who between them deliver a wide range of support to students); two school counsellors with very full appointment books; fully trained science technicians; an efficient team of administration staff; site staff who take a proactive role in maintaining and improving the school premises, catering staff who are proud of the service they provide and cleaning staff who also take pride in keeping the site looking its best. All of these teams, and particularly their supervisors, work in tandem to make the school run smoothly to produce a rich educational experience for students which leads to excellent results.

The school continues to operate with a reduced Senior Management Team: two Deputy Heads and four Assistant Heads (3.3 fte). Whilst the reduction puts considerable strain on the Senior Management Team, it continues to demonstrate a clear commitment to reducing our staffing costs as far as is possible. The Sixth Form team remains reduced (the IB Coordinator role was not replaced but absorbed by the Head of Sixth Form two years ago). We have made small reductions to our already reduced support staff mainly in Art, DT and Science technician support. Teaching staff load is matched closely to the curriculum following the options processes for Year 10 and Year 12. Departing teachers are only replaced as demand dictates from the curriculum. By increasing staff contact time and reducing some curriculum time at KS5 in the IB, we have cut staffing levels drastically this year. Despite the additional

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bulge classes in years 8 and 9 we have reduced the number of teachers from 100 to 95 in one year and the full time equivalent (FTE) has reduced by 2.8 to 86.0 (2020: 88.8). Our support staff FTE has fallen from 63.4 to 61.0 (by 2.4) which brings our overall staff FTE to 147.0 (of 166 staff). In one year, therefore, we have reduced our overall FTE by 5.2 (2020: 152.2). Members of staff continue to be generous with their time in school and with restrictions imposed by the pandemic on enrichment activities, clubs and events gradually being lifted, we anticipate that their customary generosity with their time outside school will continue. The sheer number and range of these enrichment activities, including visits and journeys (until the pandemic put a stop to them all), arranged in one academic year remains remarkable (see weekly Newsletters on website).

Accountability for delivering results is established and monitored through Performance Management and through whole school self-review. Performance Management involves rigorous review and target setting which is linked to pay progression. The two Learning Teams drive the school's self-review process. Each of these is linked to a committee of Governors through the two Deputy Headteachers who lead the teams and attend the committee meetings. The Learning Teams are made up of a range of responsibility-holders drawn from across the school and each team conducts a review of different aspects of the school every term. These reviews include lesson observations, analysis of data and interviews with students and staff. Judgements are made and recommendations for improvements suggested. This self-review has been bolstered with the addition of a more formal Self-Evaluation Week (SEW) which includes external experts reviewing our practices. The impact of all these reviews is considered and discussed at the relevant governors' committee meeting. This work, the resulting action plan and analysis of results and reports forms the basis of the School Improvement Planning process, although some of this was not possible this year because of the pandemic.

The School Improvement Plan (SIP) is a comprehensive planning document to which the leader of every area of the school contributes in an organic fashion in response to the school's identified priorities for the year ahead. The review section of the plan builds into the targets for the following year. The timing of the SIP in September links it closely with Performance Management and Department Review meetings with the Headteacher. Following the disruption of the pandemic we have taken time to reflect and refocus our SIP to reaffirm our vision for the school through our ethos statement, incorporating learning from and reflection on the pandemic. The SIP also addresses any achievement gaps as a result of the months of remote learning and adaptations to pedagogical practice and to the curriculum in order to ensure students achieve their potential in the year ahead.

Following a virtual induction programme for the second year in a row this summer due to Covid-19, the Sixth Form team has recruited 217 students into Year 12 to complement our extremely high-achieving fully IB Sixth Form, both academically and in extra-curricular terms. This is 8 students below our target but with the reduction in staffing, it has still put pressure on group sizes. The sixth form team ensures the optimal running of the IB cohorts whilst developing the recruitment process to secure future IB cohorts.

In light of the Sutton Trust's recommendation that staff training is the most cost-effective way of securing improvements in outcomes for underperforming and disadvantaged students, our Staff Development focused again on Personalisation which has had a positive impact on every teacher's classroom practice. Building on the success of gaining the 'Wellbeing Award in Schools' (WAS) in January 2020, we have continued to focus on mental health and wellbeing, for both students and teachers, in response to the extended isolation that many have experienced during the pandemic restrictions. We used research by the Education Endowment Foundation to support our training for blended learning to cope with lockdowns and self-isolation. We also sought out expert training on unconscious bias to support our response to the Black Lives Matter protests of the previous summer which sparked a full audit of our black curriculum. Our training this year is focusing on professional learning groups to give more ownership and choice to staff. We will be able to cover a range of topics from the respect agenda combating sexual harassment and racism to further work on teaching and learning using Rosenshine's Principles. Meanwhile, the voluntary 'Teaching and Learning Inspiration Group' brings inspiring ideas to our classrooms and brings a rich menu to our CPD. Directors of Study and members of the Senior Leadership Team track the progress of individuals and target groups in response to assessments and feedback and put in place a range of interventions to support students.

