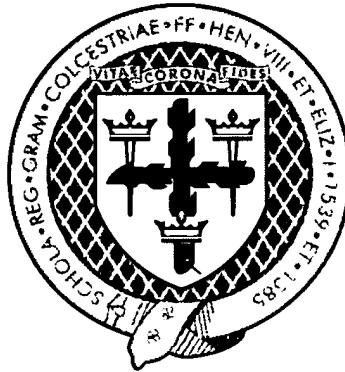


COLCHESTER ROYAL GRAMMAR SCHOOL

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020



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COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

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COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr J R Russell
Dr J G Tillett MBE
Mr J C Johnston
Mrs J Owens
Mr P Roberts
Mrs G A Barritt
Mrs J Perry
Mr R A Crayston

Trustees

Mr J Russell, Headmaster & Accounting Officer
Mr P Roberts
Mrs D M Hoy
Mr R T Neale¹
Mr R A Crayston
Mr G Constantinides
Mrs E Anning
Mr J Carter
Mrs S Azarmi (retired 11 December 2019)
Mr I Ross (retired 21 November 2019)¹
Mr D Ratcliffe¹
Mr P Hoddell
Mrs G A Barritt, Vice Chair
Mr I Turner
Mrs J Owens
Mr J C Johnston
Mrs J Perry, Chair
Dr J G Tillett MBE
Mrs H J Drake (appointed 20 March 2020)¹
Mrs K Finbow (appointed 29 June 2020)
Mr D Farruggio (appointed 29 June 2020)

¹ Staff Trustee

Company registered number 7769103

Company name Colchester Royal Grammar School

Principal and registered office 6 Lexden Road
Colchester
Essex
CO3 3ND

Company secretary A Jennings

Clerk to the Trustees J Tompkins

COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

**Senior management
team**

J Russell, Headmaster
D Chart-Boyles, Deputy Headteacher
A Livingston, Assistant Headteacher
R Adams, Assistant Headteacher
A Jennings, Business Manager

Independent auditors

Griffin Chapman
Chartered Accountants
Statutory Auditors
4 & 5 The Cedars
Apex 12
Old Ipswich Road
Colchester
Essex
CO7 7QR

Bankers

Lloyds Bank
27 High Street
Colchester
Essex
CO1 1DU

Virgin Money
Jubilee House
Gosforth
Newcastle upon Tyne
NE3 4PL

Solicitors

Veale Wasborough Vizardsx
Orchard Court
Orchard Lane
Bristol
Essex
BS1 5WS

Birkett Long
1 Amphora Place
Colchester
Essex
CO3 3WG

COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Principal Activities

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

With regard to its objects, Colchester Royal Grammar School provides a broad and balanced curriculum for the benefit of the public and offers, as a selective school, an appropriate education for academically able students between the ages of 11 and 18. The education provided is within an ethos broadly based on Christian values. Most of the Academy's students live within a one-hour radius of the school, and the Academy principally serves the inhabitants of Colchester, Essex and South Suffolk. The Academy educates boys throughout the 11-18 age range and admits girls into the Sixth Form. Colchester Royal Grammar School is a state boarding school and has a small boarding section for sixth form students which attracts applicants from UK and European passport holders from all over the world.

Entry to this selective grammar school at all levels is based on academic ability. The Academy cares for its students and about their progress and development, and it provides a strong pastoral structure as well as a varied extracurricular programme alongside its academic curriculum. The Academy actively promotes traditional values such as respect, consideration for others and courtesy, and expects high standards of behaviour and appearance from all at the school. The Academy's principal priority is the academic achievement of its students. The Academy has specialist status for Science (including Mathematics) and Languages and, as an Academy, it actively supports the wider community, and in particular it supports the work of a cluster of local primary schools. The Academy is conscious of its wider community responsibilities, plays a significant role in community cohesion and offers members of the community educational and life-enhancing opportunities and services.

It had a roll of 1004 as at the Spring 2020 school census.

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 Colchester Royal Grammar School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Colchester Royal Grammar School.

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 page 1.

Members' Liability

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

COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Trustees' Indemnities

In accordance with normal practice the Academy Trust has purchased insurance to protect the Trustees and officers from claims arising from negligent acts errors or omissions whilst on school business. The cover under the policy is £5 million. In the period under review no claims were made against the insurance.

Method of Recruitment and Appointment or Election of Trustees

The Constitution of the Governing Body:

Category of Trustee	Maximum number appointed	Method of appointment
Foundation	5	Elected by members
Parent	7	Elected by parents of students
Teaching staff	2	Elected by teaching staff
Support staff	1	Elected by support staff
LEA	1	Appointed by LA
Co-opted	3	Appointed by Governing Body
Headmaster	1	Ex officio

The above table shows who or what body is entitled to appoint members of the governing body. Any vacancy for a Foundation Trustee is filled by the Company's Members. Vacancies for parent Trustees are published by email to all parents and nominations are invited. A ballot is conducted if there is more than one nomination for a single vacancy. A similar procedure is employed to fill teaching and support staff vacancies, and the relevant personnel are informed in each case. A ballot is held if there is more than one nomination for a vacancy. The LA appoints its own trustee. Co-opted Trustees are appointed by the governing body, as and when their expertise or experience is deemed desirable and beneficial to the Academy.

Policies and Procedures Adopted for the Induction and Training of Trustees

All new Trustees have an induction meeting with the Chair of Trustees and the Headmaster. They have a subsequent meeting and tour of the school with the Headmaster. Trustees are provided with copies of the policies, procedures and documentation required to undertake their role as trustees. All Trustees are expected to serve on a Trustees' Committee, and the Chair of Trustees consults them on their deployment. New Trustees are offered the support of a more experienced trustee as a mentor. A nominated trustee coordinates trustee training, and the Academy subscribes to the LA's governor training programme and supports trustees who attend training sessions. Details of available and recommended training courses are discussed with new Trustees. The Academy itself organises Trustee information sessions and an annual Trustee training day.

Trustees are subject to retirement after a term of four years and are eligible for re-election. The posts of Chair and Vice-Chair of Trustees run for a period of two years. Elections for these positions are normally held at the first autumn meeting of the year - at two year intervals. Post-holders can be re-elected.

Organisational Structure

The Trustees are responsible for the governance, strategic direction and financial health and probity of the Academy and for ensuring that all statutory duties are fulfilled. The Trustees are responsible for the appointment of the Headmaster and, in conjunction with the Headmaster, the appointment of the Deputy Headmaster(s). All other staff appointments are delegated to the Headmaster, although there will be trustee consultation and involvement in the appointment of other senior staff such as the Assistant Head(s) and the Business Manager.

The Headmaster is responsible for the leadership, management and operation of the Academy and is accountable to the trustees for all aspects of his work, including the development of the Academy, the performance of the staff and the achievement and behaviour of the students. He is supported by a Leadership Group which includes a Deputy Head, two Assistant Heads and the Business Manager. These senior members

COLCHESTER ROYAL GRAMMAR SCHOOL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

of staff are all directly accountable to the Headmaster for their specific areas of responsibility and for the line management of the staff under them. They also serve as officers to the relevant Trustees' Committee(s) and provide updates, raise issues for discussion, respond to questions and make recommendations on their areas. Any recommendations made to the trustees will have the prior approval of the Headmaster and, where the Headmaster deems it appropriate, will have been discussed by the Leadership Group.

