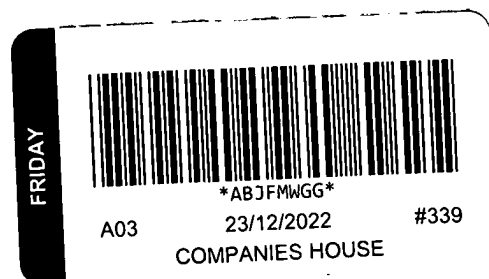


KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022



KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD
(A company limited by guarantee)

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KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	John Aldridge (resigned 9 December 2021) Jane Corsham (resigned 9 December 2021) Andrew Cristin Walter Hall (resigned 9 December 2021) Diane Hancock (Galloway) Gurjit Sandhu Mary Turner (resigned 9 December 2021) Gary Miller (appointed 9 December 2021)
Trustees	Mary Turner, Trustee and Chair of Trustees ^{1,2} Michael Adewole, Trustee Robert Ager, Co-opted Trustee ¹ Christine Aldridge, Trustee ^{1,2} Minal Backhouse, Co-opted Trustee and Vice Chair of Trustees Thomas Carter, Headteacher and Accounting Officer ¹ Jane Corsham, Foundation Trustee Matthew Fitzsimmonds-Taylor, Foundation Trustee ^{1,2} Bruce Forster, Co-opted Trustee (resigned 17 September 2022) Joanne Martin, Parent Trustee Sidra Naeem DL, Trustee Michael Nye, Trustee ^{1,2} Hugh Pattenden, Co-opted Trustee (resigned 17 September 2022) Laura Read, Parent Trustee (resigned 10 January 2022) ^{1,2} John Singh MBE, Trustee Kenneth Webster, Parent Trustee (appointed 15 March 2022) Adam Smith, Co-Opted Trustee (appointed 26 May 2022) Stuart Cheek, Co-Opted Trustee (appointed 26 May 2022, resigned 20 October 2022) ¹ Finance, Premises, Audit & Risk Committee ² Audit & Risk
Company registered number	07563345
Company name	King Edward VI Grammar School, Chelmsford
Registered address	Broomfield Road Chelmsford Essex CM1 3SX
Associate	Fahad Masood (appointed 26 May 2022)
Staff Ambassadors	Amy Doust (appointed 22 September 2022) Lisa Friel (appointed 22 September 2022)
Senior leadership team	Thomas Carter, Headteacher Helen Wiltshire, Deputy Headteacher Douglas Johnson, Deputy Headteacher

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Mark Perrott, Assistant Headteacher
Keith Milliken, Assistant Headteacher
Jacqueline Tomkins, Chief Financial Officer
Helen Davis, School Business Manager

Independent auditors Griffin Chapman
Chartered Accountants
4&5 The Cedars, Apex 12
Old Ipswich Road
Colchester
CO7 7QR

Bankers Lloyds Bank Plc
Ground Floor
1 Legg Street
Chelmsford
Essex
CM1 1JS

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

KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 28 to 33 of the attached financial statements and comply with the School's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The Academy Trust operates a grammar school for pupils aged 11 to 18, with pupil capacity of 1,142 and a roll of 1,132 in the school census autumn 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of King Edward VI Grammar School, Chelmsford are also the directors of the charitable company for the purposes of company law. The charitable company operates as King Edward VI Grammar School, Chelmsford.

Details of the Trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on pages 1 and 2.

Members' Liability

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

Trustees' Indemnities

In accordance with normal commercial practice the school has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on school business. The insurance provides cover up to £10,000,000 (2021 - £10,000,000) for any one claim and the cost for the year ended 31 August 2022 was included within the cost of the wider RPA scheme

Method of Recruitment and Appointment or Election of Trustees

Following the Board review of the Articles of Association and adoption of the revised Articles in September 2021, the Governing Board now consists of the following Trustees:

- up to 7 appointed by the Members
- up to 2 appointed by the Foundation
- a minimum of 2 Parent Governors
- the Headteacher if he/she wishes and is so appointed by the Members
- Co-opted Trustees recruited for the skills that they can offer.

There are no staff elected Trustees, however the Board will be able to engage employees of the School in the role of Staff Ambassadors. The role of a Staff Ambassador will provide a valuable CPD opportunity for members of staff to see at first hand the decision-making processes of the Board and in turn it will provide the Board with their views on the issues being discussed and debated to ensure diversity of opinion and good decision making.

In the last year the Board formed a Recruitment Working Group to oversee succession planning and successfully appointed two new Co-opted Trustees and an Associate. The recruitment process usually starts

KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

when an area of need is identified. Trustees, the Foundation, Alumni and parents are then approached for nominations. An interested person is invited to submit an application and CV for consideration by the Recruitment Working Group and this is followed by an interview process before a recommendation is made to the Board of Trustees, if appropriate. Trustees seeking reappointment are also required to submit an application and CV for consideration by the Board. Trustees appointed by the Members, or the Foundation, whether they be new appointments or those whose term of office will expire and who wish to stand for reappointment, are also required to submit an application and CV for consideration by the Members or the Foundation, as appropriate, and are subject to prior endorsement by the Trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy expects all Trustees to undertake training as appropriate to their role. New Trustees are provided with an induction programme delivered partly in-house and partly through external sources. During the year Trustees have undertaken a combination of internal and external training provided by the National Governance Association, The Key and other local providers. The log of all Trustee training is kept by the Governance Professional (NGA) and reviewed on a regular basis at Trustee meetings. The 2021/22 training log can be found on the Academy Trust website.

Training is also provided at one of the Trustees' meetings each term. The annual programme is structured to deliver statutory training and training informed by the Trustees' skills audit. There is sufficient scope within the training schedule to allow for reactive training.

Organisational Structure

The Trustees determine the general policy of the Academy. The day to day running of the Academy is delegated to the Headteacher, supported by senior staff. The Headteacher undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day-to-day administration is undertaken within the policies and procedures approved by the Trustees, which provide for significant expenditure decisions and major capital projects to be referred to the Trustees for prior approval.

The Headteacher is a Trustee and the Accounting Officer and attends all meetings. The School Business Manager and Chief Financial Officer are invited to attend Trustees' meetings as appropriate.