The school curriculum offers excellent value to students, as outlined below:

Year 7 students study the full range of traditional subjects (Mathematics, English, Science, Geography, History, RS, Computing, Design Technology, Art, Drama, Music, PE) as well as Latin and either French or German and a course in PSHCE which includes Citizenship. This year we are proud to add a short course on Mindfulness. Year 8 students choose a second modern foreign language from a wide range including French, German, Spanish, Italian, Russian, Chinese and Japanese. Year 9 is a transition year in which the focus is split between creative exploration, depth of study and preparation for GCSE.

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At KS4: In Years 10 and 11 students take 11 GCSEs in English Language, English Literature, Mathematics, two language subjects (French, German, Spanish, Italian, Japanese, Chinese, Russian or Latin), all three separate sciences (Biology, Chemistry, Physics), either Geography or History, and two other subjects from a range of options including creative and practical subjects. This is the most comprehensive programme in the Borough of Bexley.

At KS5 students are challenged by taking the International Baccalaureate Diploma Programme which consists of three subjects taken at Higher level and three subjects at Standard level. Alongside an extended essay, study of the Theory of Knowledge (ToK) and elements of Creativity, Action and Service (CAS), the IB provides a world-renowned set of qualifications which prepare our young people to succeed at university and to flourish in our increasingly global society. Our students' contact time with staff is high and their private study periods are few and precious to them. This too, is easily the most comprehensive programme in the Borough of Bexley and beyond.

Good value is demonstrated in the destinations of our students after seven years of study. DfE data regularly shows Bexley Grammar School as one of the most successful schools nationally in terms of gaining Russell Group university places. This year 63% of our students secured places at Russell Group universities, 7 students at Oxford or Cambridge and our students are represented at 23 of the 24 Russell Group universities (Belfast was the only exception). In addition, several embarked upon prestigious apprenticeships with companies such as EY and Commerzbank.

We continue to seek out the best value for money for services. We have shaped many service agreements to suit our needs (e.g. Educational Psychology, Behaviour Support, Governorship, HR advice, legal advice, etc.) and this has resulted in considerable savings and improvements in service. Some services we have brought in house such as cleaning, catering, EWO services and the majority of Careers, Information and Guidance. We re-negotiate appropriate contracts in liaison with other schools, often from the Penhill Academies Trust, keeping tendering costs to a minimum by sharing and trying to set costs level for three years.

The new, more centralised, cost-effective photocopiers with associated software for authorising and tracking copies has been very successful. The Finance Manager is able to track and give 'live' feedback to budget holders to keep their spending under strict control. There are otherwise, very few paper systems left in the school. 'Parent Pay' enables a cash-free and cheque-free office and all ticket bookings for concerts, plays and so on are handled through an online booking system. Our online system, Evolve, has proved very effective for planning and organising the numerous visits and journeys that we ran each year (prior to the pandemic) to enrich our students' experience. A new online system for reporting maintenance needs, Every, has also proved extremely efficient; the site staff are now able to prioritise work more quickly and have sustained a completion rate of over 90% since it was introduced. The student-led Green Team, continues to promote recycling and is keen to resume its work in reducing plastic waste in the canteen as school routines return to something closer to normal. The Green Team is also keen to work with 'Project Halo', our energy reduction project for which we are still seeking funding.

After several years of having had to cut funding to budget holders we have been able to hold steady or increase by up to 20%, all department budgets to help them with noticeably inflated costs as we emerge from the pandemic. Supply costs have remained low because teaching staff who do not have a full allocation of contact time are used to provide cover. All staff (including support staff) contribute their time to support invigilation requirements, reducing the cost of invigilators. The costs of ground maintenance remain low and are periodically re-negotiated during the contract as our site team are able to contribute more or less to the maintenance of our grounds. Recently, the site team took on some areas of the grounds which require smaller machinery to reduce our maintenance costs.

The school's Finance team monitor all spending and seek best-value on all purchases. They follow governor and Education and Skills Funding Agency (ESFA) rules for procurement of all goods and services including tendering where this is required. The Parents' Association continues to be key in providing funding for a range of items for which departments bid. We are also fortunate to have a link with a parent at a firm that regularly disposes of nearly new goods – we have received everything from vacuum flasks for coffee to carpet tiles and classroom/office furniture, entirely free of charge.

The lettings of the school site bring in a steady income and the school continues to benefit from the mobile communications masts rental. The school secured permission from the ESFA to sell the school house to raise much-needed capital funding. Consultants Briar, of Zenengi (which sources our gas and electricity at competitive prices) has designed an energy project ('Halo') which provides some excellent opportunities for long-term energy savings and thus considerable cost savings. Governors are considering using some of the capital raised from the sale of the school

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house to implement this project but we are also pursuing funding from low carbon grants. It is further hoped that a CIF bid may secure some aspects of the capital outlay according to the Government's Green agenda.

In seven of the past ten years we have secured capital funding bids through the CIF: We have made improvements to sixth form study areas, large proportions of our flat roof areas, our heating system, security gates, a new reception area and the long-overdue replacement of all our aging and inefficient boilers, ensuring long-term reliability and efficiency savings. We also secured an excellent value contract to replace our whole CCTV system with modern IP cameras, to replace the obsolete fire alarm control system and all of our internal fire doors. All works have been delivered on time and according to financial guidelines producing a significantly better and safer school experience for our students.

