Company Registration Number: 08332696 (England & Wales)

CALDAY GRANGE GRAMMAR SCHOOL

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

CALDAY GRANGE GRAMMAR SCHOOL
(A company limited by guarantee)

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CALDAY GRANGE GRAMMAR SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	C.A. Ashcroft LLB (Hons)*, Chair D. Mahony BSc, MBA*, Vice Chair S. Gray BA (Hons), PGCE, NPQH, Head Teacher (appointed 20 April 2020) M.R. Rodaway B.Ed (Hons), MA, NPQH*, Head Teacher (resigned 31 December 2019) A.Q. Roberts FCMA, CGMA*, Trustee A. Cross MPhil, BSc (Hons), DCR(T), DNM, Trustee M Twist BSc, MSc, PGCE, NPQH, Trustee (appointed 1 January 2020, resigned 19 April 2020) J. Wylie, Co-opted Trustee M.J. Underwood MBA, MSc, MIExpE, MILT, Trustee D. Meigh BA (Hons)*, Staff Trustee C. Youngson BDS, DDSc, FDS, Trustee T. L. Atherton*, Staff Trustee G.A Carswell BSc (Hons), PhD, FRSC, Parent Trustee A.S Tallents BSc (Hons), Parent Trustee C.R Penn* BEd (Hons), Parent Trustee

* Members of the Finance and General Purposes Committee

Company registered number	08332696
Company name	Calday Grange Grammar School
Principal and registered office	Grammar School Lane West Kirby Wirral CH48 8GG
Senior leadership team	S. Gray BA (Hons), NPQH, Headteacher (appointed 20 April 2020) M.R. Rodaway B.Ed (Hons), MA, NPQH, Headteacher (resigned 31 December 2019) M. Twist BSc, MSc, PGCE, NPQH, Deputy Headteacher P. Adamson HND, B.Ed, M.Ed, NPQH, Deputy Headteacher A.J. Eckford BSc (Hons), FCA, Director of Finance & Operations (resigned 31 October 2020) A. Procter BSc (Hons), PGCE, Director of Achievement V. Storey BA (Hons), PGCE, Director of Student Services
Independent auditors	Langtons Professional Services Limited The Plaza 100 Old Hall Street Liverpool L3 9QJ

TRUSTEES' 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 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The School offers a free grammar school education to students from Wirral, Chester, North Wales and the Merseyside region.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the Academy.

The Trustees of Calday Grange Grammar School are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Calday Grange Grammar School.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Trustees' indemnities

In accordance with normal commercial practice the Academy has arranged for suitable insurance to be put in place to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business.

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

To ensure that Calday is strongly led and robustly governed, we recruit, select and induct appropriate individuals as Trustees from the local community, from all walks of life and backgrounds, who can bring different viewpoints, experience, skills and fresh ideas to help maintain and foster the quality and standards of the School. The recruitment of Trustees is undertaken in a fair and transparent manner in line with statutory guidance and regulations.

The Governing Body includes the following:-
- Trustees;
- Parent Trustees;
- Staff Trustees;
- Co-opted Trustees;

e. Policies adopted for the induction and training of Trustees

Once a Trustee has been appointed, the Clerk to the Governing Body ensures that they receive the support, guidance and documentation necessary to enable them to become an effective member of the Governing Body. This includes an induction process, mentoring by an existing Trustee and specific training where required.

f. Organisational structure

The organisational structure consists of three levels; the Governing Body of Trustees, the Senior Leadership Team and the Middle Leadership Team (consisting of Heads of Faculty, Curriculum Coordinators, Heads of Year and Lead Learners.)

The key purposes of the Governing Body are:
- The statutory duties of the Company;
- Monitoring the School's financial and academic performance;
- Developing strategic policies that reflect the ethos and values of the School, ensuring creative use of available resources;
- Monitoring and evaluating performance, supporting the Headteacher in managing the School;
- Promoting the School and fostering links with the community.

The Senior Leadership Team (SLT) consists of the Headteacher, two Deputy Headteachers, two Directors of Standards and the Director of Finance & Operations. The SLT manage the School at an executive level implementing the policies laid down by the Governing Body. As a group, the SLT are responsible for the authorisation of spending within agreed budgets and agreed limits, and the appointment of Staff, though appointment panels for middle and senior leaders include Trustee representation. Some spending control is devolved to Heads of Faculty and other budget holders with agreed limits.

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

The Headteacher and Senior Leadership Team are employed on the appropriate Leadership Scale (School Teacher Pay and Conditions) for their role and they receive an increment on that Scale each year, subject to satisfactory performance and the achievement of their agreed objectives. On reaching the highest point on the appropriate Scale they then receive the nationally agreed inflationary increase.