The Academy had the following organisational structure during the year:

- Level 1: Academy Trust (Members)
- Level 2: Board of Trustees (Directors)
- Level 3: Sub-committees of the Board of Trustees
- Level 4: Accounting Officer (Headteacher)

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the school are considered to be the Trustees and Senior Leadership Team as listed on pages 1 and 2. Remuneration of the Senior Leadership Team is set by the Board of Trustees with reference to national pay scales, informed by sub-committees as necessary. Trustees are not remunerated for their roles.

Trade union facility time

No Trade Union Officials spent facility time on TU duties or activities during the year.

Related Parties and other Connected Charities and Organisations

The KEGS Foundation (Charity Registration Number 310861)

The organisation is the freehold landlord of the Academy's land and buildings. The Foundation nominate one Member and are represented on the Trust Board (Foundation Trustees) of the school and play an active role in the life of the Academy. The Foundation provides a Bursary Fund and fund many annual prizes, including the KEGS Essay Prizes, as well as grants to support school activities. The Foundation has also previously generated financial support for capital and other projects on behalf of the Academy.

KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

CSSE

KEGS is a founding member of The Consortium of Selective Schools in Essex (CSSE) and CSSE staff are employed by KEGS. The primary purpose of the CSSE is to coordinate selective admissions in the area with all member schools using the same testing procedures. The CSSE also has a role facilitating transport to schools in the consortium. The Headteacher of KEGS sits on the executive board of the CSSE.

CTSA

KEGS is a member of the Chelmsford Teaching Schools Alliance, which provides training and coordinates activities between Chelmsford schools. The Headteacher of KEGS is a member of the steering group.

MESH

KEGS is a member of the Mid Essex Secondary Heads (MESH) branch of the Essex Association of Secondary Headteachers which engages in a range of brokering activities for school-to-school support. Through this, KEGS is also a member of the Association of Secondary Headteachers in Essex (ASHE) itself.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the charitable company is the operation of King Edward VI Grammar School, Chelmsford, to provide outstanding education for students between the ages of 11 and 18.

In accordance with the Articles of Association, the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies a range of things identifying admission arrangements, provision of special educational needs and guidelines for the curriculum offered by the school.

The main objectives of King Edward VI Grammar School, Chelmsford during the year ended 31 August 2022 are summarised below.

Our core purpose is to nurture all of our students as uniquely talented individuals and principled global citizens; maximising their academic outcomes, the scope of their personal development and their capacity to be independent, autonomous learners.

Our headline goal for examination outcomes was to reach 90% A*-B at A level and 90% 7/8/9 at GCSE

OBJECTIVES, STRATEGIES AND ACTIVITIES

The school's main objectives for the year were as follows:

OVER-ARCHING

- An emphasis on equalities, safeguarding, mental health and wellbeing – facilitated by expanded PSHE and a joined up programme beyond lessons.
- Further work on behaviour and conduct – making the detail explicit, relaunching our framework, increased monitoring – facilitated by some retention of Covid measures.
- Extended curriculum – bringing back clubs, activities and house events after Covid.
- Student voice – a focus on involving older students with younger students.
- Good contingencies – organisational (full or partial shutdown), educational and financial
- Continuing site maintenance programme and considering further security measures

TEACHING AND LEARNING (some key aims)

- Ensure that all schemes of work are fully in place, cover all requirements and that colleagues understand the logic behind them and the intent of the department.
- Ensure that all departments are up to date with assessment (and all recorded centrally) and we are ready for all eventualities as regards Summer 2022.
- Ensure that all staff able to operate fluently with remote learning and support staff can achieve work performance remotely.
- Ensure that all staff (particularly new colleagues) are familiar with KEGS bulletins and principles as

KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

- regards T&L e.g. reminders about cognitive overload
- Move to a weekly PSHE at a common time across the school to facilitate as much specialism as possible; add in content on Feminism in the male context – also review teaching of “consent” and “respect”
- Ensure SEND students have been able to catch up in line with their peers following Covid
- Ensure Careers programme can be fully delivered this year and complies with the Gatsby benchmarks

PERSONAL DEVELOPMENT, HEALTHY LIFE (some key aims)

- Audit the school's offer for addressing mental health needs amongst students
- Roll out electronic system of signposting support to students
- Consider further staff training on Mental First Aid and/or Trauma Perceptive Practice
- Staff welfare checks – concentrate on any personal ongoing post-Covid impacts
- Discuss a schedule of cover to ensure that SLT members do take holidays during the year
- Strong encouragement for every aspect of extra-curricular life which will be fully relaunched
- Reboot the House system post Covid
- Investigate the provision of joint activities with CCHS
- Continue tracking of involvement of pupils in extended life of the school (including pupil premium pupils)
- Re-starting trips as appropriate
- Ensure that new students have a positive and thorough induction that lower school pupils and Year 13 external students feel integrated into the school after the experience of Covid
- Review potential broader use of “My Concern” and where pastoral information is stored
- Build in a review system for safeguarding cases
- Continue regular training for staff (something every term)
- Student voice: Relaunch school councils, train up Ambassadors, use school councils to gather views on PSHE/Equalities

GOOD CONDUCT AND ATTITUDES (some key aims)

- Ask Heads of Departments to consider the contribution of their department to our equalities work
- Continue work with Equalities group (staff and students) – ensure structure for the group established with terms of reference/reporting lines
- Consider following the Autumn 2020 Anti-racism training with Anti-misogyny training for staff and trustees
- Find opportunities for older students to go into classes and speak to younger pupils and also to lead assemblies relating to equalities, RSE and health
- Further input from the RAP project or the Local Authority (“Healthy relationships”)
- Aim to get an Equaliteach award
- Diversity Week to run again
- Roll out system of anonymous reporting
- Relaunch behaviour management framework and train staff with explicit expectations on details - linked to bulletins to be published - ‘being an architect of behaviour’ in the classroom (due out June/July)
- Introduce system of patrols to monitor lessons
- Use of prefects as “eyes and ears”

DEVELOPING SYSTEMS AND ENVIRONMENT (some key aims)

- Work out what practice is best retained from Covid
- Make sure that the school can smoothly transfer to full Covid measures (bubbles etc.) and/or to a remote model at short notice should this be necessary
- Ensure implementation of the new governance structure consequent upon approval of the new Articles and Funding Agreement
- Review skill coverage, link arrangements and other responsibilities o/a a smaller governing Board
- Determine succession planning for key roles
- Monitor the potential effect on Single Academies of the DfE MAT relaunch and consider possible future moves
- Tight budget monitoring and monthly reporting followed
- All risk assessments are up to date.
- Re-start lettings as appropriate following revision of letting arrangements
- Complete process of reviewing IT back-up strategy
- Organise an external IT audit (subject to cost), schedule necessary work and create a 3 year plan
- Continue programme of site works (windows and roof work)