Committees of the Governing Body have delegated responsibilities for Personnel, Curriculum, Finance, Premises and Salaries. Student Discipline, Staff Discipline, Salary Appeals and Admissions are ad-hoc trustee committees formed to respond to specific concerns, needs or requests. General matters relating to student welfare and discipline as well as to student admissions come under the auspices of the Personnel Committee. There are link Trustees who monitor and report on specific aspects of the Academy's provision such as SEN, Pupil Premium and Boarding. There are also strategic groups with senior management and trustee representation which consider and report on the key areas of Health and Safety, Risk, Boarding and Development. The Board of Trustees retains ultimate responsibility for decisions relating to academy policy and the future direction and status of the organisation. The Headmaster has overall executive responsibility for the Academy's activities, including the finances, and fulfils the role of the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

CRGS' policy is to ensure that pay enables the current and future delivery of the curriculum and school improvement plans. CRGS has a salary committee which has delegated powers from the Governing Body to make decisions on pay within the scales which have been approved by the Governing Body.

Key teaching management personnel are paid in accordance with Teachers Pay & Conditions - including the recommended Group for the Headteacher and Individual Salary Range - The Burgundy Book and in accordance with the school Pay Policy. Key support management personnel are paid in accordance with Local Government Pay, The Green Book and in accordance with the school Pay Policy. Pay scales are published and approved by the Full Governing Body on an annual basis.

Trade Union facility time (as per The Trade Union Facility Time Publication Requirements) Regulations 2017

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	£0
Percentage of pay bill spent on facility time	0%
Total pay bill	£4,918,783

COLCHESTER ROYAL GRAMMAR SCHOOL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Paid trade union activities

Time spent on trade union activities as a percentage of total paid facility time hours 0%

Related Parties and other Connected Charities and Organisations

The Academy's major formal financial link with another organisation is with the CRGS Trust - the Academy's independent charitable trust. It has signed a 125 year lease at a peppercorn (zero) rent to allow the land and premises owned by CRGS Trust to be used for Academy purposes. The CRGS Trust makes financial donations to the Academy on an ad-hoc basis as permitted by its Regulatory Scheme.

CRGSA, the Parents' Association also makes ad-hoc donations to the Academy.

The Academy's other links are:

A strategic partner in the Colchester Teacher Training Consortium, which organises ITT in Colchester.

A founder member of the Consortium of Selective Schools in Essex, which organises the selection tests for the selective schools in Essex and Southend and coordinates transport arrangements.

A founder member of the association of Boys' Academically Selective Schools (BASS).

A partner providing support to a number of local schools as part of its academy support programme and its outreach work for science and languages.

A founder member of the Grammar School Heads Association.

A member of the Association of Secondary Heads in Essex (ASHE) and NEASHE.

Engagement with employees (including disabled persons)

CRGS has an active Staff Consultative Committee that meets termly or when a need arises which provides employees with information on matters that may concern them. The purpose is to ensure the views of employees can be considered in making decisions which are likely to affect their interests in the school and its performance. The committee also reviews aspects of the School Improvement Plan.

Objectives and Activities

Objects and Aims

CRGS aims to be a world class school, rivalling the educational provision and achievements of the very best schools at home and abroad. This will necessitate a consistently high national ranking in the official national DfE performance tables at 18 and a record of student entry to the most competitive courses at the very best universities at home and abroad. The students will leave CRGS with the ability and character to excel at university and beyond and will have experienced an education at CRGS which has developed their character, interests and talents as well as their academic ability. To this end, the Academy has to retain and recruit a high calibre staff, capable of delivering an academically demanding curriculum and teaching an able and ambitious student body at 11+ and 16+. A thriving boarding section underlines the Academy's commitment to its international dimension. The Academy seeks to provide a variety of extracurricular opportunities for the students and encourages their understanding of the importance of service to the community. It also provides a well-ordered environment with high standards of behaviour and a purposeful, disciplined learning community.

CRGS seeks to be a force for good in the local community. It supports other schools in the area and further afield and offers the community opportunities to further their education. It seeks to be a beacon of excellence for an academic education.

COLCHESTER ROYAL GRAMMAR SCHOOL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives, Strategies and Activities

CRGS has a mission statement, a vision document, a declaration of strategic intent, a three year development plan and a list of annual priorities to inform, guide and judge its activities and achievements. The consistent message is to pursue excellence in all it does and to be committed to continuous improvement in every aspect of its work. These are shared, agreed and monitored by trustees at either committee or full governing board level. The Headmaster and Leadership Group plan for continuous improvement and monitor the quality and effectiveness of all the Academy's activities. Regular reports are made to trustees on progress at the termly committee meetings and the full governors' meetings. Link Trustees exercise a specific monitoring role in key areas and report to trustees as appropriate. The Headmaster and the Leadership Group keep the staff informed of the key immediate priorities, involve the staff in the formulation of longer term strategies and lead and support the staff in pursuit of the Academy's aims and objectives. The Trustees challenge the Leadership Group appropriately and act as critical friends in the evaluation of the Academy's achievements. They provide invaluable expertise, opinion and support and hold the Headmaster to account for the Academy's achievements, development and standing. In evaluating the Headmaster's performance and agreeing suitable annual objectives for him, they take advice from an experienced external school improvement partner.

The key priorities for 2019/20 were:

Maintain the school's national academic standing
Increase the school roll to generate increased revenue
Continue to make savings and generate income to respond to the reduced funding level
Continue development of a boarding team and boarding marketing strategy
Continuing with the recruitment of girls in boarding
Planning the premises development
Following government guidance in respect of COVID 19 including premises, staff and student welfare
Implementing online teaching and encouraging homeworking during lockdown
Achieving successful CIF bid to improve safeguarding and site security
Carry out education surveys to gather the views of our stakeholders
Improving staff voice
Improve communication within and outside the school community
Work with the CSSE in its management of testing before application
Recruit to capacity without sacrificing the ability of the intake at 11+ and 16+
Respond to staffing changes and recruit a high calibre staff for 2020/21
Promote CRGS values
Develop links with the alumni association, the Old Colcestrian Society
Provide bespoke practice for Oxbridge, Medical, Vet, Dentistry and Law applicants

Strategies

The strategies for attaining these objectives were based on developing clear channels of communication with all stakeholders and devising clear and manageable action plans so that everyone was clear about the actions necessary in order to deliver all the outcomes. The Trustees were informed of all relevant national developments and available choices so that they could make informed decisions about the future direction of the school. The Headmaster and Leadership group lead initiatives, take responsibility for actions and report to trustees on progress. All this had to be achieved by the efficient use of resources and by engaging others outside the school so that all developments were affordable, sustainable and constituted best value.

