

AMENDED

Company Registration Number: 7769103 (England & Wales)

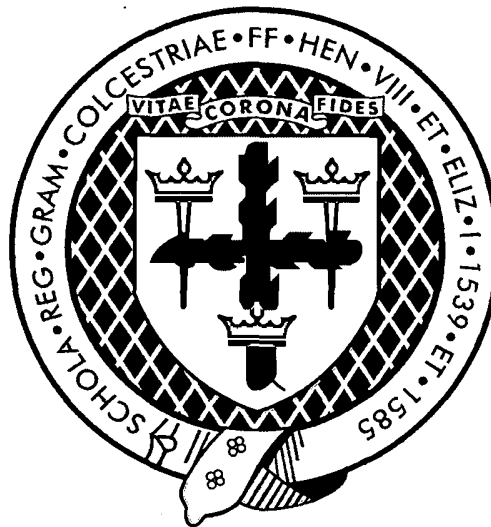
These amended accounts replace the original and are now
the statutory accounts

COLCHESTER ROYAL GRAMMAR SCHOOL

(A company limited by guarantee)

AMENDED ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021



<p>COLCHESTER ROYAL GRAMMAR SCHOOL (A company limited by guarantee)</p>

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr J R Russell (resigned 8 February 2021) Dr J G Tillett MBE Mr J C Johnston Mrs J Owens Mr P M Roberts (resigned 30 September 2021) Mrs G A Barritt Mrs J Perry Mr R A Crayston Mr P Hoddell (appointed 1 September 2021)
Trustees	Mr J Russell, Headmaster & Accounting Officer Mr P M Roberts (resigned 30 September 2021) Mrs D M Hoy (retired 27 March 2021) Mr R T Neale (retired 5 July 2021) ¹ Mr R A Crayston Mr G Constantinides (retired 25 November 2021) Mrs E Anning Mrs K Vargas (appointed 7 June 2021) Mr J Carter Mr T de Souza-Ingle (appointed 14 June 2021) Mr D Ratcliffe (retired 7 June 2021) ¹ 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 ¹ Mrs K Finbow Mr D Farruggio

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

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
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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 Vizards
Orchard Court
Orchard Lane
Bristol
Essex
BS1 5WS

Birkett Long
1 Amphora Place
Colchester
Essex
CO3 3WG

COLCHESTER ROYAL GRAMMAR SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021. 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.

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 conscious of its wider community responsibilities, plays a significant role in community cohesion.

It had a roll of 1012 as at the Spring 2021 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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 LEA
Co-opted	3	Appointed by Governing Body
Headmaster	1	Ex Officio

The above table shows who or what body appoints 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 may appoint a 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.

The Trustees are currently looking at adopting the most up to date model of Articles of Association and if it decides to do so, this will change the composition of the Governing Body.

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. 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 (the Accounting Officer) is responsible for the leadership, management and operation of the

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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 Team which includes a Deputy Head, two Assistant Heads and the Business Manager. These senior members 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 Team.

Committees of the Governing Body have delegated responsibilities for Personnel, Curriculum, Finance, Premises and, Salaries. Student Discipline, Staff Discipline, Salary Appeals and Admissions, Chairs Monitoring 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, Safeguarding, GDPR and Boarding. There are also strategic groups with senior management and Trustee representation which consider and report on the key areas such as our Statement of Action and Support Plan, 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 Board of Trustees to make decisions on pay within the scales which have been approved by the Board of Trustees.

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%-50%	1
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£90
Percentage of paybill spent on facility time	0.002%
Total pay bill	£4,890,507

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Paid trade union activities

Time spent on paid 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 (dated 20 February 2012) at a peppercorn (zero) rent to allow the land and premises owned by the 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.

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.

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 and uphold our four core values Compassion; Respect; Generosity; and Support and to be committed to continuous improvement in every aspect of our 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

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Trustees' 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 2020/21 were:

Raising the profile of Equality, Diversity and Inclusion and promoting positive attitudes
Key focus on safeguarding
Promoting positive attitudes towards everyone in our community that holds a Protected Characteristic
Developing and measuring school culture
Restructuring the PSHE and RSE programmes
Support plans with monitoring mechanisms
Maintain the school's national academic standing
Continue to make savings and generate income to respond to the reduced funding level
Continue development of a 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
Continue successful implementation of online teaching and encouraging homeworking during lockdown as necessary
Submission of Condition Improvement Fund bids to replace the current boilers and increase the electrical supply to the school
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+
Respond to staffing changes and recruit a high calibre staff for 2020/21
Promote CRGS core values
Continue to develop links with the alumni association, the Old Colcestrian Society
Provide bespoke practice for the university entrance exams

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 Team 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. There was a period of online learning this year.

The success criteria involved the maintenance of our academic outcomes and league positions, especially in comparison with other BASS schools, along with the continued 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 measured 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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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 some 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. Schools Out continued to hire areas of the school to provide a very successful school holiday activity camp catering for all age groups from 4-16 years old.