Performance of the Headteacher is measured by an annual performance review with Governors and an external reviewer. The Senior Leadership team performance is measured by the Headteacher who determines whether the agreed objectives has been achieved.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	**2**
Full-time equivalent employee number	**2**

Percentage of time spent on facility time

Percentage of time	**Number of employees**
0%	-
1%-50%	**2**
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	**£000**	
Total cost of facility time	-	
Total pay bill	**13,404**	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

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

Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

Calday Fundraising Ltd was founded in July 2015 for the purpose of raising funds to improve and enhance the facilities at the School and to support the broad range of extra-curricular activities provided for students. The Company is limited by guarantee and directors are drawn from the Trustees of the Academy.
The Bennett Trust provides grants to families of limited means and give financial help in cases of hardship. The grants may be for uniform, books, games kit, games expenses or for courses and visits which are part of the School curriculum.
The William Glegg Foundation: William Glegg founded Calday Grange Grammar School in 1636 and the Foundation owns the land which the main buildings of the School stand on.
The Old Caldeian Union links the work of the School with previous students and staff, and provides an opportunity for ex Calday students to maintain links with the School for the benefit of current Students.
Calday Association of Parents and Staff (CAPS) brings together parents, teachers and the local community to raise money and to support the School. All parents of Calday students are automatically members of CAPS, as are all of the teaching and support staff. Our shared aim is to promote the School, forge positive links through enjoyable events and activities and to raise funds to support and develop the School.
The Institute of Education (IOE) supports the School in the development and promotion of the teaching of Mandarin Chinese supported by the Chinese National Office for Teaching Chinese as a Foreign Language (Hanban) through the Confucius Classroom scheme.
Refilwe is a charitable organisation that the School promotes and supports by raising funds. It is based in Johannesburg, South Africa for the benefit of orphaned children.
Langtons Chartered Accountants and Business Advisers operate as the School's Auditors.
Langtons Payroll Services Limited provide payroll services to the School..
Liverpool John Moores University operates as our partner Teacher Training institution.
The Governing Body also works closely with Wirral Borough Council and a number of Wirral primary and secondary schools.
Oxton Hockey Club (OHC) are a community amateur hockey club who have close links with the School. OHC have a long-term preferential hire agreement for the use of the School's sport facilities at the Glasspool Fields site.

Structure, governance and management (continued)

j. Risk Management

Trustees are responsible for the management of the risks to which the School may be exposed and are assisted in this task by:
- The Senior Leadership Team;
- SAS Daniels, who provide legal and HR support;
- Langtons Chartered Accountants and Business Advisers, who audit the School finances;
- Langtons Payroll Services Limited, who operate the School payroll;
- Wirral Children and Young Peoples service, who support the School in the areas of safeguarding, risk management and advice of educational visits and Education Social Work.

The key controls used by the Trustees include:
- Detailed terms of reference for all Committees;
- Formal agendas for all meetings and committee meetings of the Governing Body, minutes of the full Governing Body and committees are reviewed by Trustees;
- Formal written policies;
- Clear authorisation and approval levels;
- Policies and procedures required by law;
- Scheme of delegation and formal regulations for staff.

The Trustees have assessed the major risks to which the School is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas and its finances. The Trustees have implemented systems to assess risks that the School faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying, radicalisation, safeguarding and school trips) and in relation to the control of finance. The Trustees have operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The School risk register has been reviewed and updated a number of times during the year.

Objectives and activities

Objectives and activities (continued)

a. Objects and aims

Calday seeks to:-
• ensure that every Student enjoys the same high quality education in terms of resourcing, tuition and care;
• raise the standard of educational achievement of all Students;
• offer a broad and balanced curriculum, in line with statutory requirements, which is intellectually challenging, enjoyable and leads to academic success;
• support Students in the development of a sense of self-discipline based on the values of self-respect and respect for others;
• encourage Students to develop a range of skills by participating in extra-curricular activities;
• encourage its Students to adopt healthy lifestyles, to promote their mental and physical wellbeing and their personal safety;
• prepare Students for Higher Education, Higher or Degree Apprenticeships, a future career and economic well-being;
• develop independent learners and creative thinkers who are self-motivated and capable of solving problems;
• forge links between School and home supporting the School's philosophy and to help achieve its stated aims;
• offer an environment which is safe, secure, welcoming and stimulating;
• improve the School's effectiveness by keeping the curriculum and organisational structure under continual review;
• conduct the School's business in accordance with the highest standards of integrity, probity and openness;
• provide value for money for the funds expended;
• organise management and administrative systems which support the aims of the School.

b. Objectives, strategies and activities

Calday values diversity and seeks to give everyone at the School an equal opportunity to learn, work and live, free from the threat, or fear, of racism, discrimination, or prejudice. We work together to develop the potential of all Students academically, socially, culturally and spiritually and to establish a community that is just and fair for all people who work and learn here or visit us. We want our Students to be happy and healthy, enthused by the intellectual, social and physical challenges posed by their education. They will be encouraged to develop into independent learners, aware of how to learn and of the role of emotions and dispositions in the learning process, which they draw on to address challenge and difficulty, as well as success.
All Staff will have the opportunity to develop further as self-directed, reflective learners, through working collaboratively with others to enhance their own expertise. Through their passion, dedication and professional expertise Teachers will enthuse and inspire others to explore new ideas.
Parents will fulfil their roles as true partners, recognising their role in the Student-School-Parent partnership to ensure that their child realises his/her potential.
Trustees will contribute to the life of the School on a wider scale, acting as critical friends to support the School to become a nationally-recognised centre of excellence and support the continued development of the site and teaching and learning facilities.
The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The School aims to establish and maintain equal opportunity in all areas of its life including creating a working environment in which the contribution and needs of all people are fully valued.
The School complies fully with DDA regulations and is equipped to welcome and/or teach any child or adult with a disability.