After a bid to re-surface the severely worn upper tennis courts failed, the Head of PE spearheaded a fund-raising campaign to raise £15,000, which they comfortably exceeded and the works were completed, followed up by the installation of new basketball hoops to supplement the tennis posts and netball posts. The PA continues to promote Easy Fundraising, to encourage parents to click on a link which brings in small percentages of their online spending to the school at no cost to them. Income is gradually increasing as the number of users increases. The Finance Manager has linked the Amazon version of this ('Smile') to the school Amazon business account to raise further funds.

Best value is also established through various collaborations:

- We are members of the Penhill Academies Trust (PAT), an umbrella trust of five stand-alone academies in Bexley, four secondary and one primary. We work in partnership across the Trust with all stakeholders to provide innovative opportunities and raise aspirations and outcomes for all. Our focus is to improve learning outcomes, pupil welfare, transition, professional development, teacher recruitment, leadership skills, governance and value for money.
- We are active members of the former South East London Schools' Alliance (SELSA), which is now the Bexley Heads of Department/Leaders Meetings. These meetings are particularly helpful when there is upheaval in particular subject areas or, as is the case now, upheaval caused by the pandemic. We currently host MFL, Music and Drama meetings at BGS.
- We link with several Bexley primary schools and help them to deliver improved language, science and PE teaching. This work pays back dividends to our students, especially in PE and Languages, who are trained to lead these activities. We lead, with the LA, a collaborative partnership with three primary schools to improve the teaching of science, ultimately supporting primary transition to secondary school. We have recently joined a Bexley transition project in Literacy which is particularly appropriate in light of the impact of the pandemic.
- We operate, with the other three Bexley selective schools, the Bexley selection and admissions processes, benefiting from the resultant economies of scale. We provide 11+ testing within the grammar schools and we work with Bexley to reduce the cost of the whole testing system. We continue to try to curb the continued increasing demand for 'In-Year' selection tests which we also operate effectively through this collaboration.
- Our membership of the Prince's Teaching Institute (PTI) gives us high-quality and economical staff development linking our staff to others across the country in developing cutting-edge lesson planning and development plans. We are proud that six of our departments (English, Geography, History, Modern Languages, Music and Science) received The Prince's Teaching Institute Mark for 2021 and our school is regularly featured on the PTI website in recognition of its innovative work.
- We recently joined 'Blue Sky', an online CPD and Performance Management platform which provides an efficient platform in which to manage the performance management of all our staff and also a repository for all our CPD activity. We are in our first year of this initiative which promises savings through efficiency.
- We also became members of 'The National College' this summer, a rich source of high-quality online training modules and webinars. Prompted by the constraints of the pandemic, we have discovered a cost-saving addition to our comprehensive CPD package for staff. Each member of staff has access to hundreds of courses which they can choose according to their specific needs and interests. The quality of online training has improved in recent years, by necessity and this is a good time to join such a vast repository of training.
- As an IB school, linking with others and sharing resources is a natural component and we expect as a matter of routine to participate in high quality professional development and to have access to online resources for our

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teachers. We do this through local meetings with representatives of IB schools in Kent and also through a UK IB forum, IBSCA (International Baccalaureate Schools and Colleges Association). We are benefitting from a five year plan of staff training that we negotiated with the IBO at reduced cost by combining online training modules with local IB hub sessions.

- Our Language College outreach work continues to draw in numerous primary schools as well as leading a Strategic Learning Network (SLN) for Languages in secondary schools, providing opportunities for staff development through the sharing of best practice. Pre-pandemic, we hosted exchanges with several schools across Europe and with schools in Japan and China.

Our well-qualified Finance Manager attends bursar meetings with representatives from other schools and this collaboration enables sharing experience of suppliers, collaborating to pool 'buying power' to secure value for money contracts alongside a range of efficiency savings and joint applications for bulk reductions, such as joint tendering of our IT Services contract.

The governors' Finance, Resources and Audit Committee includes people experienced in financial affairs who are fully aware of all matters relating to the school's finances. One of the trustees acts as the school's Responsible Officer and he comes into school regularly to examine the school finances in an organised cycle of foci, reporting back to the full committee afterwards. Similarly, all of the work of the finance office is examined by external auditors. Under this high level of scrutiny only some minor administrative improvements have been instructed during the period the school has operated as an academy. The Finance Manager provides information to the auditor early in order to secure a discount on the charges and the school's accounts are always submitted in a timely fashion.

The purpose of the system of internal control

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

Capacity to handle risk

The Board of Governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Governing Body.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors;
- regular reviews by the Finance, Resources and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Governors have appointed Mr I Beattie, a Governor, as responsible officer (RO).

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The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO reports to the Board of Governors on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Governors.

The RO completed a virtual review once during the past year.

Checks carried out included

- Check 1 – Testing of payroll

The RO's function has been delivered in line with the ESFA's minimum requirements. A second and third visit was not possible because of the school closure from January to April due to the pandemic. No material control issues have arisen as a result of the RO's work to date. Minor but helpful adjustments to the academy's financial systems have been suggested by the RO and these have all been acted upon and reported to the committee.