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

- Look at security systems for sixth former sign in and out
- Financial planning: contingencies ready in case catering and letting income is still down
- Review financial outlook to August 2024, in the light of government funding

Public Benefit

The provision of outstanding education at King Edward VI Grammar School, Chelmsford is for public benefit. In addition, the academy's outreach work, for example in Maths, Drama and PE provides a public benefit - and the provision of facilities (such as the Hall or the Sports Hall) to local organisations and clubs also provides a public benefit. The Trustees have therefore complied with their duty to have due regard to the guidance on public benefit, published by the Charity Commission, in exercising their powers or duties - although some of the outreach work or provision of facilities has been limited during the COVID-19 pandemic.

STRATEGIC REPORT

Achievement and Performance

Examination Results of 2022

The school achieved both of its headline goal exam targets (at A level and GCSE), achieving over 93% for both of the headline goals (A*/A/B at A level and 7/8/9 at GCSE). Twenty-five students moved on to take up a place at Oxford or Cambridge, many students moved on to highly selective courses or training or employment in order to follow their aims and interests for the future.

Capital Projects

Whilst the school did not undertake any capital projects funded by the Condition Improvement Fund in 2022, Devolved Formula Capital and contributions from revenue reserves allowed the school to enhance the site and improve Information Technology infrastructure.

Key Performance Indicators

Using Integrated Curriculum Financial Planning (ICFP) analysis, the following key financial performance indicators were monitored by the Trustees during the year:

	2022	2021	2020
• Pupil numbers (census)	1,132	1,122	1,121
• Teacher Contact Ratio	0.78	0.77	0.755
• % total revenue income:			
Grant income	88%	91.0%	86.0%
Self-generated income	12%	9.0%	14.0%
Teaching staff	54%	56.0%	56.2%
Support staff	23%	22.0%	21.1%
Non staff spend	23%	17.0%	21.0%

Attainment targets:

A level 90% A*/A/B: 93% in Summer 2022

GCSE 90% 7/8/9 : 93% in Summer 2022

Ofsted target: to maintain our "outstanding" inspection grade: achieved in December 2021

Going Concern

The impact of pay rises for which the Government has not allocated extra funding is a serious issue for all state schools. However, the school does have adequate reserves and has planned ahead with enough income which is not immediately committed and we do feel that we can react and manage. The costs of energy is another serious concern for schools. The school does however have the benefit of fixed rate tariff for some time into the future – and we are looking to instal solar panels before this fixed rate expires.

Therefore, after making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details

KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

The majority of the school's funding was provided by the Education and Skills Funding Agency (ESFA). The school's total incoming resources for the year ended 31 August 2022 amounted to £6,994,000 (2021 - £6,649,000) of which £5,926,000 (2021 - £5,656,000) related to the ESFA general annual grant and £25,000 (2021 - £25,000) ESFA capital grants.

In addition, the School has received other grants of £279,000 (2021 - £487,000).

The principal financial risk during the year was the potential impact of the economy on inflation: whilst the school contained the impact of energy costs, by entering into a 3 year fixed price contract in October 2021, the potential support staff pay award, from April 2022, will have a significant impact in the year.

During the year unrestricted funds increased by £180,000 and restricted funds (excluding the pension reserve) decreased by £133,000.

The school held fund balances of £11,686,000 (2021 - £9,358,000) at 31 August 2022 which includes unrestricted funds of £501,000 (2021 - £321,000).

In accordance with FRS102, the Academy received an actuarial assessment of the pension scheme deficit. The deficit balance of £646,000 (2021: £3,154,000) is included within the Balance Sheet as at 31 August 2022 and supporting notes to the accounts. There has been a substantial reduction in the liability and this improvement in the balance sheet position is primarily a result of the significant change in the discount rate linked to high quality corporate bond yields, and the future rate of inflation, which is the key financial assumption required for determining the defined benefit obligation. The actuarial gain arising on the scheme is £2,918,000 which is shown in the Statement of Financial Activities. Further details of the scheme are shown in note 28.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs. The Trustees always aim to set a balanced budget with annual income balancing annual expenditure.

The Reserves Policy identifies a free reserves figure of £300,000 (£300,000 from 2021) which Trustees feel is prudent and not excessive. Free Reserves as at 31 August 2022 were £501,000. The trust feel that this increased level of reserves may be needed to weather the current financial impact of inflation, increased costs and reduced income. Trustee have identified that planned future investment in IT and premises, funded from reserves, may need to be reduced in the medium term.

The pension reserve, which represents the school's share of the Local Government Pension Scheme's (LGPS) assets and liabilities, is in deficit at 31 August 2022 by £646,000 (2021 - £3,154,000). The deficit is not expected to crystallise in the near future and any cash outflows arising from the deficit will occur over a number of years.

The restricted funds not available for general purposes of the Academy Trust totalled £11,831,000. This includes the restricted fixed asset reserve of £11,817,000 which can only be realised by the disposal of fixed assets. The Trustees consider this is a suitable level of reserves in the current circumstances.

Investment Policy

The school aims to manage its cash balances to provide for the day-to-day operation whilst investing surplus cash funds to maximise returns. The Academy has invested surplus funds in a low risk short notice bank deposit to generate additional income.

Principal Risks and Uncertainties

The Board of Trustees identify, assess and mitigate risk both for the school as a whole and its operations. A Risk Register is in place which is subject to regular review and made available to all staff. Key members of staff and Trustees are involved in the preparation of the Risk Register. All members of staff are aware of the risk

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

management policy and the controls in place to limit exposure to risk.

The key risks are assessed as:

- Revenue risk arising from fluctuations in Government Funding determined at government level;
- Cost increases arising from costs outside our direct control - e.g. pensions, PAYE and NI; and
- Increased contributions on revaluations of the LGPS deficit transferred on academization
- Ability to recruit capable and technically skilled staff
- Staff and student well-being.

