

Company Registration No. 07633715 (England and Wales)

SUTTON GRAMMAR SCHOOL TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021

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SUTTON GRAMMAR SCHOOL TRUST

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SUTTON GRAMMAR SCHOOL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr J R Edwards
Mr G W Jones
Mrs S Lalani
Mr C Townsend

Trustees

Mr J R Edwards (Chairman)
Mr B A Cloves (Accounting Officer and Headmaster)
Ms F H E Alexander
Mr P S Chambers
Mr D G Hobbs
Mr G W Jones
Mr T G Kohler
Mr A J Marsh
Mr R W Murrill
Ms N Prasad
Mr P J Ritson
Dr L Holt (Appointed 18 January 2021)
Mr W D Humphries (Appointed 1 February 2021)
Mr A M Melbourne (Appointed 7 June 2021)
Mr D Rustagi (Resigned 11 September 2020)
Mr R A Pletts (Resigned 31 January 2021)

Senior Leadership Team

- Headmaster	Mr B A Cloves
- Deputy Head	Mrs K Ross
- Assistant Head	Mr S Brook
- Assistant Head	Mr J Costello
- Bursar	Mrs E C Beach (Resigned 28 February 2021)
- Director of Finance and Operations	Mr P W Whittle (Appointed 1 January 2021)

Company secretary

Dr N S Wrench

Company registration number

07633715 (England and Wales)

Principal and registered office

Manor Lane
Sutton
Surrey
SM1 4AS

Independent auditor

Alliotts LLP
Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL

SUTTON GRAMMAR SCHOOL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Vivash Brand LLP
Nonsuch House
538-542 London Road
Sutton
SM3 9AA

Internal auditor

A J Bennewith & Co
Ynot House 3
Wey Court
Mary Road
Guildford
GU1 4QU

SUTTON GRAMMAR SCHOOL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

CHAIRMAN'S FOREWORD

This year's Report once again, of necessity, makes many references to the effects of the Covid-19 pandemic on the Trust's academic and business operations. This continued to dominate day-to-day operations across all three terms, requiring both commitment and flexibility from staff to, for example, teach both on line and in classroom and manage exceptional events such as testing all students for infection. Investments in teaching and communications technology, along with the professional development of teachers, have equipped the School well to respond effectively to future Covid-19 related requirements.

Away from the classroom, restrictions imposed during the year prevented the School from offering a programme of extra-curricular activities, the wide range of which is in normal times an important and much valued feature of student life. Since the full return to school in September 2021, the programme has been reintroduced. It has also not been possible for the Headmaster to meet new and prospective parents as a group for two years, having to present by video even at open days.

After managing the much-debated Centre Assessed Grades process in 2020, providing Teacher Assessed Grades in 2021 for all GCSE and A-level students posed new challenges. It required not only careful and rigorously fair assessments by teachers but also important support from our exams office to ensure that all the necessary documentation was uploaded to the exam boards. Although direct comparisons of grades with previous years' examination results are hard to interpret, most students progressed to universities and from GCSE into the sixth form as usual. The Board records its appreciation of the exceptional efforts made by the teaching staff to ensure that students whose school careers have been so disrupted by Covid-19 have not been disadvantaged.

The provision of outstanding pastoral care is a central commitment which the School makes to its students and their families. The programme, led by Deputy Head Mrs Ross, whose team was strengthened both in teaching and support staff, continued and has been widely praised through all the difficulties and uncertainties of Covid-19 disruption, which home circumstances made particularly challenging for some. Mrs Ross also managed the establishment of the rapid test centre and I extend the Board's thanks to her and other staff involved, but also to the trustees, parents and volunteers from the local community who supported the testing - a successful enterprise outside a school's normal experience.

Financially the school achieved a modest surplus - a reassuring outcome in the circumstances of the year, with many fluctuations in extra costs but also savings compared with the original budget - which reflected careful management. The result was all the more welcome in light of a change of chief finance officer in mid year. Mrs Elaine Beach retired after 29 years with the Trust and its predecessor schools. Her precise and careful stewardship was much appreciated. Mr Paul Whittle replaced her with a modified brief as Director of Finance and Operations, inheriting a clean set of accounts but also the complexities of the pandemic. He has progressed a number of longer term initiatives which will support the Headmaster's and Trust's vision for the School.

Mr Cloves could scarcely have imagined what the future held when he took up his appointment as Headmaster in September 2019. The Board affirms its appreciation of his leadership, resourcefulness and resilience which has enabled the progress outlined in this report to be achieved; and to him and all the staff for the successful operation of the school in exceptional and demanding circumstances.



Julian Edwards
Chairman
Sutton Grammar School Trust

SUTTON GRAMMAR SCHOOL TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 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.

The Trust operates a selective grammar school for students aged 11 to 18 serving a catchment area in South West London and North East Surrey. During the year under review the School had 678 male students on roll in years 7 – 11 and a further 344 students (including girls) in years 12 and 13.

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 charitable company is known as Sutton Grammar School.

The trustees of Sutton Grammar School Trust are also the directors of the charitable company for the purposes of company law. 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.

Trustees' indemnities

In accordance with normal commercial practice the Trust purchases insurance to protect trustees and officers from claims for negligent acts, errors and omissions whilst on Trust business. The insurance provides cover up to £10 million on any one claim and the cost for the year ended 31 August 2021 was £196 (2020: £146)

Method of recruitment and appointment or election of trustees

Four trustees appointed by the Members served throughout the year.

The composition of the Trust Board requires a minimum of two trustees to be elected by registered parents by nomination and secret ballot. Mr Rustagi, an elected parent trustee, resigned on 11 September 2020. Ms Alexander a former parent trustee was not eligible for re-election and was co-opted by the Board on completion of her elected term in February 2021.

Dr Holt joined the Board in January 2021 as Board appointed parent trustee following a recommendation from the Nominations Committee. Mr Melbourne was elected as a parent trustee in June 2021. Ms Prasad, parent elected trustee, served throughout the year.

Two staff trustees serve on the Board. Mr Marsh served throughout the year. Mr Humphries was elected to the Board in February 2021 following the resignation of Mr Pletts.

Policies and procedures adopted for the induction and training of trustees

Trustees receive a detailed briefing on their role and specific training is arranged where a need is identified.

SUTTON GRAMMAR SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Organisational structure

The Board is responsible for all strategic decisions. It is supported by five standing committees:

- the Finance and General Purposes Committee (FGPC); responsible for budget setting and monitoring;
- the Admissions Committee; responsible for implementing the admissions policy and admissions decisions;
- the Curriculum Committee; has oversight of teaching and learning, the personal development programme and the provision of career guidance. It also oversees CPD for both staff and trustees;
- the Remuneration Committee;
- the Nominations Committee; considers and interviews potential trustees and makes recommendations to both the Members and the Board.

Individual trustees take on specific responsibilities to act as the link between the Board and management on issues such as: pupil discipline and behaviour, educational visits and trips, pastoral support, and health and safety. Individual trustees have individual links with teaching faculties.

The Headmaster is the Accounting Officer. The post of Bursar as Chief Financial Officer was replaced by the Director of Finance and Operations in January 2021.

The Board has delegated responsibility for all educational operations to the Headmaster. The Headmaster together with the Deputy Head, two Assistant Heads and the Director of Finance and Operations comprise the Senior Leadership Team (SLT). In January 2022 the SLT will be strengthened following the appointment of a new Assistant Head (Head of Sixth Form).

The Headmaster has authority to adjust staff numbers and other expenditure within the approved financial budget to meet the operational needs of the School.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the School responsible for directing and controlling the Academy comprise the trustees together with the SLT.