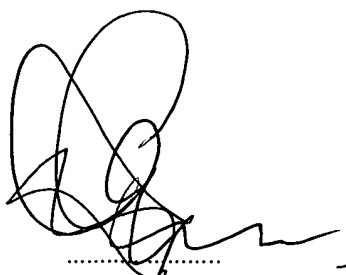
Review of effectiveness

As accounting officer the Headteacher 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 the external auditor;
- the financial management and governance self-assessment process;
- the support of the ESFA which provided a SRMA (School Resource Management Advisor) and the subsequent SRMA report;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Resources and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Governors on 06 December 2021 and signed on its behalf by:



Mr A Woodcock
Chair of Governors



Mr S Elphick
Accounting Officer

BEXLEY GRAMMAR SCHOOL

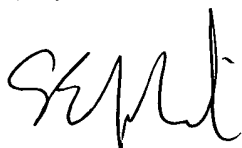
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2021

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

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

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



Mr S Elphick
Accounting Officer

06 December 2021

BEXLEY GRAMMAR SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The Governors (who act as trustees for Bexley Grammar School and are also the directors of Bexley Grammar School for the purposes of company law) are responsible for preparing the Governors' report and the Financial Statements in accordance with the Academies Accounts Direction 2020 to 2021 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 Governors to prepare Financial Statements for each financial year. Under company law, the Governors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these Financial Statements, the Governors are required to:

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

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

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

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

Approved by order of the members of the Board of Governors on 06 December 2021 and signed on its behalf by:


Mr A Woodcock
Chair of Governors

BEXLEY GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEXLEY GRAMMAR SCHOOL

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

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

In our opinion the Financial Statements:

- give a true and fair view of the state of the charitable company'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Material uncertainty related to going concern

Attention is drawn to the disclosure within note 27 regarding the academy's status as a going concern. These disclosures indicate that a material uncertainty exists which may cast significant doubt on the academy's ability to continue as a going concern. In forming our opinion above, which is not modified, we have considered the adequacy of these disclosures.

Conclusions relating to going concern

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

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

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

BEXLEY GRAMMAR SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

Other information

The Governors are responsible for the other information, which comprises the information included in the annual report other than the Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report including the incorporated Strategic Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Governors' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report, including the incorporated 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

As explained more fully in the statement of Governors' responsibilities, the Governors 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 Governors 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 Governors are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

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

BEXLEY GRAMMAR SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

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.

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing internal assurance reports.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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

Use of our report

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

David John Walsh FCCA (Senior Statutory Auditor)
For and on behalf of Baxter & Co
Chartered Certified Accountants
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated: 14 December 2021

BEXLEY GRAMMAR SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 1 November 2012 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 Bexley Grammar School during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Bexley Grammar School's funding agreement with the Secretary of State for Education dated 21 December 2010 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the 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 Trust's income and expenditure. The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Review of some key financial control procedures;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of internal scrutiny implemented by the Academy Trust in order to comply with its obligations under 3.1 of the Academies Financial Handbook 2020, issued by the ESFA.
- Consideration of compliance with the 'musts' in the Academies Financial Handbook.

BEXLEY GRAMMAR SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

Conclusion

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

Baxter & Co
Independent Reporting Accountants
Chartered Certified Accountants
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated: 14 December 2021

BEXLEY GRAMMAR SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

		Unrestricted funds	Restricted funds:		Total	Restated
	Notes	£'000	General	Fixed asset	2021	Total
		£'000	£'000	£'000	£'000	2020
						£'000
Income and endowments from:						
Donations and capital grants	3	-	-	444	444	51
Charitable activities:						
- Funding for educational operations	4	213	8,132	-	8,345	8,046
Other trading activities	5	34	-	-	34	66
Total		<u>247</u>	<u>8,132</u>	<u>444</u>	<u>8,823</u>	<u>8,163</u>
Expenditure on:						
Raising funds	6	8	-	-	8	5
Charitable activities:						
- Educational operations	7	239	8,377	110	8,726	9,025
Total	6	<u>247</u>	<u>8,377</u>	<u>110</u>	<u>8,734</u>	<u>9,030</u>
Net income/(expenditure)		-	(245)	334	89	(867)
Transfers between funds	17	-	(6)	6	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	346	-	346	(37)
Net movement in funds		-	95	340	435	(904)
Reconciliation of funds						
Total funds brought forward		-	(2,765)	8,896	6,131	7,035
Total funds carried forward		-	(2,670)	9,236	6,566	6,131

BEXLEY GRAMMAR SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information		Unrestricted	Restricted funds:		Restated
Year ended 31 August 2020		funds	General	Fixed asset	Total
	Notes	£'000	£'000	£'000	2020
					£'000
Income and endowments from:					
Donations and capital grants	3	22	-	29	51
Charitable activities:					
- Funding for educational operations	4	317	7,729	-	8,046
Other trading activities	5	66	-	-	66
Total		405	7,729	29	8,163
Expenditure on:					
Raising funds	6	5	-	-	5
Charitable activities:					
- Educational operations	7	400	8,138	487	9,025
Total	6	405	8,138	487	9,030
Net expenditure					
		-	(409)	(458)	(867)
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	19	-	(37)	-	(37)
Net movement in funds					
		-	(446)	(458)	(904)
Reconciliation of funds					
Total funds brought forward		-	(2,319)	9,354	7,035
Total funds carried forward		-	(2,765)	8,896	6,131