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 2020/21 and able to recruit to capacity at 11+. 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 OCs worked with the Academy to focus on the academies 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 and 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 Governors 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.

The academic results at all levels in 2021 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 again provided for students for university entrance exams.

In the extracurricular field CRGS had full and strong fixture lists in all sports but this was then impacted by COVID 19. We were unable to hold our usually 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.

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 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.

Key Performance Indicators

The Boarding Ofsted of May 2021 judged the provision 'requires improvement to be good' in all categories. The recommendations are being acted on. It was acknowledged that there are no serious or widespread failures and the Boarders have high aspirations and achieve good results. All Boarders spoken with said that they enjoyed the boarding experience. The Boarders are highly motivated and have a strong focus on academic attainment

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and achievement.

The Academy Ofsted of May 2021 rated the quality of education as Good and the Sixth form provision as Good with three other areas as inadequate. The report is on the Academy website. The recommendations are being acted on and a Statement of Action and Support Plan has been drawn up by the Academy.

The school received 'outstanding' internal audit reports from School Choice for its finance operation in 2020/21.

The 2021 exam results will not be reported by the DfE, so there are no official Progress 8 scores. Once again, due to the pandemic, the nationally standardised assessments of A levels and GCSEs did not take place, with schools being given the responsibility of producing estimated grades for their cohort of students. Following DfE and Ofqual advice, an evidence-based process was adopted to estimate grades for the students, with the processes for departments subject to internal and external quality assurance. We are very pleased with the rigorous and robust systems used by our teachers, and proud of the outstanding results achieved by our students, both reflecting their high ability achieved in spite of all they have gone through.

Financial KPI's

	2021	2020
GAG income per student (including Teachers Pay & Pension grants)	£5,263	£4,704
GAG income as % of total income	82.71%	77.76%
Staff costs as % of GAG income	97.58%	104.15%
Teaching staff expenditure per student	£3,858	£3,705

Going Concern

As a result of the Ofsted report May 2021 a Termination Warning Notice was issued to the Members and Trustees of the Academy on 9 July 2021 but no further action has been taken by the government or RSC as yet and we continue to operate as an Academy.

Notwithstanding the above 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.

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 2021 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.

The result for the year is a deficit of £194,805 when including fixed asset and pension movements. Excluding these movements, the Academy has made a surplus of £369,945. This is reflected in the surplus on unrestricted funds of £148,788 plus the surplus on restricted funds (excluding pension reserves) of £221,157 (2020: a surplus of £143,165). All expenditure has supported the objectives of the Academy. The restricted and unrestricted income fund reserves held at 31 August 2021 were £2,615,703. These reserves are held to support the Academy budget in times of uncertain funding levels, increasing employer pension contributions and to support the Academy funding contributions towards replacement boilers and to increase the electric supply to the

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Academy when we know the outcome of the appeal to the recent CIF bid. We are currently using some of our reserves to cover additional COVID 19 costs and to support our Statement of action and support plan. All expenditure has supported the key objectives of the Academy.

At 31 August 2021 the net book value of fixed assets was £9,390,909 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 students of the Academy.

In accordance with FRS102, the Academy received an actuarial assessment of the pension scheme deficit. The deficit balance of £3,107,000 is included within the balance sheet as at 31 August 2021 and supporting notes to the accounts.

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 £1,671,270 at 31 August 2021 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 for in respect of government funding.

The restricted funds not available for general purposes of the Academy Trust totalled £10,393,780. This includes the restricted fixed asset reserve of £9,449,347 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 a minimum of 8% of income (in accordance with government guidelines) will be allocated to the boarding reserves each period in order 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 resulting in less fee income. Additionally we could not carry out all the work intended to the Boarding houses. The work not completed will be carried out next year.

There is further work needed to carry out necessary refurbishment to the boarding facility.

The Academy Trust has a deficit of £3,107,000 (2020: £2,879,000) on the restricted Local Government Pension Scheme 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

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threats and risks to the Academy. They regularly monitor the Academy's operation through Trustee committees and groups.

As an Academy, the level of financial risk will essentially be determined by the Government's funding formula for academies. Government funding 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. Numbers of applicants to the Academy are high because of the Academy's provision and success. The Academy has used this popularity to increase its roll and increase its income. The Academy needs 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 continues to be subject to political decisions, and CRGS had to amend its provision to adapt to funding changes which affects it every year. 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 the Ofsted Inspection grading the school as inadequate and the subsequent development of the Action Plan to address the identified Safeguarding matters. Currently a Termination Warning Notice has been issued but no further action is currently being taken, whilst the Academy works to resolve any issues as required. This uncertainty is therefore something the trust is taking very seriously and all reasonable efforts are being all concerned. Working during the pandemic has also been a challenge. It has impacted on the way we have had to teach and support our students and 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 has proven that we always work towards achieving the very best for our students and staff.

