

Registration number: 07688240

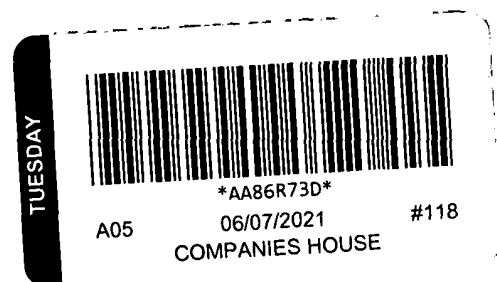
Beverley Grammar School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020

Forrester Boyd Chartered Accountants
26 South Saint Mary's Gate
Grimsby
N E Lincolnshire
DN31 1LW



Beverley Grammar School

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Beverley Grammar School

Reference and Administrative Details

Members	G Chappell (resigned 19 October 2020) K Harper (resigned 19 October 2020) C Hoyle (resigned 19 October 2020) D Thorpe (appointed 19 October 2020) J Fairburn (appointed 19 October 2020) M Wilkinson (appointed 19 October 2020)
Governors and Trustees (Directors)	M Wilkinson (resigned 13 July 2020) K Harper, Chair T Manson G Chappell L Barrett M Harrington SA Pindar D Thorpe (resigned 13 July 2020) P Hemsley J Baker (resigned 19 October 2020) R Gilbert (appointed 19 October 2020)
Company Secretary	K A Smith
Senior Management Team	G Chappell, Headteacher M Scott, Assistant Headteacher (resigned 31 December 2019) L Hamshaw, Assistant Headteacher E Vickerman, Deputy Headteacher (appointed 01 January 2020) C Hoyle, Finance & Resources Director D Williamson, Deputy Headteacher R Field, Associate Assistant Head A Stevenson, Associate Assistant Head S Caddell, Associate Assistant Head
Principal and Registered Office	Queensgate Beverley HU17 8NF
Auditors	Forrester Boyd Chartered Accountants 26 South Saint Mary's Gate Grimsby N E Lincolnshire DN31 1LW

Beverley Grammar School

Reference and Administrative Details (continued)

Bankers	HSBC plc 63 Market Place Beverley East Yorkshire HU17 8AL
Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 0BJ
Company Registration Number	07688240

Beverley Grammar School

Trustees' Annual Report for the Year Ended 31 August 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2020. The annual report serves the purposes of both a trustees' report incorporating the Strategic Report, and a directors' report under company law.

The trust operates an academy for boys aged 11 to 16 as well as a joint 6th form with Beverley High School serving a catchment area in Beverley. There were 810 pupils on roll in the Spring census of 2020.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 07688240.

The Governors act as the trustees for the charitable activities of Beverley Grammar School and are also the directors of the charitable company for the purposes of company law.

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

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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 cease to be a member.

Trustees' indemnities

The academy trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

Method of recruitment and appointment or election of Trustees

Parent Governors are elected from the parents of boys at the school; co-opted and community governors are appointed by the Members and Governing Body of Beverley Grammar School Academy Trust.

Changes throughout the period to the composition of the Governing Body are detailed on page 1.

Detailed instruction on the recruitment, appointment and election of Governors is included in the Articles of Association. The composition of the Governing Body is drawn from an extensive field and comprises Staff Governors (including the Head Teacher), Parent Governors and Community Governors. An annual skills audit of the Governing Body is undertaken to identify any areas that need strengthening, and to provide the focus for recruitment and appointment.

In addition the Secretary of State may appoint a Governor as an intervention strategy where it is felt the Academy has underperformed in pupil achievement or management and Governance of the Academy. No such appointment has been made.

Policies and procedures adopted for the induction and training of Trustees

The Chair of Governors is responsible for Governor induction and training through the Clerk to the Governors. The Governing Body receive full instruction on their new duties and responsibilities as Governors of an academy from the solicitors, Browne Jacobson, to ensure new Governors are apprised of their position and role within the school.

In addition, Governors are notified about locally held training events, and encouraged to attend. In 2019/20 all Governors attended some form of training encompassing:

All Governors Safeguarding
New Governors Induction training

Each Governor receives a copy of the current guidance relating to Governors, CC: The Essential Trustee. Governors are kept abreast of any changes via a subscription to the National Governors Association.

Beverley Grammar School

Trustees' Annual Report for the Year Ended 31 August 2020 (continued)

Organisational structure

The Governing Body has established sub-committees as detailed below and delegated responsibilities to them. The sub-committees report on their work and findings at the Governing Body meetings. The Board provides the overall strategic steer.

Governance Committee
Finance and Audit Committee
Human Resources Committee
Teaching, Learning and Student Progress Committee
Health & Safety, Buildings Committee
SIRO – responsible for e-safety and data protection

The importance of Safeguarding is reinforced by a direct report to the full Governing Body meetings.

Each sub-committee is instructed to meet at least once a term, with the Finance Committee meeting six times per year.

The AGM is held annually, in the second half of the Autumn Term, and receives the audited statutory accounts and re-appoints the Auditors for the following year.

Arrangements for setting pay and remuneration of key management personnel

The appointment and remuneration of key management personnel is governed by the Governing body. The Academy continues to refer to Local Authority guidance to determine the Individual Salary Range based on NOR, and applies to Academy key personnel.

Performance management interviews are held annually by the Headteacher to assess key personnel performance. Recommendations are then presented to a Remuneration Committee, a sub-committee of the HR committee, for a final decision. The Headteacher's annual performance management review is conducted by the School Improvement Partner who makes their recommendations to the Chair of Governors.

Trade union facility time

There was no trade union time in the period.

Risk management

A risk management exercise has been conducted and any major risks highlighted, reviewed and mitigation plans developed to minimise risk to the Academy. Categories of risks considered in this exercise include Strategic, Governance and Management, Personnel and Financial.

The risk register has been sub-divided, with each individual risk allocated to the sub-committees as appropriate to their remit, in agreement with the sub-committee Chairs. The sub-committees review their allocated risks and the Chair of each sub-committee presents the key risks and mitigating actions to the Governing Body.

Connected organisations, including related party relationships

As an all-boys' school, Beverley Grammar operated a joint sixth form provision with Beverley High School, the local LA maintained all-girls school. This relationship has continued as an Academy. Beverley High School remains a maintained school. Operating costs of the sixth form are shared by the two institutions.