We aim to mitigate these risks by (respectively):

- Carefully monitoring the budget and periodically consulting staff on their wellbeing
- Reforecasting our budgets on a conservative basis and reacting to any announced changes by cost cutting or mix changes in teaching subjects and teaching load where possible;
- Precise planning and focus on curriculum change throughout the year in our Department Development Plan and classroom practice;
- Maintaining strong budgetary and reforecasting systems for reacting to costs outside our direct control - e.g. pensions, PAYE and NI; and
- Holding appropriate reserve levels and revising budgets as and when changes to contribution rates are communicated.

FUNDRAISING

The Academy Trust did not use any external fundraisers during the year. All fundraising undertaken during the year was monitored by the Trustees.

PLANS FOR FUTURE PERIODS

The school plans to continue with the same focus on increasingly improving the education quality and provision and closely managing budgets whilst maintaining and improving IT, premises and site. The impact of the current financial situation and potential duration on the future aims and activities of the school are under constant review to minimise the impact and disruption to finances and all stakeholders.

AUDITOR

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.
- Trustees plan to recommend to the Members that the auditor be reappointed for a further term

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on

14 December 2022

and signed on its behalf by:

Mary Turner

Mary Turner
Chair of Trustees

KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD
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GOVERNANCE STATEMENT

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees 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 King Edward VI Grammar School, Chelmsford and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The Board of Trustees has formally met 8 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Michael Adewole	7	8
Robert Ager	8	8
Christine Aldridge	8	8
Minal Backhouse	7	8
Thomas Carter	8	8
Stuart Cheek	0	1
Jane Corsham	8	8
Matthew Fitzsimmonds-Taylor	6	8
Bruce Forster	7	8
Joanne Martin	7	8
Sidra Naeem DL	8	8
Michael Nye	7	8
Hugh Pattenden	6	8
Laura Read	0	3
John Singh MBE	6	8
Adam Smith	1	1
Mary Turner	8	8
Kenneth Webster	2	3

The Board of Trustees (the 'Board') is responsible for influencing the school's strategic direction and for holding the Headteacher and the Senior Leadership Team to account for the school's performance and overseeing the Trust's financial performance. The Board promotes the achievement and the wellbeing of the pupils.

The three core functions of the Board are set out in the Governance Handbook and are supported by requirements of Charitable and Company Law.

The key priorities for the Board over the last academic year have centred on the sustainability of the Trust and ensuring that the budget and spend were justifiable and within acceptable parameters, whilst maintaining high standards and minimising any risk and impact to the pupils' experiences, safety, and outcomes. The Board has taken into consideration the continuous unprecedented circumstances created by the outbreak of Coronavirus

KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

(COVID-19) pandemic.

King Edward VI Grammar School manage conflicts of interest by maintaining an up-to-date and complete register of interests; the information on this register is shared with staff and trustees to reference for day-to-day management and governance of the academy trust. In addition, trustees are asked at the beginning of every meeting to declare if they have an interest.

As in previous years, the Board continued to monitor against each of the objectives within the School Development Plan (SDP) and was involved in the school life during. Meetings of the Board were held as scheduled and returned to 'face to face', subject to appropriate risk assessment, post Covid.

The Board formed a Recruitment Working Group to oversee the Board recruitment and conduct a succession planning by taking into account the School's strategic priorities. The recruitment process usually starts when an area of need is identified. Trustees, the Foundation, Alumni and parents are then approached for nominations. An interested person is invited to submit an application and CV for consideration by the Recruitment Working Group and is followed by an interview process before a recommendation is made to the Board of Trustees, if appropriate. Trustees seeking reappointment are also required to submit an application and CV for consideration by the Board. Trustees appointed by the Members, or the Foundation, whether they be new appointments or those whose term of office will expire and who wish to stand for reappointment, are also required to submit an application and CV for consideration by the Members or the Foundation, as appropriate, and are subject to prior endorsement by the Trustees.

In the Autumn term 2020 the Board also undertook a Skills Audit. The recommendations identified in the Skills Audit were converted into a Trustee CPD Plan. The Trustee CPD Plan contained several training sessions that had been scheduled over a period of two academic years and successfully completed. The next skills audit is planned for Autumn 2022.

All Trustees receive the monthly financial spreadsheets together with a detailed explanation of the key issues identified. The rigorous quality of this information enables all Trustees, not only those on the FPAR Committee, to be aware of the school's financial position and to monitor the priorities and the challenges facing the school.

To ensure continuous development and high performance, the Board has retained SBM Services Ltd as internal auditor.

The Finance, Premises, Audit & Risk (FPAR) Committee is a sub-committee of the main Board. Its purpose is to fulfil the following responsibilities:

- To review and recommend the annual budget to the Board;
- To regularly monitor the actual expenditure and income against budget;
- To ensure the annual financial statements are produced in accordance with the requirements of the Companies Act 2006 and the DfE guidance issued to academies;
- To authorise changes to the school personnel establishment following recommendations from the Personnel Committee, and
- To review the reports of the Internal and External Auditors on the effectiveness of the financial procedures and controls. These reports are also reported to the full Board.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Robert Ager	2	3
Christine Aldridge	3	3
Thomas Carter	3	3
Matthew Fitzsimmonds-Taylor	2	3
Michael Nye	3	3
Laura Read	0	1
Mary Turner	3	3

The FPAR Committee consists of 7 Trustees; 5 are voting members for the purpose of Audit and Risk function of the Committee.

Review of value for money

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy 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 Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy has delivered improved value for money during the year by:

- Carefully monitoring the integration between finances and curriculum to optimise efficiency for example, by considering the optimal number of classes in option subjects and arranging efficient staffing to minimise unused capacity.
- Continuing to robustly follow procurement policy to ensure best value; significant examples during the year include IT infrastructure and site windows and roofing
- Use of School's National Deals, where appropriate, and the Risk Protection Assurance (RPA) scheme.

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 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 King Edward VI Grammar School, Chelmsford for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees.
- regular reviews by the Finance and General Purposes 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.
- identification and management of risks.

The Board of Trustees considered the need for a specific internal audit function and bought in an internal audit service from SBM Services Ltd.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. Several areas were tested in the current period, including:

- Governance.
- Sixth Form Funding.
- Personnel and Payroll.

The scope of work for 2022 will include Inventory, Fixed Assets and School Website.

On a termly basis, the reviewer reports to the Board of Trustees through the Finance, Premises, Audit and Risk committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities and annually prepares an annual summary report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal auditor delivered their schedule of work as planned and did not identify any material control issues.

KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 internal auditor;
- the work of the School Business Manager and Chief Financial Officer who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Premises, Audit and Risk committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on

14 December 2012

and signed on

their behalf by:

Mary Turner

Mary Turner
Chair of Trustees

T.P. Carter

Thomas Carter
Accounting Officer

KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of King Edward VI Grammar School, Chelmsford I have considered my responsibility to notify the Academy Board of Trustees 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, under the funding agreement in place between the Academy 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 2021.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2021.

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



Thomas Carter
Accounting Officer

Date:

14th December 2022

KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on
14 December 2022 and signed on its behalf by:

Mary Turner

Mary Turner
Chair of Trustees

KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING
EDWARD VI GRAMMAR SCHOOL, CHELMSFORD**

Opinion

We have audited the financial statements of King Edward VI Grammar School, Chelmsford (the 'academy') for the year ended 31 August 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

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

Conclusions relating to going concern

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

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

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

KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING
EDWARD VI GRAMMAR SCHOOL, CHELMSFORD (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING
EDWARD VI GRAMMAR SCHOOL, CHELMSFORD (CONTINUED)**

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

The engagement partner ensured the engagement team had the necessary skills and knowledge to identify non-compliance with applicable laws and regulations.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and for those that are most significant, we enquired into how management ensures compliance is maintained.

We identified that the principal risks of non-compliance with laws and regulations related to the DfE/ESFA regulatory industry that the Academy operates in. This affects the ability to continue trading as an Academy Trust. Other relevant laws and regulations of note include health and safety.

Enquiry and review of the entity's transactions was undertaken to highlight any instances of penalties, fines or legal activity which could suggest non-compliance with laws and regulations. There was no contradictory evidence found.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements including the Companies Act 2006, Accounts Directions and Charities SORP.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the override of delegated authorities and the misappropriation of grant funding.

In response, we incorporated testing of procurement and expenditure and any other entries at risk of falling outside of delegated authorities.

Scrutiny of unusual transactions and analytical procedures were used to help identify risk factors in monies received and expended during the year.

It is also stated, as a reminder, that the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the Trust.

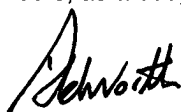
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING
EDWARD VI GRAMMAR SCHOOL, CHELMSFORD (CONTINUED)**

Use of our report

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



Daniel Aldworth FCCA FMAAT (Senior statutory auditor)

for and on behalf of Griffin Chapman

Chartered Accountants

Statutory Auditors

4&5 The Cedars, Apex 12

Old Ipswich Road

Colchester

CO7 7QR

Date: 14 December 2022

KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KING
EDWARD VI GRAMMAR SCHOOL, CHELMSFORD AND THE EDUCATION AND SKILLS FUNDING
AGENCY**

In accordance with the terms of our engagement letter dated 23 December 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by King Edward VI Grammar School, Chelmsford during the year 1 September 2021 to 31 August 2022 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 King Edward VI Grammar School, Chelmsford and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to King Edward VI Grammar School, Chelmsford 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 King Edward VI Grammar School, Chelmsford and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of King Edward VI Grammar School, Chelmsford's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of King Edward VI Grammar School, Chelmsford's funding agreement with the Secretary of State for Education and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KING
EDWARD VI GRAMMAR SCHOOL, CHELMSFORD AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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


The work undertaken comprised:

- a) Analytical review as part of the consideration of whether general activities of the academy trust are within the academy trusts framework of authorities
- b) Confirmation that items have been appropriately authorised in accordance with the academy trust's delegated authorities. Confirmation that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education.
- c) Performing of sample testing of expenditure & procurement and review against specific terms of grant funding within the funding agreement.
- d) Review and testing of the systems surrounding the management of related party transactions.
- e) Consideration of governance activities in line with ESFA expectations.

The extent of work performed was based upon our professional judgement, informed by the assessment of the risk of material irregularity, impropriety and non-compliance.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mr Daniel Aldworth (Reporting Accountant)
for and on behalf of Griffin Chapman
Chartered Accountants

4&5 The Cedars, Apex 12
Old Ipswich Road
Colchester
CO7 7QR

Date: 14 December 2022

KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Income from:						
Donations and capital grants	3	101	10	33	144	153
Other trading activities		236	-	-	236	114
Charitable activities: Funding for the academy trust's educational operations	4	75	6,539	-	6,614	6,382
Total income		412	6,549	33	6,994	6,649
Expenditure on:						
Charitable activities: Academy trust educational operations	8	232	6,921	431	7,584	7,028
Total expenditure		232	6,921	431	7,584	7,028
Net income/(expenditure)		180	(372)	(398)	(590)	(379)
Transfers between funds	20	-	(171)	171	-	-
Net movement in funds before other recognised gains/(losses)		180	(543)	(227)	(590)	(379)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	28	-	2,918	-	2,918	(55)
Net movement in funds	20	180	2,375	(227)	2,328	(434)

KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	<i>Total funds 2021 £000</i>
	Note					
Reconciliation of funds:						
	20					
Total funds brought forward as previously stated		321	(3,007)	12,044	9,358	9,814
Prior year adjustment		-	-	-	-	(22)
Total funds brought forward as restated		321	(3,007)	12,044	9,358	9,792
Net movement in funds		180	2,375	(227)	2,328	(434)
Total funds carried forward		501	(632)	11,817	11,686	9,358

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 29 to 57 form part of these financial statements.

KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD
(A company limited by guarantee)
REGISTERED NUMBER: 07563345

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Fixed assets					
Tangible assets	14		11,667		12,044
			<u>11,667</u>		<u>12,044</u>
Current assets					
Stocks	15	11		10	
Debtors	16	100		138	
Cash at bank and in hand		844		753	
		<u>955</u>		<u>901</u>	
Creditors: amounts falling due within one year	17	(290)		(216)	
Net current assets			<u>665</u>		<u>685</u>
Total assets less current liabilities			<u>12,332</u>		<u>12,729</u>
Creditors: amounts falling due after more than one year	18		-		(217)
Net assets excluding pension liability			<u>12,332</u>		<u>12,512</u>
Defined benefit pension scheme liability	28		(646)		(3,154)
Total net assets			<u><u>11,686</u></u>		<u><u>9,358</u></u>
Funds of the Academy					
Restricted funds:					
Fixed asset funds	20	11,817		12,044	
Restricted income funds	20	14		147	
		<u>11,831</u>		<u>12,191</u>	
Restricted funds excluding pension asset	20				
Pension reserve	20	(646)		(3,154)	
Total restricted funds	20		<u>11,185</u>		<u>9,037</u>
Unrestricted income funds	20		<u>501</u>		<u>321</u>
Total funds			<u><u>11,686</u></u>		<u><u>9,358</u></u>

KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD

(A company limited by guarantee)

REGISTERED NUMBER: 07563345

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 24 to 57 were approved by the Trustees, and authorised for issue on
14 December 2022 and are signed on their behalf, by:

Mary Turner

Mary Turner
Chair of Trustees

The notes on pages 29 to 57 form part of these financial statements.

KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Net cash provided by operating activities	22	359	61
Cash flows from investing activities	24	(21)	(72)
Cash flows from financing activities	23	(247)	(34)
Cash and cash equivalents at the beginning of the year		753	798
Cash and cash equivalents at the end of the year	25, 26	<u>844</u>	<u>753</u>

The notes on pages 29 to 57 form part of these financial statements

KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

King Edward VI Grammar School, Chelmsford meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD.
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the Academy 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 year for which it is receivable and any abatement in respect of the year 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.

- **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.

- **Other income**

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

- **Donated fixed assets (excluding transfers on conversion or into the Academy)**

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 Expenditure

KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Taxation

The Academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 Tangible fixed assets

Assets costing £5,000 (£1,000 to 31/08/2021) or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

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1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long-term leasehold property	- 2 -10% per annum
Furniture and equipment	- 6.67 - 25% per annum
Computer equipment	- 33.3% per annum

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 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 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. 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.

1.13 Operating leases

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

1.14 Pensions

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

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

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

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

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1. Accounting policies (continued)

1.15 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA.

Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

The funds received and paid and any balance held for all agency arrangements are disclosed in notes to the financial statements.

1.16 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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 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 28, 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 2022. 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. This year, the present value reflects a short-term allowance for inflation to reflect the impact of the current high inflation rates.

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3. Income from donations and capital grants

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Donations	101	10	8	119	128
Capital Grants	-	-	25	25	25
	<u>101</u>	<u>10</u>	<u>33</u>	<u>144</u>	<u>153</u>
<i>Total 2021</i>	<u>128</u>	<u>-</u>	<u>25</u>	<u>153</u>	

4. Income from charitable activities

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Academy trust educational operations	-	6,205	6,205	6,143
Catering	-	334	334	221
Trips	75	-	75	18
	<u>75</u>	<u>6,539</u>	<u>6,614</u>	<u>6,382</u>
<i>Total 2021</i>	<u>18</u>	<u>6,364</u>	<u>6,382</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

5. Funding for the Academy's charitable activities

	Restricted funds 2022 £000	Total funds 2022 £000	<i>Total funds 2021 £000</i>
Academy trust educational operations			
DfE/ESFA grants			
General Annual Grant	5,926	5,926	5,656
ESFA Supplementary Grant	53	53	-
Teachers Pay and Pension Grants	98	98	299
Other DfE/ESFA Grants	79	79	57
Pupil Premium Grant	21	21	20
	-	6,177	6,032
Other Government grants			
Local Authority SEN	24	24	19
Local Authority - Other	2	2	-
	26	26	19
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	-	60
Covid Testing Grant	-	-	32
ESFA - Vaccination Funding	2	2	-
	2	2	92
	6,205	6,205	6,143
	6,205	6,205	6,143
<i>Total 2021</i>	6,143	6,143	

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6. Income from other trading activities

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Hire of facilities/lettings	102	102	55
Miscellaneous income	134	134	59
	<u>236</u>	<u>236</u>	<u>114</u>
<i>Total 2021</i>	<u>114</u>	<u>114</u>	

7. Expenditure

	Staff Costs 2022 £000	Premises 2022 £000	Other 2022 £000	Total 2022 £000	Total 2021 £000
Academy trust educational operations:					
Direct costs	4,244	431	255	4,930	4,858
Allocated support costs	1,086	439	1,129	2,654	2,170
	<u>5,330</u>	<u>870</u>	<u>1,384</u>	<u>7,584</u>	<u>7,028</u>
<i>Total 2021</i>	<u>5,459</u>	<u>792</u>	<u>777</u>	<u>7,028</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total 2022 £000	Total 2021 £000
Academy trust educational operations	232	7,352	7,584	7,028
<i>Total 2021</i>	117	6,911	7,028	

9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £000	Support costs 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Academy trust educational operations	4,930	2,654	7,584	7,028
<i>Total 2021</i>	4,858	2,170	7,028	

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9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Academy trust educational operations 2022 £000	Total funds 2022 £000	<i>Total funds 2021 £000</i>
Staff costs	4,261	4,261	4,235
Depreciation	431	431	422
Educational supplies	27	27	34
Examination fees	164	164	126
Staff development	8	8	9
Educational consultancy	8	8	4
Other direct costs	31	31	28
	<u>4,930</u>	<u>4,930</u>	<u>4,858</u>
<i>Total 2021</i>	<u>4,858</u>	<u>4,858</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Academy trust educational operations 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Pension finance costs	50	50	42
Staff costs	1,428	1,428	1,224
Technology costs	86	86	101
Premises costs	439	439	370
Legal - other	4	4	4
Other support costs	632	632	410
Governance	13	13	13
Loan interest	2	2	6
	<u>2,654</u>	<u>2,654</u>	<u>2,170</u>
<i>Total 2021</i>	<u>2,170</u>	<u>2,170</u>	

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £000	2021 £000
Operating lease rentals	31	29
Depreciation of tangible fixed assets	431	421
Fees paid to auditors for:		
- audit	7	7
- other services	<u>3</u>	<u>3</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £000	2021 £000
Wages and salaries	3,991	3,896
Social security costs	397	374
Pension costs	1,274	1,171
	<u>5,662</u>	<u>5,441</u>
Agency staff costs	27	18
	<u>5,689</u>	<u>5,459</u>

b. Staff numbers

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

	2022 No.	2021 No.
Teachers	79	80
Administration and support	68	74
Management	7	7
	<u>154</u>	<u>161</u>

The average headcount expressed as full-time equivalents was:

	2022 No.	2021 No.
Teachers	57	63
Administration and support	45	45
Management	6	6
	<u>108</u>	<u>114</u>

c. Higher paid staff

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11. Staff (continued)

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	3	4
In the band £100,001 - £110,000	1	1

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £595,287 (2021 £602,831).