Objectives and activities (continued)

c. Public benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the School's aims and objectives and in planning its future activities.

d. Covid-19

The outbreak of the Covid19 pandemic affected the operations of the School. As well as achieving excellent examination results, the School prides itself on extra-curricular activities, such as sport, drama and music. In 2019, the School was ranked 7th nationally for sport in state schools and it also has one of the largest Duke of Edinburgh schemes in the North-West, as well as the Combined Cadets Force, which dates back to 1916. All of these activities have been curtailed and this has clearly affected the students and the dynamics within the School. Calday is usually a 'busy' place and this element has been somewhat lost since March 2020.

Furthermore, Covid-19 has created financial uncertainty. Revenue has been lost from lettings and the function of the School canteen, which is run internally. The School has dealt with this situation by scrutinising finances closely and not committing to large-scale projects or significant changes in staffing.
The School's ability to raise funds has also been affected. However, some revenues have been raised by adapting to the pandemic's requirements - for example, local football teams were able to use the School's football pitches after the School hired and installed portable toilets (removing the need for individuals to go into School buildings).

The outbreak has had a significant impact on Staff and anxiety and stress levels have increased in the staff body. However, specialist services have been introduced to mitigate this. The School has maintained a full curriculum. A body of staff known to the School was created to cover lessons at short notice if required. To date, there have been eleven positive cases of Coronavirus on the staff body. The main impact on staffing has been through the requirement to self-isolate for fourteen days if designated as a 'contact' of a positive case. Nevertheless, cover costs have not been significantly higher than last year. Through innovation and the collegiate approach of the staff, the School has continued to function effectively.

The financial and operational effects of the virus and the control measures put into place have affected the principal risks and uncertainties facing the Academy. Some of the long-term effects include:

- Lost learning and recovery for Students
- Staff and Student well-being and resilience
- The impact of potential further closures
- Ongoing costs of control measures, such as hand sanitiser
- Impact on the School's 'brand' due to the reduced curriculum and extra-curricular experience (for example, some students have not done any practical work in science at all in this school year)

As with all sectors, it is hoped that the introduction of mass testing and different vaccines will help to change the educational sector's outlook in 2021. The School has amended its procedures regularly as and when required in order to improve the experience of our students. The School will be introducing more practical elements and extra-curricular activities from January 2021 and will continue to aim to make School feel 'normal'. There is always an element of uncertainty, but it is felt that the Trust is in a good position moving forward.

Strategic report

Achievements and performance

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

The main financial performance indicator is the level of reserves and cash balances held at the Balance Sheet date. The reserves are defined as the total of Restricted Funds plus Unrestricted Funds.

The School's funding is based upon the number of Students on the roll at the Autumn Census date in the previous year. In October 2019, this was 1,467 (October 2018: 1,462).

Effectiveness of the School

The School was subject to a section 8 Ofsted Inspection between 25th and 26th September 2019 and they confirmed that it continues to be a good school. A number of positive features about the School were commented upon by the Inspectors:

• Leaders and Staff create a highly ambitious culture at Calday Grange Grammar School. Pupils achieve well right across this School. They have high hopes for the future. At the same time, staff encourage pupils to develop a strong sense of social responsibility.
• Teachers have an excellent knowledge of their subject. They present information and ideas clearly. Teachers ensure that pupils can revisit the knowledge that is the most useful. This means that pupils can remember important content and apply it to new learning.
• Leaders and Staff are equally ambitious for pupils with special educational needs and/or disabilities (SEND). Pupils with SEND study a wide range of subjects. This group of pupils also receives strong pastoral support.
• The arrangements for safeguarding are effective. If staff have concerns about a pupil, they understand what they must do and the procedures to follow.

A numbers of points were identified by Inspectors for the School to improve further. Governors and the Senior Leadership Team are embedding these changes across the School:
• Leaders are ambitious for pupils with SEND. However, some teachers do not adapt the curriculum effectively enough for these pupils. Leaders must ensure that all teachers use the information that they have about pupils with SEND to adapt more carefully how the curriculum is planned and delivered.
• Most leaders use assessment well to inform changes to the curriculum. However, some subject leaders do not use assessment effectively enough to adapt the curriculum so that it meets the needs of the least-able pupils. Leaders should ensure that all subject leaders use assessment well. This is to inform adaptations to the curriculum so as to support those pupils who struggle the most.
• On occasions pupils produce work that is not of high quality. Teachers must ensure that all pupils' work is of a consistently high standard.

Academic Performance

2020 has of course been a very difficult year for all concerned. However, Students and the School achieved an outstanding set of examination results at GCSE and A Level.

GCSE

• 99.5% of all GCSE entries were at grade 4 and above.
• The percentage of entries achieving grade 9 was 15.9% and grades 7-9 was 60.5%.
• Progress at the School as measured by Progress 8 was 0.41, meaning that on average students achieve over

Strategic report (continued)

Achievements and performance (continued)

2/5 of a grade higher than is expected, compared to their peers nationally. This is an upward trend.
• 81% of all students gaining three or more 7 – 9 grades.
• 81.6% of students attaining grades 9 – 5 in the 'E-Bacc' subjects. Whilst 86.9% achieved the same measure at grades 4 and above.