The Members of the Trust and the trustees receive no remuneration for their role as members and trustees. The Headmaster and the elected staff trustees receive remuneration only as employees of the Trust.

The Trust has an approved pay policy. It sets its own competitive pay scales for all staff below senior management. Salary progression is subject to performance assessment against agreed criteria.

The Remuneration Committee is responsible for setting and monitoring the performance objectives of the SLT. The Headmaster supports the Committee in its assessment of members of the SLT other than himself.

In setting the remuneration of the SLT the Committee benchmarks against other selective schools in terms of size, performance, and composition of the management team. It also considers relativities against other academy schools in the area.

SUTTON GRAMMAR SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period

-

Full-time equivalent employee number

-

Percentage of time spent on facility time

Percentage of time

Number of employees

0%

-

1%-50%

-

51%-99%

-

100%

-

Percentage of pay bill spent on facility time

Total cost of facility time

527

Total pay bill

-

Percentage of the total pay bill spent on facility time

-

Paid trade union activities

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

-

The Trust contributed £527 (2020: £527) to the Partnership of Sutton Secondary School Head's Board as a contribution towards the cost of union facilities. No trade union has requested facilities from the Trust.

Related parties and other connected charities and organisations

The School collaborates with the local authority and other local academy trusts on a number of general issues relevant to the provision of education across the London Borough of Sutton.

The School provides administrative services on a not-for-profit basis to the local selective schools for the running of a common entrance test designed to show whether or not a child is of selective ability. The test is open to all eligible children irrespective of place of residence.

The School benefits from the activities of the charitable incorporated organisation, Sutton Grammar School Parent Teacher Association (SGSPTA) – charity number 1168281. The SGSPTA makes grants to the Trust, mostly for the provision of tangible assets and capital projects. Mr Cloves is the President of the SGSPTA but under the Charity's Articles exercises no control over its financial policy or distributions.

The Headmaster is in accordance with tradition the elected President of the Old Suttonians Association (OSA). The Trust hires sports facilities to the OSA on a commercial terms approved by the Finance and General Purposes Committee (FGPC).

SUTTON GRAMMAR SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

Objects and aims

This report covers the period 1 September 2020 to 31 August 2021 and significant developments to the date of signing the Report.

The objective of the Trust is the advancement of education, principally secondary education.

The School admits boys to Year 7 by competitive examination. Entrance exams are also held if there are vacancies in years 8, 9 and 10. 135 boys (2020: 135) joined the School in Year 7 in September 2020. During the period there were on average 678 (2020: 675) students on roll in years 7 to 11. Because of the impact of Covid-19 on the schooling of year 6 pupils the Trust sought and gained, in conjunction with its partner schools, approval to delay until November 2020 the admissions tests for Year 7 entry in 2021. The 2022 entry tests in the autumn of 2021 were held as normal in September and October.

Most boys stay into the sixth form for A-level study. 52 (2020:49) students who met the sixth form admission requirements joined in Year 12 from other schools in September 2020 including 22 girls. There were 344 (2020:309) students on roll in the sixth form during the year.

The principal source of income is the General Annual Grant (GAG) provided by the Secretary of State for Education under the Funding Agreement between the Trust and the Secretary of State. Payment of this grant is through the Education and Skills Funding Agency (ESFA).

The Trust also receives capital grants from the DfE. It distributes the DfE bursary funds to eligible sixth formers.

Objectives, strategies and activities

It is the Trust's strategic objective to aim for excellence in all areas of the School's educational provision.

Its overall aims are to provide teaching at an outstanding level to all students in all age groups and to produce well-rounded individuals who can reach their full potential, including progressing to places at leading universities, preparing for success in their chosen careers and contributing to society. The Trust believes that this can be achieved by providing opportunities for all students to study a rich and broad curriculum and take part in a wide range of extra-curricular activities

It aims to provide an inclusive educational environment and excellent pastoral care so that all students and staff feel supported and safe, and students are encouraged to be open-minded engaged learners.

The Trust budgets for medium term financial sustainability with clear plans for both expenditure and income raising potential; with retention and recruitment of high-quality staff throughout the Trust as a priority.

The School's comprehensive programme cannot currently be delivered on the basis of public funding alone. Therefore the Trust values the generous response by parents and others who make regular voluntary donations to support the Trust's aims. In addition there is significant financial support provided by the SGSPTA as a result of its independent fund raising activities.

Public benefit

All public benefit activities were severely limited during the year as a result of government restrictions imposed as a consequence of Covid-19.

The Board gives careful consideration to the Charity Commission's general guidance on public benefit and in normal circumstances makes its sports facilities available for community use. The School's other facilities are used by educational and religious organisations.

SUTTON GRAMMAR SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

The School has well established systems for academic and pastoral care. Programmes of early intervention are designed to ensure that each student is able to fully benefit from the range of opportunities that the School provides.

The strong pastoral team led by the Deputy Head as the Designated Safeguarding Lead (DSL). She is supported by three Assistant DSLs and a Pastoral and Student Support Officer. This team, which is also supported by the Heads of Year, made a major contribution to the management of the student body, particularly following the general shut down of the School from March 2020 and then throughout the 2020-21 academic year.

The Curriculum Committee advises the Board on all aspects of academic progress. The Headmaster, supported by the SLT lead on curriculum matters, provides detailed reports on teaching and learning, and on the relative performance of different subsets of students. Academic departments can, with the agreement of the Board, run non-standard courses if they feel this will benefit students.

The Impact of Covid

Covid-19 has impacted, and continues to impact, on curriculum delivery, development, pastoral care, and outcomes. The Board records its appreciation of the work of the Headmaster and his staff in maintaining high quality outcomes throughout the year. Very few students needed to come onto the premises during the national lock-down so teaching concentrated on delivering lesson material on-line in a variety of ways appropriate to the subject. Carefully organised, socially distanced, catch up sessions were arranged in the School for years 10 and 12. When restrictions were lifted the staff worked hard to provide face-to face teaching and to get the school back to some semblance of normality. Inevitably some students were absent so there was of necessity a mix of face-to-face and on-line delivery. Indeed at one point in the early summer 340 of the 800 students who should have been in School had on-line lessons.

The workload on the pastoral support team increased significantly during the year as the number of students requiring pastoral interventions increased as a result of Covid-19 and remote learning. Staff too needed pastoral support.

In January 2021 as part of the Covid-19 National Testing Programme the School, under the leadership of the Deputy Head, set up a testing centre on site to carry out rapid testing of staff and subsequently students. Members of staff coming into School more than once a week for more than 4 hours were required to have a negative result from a LFD test; testing was carried out on a weekly basis. From March 2021 members of staff were asked to carry out twice weekly testing at home (3-4 days apart) as part of the requirement for Rapid Testing of Education Staff at Home.

The Assisted Testing Centre (ATC) had to be upgraded when the School was required to deal with over 2500 student Lateral Flow Tests in 10 days. Six members of staff were supported by two specially recruited assistants, four trustees, four parent volunteers, and three volunteers from the local authority's staff. At the date of this report the ATC remains in operation.

There were significant changes to the public examination system in the summer of 2021 following the government's decision that GCSE and A-Level grades would be based on Teacher Assessed Grades (TAGs) and not examinations. The Curriculum Committee gave careful consideration to the challenge posed by the requirement to deliver TAGs and also how the appeals processes would be handled.