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.

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 focus on the Academy's quality of provision 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.

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The Academy will work with pace to address the concerns from the Ofsted report. Parents were sent the Ofsted Statement of Action and Support Plan and were given the opportunity to comment.

Staff training has already taken place to implement our new and improved culture. Further training has included equality, diversity and inclusion.

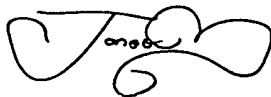
The Academy will carry out a governance review in the coming year.

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 **15 December 2021** and signed on its behalf by:



Mrs J Perry
Chair of Trustees



Mr J R 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.

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 7 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	6	7
Mrs G A Barritt (Vice Chair)	7	7
Mr J Carter	6	7
Mr G Constantinides (retired 25/11/21)	7	7
Mr R A Crayston	6	7
Mr T de Souza-Ingle (appointed 14/06/21)	2	2
Mrs H J Drake	6	7
Mr D Farruggio	7	7
Mrs K Finbow	7	7
Mr P Hoddell	6	7
Mrs D M Hoy (retired 27/03/21)	3	3
Mr J C Johnston	6	7
Mr R Neale (retired 5/07/21)	6	6
Mrs J Owens	3	7
Mrs J Perry (Chair)	7	7
Mr D Ratcliffe (retired 7/06/21)	4	5
Mr P Roberts (resigned 30/09/21)	5	7
Mr J Russell, Headmaster and Accounting Officer	7	7
Mr J G Tillet MBE	0	7
Mr I Turner	5	7
Mrs K Vargas (appointed 7/06/21)	2	2

The major challenge has been managing the impact of COVID 19. Work has been done and will continue to look at any recovery work that needs to be completed to ensure support for both the students and staff.

The Governing Board adapted their way of working to the conditions imposed by COVID19. Whilst restrictions meant the Trustees could not meet face to face all Governing Board and Committee meetings were held virtually by teams. This worked well and made it easy for Trustees to attend. There were no changes to the roles and responsibilities of the Trustees although it did impact on governors being able to carry out on site visits. Risk

COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

assessments were put in place to cover COVID and these were regularly reviewed by both the Senior Leadership Team and the Trustees.

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 with safeguarding, equality, diversity and inclusion. Changing the culture of the school is a major priority for the school highlighted by the Ofsted report and work is being done at pace to monitor and maintain progress.

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 has completed the School Resource Management self-assessment tool in March 2021.

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. The Finance Committee also undertakes the role of Audit Committee.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr J C Johnston (Committee Chair)	4	4
Mr J Russell (Headmaster)	4	4
Mr R A Crayston	4	4
Mr I Turner	4	4
Mr D Ratcliffe (retired 7/06/21)	2	2
Mr J Carter	4	4
Mrs K Finbow	4	4

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.

<p>COLCHESTER ROYAL GRAMMAR SCHOOL (A company limited by guarantee)</p>

GOVERNANCE STATEMENT (CONTINUED)

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:

We have continued to get some extremely good deals by negotiating discounts, this has achieved a real cost saving for the school (in the region of 10% to 40% on orders) as we continue to purchase a high volume of books for syllabuses and have needed additional books due to COVID.

We obtained an exceptional deal for replacing bedroom furniture in the boarding house.

Catering supplies have been more difficult due to secure because of COVID and on many occasions products have had to be substituted with alternative products. These are usually of higher value but staff negotiate the items at the price they were expecting to pay giving a saving but providing a good quality product in the restaurant.

Quotes were obtained for our new fridge freezer room in our catering department, the lowest quote was accepted and was 30% lower than the second quote

Trustees and school managers are challenged to secure the best possible outcome for pupils, in the most efficient and effective way, at a reasonable cost. This will lead to continuous improvement in the school's achievements and services.

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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 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;
- delegation of authority and segregation of duties;
- identification and management of risks

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 audit
- Testing of purchase systems
- Testing of control account/bank reconciliations
- Testing of insurance
- Testing of income controls
- Testing of governance

The internal auditor reports three times 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'.

COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

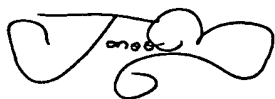
Review of effectiveness

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 financial management and the school resource management and self-assessment tool;
- the work of the Senior Leadership Team and other appropriate senior leaders 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 15 December 2021 and signed on their behalf by:



Mrs J Perry
Chair of Trustees



Mr J R Russell
Accounting Officer

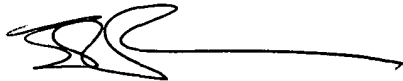
COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

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 2020.

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 2020.