A Level

• Results in 2020 continued the upward trend achieved by the School.
• Level 3 VA was 0.15 meaning that students achieve nearly 1/5 of a grade higher at the school than their GCSE performance suggested they should.
• 98.7% of results were graded A*-E with 34% being in the top two grades (A*/A) and 62% being graded A*- B.
• In 2020, 80% of those who applied gained a place at their chosen university.

The School continues to have a very successful record of supporting students to gain entry to their chosen courses at Oxford, Cambridge and the Russell Group Universities, as well as securing prestigious apprenticeships for many of those who choose an industry-based path after Sixth Form study.

Community

The School makes considerable efforts to engage with the local community principally through:
• Outreach activities with local primary schools which includes the delivery of science and activity workshops at a number of primary school sites, an annual free drama production for over 2,000 primary school children at the Floral Pavilion theatre and support with sport provision for local primary schools.
• Making School facilities available on a cost effective basis for community amateur sporting use including a long term partnership with Oxton Hockey Club for the School to provide their long-term base at the Glasspool Fields site.
• Charitable fundraising by the School's students for a wide range of local and international charities. During the 2019/20 academic year we raised an amazing £27,634 which supported a range of charities.
• We have recently appointed a Communications & Marketing Officer to enhance this further.

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

Financial review

a. Reserves policy

The School's primary purpose is to use its income to provide high quality, cost effective education. It broadly aims to break-even each year. However, given current funding constraints and uncertainties it would seem prudent for the School to endeavour to maintain a reserve fund of no more than 20% of annual grant income without a review of this policy by the Trustees' Finance & Audit Committee.
The purpose of this reserve would be:
• To provide a buffer against future funding uncertainties, which could be called on in the event of a funding shortfall in any year;
• To provide an emergency fund for unforeseen items of expenditure;

• The accretion of funding, over a pre-determined period, for a specific capital project approved by the Governing Body.
These purposes are subject to the overriding considerations that reserves will not be built at the expense of maintaining educational standards.

At 31 August 2020 reserves as defined by the Restricted Income Fund plus Unrestricted Funds totalled £112,000 (2019: (101,000)) and at 1.4% are less than the target set of 20% of annual grant income (2019: (1.5%)).

Whilst this figure is concerning it needs to be considered alongside cash reserves at that date of £604,000 (2019: £716,000). The three-year plan to 31 August 2023 indentifies the generation of a suplus each year, prior to the FRS17 pension adjustment, and a positive reserve position being restored.

The Reserves Policy is reviewed on an annual basis by Trustees.

b. Investment policy

Under the Memorandum and Articles of Association, the School has the power to invest funds not immediately required for its own purposes, in any way the Trustees see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.
The Governing Body of Calday will make provision for the Senior Leadership Team of the School to:
• Operate an interest bearing current account for day to day operations with a bank approved by the Trustees and maintain sufficient balances to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including maintaining a sufficient contingency for unexpected payments;
• Cash that is surplus to the working requirements shall be invested in term deposits of differing time periods informed by the cash and liquidity needs of the Trust. The Trust will not take out any long term investments until a reliable cash flow requirement has been established. Any investments undertaken thereafter will be reviewed regularly with appropriate advice and guidance being taken;
• As an alternative to bank term deposits investments into Money Market Funds may be made provided that the Trustees are satisfied that the risk profile is acceptable to the Trust.
• Any short term surplus cash that is not held in accordance with the above shall be transferred to an instant access deposit account with a bank approved by the Trustees;
• Maintain a register of deposits/investments;
• Periodically (at least annually) review interest rates and compare with other investment opportunities;
• Meet regularly with the Bank to discuss efficient management of the School's banking arrangements.

Investment Risk

• In operating this Policy the Director of Finance & Operations will consider spreading risk between differing types of investment and institutions to reduce credit and counterparty risk.
• The Director of Finance & Operations will monitor the credit and counterparty risk relating to all investments and cash held by the Trust.
• Any significant deterioration in credit and counterparty risk that may result in increased risk of loss in the capital value of any cash funds invested will be reported to the Finance & General Purposes Committee with immediate effect.
The Trust's Investment Policy is reviewed by Trustees on an annual basis.

c. Principal risks and uncertainties

The principal risks and uncertainties facing the School are as follows:
• Financial – the reliance upon the recurrent grants from the ESFA it is expected that funding will decline in real terms, especially in the funding rate for post-16 students. Such funding is not assured and is subject to Government policy and public sector funds;
• Failures in risk management – although the Trustees continue to monitor the governance procedures and the School's internal control framework, there is a risk that such measures fail to manage its finances and statutory / legislative requirements;
• Safeguarding and child protection – child protection policies and procedures, discipline and health and safety are all considered on a regular basis. Rigorous standards are applied in terms of the recruitment of staff and on-going assessment of their adherence to safeguarding protocol;
• Staffing – the staffing of the School is considered from both a qualitative and quantitative point of view
As Staff are key to meeting objectives. Trustees review the training and development of Staff on a regular basis and consider succession planning.

d. Financial Risk Management Objectives and Policies

The School's principal financial performance indicators are the level of reserves held at the Balance Sheet date and the level of reserves excluding land and buildings and defined benefit obligations (i.e. excluding long-term assets and liabilities).