BEXLEY GRAMMAR SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2021

		2021		2020	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	11		8,486		8,895
Current assets					
Stocks	12	7		8	
Debtors	13	398		117	
Cash at bank and in hand		601		448	
		1,006		573	
Current liabilities					
Creditors: amounts falling due within one year	14	(531)		(627)	
Net current assets/(liabilities)			475		(54)
Total assets less current liabilities			8,961		8,841
Creditors: amounts falling due after more than one year	15				(126)
Net assets before defined benefit pension scheme liability			8,961		8,715
Defined benefit pension scheme liability	19		(2,395)		(2,584)
Total net assets			6,566		6,131
Funds of the Academy Trust:					
Restricted funds	17				
- Fixed asset funds			9,236		8,896
- Restricted income funds			(275)		(181)
- Pension reserve			(2,395)		(2,584)
Total restricted funds			6,566		6,131
Unrestricted income funds	17				
Total funds			6,566		6,131

The Financial Statements on pages 25 to 49 were approved by the Governors and authorised for issue on 06 December 2021 and are signed on their behalf by:


Mr A Woodcock
Chair of Governors

Company Number 07455732

BEXLEY GRAMMAR SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

		2021		2020	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash used in operating activities	20		(590)		(217)
Cash flows from investing activities					
Capital grants from DfE Group		444		29	
Purchase of tangible fixed assets		(119)		(11)	
Proceeds from sale of tangible fixed assets		418		-	
Net cash provided by investing activities			743		18
Net increase/(decrease) in cash and cash equivalents in the reporting period			153		(199)
Cash and cash equivalents at beginning of the year			448		647
Cash and cash equivalents at end of the year			601		448

BEXLEY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

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

1.1 Basis of preparation

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

1.2 Going concern

The Governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the Financial Statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and material uncertainties about the Academy Trust's ability to continue as a going concern are set out in note 26. The Governors have concluded that it is appropriate to 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.

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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

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

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

BEXLEY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

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.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess 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'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

BEXLEY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £25,000) are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Where tangible fixed assets have been acquired / funded by other income, the fixed asset fund is also credited. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

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

Freehold land and buildings	2% Straight Line
ICT / Computer equipment	33% Straight Line
Fixtures, fittings & equipment	6.66% to 33% Straight Line

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 Leased assets

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

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

BEXLEY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.10 Taxation

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

1.11 Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets and the liabilities are held separately from those of the Academy Trust.

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

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

1.12 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Governors.

BEXLEY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

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

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

1.13 Agency Arrangements

Where the Academy Trust acts as agent in collecting and / or distributing from the ESFA or others, and subsequent disbursements are excluded from the Statement of Financial Activities as the Trust does not have control over charitable application of the funds. The funds received and paid, and any balances held are disclosed in note 26.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

In preparing these Financial Statements, the Governors have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Restated Total 2020 £'000
Capital grants	-	444	444	29
Other donations	-	-	-	22
	<u>-</u>	<u>444</u>	<u>444</u>	<u>51</u>

BEXLEY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	6,925	6,925	6,509
Other DfE / ESFA grants:				
- Pupil premium	-	60	60	67
- Others	-	464	464	471
	-	7,449	7,449	7,047
Other government grants				
Local authority grants	-	228	228	208
COVID-19 additional funding (DfE / ESFA)				
Catch-up premium	-	82	82	-
Other DfE / ESFA COVID-19 funding	-	43	43	27
COVID-19 additional funding (non-DfE / ESFA)				
Coronavirus job retention scheme grant	-	55	55	-
Other COVID-19 funding	-	39	39	-
	-	219	219	27
Other funding				
Catering income	213	-	213	301
Other incoming resources	-	236	236	463
	213	236	449	764
Total funding	213	8,132	8,345	8,046

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the Academy Trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Academy Trust has been eligible to claim additional funding in the year from government support schemes in response to the Coronavirus outbreak. The funding received is shown above under "COVID-19 additional funding".

- The funding received for coronavirus exceptional support totalling £164k (£82K+£43K+£39K) covered staffing, cleaning and learning resources costs. These costs are included in notes 6 and 7 below as appropriate.
- The Academy Trust furloughed some of its catering staff under the government's Coronavirus job retention scheme. The funding received of £55k relates to staff costs in respect of catering staff, which are included within note 8 below as appropriate.