The implementation of the TAGs required a major input from the teachers who had prepared students for GCSE and A levels. This was a process requiring care and integrity. The volume of administrative work to support the TAG process was high as the quantity of supporting information which had to be prepared to document the TAGs and possible appeals ran to thousands of pages

SUTTON GRAMMAR SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

None of the TAGs awarded by the teachers was changed by external moderation. The quality and integrity of the TAGs was also reflected in the examination boards' responses to 120 student appeals. There were only five grade changes at A Level; two were as result of a spreadsheet error and in two the exam board allowed the appeals on the basis of a claim for mitigating circumstances that had not been made known to the School prior to the TAGs being prepared. The fifth appeal in Art resulted in an upgrade of two levels the exam board commenting that the School's assessments were too rigorous.

The epidemic severely restricted the School's sport and extra-curricular programme although some Duke of Edinburgh activity was possible late in the summer term. The CCF was also able to resume. Inter school football matches began again at the start of the autumn term.

The impact on Year 7s

The School was unable to offer the full summer introductory programme for the boys due to start in September 2020. Form teachers produced short introductory videos for each of the class groups and meetings with parents had to be remote. Familiarisation and integration activities were arranged in School once students were able to attend.

The programme for the September 2021 year 7 had more success. All 135 boys due to enter the School in September took part in a one week introductory course held in August.

Loss of Community benefit

The use of the Trust's facilities by third parties was severely curtailed. From March 2020 it was not possible to open the Manor Lane site for use by either sports clubs or churches, first because of government instruction and from September 2020, because the whole site was needed for the purposes of the School and it had to be managed in accordance with the risk analyses prepared for the return to the full opening of the School for students.

The use of the playing fields for School sport and by adult football and rugby was possible for only a relatively short periods in 2020-21. Grass-roots football and rugby activities along with other sports were restricted by the government. When clubs were able to use the facilities they were required to comply with the Trust's risk analysis as well as any risk analyses complying with the requirements of their sport's governing body. From early summer it was possible to re-open the playing fields for community use.

Academic Performance

As outlined above, students grades at GCSE and A Level were awarded on the basis of teacher assessed grades (TAGs). The TAGs were largely determined by internal examinations of the course material delivered face-to-face or on-line throughout the year. None of the TAGs was changed by external moderation. The nature of the TAGs makes direct comparison with previous years' examination results of limited value.

Student achievements GCSE

In 2021 there were 1,535 entries (TAGs) at GCSE (2020: 1,486 CAGs). 94% of results were level 6 or better. The distribution of grades was 645 (554) grade 9; 395 (426) at grade 8; 262 (289) at grade 7 and 141 (150) at grade 6, totalling 1443 (1,461) passes at grades 9-6.

Grades	9-8	9-7	9-5
2021	68%	84%	98%
2020	66%	85%	99%
2019	64%	84%	98%
2018	63%	81%	99%

The Board is pleased to record that over the last five years all students able to take GCSE at the end of Year 11 have achieved five grades 9-4 or A*-C grades, including English and Mathematics. All the TAGs in Mathematics and English in summer 2021 were at grade 5 or above. 99% of Maths grades were grade 7 or better and in English 75% were grade 7 or better

SUTTON GRAMMAR SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Attainment 8 and Progress 8 (2016-2021)

	2021	2020	2019	2018	2017	2016
Attainment 8	8.20	8.13	8.09	8.06	7.51	7.28
Progress 8	Not issued	Not issued	0.95	0.83	0.64	0.18

The ALPs report shows that the value added achieved by the students at GCSE was 1.15 which gives the cohort an ALPS quality indicator of band 2. The 2019-2020 cohort achieved a score of 1.18. The Alps Key Stage 4 analysis shows that on average the disadvantaged students (FSM and FSMEver6) achieved better than the average for the cohort as a whole.

Because of the restrictions imposed on the GCSE courses the Board accepted the Headmaster's recommendation that all Year 11 students should be allowed access to the sixth form; 123 students accepted this opportunity with 8 choosing to go to other schools.

Student achievements - Advanced level

In the Board's view an important measure of success at A-Level is the progress the School's sixth form students make to tertiary education or their chosen career. Because the choice of course and the destination of a leaver is a matter of personal choice, and the number of students in the sixth form varies year-on-year, comparisons are not always meaningful.

At A Level 77% of all results were an A or A*, with over 100 students getting at least one A*. On national results day 155 had university places confirmed, 124 at Russell Group universities, including Oxford and Cambridge.

There were 163 (2020: 144) students entered for 544 (2020: 488) Advanced Level exams. As with GCSEs, A- Level results were based on TAGs (2020: CAGs). 91% (2020:87%) of the grades were grade B or better; A* - A 77% (2020:65%).

	2021	2020		2021	2020
Languages	2	7	Mathematics	10	9
English	5	-	Architecture	2	-
Business studies	1	7	Politics	1	4
Accounting	3	-	Drama	1	-
Medicine	21	14	Psychology	8	7
Economics	18	6	Music	-	5
Engineering	22	25	Sport	5	2
Biomedical sciences	10	10	Law	7	4
Science	14	16	History	9	14
Information technology	9	13	Philosophy	5	2
Linguistics	-	1	Geography	2	3

SUTTON GRAMMAR SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Extra-Curricular Activity

The School endeavours to provide a wide range of extra-curricular activity including educational trips and visits. As observed earlier Covid-19 had a significant impact on the planned programme; Extra-curricular clubs were decimated because there could be no mixing of years or tutor groups. There were no educational visits or trips and only a very limited Duke of Edinburgh (DoE) activity at the end of the summer.

Several students were again selected as ball-boys for the Wimbledon Championships.

The School has regularly participated in the Big Bang science fair by putting on displays and activities for visiting schools. Because of Covid restrictions the School organised its own successful internal Big Bang Fair. It looks forward to hosting an even better Big Bang with the support of the local authority in the summer of 2022.

Investment Programme

The Trust submitted two bids to the 2021 Capital Investment Fund (CIF) for replacement of the pitched roofs and for the installation of new fire doors. Both bids were successful but delays caused by Covid mean that work will be carried out in 2022.

As recorded in previous reports, the Trust plans to replace or extensively update the pavilion at the Walch Memorial Sports Ground (WMSG). The facility will be designed primarily for the use of the School but it will also greatly benefit others who used the sports ground. Detailed specifications have been produced and technical surveys conducted. It is planned that outline planning permission will be sought at the beginning of 2022

Going concern

The Trust regularly has more successful applicants for places than it can take. The Board has agreed that because of the size of the main site it cannot seek further growth in years 7 – 11. The Trust has adapted its admissions policy to provide more opportunity for boys from disadvantaged backgrounds by adjusting entrance exams results according to the Income Deprivation Affecting Children Index (IDACI) number for the boy's home address while still applying an age adjustment. The Admissions Committee has noted that the impact of age adjustment has declined in recent years. The IDACI adjustment increases the chances of boys from deprived areas being offered places at the School.

The Board wishes to continue to recruit external entrants to Year 12 as these students add diversity and experience into the sixth form. This is a successful programme with all the students new to the School in the sixth form achieving excellent A Level results and university placements.

As previously stated the Board values a broad based educational offer and has confirmed that students are expected to study four A-level subjects in Year 12. The School is able to offer a wide range of courses to external students. It has an excellent reputation in STEM so it is easy to attract students both internally and externally for these sixth form courses. Every effort is made to attract interest in the subjects with smaller class sizes, but this must be done in a challenging market competing with many other sixth form educators. However the Board recognises that it is important to ensure that sixth form provision overall is cost-effective.

The Trust has prepared three year budgets in accordance with ESFA requirements. There is continued uncertainty as to the level of future public funding. When this is coupled with the Government's stated intention to raise the salaries of teachers there is lack of clarity which makes planning additionally challenging. The basic income elements, KS3 and KS4 student numbers, will remain static. Any growth in grant income will come from sixth form numbers and the nature of the courses offered. All budget projections indicate a continued need for funding from private sources if the School is to continue to provide the broad curriculum and educational experience that the Trust wishes to supply.