At 31 August 2020 the School held fund balances of £2,742,000 (2019: £2,132,000) of which £2,667,000 (2019: £2,132,000) was represented by restricted funds and £75,000 (2019: £NIL) was unrestricted funds.

Cash flow

Cash balances have declined by £112,000 over the year comprised of £89,000 utilised for operating activities and £23,000 of net capital investments after grants. At the year-end the School held cash balances of £604,000 (2019: £716,000).

Net cash used in operating activities of £89,000 in 2019/20 compares to net cash used in 2018/19 of £185,000.

The School's latest three-year forecast indicates that net cash will be generated from operating activities in the three years through to 31 August 2024. The actual amount of net cash generated will depend upon the amount of capital investments approved by Governors in those years. This improved financial position is forecast based upon:
• an increase in funding for Key Stage 3 and 4 to £5,000 per student in 2020/21, increasing to £5,150 per student in 2021/22 with a further increase of 2.12% p.a. in 2022/23 as a result of the implementation of the Minimum Funding Levels, as described in the National Funding Formula, in Wirral
• an increase in funding for Key Stage 5 to £4,188 from 2020/21 onwards
• continued efficiency and value for money measures at the School.

Staff costs

A further key financial performance indicator is the cost of staff as a percentage of General Annual Grant (GAG).

In the year to 31 August 2020, this percentage was 91.7% (2019: 97.5%). The percentage of GAG needs to be held at less than 95% of GAG for the School to be financially sustainable. It is anticipated that this percentage will be maintained at 95% or below in the three years to 31 August 2024.

Income

The majority of the School's income is received from the Education and Skills Funding agency (ESFA) in the form of recurrent grants (principally the General Annual Grant), the use of which is restricted to specific educational purposes. The grants received from the ESFA during the period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. General Annual Grant income from the year was £7,131,000 (2019: £6,325,000).

The School also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting and reporting by Charities" (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned. In the year ended 31 August 2020 fixed asset additions of £425,000 were made (2019: £282,000). Depreciation of £230,000 has been allowed for in the year (2019: £188,000).

Unrestricted income in the period amounted to £1,203,000 (2019: £1,742,000) and related expenditure was £1,128,000 (2019: £1,536,000).

Expenditure

Expenditure from all funds has been used to further the School's objectives, namely to advance education for the public benefit, develop students and expand their breadth of knowledge and experience, and prepare them for their lives beyond School through a mix of curricular and extra-curricular activities.

Net position for the year

The School has generated a net surplus of £114,000 for the year to 31 August 2020 and a surplus of £610,000 after the actuarial gain on the defined benefit scheme (2019: net expenditure loss of £478,000 and net loss of £1,590,000 after the actuarial loss on the defined benefit scheme).

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 School will continue to strive to improve the attainment of its Students at all levels and will continue its efforts to ensure they progress to higher education or further training and employment at age 18.
The School has a clear understanding of its strengths and areas for development based on rigorous analysis of data and monitoring of teaching and learning. It also makes good use of external validation to secure its judgement on the quality of provision and subsequent outcomes. The Improvement Plan has all the correct areas identified for improvement and is based on regular analysis of data which is meticulously analysed by the Headteacher and the SLT. It is regularly monitored and amended annually by the SLT and Trustees and is underpinned by appropriate budget links.
School improvement strategies are highly effective as a result of combining rigorous monitoring; outstanding CPD, including coaching, thorough analysis of examination results and a strong focus on outstanding Teaching and Learning. The School makes provision for personalised learning, support and intervention programmes for individual Students and the quality of provision for inclusion is outstanding due to personalised programmes aimed at raising achievement.
The drive for excellence is evident in many aspects of school life, but particularly in the strong culture of collaboration, openness and commitment to professional learning. Staff CPD is outstanding in the way that all staff work to share best practice and fulfil the School's aim to provide outstanding teaching in every lesson experienced by our Students.

Funds held as custodian on behalf of others

The School holds out-of-class funds on behalf of Parents and charities which are included in the Financial Statements as assets and deferred income.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 15 December 2020 and signed on its behalf by:

Caroline A Ashcroft

C.A. Ashcroft LLB (Hons)
Chair

GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal, 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 Calday Grange 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 STATEMENT (CONTINUED)