Prior to conversion, Beverley Grammar School operated as a voluntary aided school, with a body of Trustees. This body continues to operate and submit annual accounts to the Charities Commission, Charity reference 529801. The Trustees own the academy buildings, which are leased to the academy.

The Academy has undertaken extensive support work in other East Riding schools, at the request of the Local Authority; it continues to do so.

Beverley Grammar School

Trustees' Annual Report for the Year Ended 31 August 2020 (continued)

Objectives and activities

Objects, aims and strategies

The principal objects and aims are as defined in the Articles of Association:-

- a. To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum; and
- b. To promote for the benefit of individuals living in Beverley and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

Objectives, strategies and activities

The school development plan for 2019-2021 builds upon our process, started 3 years ago, as outlined below.

The planning process started when we met as a whole staff in order to consider what skills and characteristics we wanted our students to have when they leave BGS. We then considered how we could best meet those aims. This was followed up by a session with representatives of student voice. This led to the following mission statement:

Our aims are for students to:

- Have the ambition and confidence to achieve their dreams
- Act with self-awareness, empathy and tolerance
- Have the independence and resilience to overcome barriers

In order to achieve these aims we will strive to:

- Set high expectations and standards in all areas of school life
- Provide a consistent, respectful and highly supportive environment
- Create opportunities for students to become leaders
- Value the achievements and contributions of all students
- Make students experience at BGS memorable

The innovative part of the plan is the series of review questions we have generated. We will seek to answer these questions as we evaluate progress towards our objectives: do we know the answer, where is the evidence, is it consistent, what more do we need to do, etc.

In order to help evaluate the plan we would like governors to use some of these review questions when they meet with link middle leaders as part of a structured process. This will help to triangulate evidence.

The development plan for 2019/2021 outlines the following key areas of focus:

Beverley Grammar School

Trustees' Annual Report for the Year Ended 31 August 2020 (continued)

Focus area 1: Confidence

High expectations

Are outcomes high.... For all subjects... all student groups?
Do classrooms exhibit high expectations?
Have we identified and intervened with underperformance?

Confident practitioners

Can staff articulate how their practice has developed?
Are the 6 principles having an impact over time?
Are staff supported effectively?
Do we review TFG throughout the cycle?

Strong learning foundations

Are our lower attaining students improving key literacy skills?
Do our interventions have impact?
Can we find evidence of complex writing skills demonstrated across the curriculum?

Focus area 2: Ambition

Develop a thoughtful curriculum

Is our curriculum inclusive?
Are curriculum leaders confident with their sequencing of skills/knowledge?
Do students have access to a variety of cultural experiences?
Do students read across the curriculum?

Promote the very best at J6

Have J6 interventions had a positive impact?
Have we taken joint activities with BHS?
Do all J6 move on to the destination of their (informed) choice?

Employability

Do we have a high success rate for the passport?
Have all of our students come into contact with industry?
Have we learned from other schools?

Focus area 3: Resilience

Excellent learners

Have we increased the value of homework to students?
Do students make meaningful responses to teacher feedback?

Impeccable behaviours

Is LLD low?
Is attendance high... and for all groups of students?
Are students tardy?
Have exclusions remained at low levels?
Do students move purposefully between lessons?

Support for learning

Do we see students supported, as per their profiles?
Is LSA deployment in line with the adopted EEF principles?
Are interventions having an impact?
At KS4 are students leading the focus of sessions?
Are all staff aware of 'Typical Talk' ?

Beverley Grammar School

Trustees' Annual Report for the Year Ended 31 August 2020 (continued)

Focus area 4: Empathy

Model positive behaviours

Do students know how to keep themselves safe?
Are incidents of hate extremely rare? Homophobic language is tackled?
Do we take opportunities to challenge stereotypes?

Have positive mental health

Is staff absence low?
Are we following the wellbeing principles in practice?
Do students have the tools to deal with exam stress?
Have we acted upon staff feedback?

Care for our environment

What do the site team say about litter?
Have we increased the volume of recycling v landfill?
Have we reduced energy costs?
Are students active participants in environmental issues?

That said: the year past has obviously not been without challenges and our development plans are, whilst still in place, subject to amendments as we have had to adjust to a different method of operation in order to ensure that we are acting in a Covid compliant manner. For example, we are now operating within a comprehensive risk assessment, are uncertain of future changes to the examinations system and are drawing up plans for various remote learning scenarios. This will inform our revised development plan for 2019-2021.

Public benefit

The Governors have noted their duty in the Articles to operate and promote the academy in the interest of public benefit. The Governors confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance provided by the Charity Commission for England and Wales.

Beverley Grammar School

Trustees' Annual Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Achievements and performance

Outcomes:

In line with government policy there is no external reporting of exam results in 2020. We can, however, celebrate the fact that our students gained their places at the universities of their choice and that we had a good intake into the J6 from our Y11 students.

We believe that the thorough manner in which we undertook the process of determining centre assessed grades means that the results that were awarded to our students (at GCSE and advanced level) were robust, accurate and fair.

To support and enhance future achievements, the Academy continues to develop and invest in the school site and educational environment.

- Investment in replacement boilers for energy efficiency / enhancement of learning environments;
- Investment in LED energy efficient lighting scheme;
- Continued refurbishment of classrooms to a standard specification to create improved learning environments;
- Continued investment in IT facilities to enhance provision, including creation of IT hub at heart of school and outreach Chromebook stations;
- Creation of external dining facility to promote healthy eating and support Covid risk register.

Key financial performance indicators

A benchmarking exercise is carried out with other similar academies locally to ensure expenditure is comparable and appropriate.

Annually, the Academy receives an Academies Benchmark report to gain a national perspective, and inform Governors of the performance of the Academy.

ICFP benchmarking is performed and results presented to Senior Management and Governors. The Academy underwent a SRMA visit in February 2020. The audit provided assurance that the benchmarking performed by the Academy is suited to ensure the Academy performs well, within its operational parameters.

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Beverley Grammar School

Trustees' Annual Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Financial review

The academy continues to operate in the educational environment that the school operated in. As a result, the sources of income are not dissimilar; the expenditure is channelled in the same format.

The main source of funding is the General Annual Grant (GAG) which provides funding for pupils aged 11-16 and the LACSEG (Local Authority Central Spend Equivalent Grant) which is a grant allowing the academy to source educational services from bodies other than the Local Authority. In addition the Local Authority continues to manage the SEN (Special Educational Needs) funding; the funding for post 16 pupils is administered by the ESFA (Education and Skills Funding Agency); the ESFA also administers the Pupil Premium funding and the Devolved Capital Funding. Smaller ad hoc grants continue to be available, i.e. sports development.