The success criteria involved the maintenance of our academic outcomes and league positions, especially in comparison with other BASS schools, along with the successful development of boarding facilities and integration of girls, and the positive stakeholder views as expressed in the survey outcomes. A reduction in the impact of financial changes, as measure by an improved position in relation to our budgeted expectations, will be a criteria for success of our financial strategy although this will be impacted by the constraints felt by COVID 19.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Public Benefit

CRGS is a state selective school and serves the local community by providing an appropriately academic and grammar school education for able students in the area, free of charge. Not only does the Academy serve Essex and South Suffolk but through its boarding section provides an educational opportunity for students from further afield and a haven for able students with difficult home circumstances. Through its outreach work CRGS provides support for local primary and secondary schools and other grammar schools further afield. CRGS usually allows the local community to use its sporting facilities, its swimming pool in the summer and invites members of the public to its outreach activities, public lectures and music and drama performances, but this year due to COVID 19 many of these activities have not been possible. The students actively support national charities, international good causes and local organisations, and the Academy is conscious of its responsibility and duty to support the local community. The Academy staff have organised and run a catch up summer school for its own students. Schools Out hired areas of the school to provide a very successful school holiday activity camp catering for all age groups from 4-16 years old. It was an excellent facility giving support to parents who needed to return to work.

Ofsted last described the school as 'outstanding' in every category. Boarding was rated 'good' after its inspection in January 2020.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's aims and objectives and in planning future activities and exercising their duties.

Strategic Report

Achievements and Performance

CRGS was oversubscribed at all levels in 2019/20 and able to recruit to capacity at 11+ and 16+. The school roll was at its highest to date in this school year, and CRGS has sought to maximize its central funding income so that it can continue to deliver its services without sacrificing the quality of its provision. There was a joined-up strategy where all CRGS support groups: CRGS Trust; CRGSA; the OC's worked with the school to focus on the academy's needs of the students to ensure that the very activities and facilities at risk because of the cuts and changes of emphasis in government funding were maintained. This includes the activities which engage the wider community, offer a full education and benefit the public, such as sport, music, drama, community involvement, school-to-school support and educational trips and visits. The school regards such opportunities as central to its ethos and has taken steps to protect them although COVID 19 has had a negative impact on this. The Trustees review regularly the Risk Register to take account of the changes in the risks facing the school and the action taken to manage the risks previously identified.

Changes in the Boarding House staffing have been managed without affecting the quality of the provision in the Boarding House.

The academic results at all levels in 2020 were excellent and maintained the school's national standing as one of the leading schools in the country. The curricular offer was rich and included academic opportunities outside the timetable. Year 13s were offered the opportunity to achieve an EPQ, GCSE students Spanish and Astronomy and A level students Government and Politics, outside the curriculum. Bespoke practice was provided for students applying for Oxbridge, Medical subjects and Law so that they could prepare for the tests and interviews involved.

In the extracurricular field CRGS had full and strong fixture lists in all sports but this was then impacted by COVID 19. We again had our highly acclaimed musical and drama productions.

Our range of other activities, visits and trips all suffered with the pandemic as these were unable to happen after March 2020.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Whilst it has been a difficult year there has been some amazing work done by the staff to continue the academic and support functions of the school.

The school has been awarded the prestigious SafetyMark award recognising that the school has demonstrated excellent safety management practices and procedures. This has been evidenced by a comprehensive audit. The school has also been diligent in carrying out detailed risk assessments where required for COVID 19.

The Academy has been awarded The Sunday Times East Anglia State Secondary School of the Decade by Parent Power. This award is a testament to the hard work commitment and dedication of staff and students both past and present. CRGS students around the world are making a real difference in their chosen academic and professional fields and we are very proud of our achievements.

Key Performance Indicators

The Boarding Ofsted of January 2020 judged the provision 'good' in all categories. The recommendations are being acted on. It was acknowledged that the school has a strong boarding provision that the boarders enjoy attending. The boarders are highly motivated and have a strong focus on academic attainment and achievement. The school is rated 'outstanding' for every category.

The school also received 'outstanding' RO reports for its finance operation in 2019/20.

The 2020 results will not be reported by the DfE, so there is no official Progress 8 or Attainment 8 figures. The 2020 academic results were as follows:

GCSE

67% 9/8 pass rate. 54% achieved at least 10 grade 9-7

Recruitment into Year 12 for September 2020: 189 students

A level

95.5% A*-B. 39% A*. 131 students achieve 3 A*A or better. 48 students achieved 3 A* or better.

DfE Performance Tables (Jan 2020)

CRGS was ranked 27th in the country for the percentage of students achieving AAB (based on 2019 results). At GCSE CRGS was ranked 20th nationally by on the Attainment 8 criteria.

Financial KPI's

	2020	2019
GAG income per student	£4,704	£4,616
GAG income as % of total income	77.76%	71.83%
Staff costs as % of GAG income	104.15%	99.56%
Teaching staff expenditure per student	£3,705	£3,481

Going Concern

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. There are no material uncertainties about the academy's ability to continue.

COLCHESTER ROYAL GRAMMAR SCHOOL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Financial Review

Most of the Academy's income is obtained from the Education Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. These grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2020, total expenditure of £6,379,808 was greater than recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the year being the surplus on unrestricted funds of £55,981 plus the surplus on restricted funds(excluding pension reserves) of £81,274 was £137,255 (2019: a surplus of £58,287). All expenditure has supported the objectives of the Academy. The restricted and unrestricted income fund reserves held at 31 August 2020 were £2,245,758. These reserves are held to support the academy budget in times of reduced funding levels and in particular, to cover the level of lagged funding whilst the academy is increasing its numbers on roll.

At 31 August 2020, the net book value of fixed assets was £9,611,284 and movements in tangible fixed assets are shown in the note 17 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

In accordance with FRS102, the Academy received an actuarial assessment of the pension scheme deficit. The deficit balance of £2,879,000 is included within the balance sheet as at 31 August 2020 and supporting notes to the accounts.

The Academy has been successful in its bid to the Condition Improvement Fund bid for a project to provide a safe guarding upgrade to the site to improve the Academy site security. The funding for this will be received in the next financial year and the work commenced in August 2020.

Reserves Policy

The Academy will hold reserves to draw on as and when required to supplement the annual budget and to support developments over time. The management of reserves to support, maintain, develop and improve provision over time is considered to be an aspect of prudent financial management essential to the maintenance of a high quality provision. It permits flexibility and planning. The unrestricted free reserves totalled £1,522,482 at 31 August 2020 and are intended both to combat any annual fluctuations in funding or unforeseen exceptional circumstances and to fund important developments in the Academy. These may be related to the curriculum, facilities, premises, extracurricular activities or personnel needs but as the reserves are finite, any such developmental projects will be fully costed, and the total commitment will be established before the reserves are used. Such projects will not, therefore, include any ongoing revenue commitments over an indefinite period of time. The trustees are concerned over the annual funding together with the increased additional costs but consider there is a suitable level of reserves in the current circumstances. Budgeting is proving challenging with in- year deficits being budgeted.

The restricted funds not available for general purposes of the academy trust totalled £10,509,373. This includes the restricted fixed asset reserve of £9,786,097 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. The reserves policy is reviewed annually.

With regard to boarding, 10% of boarding income will be allocated to the boarding reserves each period in order

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

to cover ongoing maintenance, improvements, fixture and furnishing costs and for the general upkeep of the boarding facilities. A boarding reserve is also necessary in order to be able to maintain the level of boarding provision in the eventuality of a reduction in numbers or income or extra staffing needs in any particular period. This year has been difficult with the impact of COVID 19 to carry out all the work intended to the Boarding houses. The work not completed will be carried out next year.