Governance

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

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

Trustee	Meetings attended	Out of a possible
C.A. Ashcroft LLB (Hons)*, Chair	8	8
D. Mahony BSc, MBA*, Vice Chair	8	8
S. Gray BA (Hons), PGCE, NPQH, Head Teacher** (see explanatory note below)	0	0
M.R. Rodaway B.Ed (Hons), MA, NPQH, Head Teacher** (see explanatory note below)	0	0
A.Q. Roberts FCMA, CGMA*, Trustee	5	8
A. Cross MPhil, BSc (Hons), DCR(T), DNM, Trustee	7	8
M Twist BSc, MSc, PGCE, NPQH, Trustee** (see explanatory note below)	0	0
J. Wylie, Co-opted Trustee	4	8
M.J. Underwood MBA, MSc, MIExpE, MILT, Trustee	7	8
D. Meigh BA (Hons)*, Staff Trustee	3	8
C. Youngson BDS, DDSc, FDS, Trustee	7	8
T. L. Atherton*, Staff Trustee	8	8
G.A Carswell BSc (Hons), PhD, FRSC, Parent Trustee	7	8
A.S Tallents BSc (Hons), Parent Trustee	5	8
C.R Penn* BEd (Hons), Parent Trustee	8	8

* = Member of the Finance & Audit Committee

**Please note that the post of Head Teacher was held by 3 individuals during the academic year 2019/20 as follows. Out of a possible 8 meetings, one of the individuals attended each:

M.R. Rodaway B.Ed (Hons), MA, NPQH*,	3	3 (Resigned December 2019)
M Twist, Acting Headteacher	3	3 (Acting HT from January to April)
S.Gray BA (Hons), NPQH	2	3 (Joined April 2020)

Trustees' attendance at meetings averaged 82% in the 2019/20 year which is above the target set for attendance of 80%.

The Board of Trustees have chosen to spread its workload by delegating certain functions to Committees whose terms of reference, constitution and membership are agreed annually by the Board of Trustees. Committees are chaired by Trustees and have a member of the Senior Leadership Team attached. They meet before full Board Meetings, or as and when required, to prioritise and focus upon tasks in their areas of Curriculum & Pupil Welfare, Personnel & Appointments, Infrastructure & Governance and Finance & Audit. Committee Meetings have Minutes taken to report to the Trustees and identify key decisions which have to be ratified by the full Board of Trustees.

Legally, academy trusts are companies limited by guarantee and, under the terms of the Academies Act 2010, exempt charities. Trustees therefore, are subject to the duties and responsibilities of charitable trustees and company directors. Trustees have wide discretion over the use of the School's funds but are responsible for the proper stewardship of those funds and for ensuring economy, efficiency and effectiveness in their use – the

Governance (continued)

three key elements of value for money. Trustees must ensure they use their discretion reasonably taking into account any and all relevant guidance on accountability or propriety. Trustees must therefore also be aware of the Charity Commission's guidance for academies in 'Academy Schools: guidance on their regulation as charities' and two guidance notes, which are relevant for academy trustees. These guidance notes are 'CC3 - The Essential Trustee: What you need to know' and 'CC8 - Internal Financial Controls for Charities'.

Trustees should also be aware of the statutory duties of company directors, which are set out in the Companies Act 2006 and include the duties to:
- exercise their powers only for a proper purpose;
- promote the Company's success;
- exercise independent judgement;
- exercise reasonable care, skill and diligence; and
- avoid conflicts of interest.

Governance Review

The Chair leads a self-evaluation review of governance on an annual basis with the Trustees. This review impacts upon the composition and constitution of committees to the Board in addition to informing the Board of skills required in future governors. This review will be next undertaken in 2019 on a self-evaluation basis.

Finance and Audit Committee

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to oversee all aspects of the finances of the School (including medium and long-term financial planning) and shall in particular:
- Consider and recommend to the Governing Body the annual budget for the School and any changes in that budget at the half-yearly stage;
- Monitor the performance against the annual budget by consideration of regular income and expenditure statements and cash-flow statements and make any minor adjustments in the budget as may be required from time to time;
- Ensure, as far as is within its competence, that the financial procedures and arrangements required by law, by the Department for Education, by the Auditors and by other authorities are in place and are being properly implemented. This includes reviewing the risks to internal financial control and agreeing a programme of work that will address these risks and, so far as is possible, provide assurance to the external Auditors. This function was undertaken in 2018/19 by a co-opted Trustee who carried out a programme of internal audit reviews. The co-opted Trustee has been appointed by the Governing Body, on the advice of the Finance & Audit Committee, and the Terms of Reference and audit plan will be agreed by the Governing Body. The co-opted Trustee will report at least twice a year to the Governing Body. Any serious concerns, particularly any which relate to potential fraud or similar misconduct, shall be reported immediately to the Chair or, if relating to the conduct of the Chair, to the Vice Chair;
- Liaise with the Auditors as required and consider the draft annual accounts in conjunction with them and recommend the accounts to the Governing Body;
- Authorise the Chair of the Committee to sign, on behalf of the Governing Body, any financial statements, other than the Annual Accounts, which might be required by the DfE or any other regulatory body

Review of value for money

As accounting officer, the Principal has responsibility for ensuring that the Academy delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy has delivered improved value for money through the approaches outlined below:

• The Academy has an established system of internal control. This is based upon 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 a three-year financial plan, annual budget and periodic financial reports which are reviewed and agreed by Governors:
- Regular reviews by the Finance & General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.
• Each faculty leader agrees a budget with the Director of Finance & Operations before the start of the school year and is expected to adhere to it. This responsibility of each faculty leader is a key control over expenses and is based on their duty, written into their job description, to 'monitor spending and ensure that purchases are made in compliance with financial rules'.
• It is not in the budget holder's interest to over-pay for goods and services and this encourages careful scrutiny of purchase order forms as well as regular monitoring of spending compared to budget (monthly reports are sent to faculty leaders to facilitate this).
• The Academy adopts a range of approaches to ensure that purchasing represents best value including framework agreements, benchmarking, tendering and following best practice within the sector.
• The curriculum is carefully planned and delivered to ensure maximum workable utilisation of the staff employed by the Academy, which in some cases means a limited number of option groups for students following certain subjects.
As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Calday Grange Grammar School for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has decided to employ Wirral Borough Council as internal auditor.