Other sources of external income include the operation of the school canteen, educational material sales, the hire of sporting and other venues / facilities, and the promotion of internal expertise to other schools

The school retains financial reserves as per the reserves policy. Prudent financial monitoring has enabled the Academy to reach levels of reserves that will secure its future, enabling it to support a declining budget, whilst continuing to invest in the fabric and environment of the school. At the end of each academic year, any surplus from the previous year is reinvested into the school, whilst the viability of other projects is considered using reserves.

During the period ended 31 August 2020, total expenditure of £4,857,245 was more than covered by recurrent grant funding from the ESFA together with other incoming resources and brought forward reserves. The excess of income over expenditure for the year (excluding restricted fixed asset funds and pension scheme) was £75,755 (2019: £44,004).

Financial and risk management objectives and policies

A risk management exercise has been conducted and major risks highlighted from this exercise have been reviewed, to minimise the risk to the academy. Categories of risks considered in this exercise include Strategic, Governance and Management, Personnel and Financial.

The Finance committee reviews the major risks monthly, and makes necessary judgements as deemed appropriate. The Chair of Finance presents papers identifying the key risks and mitigating actions termly to the Governing Body.

In 2016/17 a Governor specialising in risk management was appointed to take ownership of the risk register; this document is to be sub-divided into categories and allocated to individual sub-committees to review and report on. This ensures specialist knowledge can be applied to each category of risk.

Beverley Grammar School

Trustees' Annual Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Reserves policy

The Governing Body has formally adopted a Reserves policy, encompassing revenue and capital reserves, in order to:

- Assist strategic planning; considering how new projects or activities will be funded.
- Inform the budget process; considering whether reserves need to be used during the financial year or built up for future projects.
- Budget and risk management process; identifying any uncertainty in future income streams.

The revenue reserves are held to fund future expenditure related to the Academy Improvement Plan, strategic long-term aims and developments, and to ensure the going concern of the Academy.

The policy of the Academy is to carry forward a prudent level of resources designed to ensure the Academy can continue to meet trading expenses for 1 month, along with any unforeseen spending requirements that may result from trading. The Governors have determined that the appropriate level of revenue reserves is £500,000. This provides sufficient working capital to enable the Academy to manage cash flow effectively.

The Governors are conscious of decreasing funding in future years, and are endeavouring to increase reserves to a level where expected decreases in funding can be sustained by reserves and will thus have no impact on the operation of the Academy.

It is not intended to increase reserves to a premium. Under direction from the Governors, the Head Teacher must continually seek cost reductions in order to secure value for money. These proposals must not be at the detriment of the delivery of education.

The capital reserve is held to fund future essential capital expenditure in the event that a major component of the school becomes unworkable. In addition they are utilised to support and enhance CIF funded capital projects to receive best value for money.

A capital replacement schedule based on the Asset Management Plan has been identified, including those items that reach the end of their lifespan on a rolling basis. The Governors have determined that the appropriate level of capital reserves to carry into 20/21 should be a minimum of £200,000.

The Academy held fund balances at 31 August 2020 of £8,406,051 (2019: £8,415,630), comprising £59,455 (2019: £9,003) restricted funds, £9,157,076 (2019: £9,025,410) of restricted fixed asset funds and £724,520 (2019: £699,217) of unrestricted funds and an additional pension reserve deficit of £1,535,000 (2019: £1,318,000). Funds available for carry forward for general running of the school total £783,975 (2019: £708,220).

Investment policy

The Governing Body has formally adopted an Investment Policy which ensures that the reserves held by the academy are held appropriately with the objectives of:

- providing a means by which the Academy can meet its commitments
- ensuring sufficient sums are available at short or no notice to meet foreseeable requirements
- earning an acceptable rate of return on surplus funds without undue risk
- spreading risk between differing types of investment and institutions

The Investment Policy has been formulated to ensure a return on working capital will be optimised whilst allowing effective access to the funds. In balancing risk against return the Academy policy is clearly geared towards avoiding risk rather than to maximising return. The Academy will not take out any long term investments until a reliable cash flow pattern has been established and agreed by the Finance committee.

The Academy has a guiding principle of ethical investments.

Beverley Grammar School

Trustees' Annual Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Principal risks and uncertainties

The academy faces a number of principal risks, the majority of which centre around future funding risks: -

- SEN funding continues to have a negative impact on the school

There is a high level of statemented children in the school; the number of LSA hours required to support this level of statutory provision is not wholly supported by the students basic funding plus SEN top up funding. We operate in an LA that requires matched hours, and so this sizeable SEND department results in a high financial cost for the Academy to bear.

The September 2020 Year 7 cohort brought a further 14 statemented students into the school, resulting in a recruitment campaign for seven additional LSA staff whilst also increasing hours internally.

In operating a joint sixth form, we are also required to provide SEND hours for female students for which we receive no funding.

As a legal provision, this is beyond the Academy's control and is something we must continue to manage.

- Demographic area affecting intake.

The school has an intake of 140 per year. Low demographics in September 2015 and 2016 resulted in cohorts of 117 and 112 students respectively. These two small cohorts continue to impact throughout their education and have proved particularly problematic with both cohorts in KS4, which attracts a higher income per student. It should be noted that the number of boys in the catchment continues to be below 140 in any single year. The final year affected by these two low intake years will be 20/21 for Y7 to Y11 and 22/23 if we take J6 into account.

The school has engaged in a marketing campaign to secure additional students. The appointment of a Governor with a marketing focus and many contacts in PR has enabled us to reach out to local press with positivity.

As a result, the Academy flexed Year 7 intake to 150 students in 2017 and secured all 150 places. This has been repeated in September 2018, 2019 and 2020; the impact on funding has been significant.

- The school is subject to aggressive marketing from local sixth form colleges

September 2015 saw the launch of a sizeable college campus in the town. We have countered this by increasing resource and offer and thus far this has been rewarded with an increase in intake; the combined sixth form remains one of the larger sixth forms in the area. Intake in September 2020 has fallen slightly but still exceeds the financially sustainable threshold set of 100 students per year.

Stringent measures have been put in place to ensure places are only offered to students that can achieve the results they need to, with strict minimum entry levels. The appointment of a Director of Sixth with dedicated Senior Team support has ensured a whole area review, and best practice is being determined and introduced to secure the best for our students.