BEXLEY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Restated Total 2020 £'000
Hire of facilities	26	-	26	60
Income from facilities and services	8	-	8	6
	<u>34</u>	<u>-</u>	<u>34</u>	<u>66</u>

6 Expenditure

	Staff costs £'000	Non-pay expenditure Premises £'000	Other £'000	Total 2021 £'000	Restated Total 2020 £'000
Expenditure on raising funds					
- Direct costs	8	-	-	8	5
Academy's educational operations					
- Direct costs	6,232	268	682	7,182	7,218
- Allocated support costs	1,066	205	273	1,544	1,807
	<u>7,306</u>	<u>473</u>	<u>955</u>	<u>8,734</u>	<u>9,030</u>

Net income/(expenditure) for the year includes:

	2021 £'000	2020 £'000
Fees payable to auditor for:		
- Audit	9	9
- Other services	14	19
Operating lease rentals	20	10
Depreciation of tangible fixed assets	336	339
Gain on disposal of fixed assets	(226)	-
Net interest on defined benefit pension liability	41	40

Included within expenditure are the following transactions:

	2021 £
- Items over £5,000:	
Focus Abroad Limited - re Chinese exchange trip	<u>5,625</u>

Clarification - While the majority of disclosures in these accounts are rounded to £'000, the disclosure of bad debts is not. The value of bad debts for the year was £5,625 (and not £5,625k).

BEXLEY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

7	Charitable activities	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Restated Total 2020 £'000
	Direct costs				
	Educational operations	-	7,182	7,182	7,218
	Support costs				
	Educational operations	239	1,305	1,544	1,807
		<u>239</u>	<u>8,487</u>	<u>8,726</u>	<u>9,025</u>
	Analysis of costs			2021 £'000	Restated 2020 £'000
	Direct costs				
	Teaching and educational support staff costs			6,232	6,040
	Staff development			20	10
	Depreciation			268	271
	Technology costs			70	57
	Educational supplies and services			70	149
	Examination fees			177	161
	Educational consultancy			115	122
	Other direct costs			230	408
				<u>7,182</u>	<u>7,218</u>
	Support costs				
	Support staff costs			950	966
	Defined benefit pension scheme - staff costs (FRS102 adjustment)			116	127
	Depreciation			68	68
	Gain / loss on disposal of fixed asset			(226)	-
	Technology costs			16	13
	Maintenance of premises and equipment			127	101
	Cleaning			10	14
	Energy costs			130	113
	Rent, rates and other occupancy costs			73	68
	Insurance			23	36
	Security and transport			-	3
	Catering			144	187
	Defined benefit pension scheme - finance costs (FRS102 adjustment)			41	40
	Other support costs			39	49
	Governance costs			33	22
				<u>1,544</u>	<u>1,807</u>

BEXLEY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Staff

Staff costs

Staff costs during the year were:

	2021 £'000	2020 £'000
Wages and salaries	5,414	5,309
Social security costs	527	493
Pension costs	1,247	1,209
Defined benefit pension scheme - staff costs (FRS102 adjustment)	116	127
	<u>7,304</u>	<u>7,138</u>
Staff costs - employees	7,304	7,138
Agency staff costs	2	-
	<u>7,306</u>	<u>7,138</u>

Staff numbers

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

	2021 Number	2020 Number
Teachers	96	97
Administration and support	73	76
Management	3	3
	<u>172</u>	<u>176</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2021 Number	2020 Number
Teachers	87	88
Administration and support	44	47
Management	3	3
	<u>134</u>	<u>138</u>

Higher paid staff

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

	2021 Number	2020 Number
£60,000 - £70,000	1	-
£80,001 - £90,000	2	2
£110,001 - £120,000	1	1
	<u>4</u>	<u>3</u>

BEXLEY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Staff

Key management personnel

The key management personnel of the Academy Trust comprise the Governors and the senior management team as listed on page 1. The total amount of key management personnel employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £571,938 (2020: £555,919).

9 Governors' remuneration and expenses

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

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

S Elphick (Headteacher):

- Remuneration £110,000 - £115,000 (2020: £110,000 - £115,000)
- Employer's pension contributions £25,000 - £30,000 (2020: £25,000 - £30,000)

M Lines (Staff Governor):

- Remuneration £50,000 - £55,000 (2020: £50,000 - £55,000)
- Employer's pension contributions £10,000 - £15,000 (2020: £10,000 - £15,000)

A Fisher (Staff Governor):

- Remuneration £30,000 - £35,000 (2020: £25,000 - £30,000)
- Employer's pension contributions £5,000 - £10,000 (2020: £5,000 - £10,000)

T Martin (Staff Governor):

- Remuneration £50,000 - £55,000 (2020: £50,000 - £55,000)
- Employer's pension contributions £10,000 - £15,000 (2020: £10,000 - £15,000)

No expenses were reimbursed to trustees during the year.

Other related party transactions involving the Governors are set out within the related parties note.

10 Governors' and officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2021 was £247 (2020: £268). The cost of this insurance is included in the total insurance cost.

BEXLEY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

11 Tangible fixed assets

	Freehold land and buildings £'000	ICT / Computer equipment £'000	Fixtures, fittings & equipment £'000	Total £'000
Cost				
At 1 September 2020	11,768	141	184	12,093
Additions	119	-	-	119
Disposals	(256)	-	-	(256)
At 31 August 2021	11,631	141	184	11,956
Depreciation				
At 1 September 2020	3,000	133	65	3,198
On disposals	(64)	-	-	(64)
Charge for the year	320	4	12	336
At 31 August 2021	3,256	137	77	3,470
Net book value				
At 31 August 2021	8,375	4	107	8,486
At 31 August 2020	8,768	8	119	8,895

The Academy Trust's transactions relating to land and buildings included:

- The disposal of a freehold building on 11 March 2021 at a value of £418k.