However, after making appropriate enquiries, the Board has a reasonable expectation that the academy trust has adequate operate for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details can be found in the Statement of Accounting Policies

SUTTON GRAMMAR SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

The majority of the School's revenue funding was provided by the Education and Skills Funding Agency (ESFA). In addition there was voluntary income from parents, donations from the SGSPTA and other donors, and income from lettings.

The School's total income for the period ended 31 August 2021 amounted to £6,298,283 (2020 - £5,942,239) of which £5,192,336 (2020: £4,589,118) related to the ESFA General Annual Grant.

Capital grants from public sources during the period to 31 August 2021 were £21,948 (2020: £21,521). In total the SGSPTA donated £100,349 (2020 - £91,000) to the Trust to enhance the educational opportunities provided for the students; a special grant of £65,000 for direct support of the curriculum and £35,349 to support individual requests from staff for specific projects. The SGSPTA has agreed to a grant of £65,000 in 2021-22 to support delivery of the curriculum.

Other donations under HMRC's gift aid scheme provided a total of £298,670 (2020 - £325,000) enabled to the Trust to maintain and enhance its curricular and non-curricular activities.

Total expenditure was £6,798,817 (2020: £6,608,497) and included £6,679,770 (2020: £6,199,061) relating to the School's educational operations of which £84,699 (2020: £81,285) related to governance costs.

The School held fund balances of £14,018,237 at 31 August 2021 (2020: £14,611,771) which included unrestricted funds of £695,168 (2020: £470,228), being the free reserves. This was a positive outcome, reversing several years of pressure on reserves as ESFA funding has not kept pace with costs

Reserves policy

The Board reviewed its reserves policy and approved the principle of maintaining a strategic reserve of around 5% of income to protect the Trust against uninsured contingencies; this cannot be committed without Board approval.

At the end of the period under review the Trust held £695,168 (2020 £470,228) of unrestricted reserves. After allowing for repayment of the Salix Loan the effective unrestricted reserves at 31 August 2021 were £677,060 (2020: £436,887)

In its budgeting for 2021-22 the Board has assumed that funds from private revenue sources for lettings, trips and other income generating activities will return to at least pre Covid-19 levels. It is also assumed that Funds derived from donations will return to pre-Covid-19 levels. Alumni and external relations initiatives will aim to further increase private income. This will be important for building reserves to support major development projects such as updating the pavilion at the sports ground

The Reserve Policy requires a reserve of £314,000 which cannot be committed without Board approval. The application of the excess uncommitted reserve of £381,168 will be subject to careful consideration by the Board given the many possible uses for which it could be applied and the uncertain nature of non-public income should the restrictions relating to Covid-19 reoccur.

Given this position there is no prospect of the Trust being able to generate reserves for capital expenditure in the immediate future and it will be dependent on public capital grants. It will also be dependent on continued voluntary support.

SUTTON GRAMMAR SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Investment policy

The Director of Finance and Operations (DFO) manages the Trust's funds on a daily basis to maximise interest income whilst at the same time providing funds for the day-to-day management of the School. Overnight balances are cleared into interest bearing accounts to maximise interest but the amount of interest which can be earned has greatly fallen over recent years and will decline further as the Trust's cash balances diminish over the next three years.

Regular monthly cash flow forecasts are prepared. The Board does not foresee any cash management issues arising in the medium term.

Principal risks and uncertainties

The Trust's commercial and financial operating procedures are designed to provide a clear separation of responsibility for dealing with all income and expenditure. There are approved procedures for certifying all transactions including electronic ordering and payments. Risk to the Trust's day-to-day operations is therefore minimised.

A major uncertainty for the Board is the level of per pupil funding. The Chancellor's recent decision on additional employer's national insurance contributions from April 2022 will cost the Trust £45,000 per annum although it appears that the cost of this will be incorporated into the additional schools funding promised by the Chancellor in the Autumn Statement.

The Budget assumes that the excess Covid-19 costs incurred in 2020-21 will not recur. It is also assumed that non-public income recovers to previous levels.

The deficit on the Local Government Pension Scheme increased by £352,000 in the period to £2,691,000 and there is continuing uncertainty in any final salary scheme of this type.

Fundraising

The Trust aims to achieve best practice in the way in which it communicates with its supporters. The Trust invites parents and other donors to make regular donations to the School to help support the provision of the broadest range of curriculum and non-curricular activities. It is stressed that any donation is purely voluntary.

The School does not engage in direct fundraising other than approaching parents for voluntary contributions. It is not registered with the Fundraising Regulator and does not employ the services of professional fundraisers. Gift aid is claimed on all eligible donations. Details of donations are held independently of any other personal data collected in respect of a student's admission and the names of a donor (who may not be a person with parental responsibility) are not linked directly to a student. The Trust is unable to identify any specific costs associated with donation requests.

The Trust undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2020-21 the Trust received no complaints about its fundraising activities.

SUTTON GRAMMAR SCHOOL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

The Board has agreed that the School will remain in a single academy trust. The Board believes that this is the best way to maintain the School's reputation for academic performance and excellent pastoral care.

Running a relatively small secondary school in a single academy trust requires strict financial discipline.

There is limited capacity to expand the sixth form as nearly all the School's year 11 students' return to Year 12 (2021 – 127). In September 2021 the School had to close its external recruitment to Computer Science, Maths, Further Maths, and Economics courses.

The regular recruitment of female students (2020 - 23), is seen by the Sixth Form Leaders as being very beneficial to the overall sixth form experience. The Trust is conscious that it needs to further enhance facilities for its female students. Study facilities for sixth form students were improved during the summer of 2021.

A new Assistant Head – Head of Sixth Form has been recruited and will take up post in January 2022.

In spite of recent capital grants there are still substantial requirements for maintaining the fabric of the older buildings. The swimming pool is a real curriculum asset. However as an outside pool its use is limited. Improvement may be possible if appropriate funding, which would permit community use, can be found.

Some of the newer buildings, built within strict funding limits, are in need of significant maintenance. One of the limited benefits of the school closure because of Covid-19 was opportunity for the premises staff to carry out a programme of works which would otherwise have required contractors.

There are continuing challenges about access other than by stairs to the upper floors of the main building and the security of the Trust's premises in an urban environment. The main school security system has recently been upgraded with pass controlled access for staff and students.

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:



Mr J R Edwards
Chairman

SUTTON GRAMMAR SCHOOL TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Headmaster, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Sutton Grammar School Trust and the Secretary of State for Education. The accounting officer 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. All meetings of the Board and its Committees in the year under review were held by Zoom. Some decisions were reached by e-mail correspondence. The decisions were recorded as minutes to provide full transparency of the decisions.

The Board held nine meetings and attendance during the year was as follows:

Trustees	Meetings attended	Out of possible
Mr J R Edwards (Chairman)	9	9
Mr B A Cloves (Accounting Officer and Headmaster)	9	9
Ms F H E Alexander	9	9
Mr P S Chambers	8	8
Mr D G Hobbs	6	9
Mr G W Jones	8	9
Mr T G Kohler	8	9
Mr A J Marsh	9	9
Mr R W Murrill	9	9
Ms N Prasad	9	9
Mr P J Ritson	8	9
Dr L Holt (Appointed 18 January 2021)	6	6
Mr W D Humphries (Appointed 1 February 2021)	5	5
Mr A M Melbourne (Appointed 7 June 2021)	2	2
Mr D Rustagi (Resigned 11 September 2020)	0	0
Mr R A Pletts (Resigned 31 January 2021)	4	4

The Deputy Head, Mrs Kate Ross, attended eight meetings of the Board. She is a member of the Admissions Committee. Mr J Costello Assistant Head attended one meeting of the Board and the meetings of the Curriculum Committee.