- Future national pay awards with no corresponding increase in funding.

The Academy continues to support large increases in Teachers Pension contributions following the national review.

Continuing national pay awards to teaching and non-teaching staff. We have a low turnover of teaching staff and therefore the percentage increase has greater impact on budget. The two year pay award of between 2% and 9% with no funding support awarded to non-teaching staff also continues to impact operations; as a school tied to matched SEND provision, the impact of this has been large and unavoidable; it has increased support staff costs by £38,000 per year.

There are further repercussions from the above; as salary bands are flattened by the enhanced pay awards to lower grades, staff are questioning the recognition of their value, which was previously inherent in the pay structure.

Beverley Grammar School

Trustees' Annual Report for the Year Ended 31 August 2020 (continued)

Strategic Report

The inclusion of the formerly separate Teaching Pay grant and Teachers' Pension grant into GAG funding from 21/22 implies a blanket rate rather than an individually assessed value and may lead to the academy funding a larger percentage of these two costs.

• Retention of key personnel

The Academy continues to review and monitor staff performance, and acknowledges and rewards incentivised staff. Key positions have been created within the Academy to allow staff to develop and progress: lead teacher positions, middle leader programmes, personalised CPD and extended senior leadership positions have ensured staff feel valued.

The creation of a training and conference facility, whilst allowing staff structured time to take advantage of this facility, has led to enhancements in planning and classroom delivery and offers the opportunity to share best practice.

Covid response

Covid has obviously had a financial impact on the Academy as it had to change operational practices and structures. The extent of these additional costs has yet to be realised. Thus far additional costs have included:-

- Purchase of online resources to be able to teach remotely;
- Purchase of additional Chromebooks and IT connections to ensure vulnerable students can access remote learning;
- Purchase of software to facilitate online meetings and parent evenings;
- Purchase of additional curriculum resources to be able to create bubble learning;
- Appointment of in-house day time cleaning staff to meet risk assessment and allay staff concerns regarding cleaning;
- Creation of external canteen seating area to be able to ensure social distancing in canteen;
- Enhanced cleaning and first aid materials - cleaning materials per room, face masks, gloves, tissues, sanitiser;
- Creation of external handwash facilities

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Plans for future periods

The academy plans to continue to fulfil the objectives and aims set out above.

Beverley Grammar School

Trustees' Annual Report for the Year Ended 31 August 2020 (continued)

Funds held as Custodian Trustee on behalf of others

Funds are held by Beverley on behalf of the Beverley and District Learning Partnership. The amount held on behalf of others is £152.

Auditor

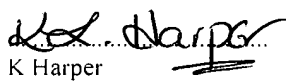
Insofar as the Trustees are aware:

- 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.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Forrester Boyd Chartered Accountants as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Trustees' Annual Report, incorporating a Directors' Report and Strategic Report, was approved by order of the members of the board of trustees on 8 December 2020 and signed on its behalf by:



K Harper

Governor and trustee

Beverley Grammar School

Governance Statement

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to G Chappell, 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 Beverley Grammar School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Annual Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
M Harrington	4	4
P Hemsley	3	4
D Thorpe (resigned 13 July 2020)	4	4
SA Pindar	4	4
J Baker (resigned 19 October 2020)	2	4
M Wilkinson (resigned 13 July 2020)	4	4
L Barrett	4	4
K Harper, Chair	4	4
G Chappell	4	4
T Manson	4	4

Governance reviews

The Academy continues to actively encourage the appointment of Governors with essential skills.

The Board is consistently monitoring its own standards of governance to identify any areas of weakness.

Plans would be implemented to improve such areas if they were identified.

The Finance and Audit Committee is a sub-committee of the main board of trustees. Its purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
M Harrington	1	6
SA Pindar	6	6
C Hoyle	6	6
G Chappell	6	6
P Hemsley	5	6
K Harper	3	6

Beverley Grammar School

Governance Statement (continued)

Effective oversight of funds

Monthly management accounts information has been provided to all trustees who are then given the opportunity to raise any queries.

Review of value for money

The Accounting officer, Governors and Trustees have responsibility for ensuring that the academy trust delivers good value in the use of public resources. They understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

Stringent HR management continues to benefit the school. By reviewing staff focused policies and ensuring the welfare of staff, the Academy continues to reduce the cost of absentee staff. Staffing structures are reviewed on an ongoing basis, in order to provide flexibility to the running of the organisation. Staff posts that become vacant as a natural progression are being assessed in terms of need, and staff reallocated to suit current school requirements.

The appointment of a Site Manager with the requisite skill set to maintain the Academy has reduced the premises repair expenditure by a third, allowing the Academy to continue on its programme of investment.

The Academy continues to work collaboratively with other institutions: there is a formal agreement in place regarding the Joint Sixth form with Beverley High School, whereby curriculum delivery is shared across the two sites.

Review of teaching practices to online resources. Whilst a necessary Covid response, it has proven to be more financially viable and is now being re-assessed and adapted as an ongoing curriculum delivery method for the school. Likewise, online meetings, parent evenings and training are making these events more manageable and accessible.

The vast majority of continuing professional development (CPD) is undertaken on an in-house basis, which has kept training costs to a manageable and sustainable level. Membership of the ERPLG has provided access to relevant annual training for pastoral and curriculum leaders. The Academy is also a member of the SSAT, which incorporates a fast track leadership programme and peer review.

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 ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Beverley Grammar School for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

In 19/20, the internal audit team were unable to undertake the scheduled programme due to Covid restrictions. Consideration was given to the impact of this: the Finance Committee reviewed the findings of the previous two years internal audit reports and found the reports had not found anything material to report. It was deemed that the SRMA visit conducted in February 2020 was an extensive review of the finances of the Academy and its financial practices. The Academy is yet to receive the written report from this visit but has received a positive verbal report from the on-site auditor.

In accordance with the Academies Financial Handbook 2020, the Governors, under the direction of the Finance Committee, have removed the external auditors from the internal scrutiny and has appointed a programme of days with an independent firm. This schedule of work, to commence November 2020, has been agreed with the Chair of Finance.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

Beverley Grammar School

Governance Statement (continued)

The risk and control framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided:

- appointed an internal auditor. The Trustees have appointed ERVAS for the year ended 31 August 2021.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial and non-financial systems. On a periodic basis, the reviewer reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal audit programme commences November 4th 2020 and is scheduled to coincide with the Finance committee meetings in order that a timely and relevant report can be received by the committee.