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2022 £000	2021 £000
Thomas Carter, Headteacher	Remuneration	105 - 110	105 - 110
	Pension contributions paid	25 - 30	25 - 30
Hugh Pattenden, Staff Trustee	Remuneration	45 - 50	45 - 50
	Pension contributions paid	10 - 15	10 - 15
Robert Ager, Staff Trustee	Remuneration	45 - 50	40 - 45
	Pension contributions paid	10 - 15	10 - 15
Bruce Forster, Staff Trustee	Remuneration	15 - 20	15 - 20
	Pension contributions paid	0 - 5	0 - 5

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

13. Trustees' and Officers' insurance

The school has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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14. Tangible fixed assets

	Long-term leasehold property £000	Assets under construction £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation						
At 1 September 2021	14,329	-	433	254	25	15,041
Additions	-	25	-	29	-	54
At 31 August 2022	14,329	25	433	283	25	15,095
Depreciation						
At 1 September 2021	2,483	-	290	199	25	2,997
Charge for the year	352	-	46	33	-	431
At 31 August 2022	2,835	-	336	232	25	3,428
Net book value						
At 31 August 2022	11,494	25	97	51	-	11,667
At 31 August 2021	11,846	-	143	55	-	12,044

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14. Tangible fixed assets (continued)

The leasehold buildings are occupied under a 125 year lease which commenced on 1 April 2011 at a current rent of £20,000 per annum.

15. Stocks

	2022 £000	2021 £000
Finished goods and goods for resale	11	10

16. Debtors

	2022 £000	2021 £000
Due within one year		
Trade debtors	4	19
Prepayments and accrued income	79	99
Tax recoverable	17	20
	100	138

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17. Creditors: Amounts falling due within one year

	2022	2021
	£000	£000
Other loans	-	28
Trade creditors	73	66
Other creditors	12	13
Accruals and deferred income	205	109
	<u>290</u>	<u>216</u>
	<u>290</u>	<u>216</u>
	2022	2021
	£000	£000
Deferred income at 1 September 2021	56	103
Resources deferred during the year	108	56
Amounts released from previous periods	(56)	(103)
	<u>108</u>	<u>56</u>
	<u>108</u>	<u>56</u>

The deferred income balance relates to grants received for the year ending 31 August 2022, income received in the year for school trips, and events that are taking place in the year ended 31 August 2023.

18. Creditors: Amounts falling due after more than one year

	2022	2021
	£000	£000
Other loans	-	217
	<u>-</u>	<u>217</u>

The loan balance shown in creditors within and after one year in the prior year was a CIF loan received from the ESFA. The loan was part of a wider funding package for the cost of a new sports hall part funded by a capital grant. Interest was charged at 2.1%. The loan was repaid early in full in January 2022.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Financial instruments

	2022	<i>2021</i>
	£000	<i>£000</i>
Financial assets		
Financial assets measured at fair value through income and expenditure	844	<i>753</i>
Financial assets that are debt instruments measured at amortised cost	34	<i>73</i>
	878	<i>826</i>
	2022	<i>2021</i>
	£000	<i>£000</i>
Financial liabilities		
Financial liabilities shown at amortised cost	290	<i>434</i>

Financial assets measured at fair value through income and expenditure comprise bank and cash balances

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, loans and other creditors.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Unrestricted funds						
General Funds - all funds	321	412	(232)	-	-	501
Restricted general funds						
General Annual Grant	110	6,182	(5,874)	(413)	-	5
Pupil Premium	2	21	(23)	-	-	-
Catch-up premium	19	-	(19)	-	-	-
Other DfE/ESFA COVID-19 funding	16	2	(18)	-	-	-
Restricted donations	-	10	(1)	-	-	9
Other restricted income	-	334	(334)	-	-	-
Pension reserve	(3,154)	-	(652)	242	2,918	(646)
	(3,007)	6,549	(6,921)	(171)	2,918	(632)
Restricted fixed asset funds						
Transfer on conversion	5,827	-	(229)	-	-	5,598
DfE/ESFA grants	5,202	25	(166)	(17)	-	5,044
Funded from GAG	871	-	(18)	196	-	1,049
Private sector capital sponsorship	144	-	(18)	-	-	126
Donated assets	-	8	-	(8)	-	-
	12,044	33	(431)	171	-	11,817

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20. Statement of funds (continued)

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Total Restricted funds	9,037	6,582	(7,352)	-	2,918	11,185
Total funds	9,358	6,994	(7,584)	-	2,918	11,686

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

The General Annual Grant must be used for the normal running costs and operational activities of the academy. The academy trust is not subject to GAG carry forward limits.

Pupil premium fund includes all income and expenditure in relation to the pupil premium grant.

Other restricted grants are DFE/ESFA and other government grants which are used to support teaching and learning in the academy.

Restricted donations are donations received for a specific purpose which will fund future activities.

The pension reserve represents the academy's share of the deficit on the Essex Pension Fund LGPS pension scheme.

The restricted fixed asset fund represents the cost or valuation of fixed assets held by the academy trust and any unspent capital grant income.

Unrestricted funds are those arising from unrestricted activities and can be applied for any purpose.

During the year £196,000 was transferred to fixed asset funds from restricted funds. This is capital expenditure met from GAG. £25,000 was transferred from fixed asset funds to restricted funds in respect of small capital expenditure.

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20. Statement of funds (continued)

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

	<i>As restated Balance at 1 September 2020 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2021 £000</i>
Unrestricted funds						
General Funds - all funds	184	260	(123)	-	-	321
Restricted general funds						
General Annual Grant	-	6,013	(5,830)	(73)	-	110
Pupil Premium	3	20	(21)	-	-	2
Catch-up premium	-	60	(41)	-	-	19
Other DfE/ESFA COVID-19 funding	-	32	(16)	-	-	16
Restricted donations	-	239	(239)	-	-	-
Pension reserve	(2,763)	-	(336)	-	(55)	(3,154)
	<u>(2,760)</u>	<u>6,364</u>	<u>(6,483)</u>	<u>(73)</u>	<u>(55)</u>	<u>(3,007)</u>
Restricted fixed asset funds						
Transfer on conversion	6,056	-	(229)	-	-	5,827
DfE/ESFA grants	5,261	25	(157)	73	-	5,202
Funded from GAG	889	-	(18)	-	-	871
Private sector capital sponsorship	162	-	(18)	-	-	144
	<u>12,368</u>	<u>25</u>	<u>(422)</u>	<u>73</u>	<u>-</u>	<u>12,044</u>