£19,215 was spent to complete the refurbishment of the second Boarding bedsit to give greater parental support to the Boarding team. There is further work needed to carry out necessary refurbishment to the boarding facility. The academy will ensure a budget is set achieving a minimum 8% rate of return.

The academy trust has a deficit of £2,879,000 (2019: £2,496,000) on the restricted LGPS pension reserve. This is a long term liability which is being addressed by payment of additional contributions as determined by the scheme's actuaries. These contributions are being met from the academy's budgeted annual income and there is no direct impact on the free reserves of the academy.

Investment Policy

The Finance Committee considers the level of surplus funds and makes appropriate recommendations for investment as necessary. The academy has invested surplus funds in a low risk short notice bank deposit to generate additional income.

Principal Risks and Uncertainties

The trustees have adopted policies to ensure compliance with statutory duties and systems to manage potential threats and risks to the Academy. They regularly monitor the Academy's operation through trustee committees and groups. A specific Group assesses the risks arising.

As an Academy, the level of financial risk will essentially be determined by the government's funding formulae for academies. Income no longer covers expenditure so this has to be kept under constant review with the government currently reassessing the funding levels and criteria for funding. The changes to 16-19 funding, the removal of protection factors and the increased emphasis on closing the funding gap and Pupil Premium pose a significant threat to the funding level of the Academy. Numbers of applicants to the Academy are high because of the Academy's provision and success. The Academy is using this popularity to increase its roll and increase its income. This puts a constant pressure on the Academy to maintain its high level of achievement and broad educational experience so as to remain attractive. The Hong Kong boarding market is shrinking but still buoyant enough to present CRGS with applicants. Other markets have been successfully explored, both at home and abroad, and there is sufficient demand for CRGS boarding to give the school confidence for the future.

The funding of the school is subject to political decisions, and CRGS has to amend its provision to adapt to recent funding changes. The funding model for A Level is still a concern for a school such as CRGS because a 3 A Level funding model does not cover the CRGS curriculum offer which provides the opportunity to study 4 or 5 A Levels or an AS Level or EPQ.

The biggest challenge this year has been working with the pandemic, COVID 19. It has impacted on the way we had to teach and support our students. It has impacted on the way we have had to support and manage our staff. It has also affected other areas of our academy life such as catering and Boarding. Our achievement in coping with the new pressures, that we could not have imagined or prepared ourselves for, has proven that we achieve the very best for our students and staff and always aspire to excellence.

CRGS is dependent on its strong ethos where individuals give generously of their own time for the benefit of the students. To maintain its extracurricular provision, parental contributions and staff goodwill are vital. For this reason the onus is on the school to create an environment which promotes and encourages this high level of personal support. CRGS has created strong partnerships with its parents and alumni so that this support is forthcoming.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The school is also dependent on its ability to recruit high calibre staff and provide for their continued professional development. Succession planning is key to sustaining a high level of provision and the unique ethos of the school.

Fundraising

The Academy carries out fundraising activities to generate additional income to support its budget. The methods and processes are well planned and monitored effectively to ensure the academy complies with the code of fundraising practice. The academy acts in the best interests of the academy ensuring reasonable care is taken to protect its reputation and to ensure it is open and reasonable in its activities. Complete and accurate returns are made so the academy receives the tax reliefs which it is entitled to.

Plans for Future Periods

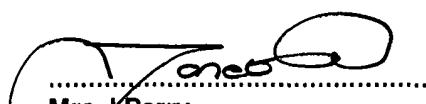
The trustees intend to maintain the Academy's quality of provision and high national standing by retaining and recruiting a high calibre staff and creating a learning environment and experience which will attract able students at all levels. This will require prudential financial management and the generation of extra income to improve the Academy's facilities and facilitate further developments. The trustees continue to see the academic achievement of the students as the Academy's principal priority but remain equally committed to the provision of extracurricular opportunities, notably sport, music and drama. The trustees will continue to seek to generate income through fundraising and outreach work. The school is continuing with its five year programme of expansion.

Auditor

In so far as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on *31st December 2020* and signed on its behalf by:


.....
Mrs J Perry
Chair of Trustees


.....
Mr J Russell
Accounting Officer

COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Headmaster, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Colchester Royal Grammar School and the Secretary of State for Education. He is 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 6 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
Mrs E Anning	5	6
Mrs S Azarmi (retired 11/12/19)	0	0
Mrs G A Barritt (Vice Chair)	5	6
Mr J Carter	2	6
Mr G Constantinides	5	6
Mr R A Crayston	4	6
Mrs H J Drake (appointed 20/03/20)	5	5
Mr D Farruggio (appointed 29/06/20)	1	1
Mrs K Finbow (appointed 29/06/20)	1	1
Mr P Hoddell	4	6
Mrs D M Hoy	4	6
Mr J C Johnston	6	6
Mr R Neale	5	6
Mrs J Owens	2	6
Mrs J Perry, Chair	6	6
Mr D Ratcliffe	6	6
Mr P Roberts	6	6
Mr I Ross (retired 21/11/19)	0	0
Mr J Russell, Headmaster and Accounting Officer	6	6
Dr J G Tillet MBE	1	6
Mr I Turner	4	6

The major challenge for the school continues to be managing the finances effectively in line with the funding provided by government. Since March this year we have had the major challenge of managing the impact of COVID 19. The trustees have also continued to prioritise the school's management of Health and Safety. Time and training have been invested in raising the awareness of staff to the requirements under the GDPR regulations.

Various powers are delegated to committees who meet at least three times a year. These additional meetings ensure robust governance and effective oversight of funds. The academy trust will complete the School Resource Management self-assessment tool by January 2021.

COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance Committee is a sub-committee of the board of trustees. Its purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the board of trustees' responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. The Finance Committee will make appropriate comments and recommendations on such matters to the board of trustees on a regular basis.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr J C Johnston (Committee Chair)	3	4
Mr J Russell (Headmaster)	4	4
Mr R A Crayston	3	4
Mr I Turner	4	4
Mrs J Perry	2	4
Mr D Ratcliffe	4	4
Mr J Carter	1	3
Mrs K Finbow (appointed 29/06/20)	2	2

The Finance Committee is composed of trustees with a high level of financial competence. Its purpose is to oversee the financial management and ensure the financial propriety of the school and to plan strategically to secure the academy's continuity as a viable business.

The priority of the Finance Committee is to monitor the in-year spending within the budget. It is also overseeing the medium-term budget plan so that the academy's finances can be managed prudently over the next three to five years in a climate of reduced funding and rising costs.

Review of value for money

As Accounting Officer, the Headmaster 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:

Continuing to get some extremely good deals by reviewing our book suppliers and negotiating discounts, this has achieved a real cost saving for the school at a time when a high volume of books were being purchased for new syllabuses and additional pupils are being provided for. There are occasions when reductions of 33% and 50% were achieved.

Quotes were obtained for new equipment in our remote catering unit and an exceptional deal was obtained.

With the pandemic we have been negotiating deals for all the new PPE we have had to purchase.

GOVERNANCE STATEMENT (CONTINUED)

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 Colchester Royal Grammar School for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which 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 2019 to 31 August 2020 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 Academy has a risk register which is regularly reviewed by the each committee to ensure it accurately reflects the schools major risks to the continued operation of the school. The significance of the impact of the risk and the immediacy of the need to take action to manage the risk has been used to identify the priorities of the Academy. This is a live document along with the school improvement plan which is also considered at every committee meeting to ensure needs, opportunities and risks are recognised timely and appropriate action considered.