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



Mr J R Russell
Accounting Officer

Date: 15 December 2021

COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021;
- 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: 15 December 2021

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

In our opinion the financial statements:

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

Basis 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.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that the Academy has received a Termination Warning Notice which could result in the termination of the funding agreement. As stated in note 1.2, these events or conditions, along with the other matters as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the Academy's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Trustees' assessment of the Academy's ability to continue to adopt the going concern basis of accounting included consideration of the representations made to the Regional Schools Commissioner and actions taken to correct deficiencies identified in the Ofsted Inspection on 11-13 May 2021.

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

<p>COLCHESTER ROYAL GRAMMAR SCHOOL (A company limited by guarantee)</p>

**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.

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)**

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

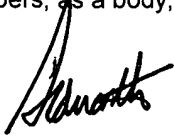
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

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)**

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: 16 December 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 2020 to 2021, 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 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

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

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

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

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


The work undertaken comprised:

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

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

Conclusion

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


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: 16 December 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 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	182,403	21,713	26,809	230,925	441,195
Other trading activities	6	55,815	56,654	-	112,469	92,814
Investments	7	1,018	-	-	1,018	4,851
Charitable activities:	4					
Provision of boarding		-	355,711	-	355,711	383,076
Funding for the academy trust's educational operations		13,627	5,488,192	-	5,501,819	4,844,068
Other income	8	237,442	5,927	-	243,369	307,052
Total income		490,305	5,928,197	26,809	6,445,311	6,073,056
Expenditure on:						
Raising funds	10	37,067	-	-	37,067	35,364
Charitable activities:	11					
Provision of boarding		-	324,804	-	324,804	268,871
Academy's educational operations		292,732	5,572,013	460,500	6,325,245	6,075,573
Total expenditure		329,799	5,896,817	460,500	6,687,116	6,379,808
Net income/(expenditure)		160,506	31,380	(433,691)	(241,805)	(306,752)
Transfers between funds	22	(11,718)	(85,223)	96,941	-	-
Net movement in funds before other recognised gains/(losses)		148,788	(53,843)	(336,750)	(241,805)	(306,752)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	29	-	47,000	-	47,000	(167,000)
Net movement in funds		148,788	(6,843)	(336,750)	(194,805)	(473,752)

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 2021

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Note					
Reconciliation of funds:					
Total funds brought forward	1,522,482	(2,155,724)	9,786,097	9,152,855	9,626,607
Net movement in funds	148,788	(6,843)	(336,750)	(194,805)	(473,752)
Total funds carried forward	1,671,270	(2,162,567)	9,449,347	8,958,050	9,152,855

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

The notes on pages 32 to 63 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2021

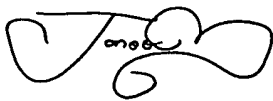
	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	17		9,390,909		9,611,284
			<u>9,390,909</u>		<u>9,611,284</u>
Current assets					
Stocks	18	5,382		7,047	
Debtors	19	133,961		318,030	
Cash at bank and in hand		3,083,938		2,602,114	
		<u>3,223,281</u>		<u>2,927,191</u>	
Creditors: amounts falling due within one year	20	(549,140)		(506,620)	
Net current assets			<u>2,674,141</u>		<u>2,420,571</u>
Total assets less current liabilities			<u>12,065,050</u>		<u>12,031,855</u>
Net assets excluding pension liability			<u>12,065,050</u>		<u>12,031,855</u>
Defined benefit pension scheme liability	29	(3,107,000)		(2,879,000)	
Total net assets			<u><u>8,958,050</u></u>		<u><u>9,152,855</u></u>
Funds of the Academy					
Restricted funds:					
Fixed asset funds	22	9,449,347		9,786,097	
Restricted income funds	22	944,433		723,276	
		<u>10,393,780</u>		<u>10,509,373</u>	
Restricted funds excluding pension asset	22	(3,107,000)		(2,879,000)	
Pension reserve	22				
Total restricted funds	22		<u>7,286,780</u>		<u>7,630,373</u>
Unrestricted income funds	22		<u>1,671,270</u>		<u>1,522,482</u>
Total funds			<u><u>8,958,050</u></u>		<u><u>9,152,855</u></u>

The financial statements on pages 27 to 63 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:

15 December 2021

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021



Mrs J Perry
Chair of Trustees

The notes on pages 32 to 63 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 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	24	694,123	(88,790)
Cash flows from investing activities	25	(212,299)	61,193
		<u>481,824</u>	<u>(27,597)</u>
Change in cash and cash equivalents in the year			
Cash and cash equivalents at the beginning of the year		2,602,114	2,629,711
Cash and cash equivalents at the end of the year	26, 27	<u><u>3,083,938</u></u>	<u><u>2,602,114</u></u>

The notes on pages 32 to 63 from part of these financial statements

COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), 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 2020 to 2021 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. The Academy received a Termination Warning Notice during the year which could result in the termination of the funding agreement. This indicates that a material uncertainty exists that may cast significant doubt on the academy's ability to continue as a going concern. The Academy is addressing matters arising and no further action has been taken by the RSC or the government, thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

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.

COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

1.6 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.

1.7 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.

1.8 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:

COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.8 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.

1.9 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.

1.10 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.

1.11 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.

1.12 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.

1.13 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
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.14 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.

1.15 Operating leases

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

1.16 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.

COLCHESTER ROYAL GRAMMAR SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.17 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.

1.18 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

COLCHESTER ROYAL GRAMMAR SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	182,403	21,713	2,844	206,960	280,210
Capital Grants	-	-	23,965	23,965	160,985
Total 2021	182,403	21,713	26,809	230,925	441,195
<i>Total 2020</i>	<i>250,601</i>	<i>29,609</i>	<i>160,985</i>	<i>441,195</i>	

4. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Academy's Educational Operations	13,627	5,488,192	5,501,819	4,844,068
Provision of Boarding Activities	-	355,711	355,711	383,076
Total 2021	13,627	5,843,903	5,857,530	5,227,144
<i>Total 2020</i>	<i>35,270</i>	<i>5,191,874</i>	<i>5,227,144</i>	

COLCHESTER ROYAL GRAMMAR SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

5. Funding for the academy's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants				
General Annual Grant	-	5,056,427	5,056,427	4,466,545
Teachers Pay & Pension Grants	-	269,226	269,226	256,150
Pupil Premium	-	35,846	35,846	31,709
Other DfE/ESFA grants	-	32,872	32,872	31,302
	-	-	5,394,371	4,785,706
Other Government grants				
Local Authority SEN funding	-	19,703	19,703	20,393
Other income from academy trust's educational operations	-	792	792	-
	-	20,495	20,495	20,393
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	49,080	49,080	-
Coronavirus exceptional support	-	(2,394)	(2,394)	2,699
COVID Mass Testing	-	26,640	26,640	-
	-	73,326	73,326	2,699
COVID-19 additional funding (non-DfE/ESFA)				
Coronavirus Job Retention Scheme grant	13,627	-	13,627	35,270
	13,627	-	13,627	35,270
Total 2021	13,627	5,488,192	5,501,819	4,844,068
Total 2020	35,270	4,808,798	4,844,068	

COLCHESTER ROYAL GRAMMAR SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

5. Funding for the academy's educational operations (continued)

The academy received £49,080 for catch-up premium and costs incurred in respect of this funding totalled £17,258, with the remaining £31,822 to be spent in 2021/22.

The academy received £26,640 for COVID mass testing funding and costs incurred in respect of this funding totalled £4,500, with the remaining £22,140 to be spent in 2021/22.

The funding applied for in 2020 for coronavirus exceptional support for £2,394 of signage, sanitisers and other equipment was not received.

The academy furloughed some of its catering and boarding staff under the government's CJRS. The funding received of £16,688 relates to staff costs in respect of 18 staff which are included within note 14 below as appropriate.

6. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Hire of facilities	44,365	-	44,365	12,060
Income from services provided	9,317	55,854	65,171	74,777
Items sold	2,133	800	2,933	5,977
Total 2021	55,815	56,654	112,469	92,814
<i>Total 2020</i>	<i>49,009</i>	<i>43,805</i>	<i>92,814</i>	

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank Interest received	1,018	1,018	4,851
<i>Total 2020</i>	<i>4,851</i>	<i>4,851</i>	

COLCHESTER ROYAL GRAMMAR SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

8. Other incoming resources

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Catering income	227,795	-	227,795	214,516
Academy trips	9,597	-	9,597	69,803
Examination fees	-	5,927	5,927	22,923
Other incoming resources	50	-	50	(190)
Total 2021	237,442	5,927	243,369	307,052
<i>Total 2020</i>	<i>284,129</i>	<i>22,923</i>	<i>307,052</i>	

9. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Expenditure on fundraising trading activities:					
Direct costs	20,071	-	16,996	37,067	35,364
Academy's Educational Operations:					
Direct costs	3,892,104	369,136	409,355	4,670,595	4,487,290
Support costs	1,115,437	97,410	441,803	1,654,650	1,588,283
Provision of Boarding Activities:					
Direct costs	12,049	-	17,013	29,062	26,342
Support costs	156,891	23,706	115,145	295,742	242,529
Total 2021	5,196,552	490,252	1,000,312	6,687,116	6,379,808
<i>Total 2020</i>	<i>4,918,783</i>	<i>494,149</i>	<i>966,876</i>	<i>6,379,808</i>	

COLCHESTER ROYAL GRAMMAR SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

10. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Other costs	16,996	16,996	26,518
Fundraising trading expenses - wages and salaries	20,071	20,071	8,846
	<u>37,067</u>	<u>37,067</u>	<u>35,364</u>
<i>Total 2020</i>	<u>35,364</u>	<u>35,364</u>	

11. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Academy's Educational Operations	292,732	6,032,513	6,325,245	6,075,573
Provision of Boarding Activities	-	324,804	324,804	268,871
	<u>292,732</u>	<u>6,357,317</u>	<u>6,650,049</u>	<u>6,344,444</u>
<i>Total 2020</i>	<u>491,422</u>	<u>5,853,022</u>	<u>6,344,444</u>	

COLCHESTER ROYAL GRAMMAR SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

12. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Academy's Educational Operations	4,670,595	1,654,650	6,325,245	6,075,573
Provision of Boarding Activities	29,062	295,742	324,804	268,871
Total 2021	4,699,657	1,950,392	6,650,049	6,344,444
<i>Total 2020</i>	<i>4,513,632</i>	<i>1,830,812</i>	<i>6,344,444</i>	

Analysis of direct costs

	Academy's Educational Operations 2021 £	Provision of Boarding 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	3,892,104	12,049	3,904,153	3,720,223
Depreciation	460,500	-	460,500	454,194
Technology costs	52,021	5,870	57,891	40,909
Educational supplies	76,349	10,637	86,986	77,732
Examination fees	124,972	191	125,163	124,815
Staff development	13,733	315	14,048	6,119
Educational consultancy	36,420	-	36,420	24,476
Other direct costs	14,496	-	14,496	65,164
Total 2021	4,670,595	29,062	4,699,657	4,513,632
<i>Total 2020</i>	<i>4,487,290</i>	<i>26,342</i>	<i>4,513,632</i>	

COLCHESTER ROYAL GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

12. Analysis of expenditure by activities (continued)

Analysis of support costs

	Academy's Educational Operations 2021 £	Provision of Boarding 2021 £	Total funds 2021 £	Total funds 2020 £
Pension finance cost	44,000	-	44,000	44,000
Staff costs	1,115,437	156,891	1,272,328	1,189,714
Legal costs - other	17,582	-	17,582	340
Technology costs	10,096	-	10,096	25,495
Recruitment and support	25,973	6,000	31,973	23,719
Maintenance of premises and equipment	70,014	23,012	93,026	101,837
Cleaning	19,795	941	20,736	13,100
Rent rates and water	29,936	694	30,630	31,332
Energy costs	69,618	35,886	105,504	86,124
Insurance	24,331	-	24,331	24,562
Travel and subsistence	22	154	176	4,496
Catering	126,679	52,652	179,331	160,356
Bank charges	4,161	-	4,161	7,427
Other support costs	88,561	19,512	108,073	109,388
Governance costs	8,445	-	8,445	8,922
Total 2021	<u>1,654,650</u>	<u>295,742</u>	<u>1,950,392</u>	<u>1,830,812</u>
<i>Total 2020</i>	<u>1,588,283</u>	<u>242,529</u>	<u>1,830,812</u>	

COLCHESTER ROYAL GRAMMAR SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

13. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	2,042	2,042
Depreciation of tangible fixed assets	460,501	456,906
Profit on disposal of fixed assets	-	(2,712)
Governance internal audit costs	967	1,122
Fees paid to auditors for:		
- audit	7,800	7,750
- other services	3,575	3,625
	<u>7,800</u>	<u>7,750</u>
	<u>3,575</u>	<u>3,625</u>

14. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	3,749,277	3,594,588
Social security costs	356,412	335,353
Pension costs	1,054,386	953,885
	<u>5,160,075</u>	<u>4,883,826</u>
Agency staff costs	36,477	34,957
	<u>5,196,552</u>	<u>4,918,783</u>

Staff restructuring costs comprise:

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

Staff restructuring costs were £nil (2019 £nil)

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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:

	2021 No.	2020 No.
Teachers	72	78
Administration and support	109	125
Management	5	5
	<u>186</u>	<u>208</u>

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Teachers	60	55
Administration and support	43	41
Management	5	5
	<u>108</u>	<u>101</u>

d. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	2	2
In the band £100,001 - £110,000	1	1
	<u>3</u>	<u>3</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 £592,145 (2020 £532,724).

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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:

		2021 £	2020 £
Mr J Russell, Headmaster & Accounting Officer	Remuneration	105,000 - 110,000	100,000 - 105,000
	Pension contributions paid	25,000 - 30,000	20,000 - 25,000
Mr D Ratcliffe (retired 7 June 2021)	Remuneration	25,000 - 30,000	30,000 - 35,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
Mr R T Neale (retired 5 July 2021)	Remuneration	25,000 - 30,000	25,000 - 30,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
Mrs H J Drake	Remuneration	45,000 - 50,000	20,000 - 25,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

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 2021 was £79 (2020 - £182). The cost of this insurance is included in the total insurance cost.