The membership of the Board had been reviewed in 2020-21 and new appointments made to strengthen the Board's experience base. Changes during the year were the election of one parent trustee and one staff trustee.

During the year the Board has made a number of changes to the way it operates and has made progress despite the impact of Covid-19. The Curriculum Committee met four times.

SUTTON GRAMMAR SCHOOL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The Board has a dedicated Finance and General Purposes Committee (FGPC). Its principle function is to maintain effective oversight over the Trust's finances. It:

- considers the indicative funding from the ESFA and the implications for the ensuing financial year.
- recommends the annual budget,
- monitors cash flow,
- monitors approved expenditure,
- approves any adjustments to budgets to meet changing priorities,
- reviews, approves and monitors the implementation of the financial procedures,
- approves the insurance arrangements,
- approves tenders for capital expenditure. and
- sets pay scales, (but not individual salaries) for teaching and support staff.

The Committee held six meetings; all by Zoom.

Attendance at the FGPC meetings in the year was as follows:

	Meetings attended	Out of possible
Mr P S Chambers (Chairman)	6	6
Mrs E C Beach (Bursar, resigned 28 February 2021)	2	2
Ms F H E Alexander	6	6
Mr B A Cloves	6	6
Mr J R Edwards	6	6
Mr D Hobbs	5	6
Mr G Jones	6	6
Mr R Pletts	2	2
Mr P W Whittle (Director of Finance and Operations, appointed 1 January 2021)	3	3

The non-executive members of the FGPC, (Ms Alexander, Mr Chambers, Mr Hobbs and Mr Jones) met as the Audit Committee to consider the draft Annual Report and Accounts and the Auditor's Management Letter for the period ended 31 August 2021.

The Remuneration Committee (Mr Edwards, Mr Chambers, and Mr Murrill) met three times.

SUTTON GRAMMAR SCHOOL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Review of value for money

As Accounting Officer the Headmaster has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Headmaster understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer has provided good value for money by meeting the Board's objectives.

The Board agrees performance aims for the educational performance of the School. It receives through the Curriculum Committee detailed analyses on academic performance and reports from the Academic and Pastoral Boards and on the detailed work of departments. It sets and closely monitors targets for academic performance.

The Board is committed to appointing well-qualified specialist staff across the curriculum. The Headmaster has given careful consideration to the level of staff resources needed to meet the Trust's educational objectives and has recruited staff with the appropriate levels of qualification and experience to meet the challenging educational environment of the School.

The Headmaster supports the Remuneration Committee of the Board with recommendations about the salaries of staff supported by evidence from staff appraisals and assessments including bench marking using appropriate job evaluations provided by external consultants. The Remuneration Committee uses appropriate performance measures and external bench marks in setting the salary of the Headmaster. The Headmaster is not present during the Committee's consideration of his remuneration.

The DFO provides monthly management accounts and financial commentaries to the Finance and General Purposes Committee (FGPC). All Board members have access to this information. This allows all trustees to engage with the financial management of the School.

The DFO regularly reviews the performance of contractors providing services such as cleaning, catering, grounds maintenance, utilities, and security. New contracts for these services are tendered in accordance with the Trust's tender procedures which require that purchases of goods and services for over £20,000 must be tendered. Where it is considered appropriate, purchases below £20,000 are also tendered.

The Trust employs specialist advisers to assist with tenders for major contracts and capital projects. The advisers are themselves appointed by competitive processes. The FGPC considered all tender recommendations and approved the successful bidders during the period.

The Accounting Officer ensures that purchasing decisions are made on the basis of value for money. The Trust does not generally participate in purchasing consortia as in many areas, e.g. the purchase of photocopying paper and similar stationery requisites it finds that best value for money can be obtained by open market purchases. The Trust expects that at least three quotations will be obtained for smaller purchases of goods and services.

The Trust participates in the IT network arrangements provided through the London Grid for Learning.

The Trust purchases insurance from the London Borough of Sutton's Academies Insurance Scheme which provides insurance for most aspects of the Trust's activities at a competitive price. Other insurance is purchased on the advice of the Trust's broker regarding the current market for the cover required.

The Trust cooperates with other local academies and maintained schools and members of staff meet regularly to exchange experience. The School is a member of the Boys Academically Selective Schools (BASS) and the Headmaster is a member of the Grammar Schools Heads Association (GSHA). This allows the exchange of data with schools of broadly similar function and size. This provides measures of relative performance and bench marks on academic performance and other operational aspects

SUTTON GRAMMAR SCHOOL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The School collaborates with local academies on the testing of candidates for selective places for entry to year 7. This has the benefit of reducing the testing burden on the children concerned and reducing costs to the participating schools.

The School benefits considerably from voluntary help. Volunteers include parents, staff, pupils, and friends of the School, especially the SGSPTA. This voluntary support is vital in enabling the School to maintain its broad curriculum, a wide variety of educational trips and a broad range of extra-curricular activities.

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 the Trust's 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 Trust's system of internal control has been in place throughout the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements. During the year, the FGPC reviewed and approved minor revisions to the Trust's Commercial and Business Procedures to cope with the modified operation of the Finance Office as a consequence of Covid-19 and the School closure.

To facilitate the management changeover from the retiring Bursar to the new Director of Finance and Operations the Board commissioned an interim audit as a 31 December 2020.

Capacity to handle risk

The Board has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is an on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board;
- regular reviews by the FGPC 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; and identification and management of risks

Legal Defence

A claim has been submitted by a former employee to the Employment Tribunal. The defence is being handled by the Trust's Legal Insurers. The claim is denied in its entirety.

A possible claim for non-performance of a contract did not proceed following the Trust's legal response.

A potential judicial review regarding admissions did not proceed following the Trust's legal response.

SUTTON GRAMMAR SCHOOL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

External Audit

The Trust values the role of independent assurance provision.

The Board approved an audit of the accounts at 31 December 2020 to provide certainty for the new Director of Finance and Operations who took up post in January 2021. The Audit was conducted by the statutory auditor.

In accordance with the requirements of the Academies Financial Handbook 2020 the Trust engaged A J Bennewith & Co to undertake a programme of internal scrutiny and during the period the focus of these visits was on the following areas:

- Procurement
- Income
- Budgetary procedures
- Business continuity
- Fraud
- Data returns

The internal scrutiny programme of work showed no major areas of concern. There were a few minor recommendations, which are being implemented.

The FGPC will agree the internal scrutiny programme for 2021-22 which will be conducted by an independent auditor

Review of effectiveness

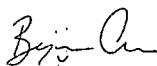
The Headmaster, as Accounting Officer, has the responsibility for reviewing the effectiveness of the system of internal control. During the year in question his review has been informed by:

- the work of the DFO, who has responsibility for the development and maintenance of the internal control framework;
- the monthly management accounts;
- the regular meetings of the FGPC;
- the internal reassurance work;
- the work of the external auditor;
- the work of the internal scrutiny programme; and
- the financial management and governance self-assessment process.

Approved by order of the board of trustees on 15 December 2021 and signed on its behalf by:



Mr J R Edwards
Chairman



Mr B A Cloves
Accounting Officer and Headmaster

SUTTON GRAMMAR SCHOOL TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2021

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

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 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 B A Cloves
Accounting Officer

15 December 2021

SUTTON GRAMMAR SCHOOL TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who are also the directors of Sutton Grammar School Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 15 December 2021 and signed on its behalf by:



Mr J R Edwards
Chairman

SUTTON GRAMMAR SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUTTON GRAMMAR SCHOOL TRUST

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

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

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

SUTTON GRAMMAR SCHOOL TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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.