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

On a quarterly basis, the internal auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Review of effectiveness

As accounting officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Trustees on 15 December 2020 and signed on their behalf by:

C.A. Ashcroft LLB (Hons)
Chair

S. Gray BA (Hons), PGCE, NPQH
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Calday Grange Grammar School I have considered my responsibility to notify the Academy Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2019.

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

S. Gray BA (Hons), PGCE, NPQH
Accounting Officer
Date: 15 December 2020

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

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 15 December 2020 and signed on its behalf by:

C.A. Ashcroft LLB (Hons)*, Chair

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CALDAY GRANGE GRAMMAR SCHOOL

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CALDAY GRANGE GRAMMAR SCHOOL (CONTINUED)

A J McCall (Senior statutory auditor)

for and on behalf of
Langtons Professional Services Limited

The Plaza

100 Old Hall Street

Liverpool

L3 9QJ

15 December 2020

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

In accordance with the terms of our engagement letter dated 31/08/17 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 Calday Grange Grammar School during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Calday Grange Grammar School's funding agreement with the Secretary of State for Education dated [enter date here] and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

Reporting Accountant
Langtons Professional Services Limited

Date: 15 December 2020

CALDAY GRANGE GRAMMAR SCHOOL

(A company limited by guarantee)

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

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	*Total funds 2019 £000*
Income from:						
Donations and capital grants	3	-	-	20	20	-
Charitable activities		-	7,378	383	7,762	*6,660*
Other trading activities		1,200	-	-	1,200	*1,736*
Investments	6	3	-	-	3	*6*
Total income		1,203	7,378	403	8,984	*8,402*
Expenditure on:						
Raising funds		1,128	-	-	1,128	*1,536*
Charitable activities		-	7,512	230	7,742	*7,344*
Total expenditure		1,128	7,512	230	8,870	*8,880*
Net income/(expenditure)		75	(134)	173	114	*(478)*
Transfers between funds	16	-	(21)	21	-	-
Total transfers		-	(21)	21	-	-
Net movement in funds before other recognised gains/(losses)		75	(155)	194	114	*(478)*
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	496	-	496	*(1,112)*
Net movement in funds		75	341	194	610	*(1,590)*
Reconciliation of funds:						
Total funds brought forward		-	(2,993)	5,125	2,132	*3,722*
Net movement in funds		75	341	194	610	*(1,590)*

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

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	*Total funds 2019 £000*
Total funds carried forward		**75**	**(2,652)**	**5,319**	**2,742**	*2,132*

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 34 to 60 form part of these financial statements.

CALDAY GRANGE GRAMMAR SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 08332696

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note		2020 £000		*2019 £000*
Fixed assets					
Tangible assets	12		**5,319**		*5,124*
			5,319		*5,124*
Current assets					
Debtors	13	**145**		*208*	
Cash at bank and in hand		**604**		*716*	
		749		*924*	
Creditors: amounts falling due within one year	14	**(590)**		*(958)*	
Net current assets / liabilites			**159**		*(34)*
Total assets less current liabilities			**5,478**		*5,090*
Creditors: amounts falling due after more than one year	15		**(47)**		*(66)*
Net assets excluding pension liability			**5,431**		*5,024*
Defined benefit pension scheme liability	23		**(2,689)**		*(2,892)*
Total net assets			**2,742**		*2,132*
Funds of the academy					
Restricted funds:					
Fixed asset funds	16	**5,319**		*5,125*	
Restricted income funds	16	**37**		*(101)*	
Restricted funds excluding pension asset	16	**5,356**		*5,024*	
Pension reserve	16	**(2,689)**		*(2,892)*	
Total restricted funds	16		**2,667**		*2,132*
Unrestricted income funds	16		**75**		-
Total funds			**2,742**		*2,132*

The financial statements on pages 29 to 60 were approved by the Trustees, and authorised for issue on 15 December 2020 and are signed on their behalf, by:

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

.....

C.A. Ashcroft LLB (Hons)
Chair

The notes on pages 34 to 60 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	*2019 £000*
Cash flows from operating activities			
Net cash used in operating activities	18	**(89)**	*(185)*
Cash flows from investing activities	19	**(23)**	*(84)*
Change in cash and cash equivalents in the year		**(112)**	*(269)*
Cash and cash equivalents at the beginning of the year		**716**	*985*
Cash and cash equivalents at the end of the year	20, 21	**604**	*716*

The notes on pages 34 to 60 form part of these financial statements

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

1.3 Income

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

- **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.