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 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
- delegation of authority and segregation of duties

The Board of Trustees has considered the need for a specific internal audit function and has decided to employ School's Choice as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

- Testing of payroll systems
- Testing of tax
- Testing of purchase systems
- Testing of control account/bank reconciliations
- Testing of insurance
- Testing of income controls

COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- Testing of data security

The internal auditor reports twice a year to the board of trustees through the finance committee on the operation of the systems of control and on the discharge of the trustees' financial responsibilities.

The Schools Choice reports are reviewed after every visit to ensure good governance is being maintained and to consider any recommended action should it arise. The visits this year have confirmed that robust processes are in place for the areas of testing and the academy has achieved an overall score of 'outstanding'.

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of the School resource management and self-assessment process;
- the school resource management self-assessment tool;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the internal auditor and finance 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 8th December 2020 and signed on their behalf by:


.....
Mrs J Perry

Chair of Trustees


.....
Mr J R Russell

Accounting Officer

COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Colchester Royal Grammar School I have considered my responsibility to notify the academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, 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 2019.

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 2019.

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



Mr J R Russell
Accounting Officer
Date: 8.12.20

COLCHESTER ROYAL GRAMMAR SCHOOL

(A company limited by guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020**

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:

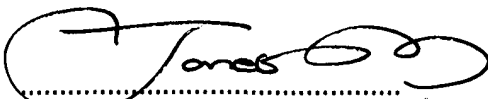
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 and signed on its behalf by:



Mrs J Perry
Chair of Trustees

Date: 08.12.20

COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
COLCHESTER ROYAL GRAMMAR SCHOOL**

Opinion

We have audited the financial statements of Colchester Royal Grammar School (the 'academy') for the year ended 31 August 2020 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 2019 to 2020 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 2020 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 2019 to 2020 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

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

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

COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
COLCHESTER ROYAL GRAMMAR SCHOOL (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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.

COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
COLCHESTER ROYAL GRAMMAR SCHOOL (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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.

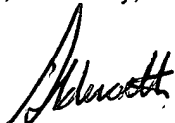
Auditors' responsibilities for the audit of the financial statements

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.

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.

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 (Senior statutory auditor)

**for and on behalf of Griffin Chapman
Chartered Accountants**

Statutory Auditors
4 & 5 The Cedars
Apex 12
Old Ipswich Road
Colchester
Essex
CO7 7QR

Date:

14 January 2021

COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 12 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Colchester Royal Grammar School during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Colchester Royal Grammar School's funding agreement with the Secretary of State for Education dated 1 January 2012 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken comprised:

- a) Obtaining a sufficient understanding of the framework of authorities which apply to the academy.
- b) Understanding the system of internal control to secure compliance with the framework of authorities.
- c) Considering the basis on which the Accounting Officer is able to make statements on regularity, propriety and compliance in the Financial Statements.
- d) Assessing the risk of material irregularity, impropriety and non-compliance.
- e) Designing and carrying out tests and drawing of conclusions from this work to provide assurance over regularity, propriety and 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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

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

Date:

14 January 2021

COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	250,601	29,609	160,985	441,195	401,375
Charitable activities:	4					
Provision of boarding		-	383,076	-	383,076	368,400
Academy's educational operations		35,270	4,808,798	-	4,844,068	4,471,691
Other trading activities		49,009	43,805	-	92,814	173,624
Investments	7	4,851	-	-	4,851	5,753
Other income	8	284,129	22,923	-	307,052	703,047
Total income		623,860	5,288,211	160,985	6,073,056	6,123,890
Expenditure on:						
Raising funds	10	35,364	-	-	35,364	52,741
Charitable activities:	11					
Provision of boarding		-	268,871	-	268,871	327,362
Academy's educational operations		491,422	5,129,957	454,194	6,075,573	6,030,358
Total expenditure		526,786	5,398,828	454,194	6,379,808	6,410,461
Net income/(expenditure)		97,074	(110,617)	(293,209)	(306,752)	(286,571)
Transfers between funds	22	(41,093)	(24,109)	65,202	-	-
Net movement in funds before other recognised gains/(losses)		55,981	(134,726)	(228,007)	(306,752)	(286,571)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	29	-	(167,000)	-	(167,000)	(350,000)
Net movement in funds		55,981	(301,726)	(228,007)	(473,752)	(636,571)
Reconciliation of funds:						

COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Note					
Total funds brought forward	1,466,501	(1,853,998)	10,014,104	9,626,607	10,263,178
Net movement in funds	55,981	(301,726)	(228,007)	(473,752)	(636,571)
Total funds carried forward	1,522,482	(2,155,724)	9,786,097	9,152,855	9,626,607

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

The notes on pages 29 to 60 form part of these financial statements.

COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 7769103

BALANCE SHEET
AS AT 31 AUGUST 2020

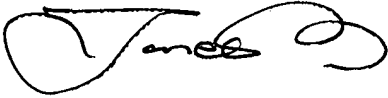
	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	17		9,611,284		9,960,836
			<u>9,611,284</u>		<u>9,960,836</u>
Current assets					
Stocks	18	7,047		3,179	
Debtors	19	318,030		144,008	
Cash at bank and in hand		2,602,114		2,629,711	
		<u>2,927,191</u>		<u>2,776,898</u>	
Creditors: amounts falling due within one year	20	(506,620)		(615,127)	
Net current assets			<u>2,420,571</u>		<u>2,161,771</u>
Total assets less current liabilities			<u>12,031,855</u>		<u>12,122,607</u>
Net assets excluding pension liability			<u>12,031,855</u>		<u>12,122,607</u>
Defined benefit pension scheme liability	29	(2,879,000)		(2,496,000)	
Total net assets			<u><u>9,152,855</u></u>		<u><u>9,626,607</u></u>
Funds of the academy					
Restricted funds:					
Fixed asset funds	22	9,786,097		10,014,104	
Restricted income funds	22	723,276		642,002	
		<u>10,509,373</u>		<u>10,656,106</u>	
Restricted funds excluding pension asset	22	10,509,373		10,656,106	
Pension reserve	22	(2,879,000)		(2,496,000)	
Total restricted funds	22		<u>7,630,373</u>		<u>8,160,106</u>
Unrestricted income funds	22		<u>1,522,482</u>		<u>1,466,501</u>
Total funds			<u><u>9,152,855</u></u>		<u><u>9,626,607</u></u>

The financial statements on pages 24 to 60 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:

8 December 2020

COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 7769103

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020



Mrs J Perry
Chair of Trustees

The notes on pages 29 to 60 form part of these financial statements.

COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	24	(88,790)	187,070
Cash flows from investing activities	25	61,193	(74,615)
Change in cash and cash equivalents in the year		(27,597)	112,455
Cash and cash equivalents at the beginning of the year		2,629,711	2,517,256
Cash and cash equivalents at the end of the year	26, 27	<u>2,602,114</u>	<u>2,629,711</u>

The notes on pages 29 to 60 form part of these financial statements

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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.

COLCHESTER ROYAL GRAMMAR SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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.