There were no material control or other issues reported to date.

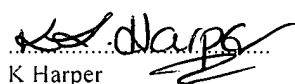
Review of effectiveness

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

- the SRMA review;
- the work of the external auditor;
- the completion of benchmarking exercises;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 8 December 2020 and signed on its behalf by:



K Harper
Governor and trustee



G Chappell
Accounting officer
Governor and trustee


Beverley Grammar School

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Beverley Grammar School 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 2019.

I confirm that I and the academy trust 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 2019.

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


.....
G Chappell
Accounting officer
8 December 2020

Beverley Grammar School

Statement of Trustees' Responsibilities

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

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

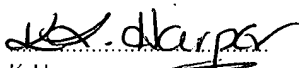
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards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

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

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

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

Approved by order of the members of the Board on 8 December 2020 and signed on its behalf by:



K Harper
Governor and trustee

Beverley Grammar School

Independent Auditor's Report on the Financial Statements to the Members of Beverley Grammar School

Opinion

We have audited the financial statements of Beverley Grammar School (the 'Academy Trust') for the year ended 31 August 2020, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Other information includes trustees' annual report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Beverley Grammar School

Independent Auditor's Report on the Financial Statements to the Members of Beverley Grammar School (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Directors Report

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' 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 [set out on page 18], the Trustees (who are also the directors of the Academy Trust for the purpose of the company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy 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 Academy Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust'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 Academy Trust and the Academy Trust's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Beverley Grammar School

**Independent Auditor's Report on the Financial Statements to the Members of Beverley Grammar
School (continued)**

Forrester Boyd

Carrie Anne Jensen ACA (Senior Statutory Auditor)

For and on behalf of Forrester Boyd Chartered Accountants, Statutory Auditor

26 South Saint Mary's Gate

Grimsby

N E Lincolnshire

DN31 1LW

8 December 2020

Beverley Grammar School

Independent Reporting Accountant's Assurance Report on Regularity to Beverley Grammar School and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 8 June 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Beverley Grammar School during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Beverley Grammar School's funding agreement with the Secretary of State for Education dated 30 June 2011 and the Academies Financial Handbook extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Evaluating the systems and control environment;
- Assessing the risk of irregularity, impropriety and non-compliance;
- Ensuring that the activities of the Academy trust are in keeping with the Academy's framework and the charitable objectives;
- Obtaining representations from the Accounting Officer and Key Management Personnel.

Beverley Grammar School

Independent Reporting Accountant's Assurance Report on Regularity to Beverley Grammar School and the Education and Skills Funding Agency (continued)

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 year from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Forrester Boyd

Carrie Anne Jensen ACA, (Reporting Accountant)

For and on behalf of Forrester Boyd Chartered Accountants, Statutory Auditor

26 South Saint Mary's Gate

Grimsby

N E Lincolnshire

DN31 1LW

8 December 2020

Beverley Grammar School

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2019/20 Total £
Income and endowments from:					
Donations and capital grants	2	118,133	-	187,779	305,912
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	4	155,283	4,342,414	-	4,497,697
Other trading activities	3	23,763	-	-	23,763
Investments	5	9,294	-	-	9,294
Total		<u>306,473</u>	<u>4,342,414</u>	<u>187,779</u>	<u>4,836,666</u>
Expenditure on:					
Raising funds	6	206,692	-	-	206,692
<i>Charitable activities:</i>					
Academy trust educational operations	7	<u>74,478</u>	<u>4,325,020</u>	<u>251,055</u>	<u>4,650,553</u>
Total		<u>281,170</u>	<u>4,325,020</u>	<u>251,055</u>	<u>4,857,245</u>
Net income/(expenditure)		25,303	17,394	(63,276)	(20,579)
Transfers between funds		-	(194,942)	194,942	-
Other recognised gains and losses					
Actuarial gains / (losses) on defined benefit pension schemes	23	<u>-</u>	<u>11,000</u>	<u>-</u>	<u>11,000</u>
Net movement in funds/(deficit)		25,303	(166,548)	131,666	(9,579)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		<u>699,217</u>	<u>(1,308,997)</u>	<u>9,025,410</u>	<u>8,415,630</u>
Total funds/(deficit) carried forward at 31 August 2020		<u>724,520</u>	<u>(1,475,545)</u>	<u>9,157,076</u>	<u>8,406,051</u>

Comparative figures are stated on page 25.

Beverley Grammar School

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

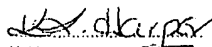
	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2018/19 Total £
Income and endowments from:					
Donations and capital grants	2	92,711	-	756,055	848,766
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	4	218,341	3,922,500	-	4,140,841
Other trading activities	3	41,289	-	-	41,289
Investments	5	7,537	-	-	7,537
Total		<u>359,878</u>	<u>3,922,500</u>	<u>756,055</u>	<u>5,038,433</u>
Expenditure on:					
Raising funds	6	209,311	1,788	-	211,099
<i>Charitable activities:</i>					
Academy trust educational operations	7	<u>74,939</u>	<u>4,115,336</u>	<u>208,247</u>	<u>4,398,522</u>
Total		<u>284,250</u>	<u>4,117,124</u>	<u>208,247</u>	<u>4,609,621</u>
Net income/(expenditure)		75,628	(194,624)	547,808	428,812
Other recognised gains and losses					
Actuarial gains / (losses) on defined benefit pension schemes	23	<u>-</u>	<u>(638,000)</u>	<u>-</u>	<u>(638,000)</u>
Net movement in funds/(deficit)		75,628	(832,624)	547,808	(209,188)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		<u>623,589</u>	<u>(476,373)</u>	<u>8,477,602</u>	<u>8,624,818</u>
Total funds/(deficit) carried forward at 31 August 2019		<u>699,217</u>	<u>(1,308,997)</u>	<u>9,025,410</u>	<u>8,415,630</u>