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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 2020	7,877,954	4,359,511	519,064	179,042	422,944	5,313	12,301	13,376,129
Additions	12,791	3,495	32,429	-	52,702	-	138,709	240,126
Disposals	-	-	-	-	(21,923)	-	-	(21,923)
Transfers between classes	-	151,010	-	-	-	-	(151,010)	-
At 31 August 2021	7,890,745	4,514,016	551,493	179,042	453,723	5,313	-	13,594,332
Depreciation								
At 1 September 2020	1,725,873	1,120,337	362,257	173,414	377,651	5,313	-	3,764,845
Charge for the year	290,154	78,982	52,621	3,722	35,022	-	-	460,501
On disposals	-	-	-	-	(21,923)	-	-	(21,923)
At 31 August 2021	2,016,027	1,199,319	414,878	177,136	390,750	5,313	-	4,203,423

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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 2021	<u>5,874,718</u>	<u>3,314,697</u>	<u>136,615</u>	<u>1,906</u>	<u>62,973</u>	<u>-</u>	<u>-</u>	<u>9,390,909</u>
At 31 August 2020	<u>6,152,081</u>	<u>3,239,174</u>	<u>156,807</u>	<u>5,628</u>	<u>45,293</u>	<u>-</u>	<u>12,301</u>	<u>9,611,284</u>

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

	2021 £	2020 £
Raw materials and consumables	5,382	7,047

19. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	2,314	33,755
Other debtors	5,347	41,662
Prepayments and accrued income	107,798	228,319
VAT recoverable	18,502	14,294
	133,961	318,030

20. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	88,157	28,758
Other taxation and social security	88,975	79,735
Other creditors	135,579	119,230
Accruals and deferred income	236,429	278,897
	549,140	506,620
	2021 £	2020 £
Deferred income		
Deferred income at 1 September 2020	125,495	170,407
Resources deferred during the year	162,522	125,495
Amounts released from previous periods	(125,495)	(170,407)
	162,522	125,495

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

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through income and expenditure	3,083,938	2,602,114
Financial assets that are debt instruments measured at amortised cost	62,081	278,024
	<u>3,146,019</u>	<u>2,880,138</u>
	2021 £	2020 £
Financial liabilities		
Financial liabilities shown at amortised cost	460,165	425,456

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 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	1,522,482	476,678	(316,172)	(11,718)	-	1,671,270
Coronavirus Job Retention Scheme grant	-	13,627	(13,627)	-	-	-
	<u>1,522,482</u>	<u>490,305</u>	<u>(329,799)</u>	<u>(11,718)</u>	<u>-</u>	<u>1,671,270</u>
Restricted general funds						
General Annual Grant (GAG)	416,393	5,299,943	(4,937,871)	(271,433)	-	507,032
Pupil Premium	9,672	35,846	(29,013)	-	-	16,505
Other restricted reserves	99,186	187,617	(104,272)	(22,389)	-	160,142
Catch-up premium	-	49,080	(17,258)	-	-	31,822
Coronavirus Job Retention Scheme grant	-	3,061	(3,061)	-	-	-
Provision of Boarding	198,025	352,650	(321,743)	-	-	228,932
Pension reserve	(2,879,000)	-	(483,599)	208,599	47,000	(3,107,000)
	<u>(2,155,724)</u>	<u>5,928,197</u>	<u>(5,896,817)</u>	<u>(85,223)</u>	<u>47,000</u>	<u>(2,162,567)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	9,786,097	26,809	(460,500)	96,941	-	9,449,347
Total Restricted funds	<u>7,630,373</u>	<u>5,955,006</u>	<u>(6,357,317)</u>	<u>11,718</u>	<u>47,000</u>	<u>7,286,780</u>
Total funds	<u><u>9,152,855</u></u>	<u><u>6,445,311</u></u>	<u><u>(6,687,116)</u></u>	<u><u>-</u></u>	<u><u>47,000</u></u>	<u><u>8,958,050</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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22. Statement of funds (continued)

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.

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 £85,224 was transferred to restricted fixed asset reserve from restricted funds. This is capital expenditure met from GAG. A further transfer of £11,718 from unrestricted 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 2021.

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22. Statement of funds (continued)

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

	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 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>

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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 year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	9,390,909	9,390,909
Current assets	1,671,270	1,493,573	58,438	3,223,281
Creditors due within one year	-	(549,140)	-	(549,140)
Provisions for liabilities and charges	-	(3,107,000)	-	(3,107,000)
Total	1,671,270	(2,162,567)	9,449,347	8,958,050

Analysis of net assets between funds - prior year

	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	1,522,482	(2,155,724)	9,786,097	9,152,855

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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

	2021 £	2020 £
Net expenditure for the year (as per Statement of financial activities)	(241,805)	(306,752)
Adjustments for:		
Depreciation	460,501	456,906
Capital grants from DfE and other capital income	(26,809)	(160,985)
Interest receivable	(1,018)	(4,851)
Decrease/(increase) in stocks	1,665	(3,868)
Decrease/(increase) in debtors	184,069	(174,022)
Increase/(decrease) in creditors	42,520	(108,507)
Defined benefit pension scheme cost less contributions payable	229,000	171,000
Defined benefit pension scheme finance cost	44,000	44,000
Defined benefit pension scheme administration cost	2,000	1,000
Profit on disposal of fixed assets	-	(2,711)
Net cash provided by/(used in) operating activities	694,123	(88,790)

25. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	1,018	4,851
Purchase of tangible fixed assets	(240,126)	(107,743)
Proceeds from the sale of tangible fixed assets	-	3,100
Capital grants from DfE Group	26,809	160,985
Net cash (used in)/provided by investing activities	(212,299)	61,193

26. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	3,083,938	2,602,114
Total cash and cash equivalents	3,083,938	2,602,114

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	2,602,114	481,824	3,083,938
	<u>2,602,114</u>	<u>481,824</u>	<u>3,083,938</u>

28. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	-	147,517
	<u>-</u>	<u>147,517</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 2019.

Contributions amounting to £90,797 were payable to the schemes at 31 August 2021 (2020 - £82,590) 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 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 £616,787 (2020 - £590,706).

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 2021 was £261,000 (2020 - £243,000), of which employer's contributions totalled £209,000 (2020 - £192,000) and employees' contributions totalled £ 52,000 (2020 - £51,000). 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

	2021 %	2020 %
Rate of increase in salaries	3.9	3.3
Rate of increase for pensions in payment/inflation	2.9	2.3
Discount rate for scheme liabilities	1.65	1.6
Inflation assumption (CPI)	2.9	2.3
Commutation of pensions to lump sums	50	50.00

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

	2021 Years	2020 Years
<i>Retiring today</i>		
Males	21.6	21.8
Females	23.6	23.8
<i>Retiring in 20 years</i>		
Males	22.9	23.2
Females	25.1	25.2

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	135	114
Discount rate -0.1%	(138)	(116)
Mortality assumption - 1 year increase	(138)	(116)
Mortality assumption - 1 year decrease	253	199
CPI rate +0.1%	(9)	(8)
CPI rate -0.1%	9	8

Share of scheme assets

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

	2021 £	2020 £
Equities	2,069,000	1,522,000
Gilts	81,000	105,000
Corporate bonds	150,000	137,000

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29. Pension commitments (continued)

Property	226,000	191,000
Cash and other liquid assets	90,000	67,000
Derivatives	359,000	285,000
Other managed funds	257,000	149,000
Total market value of assets	3,232,000	2,456,000

The actual return on scheme assets was £588,000 (2020 - £57,000).

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

	2021 £	2020 £
Current service cost	(437,599)	(363,179)
Interest cost	(44,000)	(44,000)
Administrative expenses	(2,000)	(1,000)
Total amount recognised in the Statement of financial activities	(483,599)	(408,179)

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

	2021 £	2020 £
At 1 September	5,337,745	4,543,566
Current service cost	437,599	363,179
Interest cost	85,000	84,000
Employee contributions	52,000	51,000
Actuarial losses	500,000	346,000
Benefits paid	(71,000)	(50,000)
At 31 August	6,341,344	5,337,745

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29. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	2,458,745	2,047,566
Interest income	41,000	40,000
Actuarial gains	547,000	179,000
Employer contributions	208,599	192,179
Employee contributions	52,000	51,000
Benefits paid	(71,000)	(50,000)
Administration expenses	(2,000)	(1,000)
At 31 August	3,234,344	2,458,745

30. Operating lease commitments

At 31 August 2021 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	1,871	2,042
Later than 1 year and not later than 5 years	-	1,871
	1,871	3,913

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

	2021 £	2020 £
Operating lease rentals	2,042	2,042
Changes in lease payments arising from COVID-19 related rent concessions	-	-

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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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 £690 (2020: £340). At the year end £828 (2020: £nil) 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

	2021 £	2020 £
Income		
Fee income	380,950	361,250
Boarding fee rebates	(28,300)	-
Government grant - CJRS	3,061	21,826
	<u>355,711</u>	<u>383,076</u>
Direct Costs		
Goods and services	(53,355)	(33,659)
Other direct costs	(17,957)	(12,203)
	<u>(71,312)</u>	<u>(45,862)</u>
Total direct costs		
Indirect costs		
Staff costs	(168,939)	(173,582)
Utilities	(40,710)	(18,912)
Bad debts	(10,184)	-
Buildings maintenance	(21,283)	(19,586)
Other indirect costs	(12,376)	(10,930)
	<u>(253,492)</u>	<u>(223,010)</u>
Total indirect costs		
Transfer to restricted fixed asset fund	-	(15,581)
	<u>30,907</u>	<u>98,623</u>
Surplus b/fwd at 1 September 2019	198,025	99,402
Surplus c/fwd at 31 August 2020	<u><u>228,932</u></u>	<u><u>198,025</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.