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

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.

- **Expenditure on raising funds**

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.4 Expenditure (continued)

• **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 £3,000 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 basis over its expected useful life, as follows:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Buildings	- 2% and 3.45% straight line
Furniture and equipment	- 10% straight line
Plant and machinery	- 20% straight line
Motor vehicles	- 20% straight line
Computer equipment and software	- 33% straight line

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

1.8 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.

1.12 Provisions

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

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

COLCHESTER ROYAL GRAMMAR SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.13 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 19. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.14 Operating leases

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

1.15 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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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.16 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.

1.17 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.

Investment income, gains and losses are allocated to the appropriate fund.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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**NOTES TO THE FINANCIAL STATEMENTS
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3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	250,601	29,609	-	280,210	272,391
Capital Grants	-	-	160,985	160,985	128,984
Total 2020	250,601	29,609	160,985	441,195	401,375
<i>Total 2019</i>	<i>229,814</i>	<i>36,429</i>	<i>135,132</i>	<i>401,375</i>	

4. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Academy's Educational Operations	35,270	5,191,874	5,227,144	4,840,091
<i>Total 2019</i>	<i>-</i>	<i>4,840,091</i>	<i>4,840,091</i>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. Funding for the academy's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant	-	4,466,545	4,466,545	4,356,155
Teachers Pay Grant	-	256,150	256,150	42,571
Other DfE/ESFA grants	-	63,011	63,011	56,618
	-	4,785,706	4,785,706	4,455,344
Other Government Grants				
Local authority grants	-	20,393	20,393	16,347
	-	20,393	20,393	16,347
Boarding income				
Provision of boarding	-	361,250	361,250	368,400
	-	361,250	361,250	368,400
Exceptional government funding				
Coronavirus Job Retention Scheme grant	35,270	21,826	57,096	-
Coronavirus exceptional support	-	2,699	2,699	-
	35,270	24,525	59,795	-
Total 2020	35,270	5,191,874	5,227,144	4,840,091
Total 2019	-	4,840,091	4,840,091	

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The funding received for coronavirus exceptional support covers £2,394 of signage, sanitisers and other equipment and £305 on confirmed and suspected coronavirus cases.

- The academy furloughed some of its catering and boarding staff under the government's CJRS. The funding received of £57,096 relates to staff costs in respect of 15 staff which are included within note 14 below as appropriate.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

6. Income from other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of facilities	12,060	-	12,060	54,973
Income from services provided	30,949	43,828	74,777	105,748
Items sold	6,000	(23)	5,977	12,903
Total 2020	49,009	43,805	92,814	173,624
<i>Total 2019</i>	<i>101,758</i>	<i>71,866</i>	<i>173,624</i>	

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank Interest received	4,851	4,851	5,753
<i>Total 2019</i>	<i>5,753</i>	<i>5,753</i>	

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Other incoming resources

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Catering income	214,516	-	214,516	317,023
Academy trips	69,803	-	69,803	369,793
Examination fees	-	22,923	22,923	16,051
Other incoming resources	(190)	-	(190)	180
Total 2020	284,129	22,923	307,052	703,047
<i>Total 2019</i>	<i>686,996</i>	<i>16,051</i>	<i>703,047</i>	

9. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Expenditure on fundraising trading activities:					
Direct costs	8,846	-	26,518	35,364	52,741
Academy's Educational Operations:					
Direct costs	3,703,700	364,734	418,856	4,487,290	4,493,177
Support costs	1,032,656	109,074	446,553	1,588,283	1,570,689
Provision of Boarding Activities:					
Direct costs	16,523	-	9,819	26,342	31,660
Support costs	157,058	20,341	65,130	242,529	262,194
Total 2020	4,918,783	494,149	966,876	6,379,808	6,410,461
<i>Total 2019</i>	<i>4,379,510</i>	<i>531,722</i>	<i>1,499,229</i>	<i>6,410,461</i>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Other costs	26,518	-	26,518	33,511
Fundraising trading expenses - wages and salaries	8,846	-	8,846	19,230
	<u>35,364</u>	<u>-</u>	<u>35,364</u>	<u>52,741</u>
<i>Total 2019</i>	<u>45,954</u>	<u>6,787</u>	<u>52,741</u>	

11. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Academy's Educational Operations	491,422	5,584,151	6,075,573	6,063,866
Provision of Boarding Activities	-	268,871	268,871	293,854
	<u>491,422</u>	<u>5,853,022</u>	<u>6,344,444</u>	<u>6,357,720</u>
<i>Total 2019</i>	<u>712,277</u>	<u>5,645,443</u>	<u>6,357,720</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

12. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Academy's Educational Operations	4,487,290	1,588,283	6,075,573	6,063,866
Provision of Boarding Activities	26,342	242,529	268,871	293,854
Total 2020	4,513,632	1,830,812	6,344,444	6,357,720
<i>Total 2019</i>	<i>4,524,837</i>	<i>1,832,883</i>	<i>6,357,720</i>	

Analysis of direct costs

	Academy's Educational Operations 2020 £	Provision of Boarding 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	3,703,700	16,523	3,720,223	3,317,319
Depreciation	454,194	-	454,194	479,990
Technology costs	36,093	4,816	40,909	52,023
Educational supplies	73,899	3,833	77,732	96,230
Examination fees	124,815	-	124,815	153,443
Staff development	5,253	866	6,119	10,725
Educational consultancy	24,476	-	24,476	46,627
Other direct costs	64,860	304	65,164	368,480
Total 2020	4,487,290	26,342	4,513,632	4,524,837
<i>Total 2019</i>	<i>4,493,177</i>	<i>31,660</i>	<i>4,524,837</i>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

12. Analysis of expenditure by activities (continued)

Analysis of support costs

	Academy's Educational Operations 2020 £	Provision of Boarding 2020 £	Total funds 2020 £	Total funds 2019 £
Pension finance cost	44,000	-	44,000	49,000
Staff costs	1,032,656	157,058	1,189,714	1,042,961
Legal costs - other	340	-	340	4,857
Technology costs	25,495	-	25,495	23,270
Recruitment and support	18,719	5,000	23,719	31,522
Maintenance of premises and equipment	82,318	19,519	101,837	94,496
Cleaning	11,360	1,740	13,100	10,363
Rent rates and water	30,510	822	31,332	31,501
Energy costs	70,343	15,781	86,124	133,023
Insurance	24,562	-	24,562	26,794
Travel and subsistence	678	3,818	4,496	5,097
Catering	127,651	32,705	160,356	248,338
Bank charges	7,427	-	7,427	10,448
Other support costs	103,302	6,086	109,388	112,102
Governance costs	8,922	-	8,922	9,111
Total 2020	1,588,283	242,529	1,830,812	1,832,883
<i>Total 2019</i>	<i>1,570,689</i>	<i>262,194</i>	<i>1,832,883</i>	

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	2,042	1,444
Depreciation of tangible fixed assets	456,906	479,990
Profit on disposal of fixed assets	(2,712)	-
Governance internal audit costs	1,122	1,111
Fees paid to auditors for:		
- audit	7,750	7,750
- other services	3,625	3,050
	<u>7,750</u>	<u>3,050</u>

14. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	3,594,588	3,328,661
Social security costs	335,353	295,808
Pension costs	953,885	695,138
	<u>4,883,826</u>	<u>4,319,607</u>
Agency staff costs	34,957	57,021
Staff restructuring costs	-	2,882
	<u>4,918,783</u>	<u>4,379,510</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Severance payments	-	2,882
	<u>-</u>	<u>2,882</u>

b. Non-statutory/non-contractual staff severance payments

Staff restructuring costs were £nil (2019 one non-statutory/non-contractual severance payment of £2,882)

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Staff (continued)

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	78	72
Administration and support	125	113
Management	5	5
	<u>208</u>	<u>190</u>

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Teachers	55	52
Administration and support	41	41
Management	5	5
	<u>101</u>	<u>98</u>

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	2	1
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
	<u>1</u>	<u>-</u>

e. 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 £532,724 (2019 £559,680).