SUTTON GRAMMAR SCHOOL TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Extent to which the audit was capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the academy trust through discussions with Governors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, the Charities Act 2011, the Academies Financial Handbook 2020, the Academies Accounts Direction 2020 to 2021, taxation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the academy trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of Governors;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC.

SUTTON GRAMMAR SCHOOL TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the governors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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



Stephen Meredith BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Alliotts LLP

20/12/2021
.....

Chartered Accountants
Statutory Auditor

Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL

SUTTON GRAMMAR SCHOOL TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 4 February 2021 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 Sutton Grammar School Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Sutton Grammar School Trust's funding agreement with the Secretary of State for Education dated 1 June 2011 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

SUTTON GRAMMAR SCHOOL TRUST

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

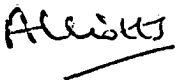
FOR THE YEAR ENDED 31 AUGUST 2021

The work undertaken to draw to our conclusion includes:

- analytical review of the Academy's general activities to ensure that they are within the Academy's framework of authorities;
- consideration of the evidence supporting the accounting officer's statement on regularity, propriety and compliance;
- review of the general control environment for the Academy on financial statements and on regularity;
- sample testing of expenditure transactions to ensure the activity is permissible within the Academy's framework of authority;
- confirmation that a sample of expenditure has been appropriately authorised in accordance with the Academy's delegated authorities;
- formal representations obtained from the board of trustees and the accounting officer acknowledging the responsibilities, including disclosing all non-compliance with laws and regulations specific to the authorising framework;
- confirmation that any extra-contractual payments such as severance and compensation payments have been appropriately authorised;
- review of credit card expenditure for any indication of personal use by staff, Headmaster or Trustees;
- review of specific terms of grant funding within the funding agreement;
- review of related party transactions for connections with the Headmaster or Trustees;
- review of income received in accordance with the activities permitted within the Academy's charitable objectives.

Conclusion

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



Reporting Accountant
Alliotts LLP

Dated: 20/12/2021

SUTTON GRAMMAR SCHOOL TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2021 £	Total 2020 £
Income and endowments from:					
Donations and capital grants	5	298,720	130,533	21,948	451,201
Charitable activities:					
- Funding for educational operations	6	-	5,665,167	-	5,665,167
Other trading activities	7	139,291	41,958	-	181,249
Investments	8	666	-	-	666
Total		438,677	5,837,658	21,948	6,298,283
Expenditure on:					
Raising funds	9	119,047	-	-	119,047
Charitable activities:					
- Educational operations	10	-	6,176,105	503,665	6,679,770
Total	9	119,047	6,176,105	503,665	6,798,817
Net income/(expenditure)		319,630	(338,447)	(481,717)	(500,534)
Transfers between funds	19	(94,690)	79,447	15,243	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	21	-	(93,000)	-	(93,000)
Net movement in funds		224,940	(352,000)	(466,474)	(593,534)
Reconciliation of funds					
Total funds brought forward		470,228	(2,339,000)	16,480,543	14,611,771
Total funds carried forward		695,168	(2,691,000)	16,014,069	14,018,237

SUTTON GRAMMAR SCHOOL TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2020 £
Income and endowments from:					
Donations and capital grants	5	330,051	129,530	-	459,581
Charitable activities:					
- Funding for educational operations	6	17,508	4,973,365	-	4,990,873
Other trading activities	7	143,497	343,164	-	486,661
Investments	8	5,124	-	-	5,124
Total		496,180	5,446,059	-	5,942,239
Expenditure on:					
Raising funds	9	409,436	-	-	409,436
Charitable activities:					
- Educational operations	10	128,428	5,574,816	495,817	6,199,061
Total	9	537,864	5,574,816	495,817	6,608,497
Net expenditure		(41,684)	(128,757)	(495,817)	(666,258)
Transfers between funds	19	-	(9,243)	9,243	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	21	-	(742,000)	-	(742,000)
Net movement in funds		(41,684)	(880,000)	(486,574)	(1,408,258)
Reconciliation of funds					
Total funds brought forward		511,912	(1,459,000)	16,967,117	16,020,029
Total funds carried forward		470,228	(2,339,000)	16,480,543	14,611,771

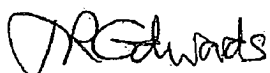
SUTTON GRAMMAR SCHOOL TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	14		15,969,511		16,395,128
Current assets					
Debtors	15	156,643		179,028	
Cash at bank and in hand		1,102,925		1,106,878	
		<u>1,259,568</u>		<u>1,285,906</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(508,977)		(706,155)	
Net current assets			750,591		579,751
Total assets less current liabilities			<u>16,720,102</u>		<u>16,974,879</u>
Creditors: amounts falling due after more than one year	17		(10,865)		(24,108)
Net assets before defined benefit pension scheme liability			<u>16,709,237</u>		<u>16,950,771</u>
Defined benefit pension scheme liability	21		(2,691,000)		(2,339,000)
Total net assets			<u>14,018,237</u>		<u>14,611,771</u>
Funds of the academy trust:					
Restricted funds	19				
- Fixed asset funds			16,014,069		16,480,543
- Pension reserve			(2,691,000)		(2,339,000)
Total restricted funds			<u>13,323,069</u>		<u>14,141,543</u>
Unrestricted income funds	19		695,168		470,228
Total funds			<u>14,018,237</u>		<u>14,611,771</u>

The accounts on pages 28 to 51 were approved by the trustees and authorised for issue on 15 December 2021 and are signed on their behalf by:



Mr J R Edwards
Chairman

Company Number 07633715

SUTTON GRAMMAR SCHOOL TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash provided by operating activities	23		66,724		85,840
Cash flows from investing activities					
Dividends, interest and rents from investments		666		5,124	
Capital grants from DfE Group		21,948		21,521	
Purchase of tangible fixed assets		(78,048)		-	
Net cash (used in)/provided by investing activities			(55,434)		26,645
Cash flows from financing activities					
Repayment of long term bank loan		(15,243)		(9,243)	
Net cash used in financing activities			(15,243)		(9,243)
Net (decrease)/increase in cash and cash equivalents in the reporting period			(3,953)		103,242
Cash and cash equivalents at beginning of the year			1,106,878		1,003,636
Cash and cash equivalents at end of the year			<u>1,102,925</u>		<u>1,106,878</u>

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

2 Accounting policies

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

2.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their 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.

2.2 Going concern

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

2.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

2 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

2 Accounting policies

(Continued)

2.5 Tangible fixed assets and depreciation

Individual assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Assets costing less than £5,000 individually but forming a project purchase of greater than £25,000 are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. 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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	50 years
Computer equipment	3 years
Fixtures, fittings & equipment	5 - 15 years
Motor vehicles	5 years

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.

2.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.7 Leased assets

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

2.8 Financial instruments

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

Financial assets

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

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

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

2 Accounting policies

(Continued)

Financial liabilities

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

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

2.9 Taxation

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

2.10 Pensions benefits

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

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

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

2.11 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

3 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the financial statements, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Estimating the useful economic life of tangible fixed assets for the purposes of calculating depreciation.

4 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2021 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2021.