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20. Statement of funds (continued)

	<i>As restated Balance at 1 September 2020 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2021 £000</i>
Total Restricted funds	9,608	6,389	(6,905)	-	(55)	9,037
Total funds	9,792	6,649	(7,028)	-	(55)	9,358

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	11,667	11,667
Current assets	566	239	150	955
Creditors due within one year	(65)	(225)	-	(290)
Provisions for liabilities and charges	-	(646)	-	(646)
Total	501	(632)	11,817	11,686

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £000</i>	<i>Restricted funds 2021 £000</i>	<i>Restricted fixed asset funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Tangible fixed assets	-	-	12,044	12,044
Current assets	331	570	-	901
Creditors due within one year	(10)	(206)	-	(216)
Creditors due in more than one year	-	(217)	-	(217)
Provisions for liabilities and charges	-	(3,154)	-	(3,154)
Total	321	(3,007)	12,044	9,358

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21. Analysis of net assets between funds (continued)

22. Reconciliation of net expenditure to net cash flow from operating activities

	2022 £000	2021 £000
Net expenditure for the year (as per Statement of financial activities)	(590)	(379)
Adjustments for:		
Depreciation	431	422
Capital grants from DfE and other capital income	(33)	(26)
Defined benefit pension scheme administration cost	1	1
Defined benefit pension scheme cost less contributions payable	359	293
Defined benefit pension scheme finance cost	50	42
(Increase)/decrease in stocks	(1)	1
Decrease in debtors	38	41
Increase/(decrease) in creditors	102	(340)
Interest payable	2	6
Net cash provided by operating activities	359	61

23. Cash flows from financing activities

	2022 £000	2021 £000
Repayments of borrowing	(247)	(34)
Net cash used in financing activities	(247)	(34)

24. Cash flows from investing activities

	2022 £000	2021 £000
Purchase of tangible fixed assets	(54)	(98)
Capital grants from DfE Group	25	26
Donated assets	8	-
Net cash used in investing activities	(21)	(72)

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25. Analysis of cash and cash equivalents

	2022 £000	2021 £000
Cash in hand and at bank	844	753
Total cash and cash equivalents	844	753

26. Analysis of changes in net debt

	At 1 September 2021 £000	Cash flows £000	At 31 August 2022 £000
Cash at bank and in hand	753	91	844
Debt due within 1 year	(28)	28	-
Debt due after 1 year	(217)	217	-
	508	336	844

27. Capital commitments

	2022 £000	2021 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	150	-

28. Pension commitments

The Academy'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 Essex County Council. Both are multi-employer defined benefit schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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28. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 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, 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 TPS in the year amounted to £673,658 (2021 - £672,024).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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28. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £ - (2021 - £288,000), of which employer's contributions totalled £242,000 (2021 - £225,000) and employees' contributions totalled £ 66,000 (2021 - £63,000). The agreed contribution rates for future years are 22.7 per cent for employers and 5.5-12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.95	3.90
Rate of increase for pensions in payment/inflation	2.95	2.90
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	2.95	2.90

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

	2022	2021
	Years	Years
<i>Retiring today</i>		
Males	21.0	21.6
Females	23.5	23.6
<i>Retiring in 20 years</i>		
Males	22.3	22.9
Females	24.9	25.1

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28. Pension commitments (continued)

Sensitivity analysis

	2022 £000	2021 £000
Discount rate +0.1% ,	86	141
Discount rate -0.1%	(89)	(145)
Mortality assumption - 1 year increase	(110)	(242)
Mortality assumption - 1 year decrease	107	233
CPI rate +0.1%	(7)	(13)
CPI rate -0.1%	7	13

Share of scheme assets

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

	At 31 August 2022 £000	At 31 August 2021 £000
Equities	1,773	1,846
Gilts	61	73
Corporate bonds	139	134
Property	298	201
Cash and other liquid assets	94	80
Other	785	549
Total market value of assets	3,150	2,883

The actual return on scheme assets was £7,000 (2021 - £516,000).

The amounts recognised in the Statement of financial activities are as follows:

	2022 £000	2021 £000
Current service cost	(601)	(518)
Interest income	50	36
Interest cost	(100)	(78)
Administrative expenses	(1)	(1)
Total amount recognised in the Statement of financial activities	(652)	(561)

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28. Pension commitments (continued)

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

	2022 £000	2021 £000
At 1 September	6,037	4,892
Current service cost	601	518
Interest cost	100	78
Employee contributions	66	63
Actuarial (gains)/losses	(2,961)	535
Benefits paid	(47)	(49)
At 31 August	3,796	6,037

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2022 £000	2021 £000
At 1 September	2,883	2,129
Interest income	50	36
Actuarial (losses)/gains	(43)	480
Employer contributions	242	225
Employee contributions	66	63
Benefits paid	(47)	(49)
Administration expenses	(1)	(1)
At 31 August	3,150	2,883

29. Operating lease commitments

At 31 August 2022 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £000	2021 £000
Not later than 1 year	24	28
Later than 1 year and not later than 5 years	89	50
Later than 5 years	1,086	1,094
	1,199	1,172

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30. Members' liability

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

31. Related party transactions

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

The KEGS Foundation (Charity Registration Number 310861) is the freehold landlord of the Academy's land and buildings and the Academy has been granted 125 year lease for the site. The Foundation appoints five members of the Governing Body (Directors) of the Academy (from September 2021 reduced to two) and play an active role in the life of the School. The Foundation provides a Bursary Fund and funds the KRGS Essay Prizes and other annual prizes. In the past and potentially in the future, the Foundation has played a role in generating financial support for capital and other projects on behalf of the Academy. In addition the Foundation donates a number of prizes and awards and a number of bursaries directly to the pupils of the school.

For the year ended 31 August 2022, the School made rent payments to the Foundation of £20,000 (2021 -£20,000) and received donations of £Nil (2021 - £NIL) from the Foundation.

32. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the academy trust received £19,790 and disbursed £15,367 from the fund. An amount of £4,423 is included in other creditors relating to undistributed funds that is repayable to ESFA. Comparatives for the accounting period ending 31 August 2021 are £16,492 received, £9,987 disbursed and £6,505 included in other creditors.