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**NOTES TO THE FINANCIAL STATEMENTS
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15. 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:

		2020	2019
		£'000	£'000
Mr J Russell, Headmaster & Accounting Officer	Remuneration	100 - 105	95 - 100
	Pension contributions paid	20 - 25	15 - 20
Mr D Ratcliffe	Remuneration	30 - 35	35 - 40
	Pension contributions paid	5 - 10	5 - 10
	Other benefits	0	0 - 5
Mr R T Neale	Remuneration	25 - 30	30 - 35
	Pension contributions paid	5 - 10	5 - 10
	Other benefits	0	0 - 5
Mr I Ross (retired 21 November 2020)	Remuneration	5 - 10	35 - 40
	Pension contributions paid	0 - 5	5 - 10

During the year ended 31 August 2020, expenses totalling £30 were reimbursed or paid directly to 1 Trustee (2019 - £NIL). The expenses were for travel.

16. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was £182 (2019 - £203). The cost of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Motor vehicles £	Assets under construction £	Total £
Cost or valuation								
At 1 September 2019	7,857,632	4,274,446	497,932	179,042	409,960	5,313	59,575	13,283,900
Additions	20,322	23,662	21,132	-	28,498	-	14,129	107,743
Disposals	-	-	-	-	(15,514)	-	-	(15,514)
Transfers between classes	-	61,403	-	-	-	-	(61,403)	-
At 31 August 2020	7,877,954	4,359,511	519,064	179,042	422,944	5,313	12,301	13,376,129
Depreciation								
At 1 September 2019	1,435,719	1,045,757	312,362	168,818	355,095	5,313	-	3,323,064
Charge for the year	290,154	74,580	49,896	4,595	37,681	-	-	456,906
On disposals	-	-	-	-	(15,125)	-	-	(15,125)
At 31 August 2020	1,725,873	1,120,337	362,258	173,413	377,651	5,313	-	3,764,845

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17. Tangible fixed assets (continued)

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Motor vehicles £	Assets under construction £	Total £
Net book value								
At 31 August 2020	6,152,081	3,239,174	156,806	5,629	45,293	-	12,301	9,611,284
At 31 August 2019	6,421,913	3,228,689	185,570	10,224	54,865	-	59,575	9,960,836

The Trustees have based their valuation of the freehold and long leasehold buildings, gifted on conversion, on the remaining useful life assessment and existing use valuation prepared by DTZ for the EFA. For the purposes of these financial statements the land is deemed to have no commercial value.

The leasehold buildings are occupied under a 125 year lease which commenced on 20 February 2012 at a peppercorn rent.

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18. Stocks

	2020 £	2019 £
Raw materials and consumables	7,047	3,179

19. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	33,755	-
Other debtors	244,269	69,983
Prepayments and accrued income	25,712	60,863
VAT recoverable	14,294	13,162
	<u>318,030</u>	<u>144,008</u>

20. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	28,758	55,398
Other taxation and social security	79,735	75,151
Other creditors	119,230	87,197
Accruals and deferred income	278,897	397,381
	<u>506,620</u>	<u>615,127</u>

	2020 £	2019 £
Deferred income		
Deferred income at 1 September 2019	170,407	200,579
Resources deferred during the year	125,495	170,407
Amounts released from previous periods	(170,407)	(200,579)
	<u>125,495</u>	<u>170,407</u>

Deferred income includes Music fees received in advance and boarding deposits and fees.

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21. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through income and expenditure	2,602,114	2,629,711
Financial assets that are debt instruments measured at amortised cost	278,024	69,983
	<u>2,880,138</u>	<u>2,699,694</u>
	2020 £	2019 £
Financial liabilities		
Financial liabilities measured at amortised cost	425,456	539,975

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 and other creditors.

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds - all funds	1,466,501	623,860	(526,786)	(41,093)	-	1,522,482
Restricted general funds						
General Annual Grant (GAG)	453,168	4,747,086	(4,599,627)	(184,234)	-	416,393
Provision of Boarding	99,402	383,076	(252,399)	(32,054)	-	198,025
Pupil Premium	402	31,709	(22,439)	-	-	9,672
Other restricted reserves	89,030	126,340	(116,184)	-	-	99,186
Pension reserve	(2,496,000)	-	(408,179)	192,179	(167,000)	(2,879,000)
	<u>(1,853,998)</u>	<u>5,288,211</u>	<u>(5,398,828)</u>	<u>(24,109)</u>	<u>(167,000)</u>	<u>(2,155,724)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	10,014,104	160,985	(454,194)	65,202	-	9,786,097
Total Restricted funds	<u>8,160,106</u>	<u>5,449,196</u>	<u>(5,853,022)</u>	<u>41,093</u>	<u>(167,000)</u>	<u>7,630,373</u>
Total funds	<u>9,626,607</u>	<u>6,073,056</u>	<u>(6,379,808)</u>	<u>-</u>	<u>(167,000)</u>	<u>9,152,855</u>

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 of the academy. DfE/ESFA and other government grants are used to support teaching and learning in the academy. Other restricted funds support teaching and learning and student language skills.

Boarding funds support the provision of boarding activities.

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

Other restricted reserves are various funds which are applied to specific restricted purposes.

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22. Statement of funds (continued)