Freehold Land is included above at a notional value of £1, reflecting legally binding restrictions as to its use.

12 Stocks

	2021 £'000	2020 £'000
Stores	7	8

13 Debtors

	2021 £'000	2020 £'000
Trade debtors	18	8
VAT recoverable	44	2
Other debtors	-	68
Prepayments and accrued income	336	39
	398	117

BEXLEY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

14 Creditors: amounts falling due within one year

	2021	2020
	£'000	£'000
Trade creditors	1	-
Other taxation and social security	139	129
EFA creditors	95	63
Other creditors	143	304
Accruals and deferred income	153	131
	<u>531</u>	<u>627</u>

15 Creditors: amounts falling due after more than one year

	2021	2020
	£'000	£'000
Other creditors	-	126
	<u>-</u>	<u>126</u>

16 Deferred income

	2021	2020
	£'000	£'000
Deferred income is included within:		
Creditors due within one year	14	95
	<u>14</u>	<u>95</u>
Deferred income at 1 September 2020	95	276
Released from previous years	(95)	(276)
Resources deferred in the year	14	95
	<u>14</u>	<u>95</u>
Deferred income at 31 August 2021	14	95

The deferred income comprises £14k (2020: £17k) for catering income received in advance, £nil (2020: £38k) rates grant income in advance and £nil (2020: £40k) for trips and activities income received in advance.

BEXLEY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General Annual Grant (GAG)	(274)	6,925	(7,059)	(6)	(414)
Pupil premium	-	60	(60)	-	-
Other DfE / ESFA grants	1	464	(465)	-	-
Catch-up premium	-	82	(52)	-	30
Other DfE / ESFA COVID-19 funding	-	43	(43)	-	-
Other government grants	1	228	(229)	-	-
Coronavirus job retention scheme grant	-	55	(55)	-	-
Other COVID-19 funding	-	39	(39)	-	-
Other restricted funds	91	236	(218)	-	109
Pension reserve	(2,584)	-	(157)	346	(2,395)
	<u>(2,765)</u>	<u>8,132</u>	<u>(8,377)</u>	<u>340</u>	<u>(2,670)</u>
Restricted fixed asset funds					
Inherited on conversion	6,358	-	(458)	-	5,900
DfE group capital grants	2,214	444	356	-	3,014
Capital expenditure from GAG and other funds	324	-	(8)	6	322
	<u>8,896</u>	<u>444</u>	<u>(110)</u>	<u>6</u>	<u>9,236</u>
Total restricted funds	<u>6,131</u>	<u>8,576</u>	<u>(8,487)</u>	<u>346</u>	<u>6,566</u>
Unrestricted funds					
General funds	-	247	(247)	-	-
Total funds	<u>6,131</u>	<u>8,823</u>	<u>(8,734)</u>	<u>346</u>	<u>6,566</u>

BEXLEY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

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

The Restricted Other Income General Fund balance of £109k (2020: £91k) represents the Academy's Voluntary Fund balance carried forward at 31 August 2021.

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

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents investment in fixed assets, net of related depreciation. Unspent capital grants are also held in this fund and their use is restricted to the capital projects for which the grant was paid.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the Governors, to support any of the Academy's charitable purposes.

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

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	-	6,509	(6,783)	-	(274)
Pupil premium	-	67	(67)	-	-
Other DfE / ESFA grants	-	471	(470)	-	1
Other government grants	-	235	(234)	-	1
Other restricted funds	61	447	(417)	-	91
Pension reserve	(2,380)	-	(167)	(37)	(2,584)
	<u>(2,319)</u>	<u>7,729</u>	<u>(8,138)</u>	<u>(37)</u>	<u>(2,765)</u>
Restricted fixed asset funds					
Transfer on conversion	6,628	-	(270)	-	6,358
DfE group capital grants	2,394	29	(209)	-	2,214
Capital expenditure from GAG and other funds	332	-	(8)	-	324
	<u>9,354</u>	<u>29</u>	<u>(487)</u>	<u>-</u>	<u>8,896</u>
Total restricted funds	<u>7,035</u>	<u>7,758</u>	<u>(8,625)</u>	<u>(37)</u>	<u>6,131</u>
Unrestricted funds					
General funds	-	405	(405)	-	-
Total funds	<u>7,035</u>	<u>8,163</u>	<u>(9,030)</u>	<u>(37)</u>	<u>6,131</u>

BEXLEY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	8,486	8,486
Current assets	-	256	750	1,006
Creditors falling due within one year	-	(531)	-	(531)
Defined benefit pension liability	-	(2,395)	-	(2,395)
Total net assets	-	(2,670)	9,236	6,566

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	8,895	8,895
Current assets	-	572	1	573
Creditors falling due within one year	-	(627)	-	(627)
Creditors falling due after one year	-	(126)	-	(126)
Defined benefit pension liability	-	(2,584)	-	(2,584)
Total net assets	-	(2,765)	8,896	6,131