5 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Capital grants	-	21,948	21,948	21,521
Other donations	298,720	130,533	429,253	438,060
	<u>298,720</u>	<u>152,481</u>	<u>451,201</u>	<u>459,581</u>

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

6 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE/ESFA grants				
General annual grant (GAG)	-	5,192,336	5,192,336	4,589,118
Other DfE/ESFA grants:				
Pupil premium	-	24,527	24,527	28,379
Others	-	316,519	316,519	306,219
	-	5,533,382	5,533,382	4,923,716
Other government grants				
Local authority grants	-	38,143	38,143	49,649
COVID-19 additional funding				
DfE/ESFA				
Catch-up premium	-	49,603	49,603	-
Non-DfE/ESFA				
Other COVID-19 funding	-	44,039	44,039	-
	-	93,642	93,642	-
Other incoming resources	-	-	-	17,508
Total funding	-	5,665,167	5,665,167	4,990,873

7 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Lettings income	69,714	-	69,714	88,690
Trip income	-	37,465	37,465	336,074
Other income	69,577	4,493	74,070	61,897
	139,291	41,958	181,249	486,661

8 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	666	-	666	5,124

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2021 £	Total 2020 £
Expenditure on raising funds					
- Direct costs	43,068	-	75,979	119,047	409,436
Academy's educational operations					
- Direct costs	4,338,826	-	410,541	4,749,367	4,454,954
- Allocated support costs	776,288	869,473	284,642	1,930,403	1,744,107
	<u>5,158,182</u>	<u>869,473</u>	<u>771,162</u>	<u>6,798,817</u>	<u>6,608,497</u>

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Fees payable to auditor for:		
- Audit	9,200	8,900
- Other services	3,850	3,750
Depreciation of tangible fixed assets	503,665	495,817
Net interest on defined benefit pension liability	38,000	27,000
	<u></u>	<u></u>

10 Charitable activities

	2021 £	2020 £
All from restricted funds:		
Direct costs		
Educational operations	4,749,367	4,454,954
Support costs		
Educational operations	1,930,403	1,744,107
	<u>6,679,770</u>	<u>6,199,061</u>

	2021 £	2020 £
Analysis of support costs		
Support staff costs	718,417	599,010
Depreciation	503,665	495,817
Technology costs	48,578	21,753
Premises costs	365,808	376,120
Legal costs	5,928	7,038
Other support costs	209,236	170,122
Governance costs	78,771	74,247
	<u>1,930,403</u>	<u>1,744,107</u>

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

11 Staff

Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	3,708,016	3,429,047
Social security costs	372,990	360,973
Pension costs	1,046,857	897,891
Staff costs - employees	5,127,863	4,687,911
Agency staff costs	30,319	1,375
Total staff expenditure	5,158,182	4,689,286

Staff numbers

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

	2021 Number	2020 Number
Teachers	66	62
Administration and support	37	45
Management	5	5
	108	112

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	2	1
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£90,001 - £100,000	1	1

Key management personnel

The key management personnel of the academy trust 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 trust was £654,510 (2020: £461,954).

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

12 Trustees' remuneration and expenses

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

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

B Cloves (Headmaster)	
Remuneration	£95,000 - £100,000 (2020: £90,000 - £95,000)
Employer's pension contribution	£20,000 - £25,000 (2020: £20,000 - £25,000)
A Marsh	
Remuneration	£50,000 - £55,000 (2020: £10,000 - £15,000)
Employer's pension contribution	£10,000 - £15,000 (2020: £0 - £5,000)
W Humphries (Appointed 1 February 2021)	
Remuneration	£25,000 - £30,000 (2020: Not a trustee)
Employer's pension contribution	£5,000 - £10,000 (2020: Not a trustee)
R Pletts (Resigned 31 January 2021)	
Remuneration	£20,000 - £25,000 (2020: £50,000 - £55,000)
Employer's pension contribution	£5,000 - £10,000 (2020: £10,000 - £15,000)

During the year, no travel and subsistence expenses were reimbursed to trustees (2020: nil).

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

13 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2021 was £196 (2020: £146). The cost of this insurance is included in the total insurance cost.

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

14 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2020	19,767,995	97,355	437,030	60,975	20,363,355
Additions	-	78,048	-	-	78,048
At 31 August 2021	19,767,995	175,403	437,030	60,975	20,441,403
Depreciation					
At 1 September 2020	3,476,863	97,355	348,326	45,683	3,968,227
Charge for the year	451,521	26,016	19,832	6,296	503,665
At 31 August 2021	3,928,384	123,371	368,158	51,979	4,471,892
Net book value					
At 31 August 2021	15,839,611	52,032	68,872	8,996	15,969,511
At 31 August 2020	16,291,132	-	88,704	15,292	16,395,128

15 Debtors

	2021 £	2020 £
Trade debtors	45,604	1,061
VAT recoverable	25,096	28,508
Prepayments and accrued income	85,943	149,459
	156,643	179,028

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Government loans	7,243	9,243
Trade creditors	89,367	230,082
Other taxation and social security	97,142	94,469
Other creditors - Trip refunds	-	132,921
Other creditors	98,913	96,754
Accruals and deferred income	216,312	142,686
	508,977	706,155

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Creditors: amounts falling due within one year

(Continued)

Included in the current loan balance is £7,243 (2020: £9,243) in relation to loans from Salix Finance as part of the Condition Improvement Fund. The original amounts borrowed were £57,944 in relation to the boiler replacement and £10,000 in respect of the flat roof replacement. The former was repayable over eight years in annual instalments of £7,244, beginning in the year ended 31 August 2016. The latter is repayable over five years, beginning in the year ending 31 August 2020. The loan for the boiler replacement is interest free whilst the loan for the flat roof replacement incurs interest charges at the rate of 1.55%.

17 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Government loans	10,865	24,108
	<u>10,865</u>	<u>24,108</u>
Analysis of loans	2021 £	2020 £
Wholly repayable within five years	18,108	33,351
Less: included in current liabilities	(7,243)	(9,243)
	<u>10,865</u>	<u>24,108</u>
Amounts included above	10,865	24,108
	<u>10,865</u>	<u>24,108</u>
Loan maturity		
Debt due in one year or less	7,243	9,243
Due in more than one year but not more than two years	10,865	24,108
	<u>18,108</u>	<u>33,351</u>

Included in the non-current loan balance is £10,865 (2020: £24,108) in relation to loans from Salix Finance as Part of the Condition Improvement Fund (as described above).

18 Deferred income

	2021 £	2020 £
Deferred income is included within:		
Creditors due within one year	170,267	115,486
	<u>170,267</u>	<u>115,486</u>
Deferred income at 1 September 2020	115,486	186,000
Released from previous years	(115,486)	(186,000)
Resources deferred in the year	170,267	115,486
	<u>170,267</u>	<u>115,486</u>
Deferred income at 31 August 2021	170,267	115,486

At the balance sheet date the academy trust was holding funds received in advance for rates relief grants, capital grants, forthcoming trips and other events.

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	-	5,192,336	(5,917,105)	724,769	-
Pupil premium	-	24,527	-	(24,527)	-
Catch-up premium	-	49,603	-	(49,603)	-
Other Coronavirus funding	-	44,039	-	(44,039)	-
Other DfE/ESFA grants	-	316,519	-	(316,519)	-
Other government grants	-	38,143	-	(38,143)	-
Other restricted funds	-	172,491	-	(172,491)	-
Pension reserve	(2,339,000)	-	(259,000)	(93,000)	(2,691,000)
	<u>(2,339,000)</u>	<u>5,837,658</u>	<u>(6,176,105)</u>	<u>(13,553)</u>	<u>(2,691,000)</u>
Restricted fixed asset funds					
Inherited on conversion	11,270,140	-	(274,860)	-	10,995,280
DfE group capital grants	5,138,220	21,948	(204,952)	-	4,955,216
Capital expenditure from GAG	72,183	-	(23,853)	15,243	63,573
	<u>16,480,543</u>	<u>21,948</u>	<u>(503,665)</u>	<u>15,243</u>	<u>16,014,069</u>
Total restricted funds	<u>14,141,543</u>	<u>5,859,606</u>	<u>(6,679,770)</u>	<u>1,690</u>	<u>13,323,069</u>
Unrestricted funds					
General funds	<u>470,228</u>	<u>438,677</u>	<u>(119,047)</u>	<u>(94,690)</u>	<u>695,168</u>
Total funds	<u>14,611,771</u>	<u>6,298,283</u>	<u>(6,798,817)</u>	<u>(93,000)</u>	<u>14,018,237</u>

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

(Continued)

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

General Annual Grant: This fund is for the purpose of running the Academy in accordance with the Funding Agreement with the Secretary of State and along guidelines as set out in the Academies Financial Handbook.