The pension reserve represents the deficit on the 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 £8,528 was transferred to restricted fixed asset reserve from restricted funds. This is capital expenditure met from GAG. A further transfer of £41,093 from unrestricted funds, and £15,581 from boarding funds was made to restricted fixed asset reserve in respect of capital expenditure.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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22. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds - all funds	1,205,236	1,024,321	(758,231)	(4,825)	-	1,466,501
Restricted funds						
General Annual Grant (GAG)	541,826	4,427,453	(4,342,356)	(173,755)	-	453,168
Provision of Boarding	131,078	368,400	(293,854)	(106,222)	-	99,402
Pupil Premium	402	25,371	(25,371)	-	-	402
Other restricted reserves	88,906	143,213	(143,089)	-	-	89,030
Pension reserve	(1,940,000)	-	(367,570)	161,570	(350,000)	(2,496,000)
	<u>(1,177,788)</u>	<u>4,964,437</u>	<u>(5,172,240)</u>	<u>(118,407)</u>	<u>(350,000)</u>	<u>(1,853,998)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	10,235,730	135,132	(479,990)	123,232	-	10,014,104
Total Restricted funds	<u>9,057,942</u>	<u>5,099,569</u>	<u>(5,652,230)</u>	<u>4,825</u>	<u>(350,000)</u>	<u>8,160,106</u>
Total funds	<u>10,263,178</u>	<u>6,123,890</u>	<u>(6,410,461)</u>	<u>-</u>	<u>(350,000)</u>	<u>9,626,607</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	9,611,284	9,611,284
Current assets	1,522,482	1,229,896	174,813	2,927,191
Creditors due within one year	-	(506,620)	-	(506,620)
Provisions for liabilities and charges	-	(2,879,000)	-	(2,879,000)
Total	<u>1,522,482</u>	<u>(2,155,724)</u>	<u>9,786,097</u>	<u>9,152,855</u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	9,960,836	9,960,836
Current assets	1,466,501	1,257,129	53,268	2,776,898
Creditors due within one year	-	(615,127)	-	(615,127)
Provisions for liabilities and charges	-	(2,496,000)	-	(2,496,000)
Total	<u>1,466,501</u>	<u>(1,853,998)</u>	<u>10,014,104</u>	<u>9,626,607</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of financial activities)	(306,752)	(286,571)
Adjustments for:		
Depreciation	456,906	479,990
Capital grants from DfE and other capital income	(160,985)	(128,984)
Interest receivable	(4,851)	(5,753)
(Increase)/decrease in stocks	(3,868)	1,625
(Increase)/decrease in debtors	(174,022)	56,022
Decrease in creditors	(108,507)	(135,259)
Defined benefit pension scheme cost less contributions payable	171,000	156,000
Defined benefit pension scheme finance cost	44,000	49,000
Defined benefit pension scheme administration cost	1,000	1,000
Profit on disposal of fixed assets	(2,711)	-
Net cash (used in)/provided by operating activities	(88,790)	187,070

25. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	4,851	5,753
Purchase of tangible fixed assets	(107,743)	(209,352)
Proceeds from the sale of tangible fixed assets	3,100	-
Capital grants from DfE Group	160,985	128,984
Net cash provided by/(used in) investing activities	61,193	(74,615)

26. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	2,602,114	2,629,711
Total cash and cash equivalents	2,602,114	2,629,711

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

27. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	2,629,711	(27,597)	2,602,114
	<u>2,629,711</u>	<u>(27,597)</u>	<u>2,602,114</u>

28. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>147,517</u>	<u>3,906</u>

29. 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 2016.

Contributions amounting to £82,590 were payable to the schemes at 31 August 2020 (2019 - £66,137) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. 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.

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29. Pension commitments (continued)

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 (HMT) 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 £590,706 (2019 - £377,567).

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.

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 2020 was £243,000 (2019 - £207,000), of which employer's contributions totalled £192,000 (2019 - £162,000) and employees' contributions totalled £ 51,000 (2019 - £45,000). The agreed contribution rates for future years are 23.4 to 25.0 per cent for employers and variable rates of 5.5 to 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.

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29. Pension commitments (continued)

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	3.3	3.75
Rate of increase for pensions in payment/inflation	2.3	2.25
Discount rate for scheme liabilities	1.6	1.85
Inflation assumption (CPI)	2.3	2.25
Commutation of pensions to lump sums	50.00	50.00

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	21.8	21.3
Females	23.8	23.6
<i>Retiring in 20 years</i>		
Males	23.2	23.0
Females	25.2	25.4

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	5,221	4,448
Discount rate -0.1%	5,451	4,636
Mortality assumption - 1 year increase	5,542	4,724
Mortality assumption - 1 year decrease	5,136	4,365
CPI rate +0.1%	5,343	4,625
CPI rate -0.1%	5,327	4,459

Share of scheme assets

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

	2020 £	2019 £
Equities	1,522,000	1,289,000
Gilts	105,000	112,000
Corporate bonds	137,000	115,000

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29. Pension commitments (continued)

Property	191,000	164,000
Cash and other liquid assets	67,000	60,000
Derivatives	285,000	200,000
Other managed funds	149,000	105,000
Total market value of assets	2,456,000	2,045,000

The actual return on scheme assets was £57,000 (2019 - £150,000).

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

	2020 £	2019 £
Current service cost	(363,179)	(317,571)
Interest cost	(44,000)	(49,000)
Administrative expenses	(1,000)	(1,000)
Total amount recognised in the Statement of financial activities	(408,179)	(367,571)

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

	2020 £	2019 £
At 1 September	4,543,566	3,672,995
Current service cost	363,179	317,571
Interest cost	84,000	97,000
Employee contributions	51,000	45,000
Actuarial losses	346,000	452,000
Benefits paid	(50,000)	(41,000)
At 31 August	5,337,745	4,543,566

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29. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	2,047,566	1,732,995
Interest income	40,000	48,000
Actuarial gains	179,000	102,000
Employer contributions	192,179	161,571
Employee contributions	51,000	45,000
Benefits paid	(50,000)	(41,000)
Administration expenses	(1,000)	(1,000)
At 31 August	2,458,745	2,047,566

30. Operating lease commitments

At 31 August 2020 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	2,042	2,042
Later than 1 year and not later than 5 years	1,871	3,913
	3,913	5,955

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2020 £	2019 £
Operating lease rentals	2,042	1,444

31. 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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32. 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 Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place during the period of account:

Birkett Long LLP - of which P Hoddell is a partner:

The trust received legal services of £340 (2019: £4,857). At the year end £nil (2019: £384) was outstanding which is included in trade creditors.

During the year Mrs K Livingston who is the wife of A Livingston, a SLT member, was employed by the school as a teacher, and was remunerated in accordance with her contract of employment on Band 3 of the pay scale.

During the year Mrs M Russell who is the wife of J Russell, a trustee, was employed by the school as a teacher, and was remunerated in accordance with her contract of employment on Band 3 of the pay scale.

In entering into the transactions above, the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

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**NOTES TO THE FINANCIAL STATEMENTS
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33. Academy Boarding Trading Account

	2020 £	2019 £
Income		
Fee income	361,250	368,400
Government grant - CJRS	21,826	-
	<u>383,076</u>	<u>368,400</u>
Direct Costs		
Goods and services	(33,659)	(47,577)
Other direct costs	(12,203)	(17,925)
	<u>(45,862)</u>	<u>(65,502)</u>
Total direct costs	(45,862)	(65,502)
Indirect costs		
Staff costs	(173,582)	(151,439)
Utilities	(18,912)	(43,874)
Security	-	(46)
Buildings maintenance	(19,586)	(15,160)
Other indirect costs	(10,930)	(17,833)
	<u>(223,010)</u>	<u>(228,352)</u>
Total indirect costs	(223,010)	(228,352)
Transfer to restricted fixed asset fund	(15,581)	(106,222)
	<u>98,623</u>	<u>(31,676)</u>
Surplus b/fwd at 1 September 2019	99,402	131,078
Surplus c/fwd at 31 August 2020	<u><u>198,025</u></u>	<u><u>99,402</u></u>

34. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year ending 31 August 2020 the trust received £9,889 (2019: £9,656) and disbursed £4,550 (2019: £6,833) from the fund. There was a balance of £10,341 (2019: £4,171) at the year end which is included in other creditors.

The academy trust collected income on behalf of Essex Music Services of £43,828 (2019: £64,941), and paid over £41,604 (£61,380) during the year. After bank charges of £665 there was a balance at the year end of £3,984.