Beverley Grammar School

(Registration number: 07688240)
Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	9,157,076	8,680,543
Current assets			
Debtors	12	108,669	289,813
Cash at bank and in hand		<u>1,115,644</u>	<u>1,293,043</u>
		1,224,313	1,582,856
Creditors: Amounts falling due within one year	13	<u>(327,822)</u>	<u>(529,769)</u>
Net current assets		<u>896,491</u>	<u>1,053,087</u>
Total assets less current liabilities		10,053,567	9,733,630
Creditors: Amounts falling due after more than one year	14	<u>(112,516)</u>	<u>-</u>
Net assets excluding pension liability		9,941,051	9,733,630
Pension scheme liability	23	<u>(1,535,000)</u>	<u>(1,318,000)</u>
Net assets including pension liability		<u><u>8,406,051</u></u>	<u><u>8,415,630</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		59,455	9,003
Restricted fixed asset fund		9,157,076	9,025,410
Restricted pension fund		<u>(1,535,000)</u>	<u>(1,318,000)</u>
		7,681,531	7,716,413
Unrestricted funds			
Unrestricted general fund		<u>724,520</u>	<u>699,217</u>
Total funds	15	<u><u>8,406,051</u></u>	<u><u>8,415,630</u></u>

The financial statements on pages 24 to 46 were approved by the Trustees, and authorised for issue on 8 December 2020 and signed on their behalf by:


K Harper
Governor and trustee

Beverley Grammar School

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	18	353,116	115,636
Cash flows from investing activities	19	<u>(530,515)</u>	<u>352,404</u>
Change in cash and cash equivalents in the year		(177,399)	468,040
Cash and cash equivalents at 1 September		<u>1,293,043</u>	<u>825,003</u>
Cash and cash equivalents at 31 August	20	<u><u>1,115,644</u></u>	<u><u>1,293,043</u></u>

Beverley Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Accounting policies

General information

The academy trust is a private limited company, limited by guarantee and incorporated in the United Kingdom.

The address of its registered office is:

Beverley Grammar School
Queensgate
Beverley
HU17 8NF

These financial statements were authorised for issue by the Board on 8 December 2020.

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.

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of the company and have been rounded to the nearest pound.

The financial statements cover the individual entity Beverley Grammar School.

Beverley Grammar School meets the definition of a public benefit entity under FRS 102.

Going concern

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

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.

Beverley Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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.

Donations

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

Other income

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

Expenditure

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

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.

Beverley Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful lives, per the table below.

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

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

Asset class	Depreciation method and rate
Fixtures and fittings	5 and 10 years straight line
Computer equipment	3 years straight line
Leasehold land	125 years straight line
Leasehold buildings	50 years straight line

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.

Leased assets

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

Long term leasehold land:

The land is held on a 125 year lease with Beverley Grammar School, Charity reference 529801. They were recognised as an asset on conversion and are being depreciated accordingly.

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 transaction price less any provision for impairment. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at transaction price. 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.

Beverley Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

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.

Pension 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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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 on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy 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/ (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.

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 the funders where the asset acquired or created is held for a specific purpose.

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

Critical accounting estimates and areas of judgement

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.

Beverley Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, this 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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	2019/20 Total £	2018/19 Total £
Educational trips and visits	116,916	-	116,916	89,942
Capital grants	-	187,779	187,779	756,055
Other donations	1,217	-	1,217	2,769
	<u>118,133</u>	<u>187,779</u>	<u>305,912</u>	<u>848,766</u>

3 Other trading activities

	Unrestricted funds £	2019/20 Total £	2018/19 Total £
Hire of facilities	-	-	7,500
Catering income	2,687	2,687	3,584
School shop sales	9,438	9,438	7,689
Recharges and reimbursements	-	-	4,660
Music contributions	11,638	11,638	17,856
	<u>23,763</u>	<u>23,763</u>	<u>41,289</u>

Beverley Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

4 Funding for Academy's educational operations

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	3,854,821	3,854,821	3,592,297
Other ESFA Grants	-	248,833	248,833	67,650
Pupil Premium	-	88,539	88,539	79,429
	-	4,192,193	4,192,193	3,739,376
Other government grants				
Other government grants	-	150,221	150,221	183,124
Non-government grants and other income				
Other income	42,157	-	42,157	40,113
Catering income	113,126	-	113,126	178,228
	155,283	-	155,283	218,341
Total grants	155,283	4,342,414	4,497,697	4,140,841

5 Investment income

	Unrestricted funds £	2019/20 Total £	2018/19 Total £
Short term deposits	9,294	9,294	7,537

6 Expenditure

	Non Pay Expenditure			2019/20 Total £	2018/19 Total £
	Staff costs £	Premises £	Other costs £		
Expenditure on raising funds					
Direct costs	-	-	206,692	206,692	211,099
Academy's educational operations					
Direct costs	2,993,325	-	186,236	3,179,561	3,016,978
Allocated support costs	869,315	429,812	171,865	1,470,992	1,381,544
	3,862,640	429,812	564,793	4,857,245	4,609,621

Beverley Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2019/20 £	2018/19 £
Operating leases - other leases	17,218	14,774
Fees payable to auditor - audit	8,000	7,925
Fees payable to auditor - other audit services	3,025	3,035
Depreciation	251,055	208,247

7 Charitable activities

	2019/20 £	2018/19 £
Direct costs - educational operations	3,179,561	3,016,978
Support costs - educational operations	1,470,992	1,381,544
	4,650,553	4,398,522

	Educational operations £	2019/20 Total £	2018/19 Total £
Analysis of support costs			
Support staff costs	869,315	869,315	809,891
Depreciation	251,055	251,055	208,247
Technology costs	63,157	63,157	64,080
Premises costs	178,757	178,757	204,775
Other support costs	87,859	87,859	70,818
Governance costs	20,849	20,849	23,733
Total support costs	1,470,992	1,470,992	1,381,544

Beverley Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

8 Staff costs

Staff costs

	2019/20 £	2018/19 £
Staff costs during the year were:		
Wages and salaries	2,785,295	2,750,393
Social security costs	259,362	247,766
Pension costs	796,440	587,332
	<u>3,841,097</u>	<u>3,585,491</u>
Supply teacher costs	21,543	8,314
	<u><u>3,862,640</u></u>	<u><u>3,593,805</u></u>

Staff numbers

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

	2020 No	2019 No
Charitable Activities		
Teachers	49	54
Administration and support	49	52
Management	8	8
	<u>106</u>	<u>114</u>

Higher paid staff

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

	2020 No	2019 No
£60,001 - £70,000	2	-
£70,001 - £80,000	-	1
£80,001 - £90,000	<u>1</u>	<u>-</u>

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 £736,057 (2019: £645,394).