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2021 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

Other DfE/ESFA grants: This fund has also arisen from funding received from the Department for Education and the Education and Skills Funding Agency for the furtherance of the Academy's activities that are not funded through the General Annual Grant.

Other government grants: This fund has also arisen from funding received for the furtherance of the Academy's activities that are not funded through the General Annual Grant.

Other restricted fund: This restricted fund has arisen from other income that the Academy has received. The monies have to be used for the benefit of the Academy but there are no restrictions on when these monies can be spent.

Pension reserve: This liability has arisen from the Local Government Pension Scheme, which was inherited by the Academy on conversion. See note 19 for further details on this liability.

Restricted fixed asset funds: These funds have arisen from fixed assets inherited upon conversion and from the subsequent purchases of new assets for use by the Academy. All assets held are specifically for the use of the Academy.

Unrestricted funds: These have arisen from activities carried out by the Academy for raising funds and are unrelated to any form of government assistance and therefore the Academy can choose to spend it however it chooses.

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	-	4,589,118	(5,436,816)	847,698	-
Pupil premium	-	28,379	-	(28,379)	-
Other DfE/ESFA grants	-	327,740	-	(327,740)	-
Other government grants	-	49,649	-	(49,649)	-
Other restricted funds	-	451,173	-	(451,173)	-
Pension reserve	(1,459,000)	-	(138,000)	(742,000)	(2,339,000)
	<u>(1,459,000)</u>	<u>5,446,059</u>	<u>(5,574,816)</u>	<u>(751,243)</u>	<u>(2,339,000)</u>
Restricted fixed asset funds					
Transfer on conversion	11,545,000	-	(274,860)	-	11,270,140
DfE group capital grants	5,334,117	-	(195,897)	-	5,138,220
Capital expenditure from GAG	88,000	-	(25,060)	9,243	72,183
	<u>16,967,117</u>	<u>-</u>	<u>(495,817)</u>	<u>9,243</u>	<u>16,480,543</u>
Total restricted funds	<u>15,508,117</u>	<u>5,446,059</u>	<u>(6,070,633)</u>	<u>(742,000)</u>	<u>14,141,543</u>
Unrestricted funds					
General funds	511,912	496,180	(537,864)	-	470,228
	<u>511,912</u>	<u>496,180</u>	<u>(537,864)</u>	<u>-</u>	<u>470,228</u>
Total funds	<u>16,020,029</u>	<u>5,942,239</u>	<u>(6,608,497)</u>	<u>(742,000)</u>	<u>14,611,771</u>

20 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	15,969,511	15,969,511
Current assets	695,168	501,734	62,666	1,259,568
Creditors falling due within one year	-	(501,734)	(7,243)	(508,977)
Creditors falling due after one year	-	-	(10,865)	(10,865)
Defined benefit pension liability	-	(2,691,000)	-	(2,691,000)
Total net assets	<u>695,168</u>	<u>(2,691,000)</u>	<u>16,014,069</u>	<u>14,018,237</u>

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

20 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	16,395,128	16,395,128
Current assets	470,228	696,912	118,766	1,285,906
Creditors falling due within one year	-	(696,912)	(9,243)	(706,155)
Creditors falling due after one year	-	-	(24,108)	(24,108)
Defined benefit pension liability	-	(2,339,000)	-	(2,339,000)
Total net assets	470,228	(2,339,000)	16,480,543	14,611,771

21 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £97,274 were payable to the schemes at 31 August 2021 (2020: £92,953) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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.

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £647,760 (2020: £614,525).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22% for employers and 5.5% to 12.5% for employees.

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

Total contributions made	2021 £	2020 £
Employer's contributions	171,000	183,000
Employees' contributions	51,000	45,000
Total contributions	222,000	228,000
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	1.7	1.6

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension and similar obligations

(Continued)

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

	2021 Years	2020 Years
Retiring today		
- Males	21.6	21.8
- Females	24.3	24.4
Retiring in 20 years		
- Males	22.9	23.2
- Females	25.7	25.9

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

	2021 £'000	2020 £'000
Discount rate + 0.1%	(132,000)	(114)
Discount rate - 0.1%	135,000	114
Mortality assumption + 1 year	281,000	208
Mortality assumption - 1 year	(269,000)	(208)
CPI rate + 0.1%	13,000	11
CPI rate - 0.1%	(13,000)	(11)

The academy trust's share of the assets in the scheme

	2021 Fair value £	2020 Fair value £
Equities	2,261,000	1,659,000
Bonds	784,000	744,000
Cash	68,000	86,000
Absolute return	27,000	29,000
Property	343,000	343,000
Total market value of assets	3,483,000	2,861,000

The actual return on scheme assets was £461,000 (2020: £137,000).

Amount recognised in the statement of financial activities

	2021 £	2020 £
Current service cost	392,000	294,000
Interest income	(45,000)	(45,000)
Interest cost	83,000	72,000
Total operating charge	430,000	321,000

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension and similar obligations

(Continued)

Changes in the present value of defined benefit obligations

2021

£

At 1 September 2020	5,200,000
Current service cost	392,000
Interest cost	83,000
Employee contributions	51,000
Actuarial loss	509,000
Benefits paid	(61,000)
At 31 August 2021	6,174,000

Changes in the fair value of the academy trust's share of scheme assets

2021

£

At 1 September 2020	2,861,000
Interest income	45,000
Actuarial gain	416,000
Employer contributions	171,000
Employee contributions	51,000
Benefits paid	(61,000)
At 31 August 2021	3,483,000

22 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash	1,106,878	(3,953)	1,102,925
Loans falling due within one year	(9,243)	2,000	(7,243)
Loans falling due after more than one year	(24,108)	13,243	(10,865)
	1,073,527	11,290	1,084,817

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

23 Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the reporting period (as per the statement of financial activities)	(500,534)	(408,971)
Adjusted for:		
Capital grants from DfE and other capital income	(21,948)	(21,521)
Investment income receivable	(666)	(5,124)
Defined benefit pension costs less contributions payable	221,000	89,000
Defined benefit pension scheme finance cost	38,000	28,000
Depreciation of tangible fixed assets	503,665	503,747
Decrease in debtors	22,385	129,000
(Decrease) in creditors	(195,178)	(32,000)
Net cash provided by operating activities	66,724	282,131

24 Contingent liabilities

There is an on-going employment claim against the Academy Trust and there is a risk that this could result in a financial liability becoming payable if this claim is successful. The maximum value of this potential liability cannot yet be quantified. The Academy Trust is robustly contesting this claim.

25 Related party transactions

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 10.

26 Long-term commitments, including operating leases

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

	2021 £	2020 £
Amounts due within one year	12,838	12,797
Amounts due in two and five years	18,927	25,683
	31,765	38,480

27 Members' liability

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

SUTTON GRAMMAR SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

28 Agency arrangements

The Trust manages the DfE's 16-19 Bursary Fund. In the year ended 31 August 2021 the Trust received £7,582 (2020 - £7,849) and distributed £7,582 (2020 - £7,849) of this to vulnerable and discretionary applicants. At 31 August 2021, no balance remained to be disbursed to students.