19 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Bexley. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £144k (2020: £132k) were payable to the schemes at 31 August 2021 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

BEXLEY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

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

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

The employer's pension costs paid to the TPS in the period amounted to £953k (2020: £914k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20.1% plus regular lump sum payments £75k (2020: £81k) for employers and 5.5% to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Academy Trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Total contributions made	2021 £'000	2020 £'000
Employer's contributions	294	295
Employees' contributions	61	62
Total contributions	355	357

BEXLEY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	4.2	3.9
Rate of increase for pensions in payment/inflation	2.8	2.5
Discount rate for scheme liabilities	1.7	1.7
CPI increases	2.7	2.4

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

	2021 Years	2020 Years
Retiring today		
- Males	22.5	22.4
- Females	25.2	25.1
Retiring in 20 years		
- Males	24.1	24.0
- Females	27.2	27.1

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

	2021 £'000	2020 £'000
Discount rate + 0.1%	8,443	7,765
Discount rate - 0.1%	8,725	8,023
Mortality assumption + 1 year	8,860	8,125
Mortality assumption - 1 year	8,315	7,668

Defined benefit pension scheme net liability	2021 £'000	2020 £'000
Scheme assets	6,188	5,309
Scheme obligations	(8,583)	(7,893)
Net liability	(2,395)	(2,584)

BEXLEY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

The Academy Trust's share of the assets in the scheme	2021 Fair value £'000	2020 Fair value £'000
Equities	1,888	2,654
Other Bonds	1,151	903
Cash	625	53
Government Bonds	860	637
Property	674	531
Other assets	990	531
Total market value of assets	<u>6,188</u>	<u>5,309</u>

The actual return on scheme assets was £712,000 (2020: £424,000).

Amount recognised in the statement of financial activities	2021 £'000	2020 £'000
Current service cost	400	408
Past service cost	-	14
Interest income	(92)	(86)
Interest cost	133	126
Administration expenses	10	-
Total operating charge	<u>451</u>	<u>462</u>

Changes in the present value of defined benefit obligations	2021 £'000
At 1 September 2020	7,893
Current service cost	400
Interest cost	133
Employee contributions	61
Actuarial loss	274
Benefits paid	(178)
At 31 August 2021	<u>8,583</u>

BEXLEY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

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

	2021 £'000
At 1 September 2020	5,309
Interest income	92
Actuarial gain	620
Employer contributions	294
Employee contributions	61
Benefits paid	(178)
Administration expenses	(10)
At 31 August 2021	6,188

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

	2021 £'000	2020 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	89	(867)
Adjusted for:		
Capital grants from DfE and other capital income	(444)	(29)
Defined benefit pension costs less contributions payable	116	127
Defined benefit pension scheme finance cost	41	40
Depreciation of tangible fixed assets	336	339
Profit on disposal of fixed assets	(226)	-
Decrease/(increase) in stocks	1	(3)
(Increase) in debtors	(281)	(25)
(Decrease)/increase in creditors	(222)	201
Net cash used in operating activities	(590)	(217)

21 Analysis of changes in net funds

	1 September 2020 £'000	Cash flows £'000	31 August 2021 £'000
Cash	448	153	601

BEXLEY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

22 Long-term commitments, including operating leases

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

	2021 £'000	2020 £'000
Amounts due within one year	20	20
Amounts due in two and five years	51	71
	<u>71</u>	<u>91</u>

23 Capital commitments

	2021 £'000	2020 £'000
Expenditure contracted for but not provided in the Financial Statements	302	-

At 31 August 2021 the Trust was engaged in a roofing works capital project with total expected costs of £415k. During the year ended 31 August 2021 costs of £113k were incurred and the anticipated future costs to completion are £302k. The project is being funded by CIF grant.

24 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

The Academy purchased goods and services during the year from The Albion Surgery for £757 (2020: £451), being the cost of vaccines for staff. This is a related party by virtue of the fact it is a business where one of the partners is the wife of Mr S Elphick (Headteacher).

In entering into these transactions, the Academy Trust has complied with the requirements of the Academies Financial Handbook 2020.

25 Members' liability

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

BEXLEY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

26 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2021 income receivable was £18k (2020: £24k) and disbursed £15k (2020: £24k) from the fund. The balance of £3k has been included within other creditors due within one year.

27 Going concern

The governors have adopted the going concern basis of accounting in respect of these accounts. This assumes that the academy will be able to continue to operate for a period of at least one year from the date of approval of the accounts. The governors are fully aware of the deficit of revenue funds at 31 August 2021 of £275k (2020: £181k). The impact of COVID-19 on financial position has been challenging. A surplus is forecast for 2021/2022 and deficit recovery plan is in place and is supported by ESFA.

28 Prior year adjustment

Allocation of income and expenditure to appropriate headings was considered following the reclassifications in the Academies Accounts Direction 2020/2021 and the ESFA chart of accounts. The allocation of income and expenditure in the prior year has been amended in order for the two years to be comparable. There was no impact on the reported surplus for the year, reserves at year end or on any balance sheet items.