Beverley Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

9 Related party transactions - trustees' remuneration and expenses

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

M Wilkinson (Staff trustee):

Remuneration: £50,000 - £55,000 (2019 - £45,000 - £50,000)

Employer's pension contributions: £10,000 - £15,000 (2019 - £5,000 - £10,000)

G Chappell (Headteacher):

Remuneration: £80,000 - £85,000 (2019 - £75,000 - £80,000)

Employer's pension contributions: £15,000 - £20,000 (2019 - £10,000 - £15,000)

During the year ended 31 August 2020, travel and subsistence expenses totalling £Nil (2019 - £138) were reimbursed or paid directly to 0 trustees (2019 - 2).

Other related party transactions involving the Trustees are set out in note 24.

10 Trustees' and officers' insurance

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

Beverley Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

11 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2019	9,379,964	969,417	309,192	10,658,573
Additions	<u>-</u>	<u>687,330</u>	<u>40,258</u>	<u>727,588</u>
At 31 August 2020	<u>9,379,964</u>	<u>1,656,747</u>	<u>349,450</u>	<u>11,386,161</u>
Depreciation				
At 1 September 2019	1,218,958	487,320	271,752	1,978,030
Charge for the year	<u>180,344</u>	<u>59,999</u>	<u>10,712</u>	<u>251,055</u>
At 31 August 2020	<u>1,399,302</u>	<u>547,319</u>	<u>282,464</u>	<u>2,229,085</u>
Net book value				
At 31 August 2020	<u>7,980,662</u>	<u>1,109,428</u>	<u>66,986</u>	<u>9,157,076</u>
At 31 August 2019	<u>8,161,006</u>	<u>482,097</u>	<u>37,440</u>	<u>8,680,543</u>

Included within leasehold land and buildings is £7,980,662 (2019: £8,161,006) relating to long leasehold land and buildings.

12 Debtors

	2020 £	2019 £
Trade debtors	646	689
Prepayments	54,676	77,687
Accrued grant and other income	14,846	189,170
VAT recoverable	<u>38,501</u>	<u>22,267</u>
	<u>108,669</u>	<u>289,813</u>

13 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	79,519	22,110
Other taxation and social security	64,550	62,894
Other creditors	8,782	5,616
Pension scheme creditor	68,291	55,405
Accruals	97,980	316,207
Deferred income	<u>8,700</u>	<u>67,537</u>
	<u>327,822</u>	<u>529,769</u>

Beverley Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

13 Creditors: amounts falling due within one year (continued)

	2020 £	2019 £
Deferred income		
Deferred income at 1 September 2019	67,537	28,172
Resources deferred in the period	8,700	67,537
Amounts released from previous periods	<u>(67,537)</u>	<u>(28,172)</u>
Deferred income at 31 August 2020	<u>8,700</u>	<u>67,537</u>

At the balance sheet date the Academy Trust was holding funds received in advance for trips and music tuition of £8,700 (2019: £67,537).

14 Creditors: amounts falling due after one year

	2020 £	2019 £
Other creditors	<u>112,516</u>	<u>-</u>

Included within other creditors is a loan of £112,516 (2019: £nil) from DfE and Salix which is provided on the following terms: interest free loans which will be repaid on a straight line basis over 5 years, paid out of annual savings made from the improved heating and lighting the loans have funded.

Beverley Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

15 Funds

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant	-	3,854,821	(3,606,226)	(194,942)	53,653
Other DfE Income	-	248,833	(248,833)	-	-
Pupil Premium	9,003	88,539	(91,740)	-	5,802
Statement funding	-	150,221	(150,221)	-	-
	<u>9,003</u>	<u>4,342,414</u>	<u>(4,097,020)</u>	<u>(194,942)</u>	<u>59,455</u>
Restricted fixed asset funds					
Donated Assets from Local Authority	7,245,884	-	(159,750)	-	7,086,134
DfE Capital Grant	1,546,472	187,779	(80,489)	-	1,653,762
Expenditure transferred from GAG	<u>233,054</u>	<u>-</u>	<u>(10,816)</u>	<u>194,942</u>	<u>417,180</u>
	<u>9,025,410</u>	<u>187,779</u>	<u>(251,055)</u>	<u>194,942</u>	<u>9,157,076</u>
Restricted pension funds					
Pension Scheme Liability	<u>(1,318,000)</u>	<u>-</u>	<u>(228,000)</u>	<u>11,000</u>	<u>(1,535,000)</u>
Total restricted funds	<u>7,716,413</u>	<u>4,530,193</u>	<u>(4,576,075)</u>	<u>11,000</u>	<u>7,681,531</u>
Unrestricted funds					
Unrestricted general funds	<u>699,217</u>	<u>306,473</u>	<u>(281,170)</u>	<u>-</u>	<u>724,520</u>
Total funds	<u>8,415,630</u>	<u>4,836,666</u>	<u>(4,857,245)</u>	<u>11,000</u>	<u>8,406,051</u>

Beverley Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

15 Funds (continued)

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

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant	28,428	3,592,267	(3,620,695)	-	-
Other DfE Income	-	67,680	(67,680)	-	-
Pupil Premium	12,199	79,429	(82,625)	-	9,003
Statement funding	-	183,124	(183,124)	-	-
	<u>40,627</u>	<u>3,922,500</u>	<u>(3,954,124)</u>	<u>-</u>	<u>9,003</u>
Restricted fixed asset funds					
Donated Assets from Local Authority	7,405,634	-	(159,750)	-	7,245,884
DfE Capital Grant	827,871	756,055	(37,454)	-	1,546,472
Expenditure transferred from GAG	<u>244,097</u>	<u>-</u>	<u>(11,043)</u>	<u>-</u>	<u>233,054</u>
	<u>8,477,602</u>	<u>756,055</u>	<u>(208,247)</u>	<u>-</u>	<u>9,025,410</u>
Restricted pension funds					
Pension Scheme Liability	<u>(517,000)</u>	<u>-</u>	<u>(163,000)</u>	<u>(638,000)</u>	<u>(1,318,000)</u>
Total restricted funds	8,001,229	4,678,555	(4,325,371)	(638,000)	7,716,413
Unrestricted funds					
Unrestricted general funds	<u>623,589</u>	<u>359,878</u>	<u>(284,250)</u>	<u>-</u>	<u>699,217</u>
Total funds	<u>8,624,818</u>	<u>5,038,433</u>	<u>(4,609,621)</u>	<u>(638,000)</u>	<u>8,415,630</u>

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Local Authority Statement funding is provided for the provision of services for children with special educational needs and is included within other DfE grants.

Pupil Premium Grant may be spent for the educational benefit of pupils registered at that school, or for the benefit of pupils registered at other schools; and on community facilities i.e. services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated. The grant does not have to be completely spent by schools in the financial year, this is included within other DfE grants.

Devolved capital either allocated direct by the DfE or transferred on conversion from the local authority must be spent on capital purposes.

Capital expenditure from GAG income is made up of any fixed assets purchased during the year and the expense is the depreciation relating to these additions.

Beverley Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

16 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	9,157,076	9,157,076
Current assets	724,520	499,793	-	1,224,313
Current liabilities	-	(327,822)	-	(327,822)
Creditors over 1 year	-	(112,516)	-	(112,516)
Pension scheme liability	-	(1,535,000)	-	(1,535,000)
Total net assets	724,520	(1,475,545)	9,157,076	8,406,051

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	8,680,543	8,680,543
Current assets	699,217	234,911	648,728	1,582,856
Current liabilities	-	(225,908)	(303,861)	(529,769)
Pension scheme liability	-	(1,318,000)	-	(1,318,000)
Total net assets	699,217	(1,308,997)	9,025,410	8,415,630

17 Commitments under operating leases

Operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	8,600	8,618
Amounts due between one and five years	30,100	-
	38,700	8,618

Beverley Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

18 Reconciliation of net (expenditure)/income to net cash inflow/(outflow) from operating activities

	2020 £	2019 £
Net (expenditure)/income	(20,579)	428,812
Depreciation	251,055	208,247
Capital grants from DfE and other capital income	(187,779)	(756,055)
Interest receivable	(9,294)	(7,537)
Defined benefit pension scheme cost less contributions payable	203,000	147,000
Defined benefit pension scheme finance cost	25,000	16,000
Decrease/(increase) in debtors	181,144	(195,329)
(Decrease)/increase in creditors	(89,431)	274,498
Net cash provided by Operating Activities	<u>353,116</u>	<u>115,636</u>

19 Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	9,294	7,537
Purchase of tangible fixed assets	(727,588)	(411,188)
Capital funding received from sponsors and others	187,779	756,055
Net cash (used in)/provided by investing activities	<u>(530,515)</u>	<u>352,404</u>

20 Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>1,115,644</u>	<u>1,293,043</u>
Total cash and cash equivalents	<u>1,115,644</u>	<u>1,293,043</u>

21 Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash	1,293,043	(177,399)	1,115,644
Loans falling due after more than one year	-	(112,516)	(112,516)
Total	<u>1,293,043</u>	<u>(289,915)</u>	<u>1,003,128</u>

22 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 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 cease to be a member.

Beverley Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

23 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 East Riding Pension Fund. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £68,291 (2019 - £55,405) were payable to the schemes at 31 August 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 member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% 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 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 CPL. Assumed real rate of return is 2.4% 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 4.5%.

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

The pension costs paid to TPS in the period amounted to £472,367 (2019: £316,739).

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 scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £154,000 (2019 - £158,000), of which employer's contributions totalled £116,000 (2019 - £121,000) and employees' contributions totalled £38,000 (2019 - £37,000). The agreed contribution rates for future years are 17.9 per cent for employers and 5-7 per cent for employees.

Beverley Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

23 Pension and similar obligations (continued)

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

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	3.10	2.50
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	<u>1.70</u>	<u>1.80</u>

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

	2020	2019
Retiring today		
Males retiring today	20.90	20.80
Females retiring today	23.30	23.30
Retiring in 20 years		
Males retiring in 20 years	21.80	22.00
Females retiring in 20 years	<u>24.80</u>	<u>24.90</u>

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

	2020 £	2019 £
Equities	2,036,100	2,231,530
Corporate bonds	493,600	471,450
Property	370,200	345,730
Cash and other liquid assets	<u>185,100</u>	<u>94,290</u>
Total market value of assets	<u>3,085,000</u>	<u>3,143,000</u>

The actual return on scheme assets was (£156,000) (2019 - £130,000).

Beverley Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

23 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2020 £	2019 £
Current service cost	(319,000)	(258,000)
Past service cost	-	(10,000)
Interest income	58,000	83,000
Interest cost	(83,000)	(99,000)
Total amount recognised in the SOFA	<u>(344,000)</u>	<u>(284,000)</u>

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

	2019/20 £	2018/19 £
At start of period	4,461,000	3,412,000
Current service cost	319,000	258,000
Interest cost	83,000	99,000
Employee contributions	38,000	37,000
Actuarial (gain)/loss	(225,000)	685,000
Benefits paid	(56,000)	(40,000)
Past service cost	-	10,000
At 31 August	<u>4,620,000</u>	<u>4,461,000</u>

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

	2019/20 £	2018/19 £
At start of period	3,143,000	2,895,000
Interest income	58,000	83,000
Actuarial gain/(loss)	(214,000)	47,000
Employer contributions	116,000	121,000
Employee contributions	38,000	37,000
Benefits paid	(56,000)	(40,000)
At 31 August	<u>3,085,000</u>	<u>3,143,000</u>

Sensitivity analysis

	2020 £	2019 £
0.5% decrease in Real Discount Rate	568,000.00	587,000.00
0.5% increase in Salary-Increase Rate	71,000.00	97,000.00
0.5% increase in the Pension Increase Rate	486,000.00	478,000.00
Mortality assumption – 1 year increase	<u>185,000.00</u>	<u>178,000.00</u>

Beverley Grammar School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

24 Related party transactions

Expenditure related party transactions

During the year the academy made the following related party transactions:

M Hoyle

M Hoyle, spouse of C Hoyle, Finance and Resources Director, is employed by the academy trust as a Premises Manager. M Hoyle's appointment was made in open competition and C Hoyle was not involved in the decision making process regarding appointment. M Hoyle is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to the Finance and Resources Director.

D Robson

D Robson, father of C Hoyle, Finance and Resources Director, is employed by the academy trust as a Caretaker. D Robson's appointment was made in open competition and C Hoyle was not involved in the decision making process regarding appointment. D Robson is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to the Finance and Resources Director.

S Robson

S Robson, mother of C Hoyle, Finance and Resources Director, is employed by the academy trust as a Invigilator. S Robson's appointment was made in open competition and C Hoyle was not involved in the decision making process regarding appointment. S Robson is paid within the normal pay scale for her role and receives no special treatment as a result of his relationship to the Finance and Resources Director.