1.4 Expenditure

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

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

1. Accounting policies (continued)

1.4 Expenditure (continued)

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

  All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Long-term leasehold property	- 10%-20% straight line
Furniture and equipment	- 20%-33% straight line
Computer equipment	- 20%-33% straight line
Motor vehicles	- 20% straight line
Assets under construction	- not depreciated in current year

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

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

1. Accounting policies (continued)

1.7 Debtors

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

1.8 Cash at bank and in hand

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

1.9 Liabilities

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

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1. Accounting policies (continued)

1.11 Pensions

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

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

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

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

1.12 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and grants

	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	*Total funds 2019 £000*
Donations	20	**20**	-

4. Funding for the academy's educational costs

	Restricted funds 2020 £000	Total funds 2020 £000	*Total funds 2019 £000*
DfE/ESFA grants			
General Annual Grant	7,132	**7,132**	*6,324*
Capital grants	383	**383**	*198*
Other DfE/ESFA grants	64	**64**	*53*
Local authority grants	87	**87**	*85*
CJRS grant	60	**60**	-
Coronavirus exceptional support	36	**36**	-
	7,762	**7,762**	*6,660*

The funding received for coronavirus exceptional support covers £36k of expenditure on premises, IT support, Free School meals and PPE costs. All such costs are included in note 7 below.

The academy furloughed its catering staff under the government's CJRS. The funding received of £60k relates to staff costs in respect of 16 staff which are included in note 9 below as appropriate.

5. Income from other trading activities

	Unrestricted funds 2020 £000	Total funds 2020 £000	*Total funds 2019 £000*
Hire of facilities	17	**17**	*33*
Catering income	348	**348**	*511*
Transport	336	**336**	*435*
Other activities	499	**499**	*757*
	1,200	**1,200**	*1,736*

6. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000	*Total funds 2019 £000*
Short term deposits	3	**3**	*6*

7. Analysis of expenditure by activities

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000	*Total funds 2019 £000*
Educational Costs	5,946	905	**6,851**	*6,502*
Premises Costs	231	651	**882**	*832*
Governance Costs	-	10	**10**	*10*
Total 2020	6,177	1,566	**7,742**	*7,344*
Total 2019	*5,873*	*1,471*	*7,344*	

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Costs 2020 £000	Premises Costs 2020 £000	Total funds 2020 £000	*Total funds 2019 £000*
Pension finance costs	50	-	**50**	*38*
Staff costs	5,459	-	**5,459**	*5,205*
Depreciation	-	230	**230**	*188*
Educational supplies	127	-	**127**	*124*
Examination fees	117	-	**117**	*146*
Technology costs	121	-	**121**	*102*
Staff development	15	-	**15**	*25*
Other direct costs	57	-	**57**	*45*
	5,946	230	**6,176**	*5,873*
Total 2019	*5,684*	*188*	*5,873*	

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Costs 2020 £000	Premises Costs 2020 £000	Governance Costs 2020 £000	Total funds 2020 £000	*Total funds 2019 £000*
Staff costs	737	151	-	**888**	*799*
Support staff costs	-	7	-	**7**	*33*
IT expenditure and support	14	-	-	**14**	*11*
Recruitment and support	35	-	-	**35**	*36*
Printing, postage, stationary and telephone	19	-	-	**19**	*18*
Maintenance of premises and equipment	(1)	118	-	**117**	*98*
Cleaning	-	186	-	**186**	*174*
Rent and rates	-	18	-	**18**	*16*
Heat, light, water and waste disposal	-	134	-	**134**	*130*
Insurance	-	37	-	**37**	*37*
Legal and professional	64	-	-	**64**	*43*
Security and transport	7	-	-	**7**	*34*
Other support costs	30	-	-	**30**	*32*
Governance costs	-	-	10	**10**	*10*
	905	651	10	**1,566**	*1,471*
Total 2019	*817*	*644*	*10*	*1,471*	

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £000	*2019 £000*
Operating lease rentals	**35**	*35*
Depreciation of tangible fixed assets	**231**	*188*
Fees paid to auditors for:		
- audit	**9**	*8*

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £000	2019 £000
Wages and salaries	4,764	4,651
Social security costs	460	442
Pension costs	1,295	1,042
	6,519	6,135
Agency staff costs	42	63
Staff restructuring costs	18	32
	6,579	6,230

Staff restructuring costs comprise:

	2020 £000	2019 £000
Severance payments	18	32
	18	32

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £18,000 (2019: £32,035). There was one payment of £18,000 made.

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	78	79
Administration and support	52	49
Management	6	6
	136	134

d. Higher paid staff

9. Staff (continued)

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

	2020 No.	*2019* *No.*
In the band £60,001 - £70,000	**2**	-
In the band £70,001 - £80,000	**1**	*3*
In the band £100,001 - £110,000	**-**	*1*

e. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £530,400 *(2019 £571,912).*

10. Trustees' remuneration and expenses

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

		2020	*2019*
		£000	*£000*
M.R. Rodaway	Remuneration	**30 - 35**	*105 - 110*
	Pension contributions paid	**5 - 10**	*15 - 20*
S. Gray	Remuneration	**30 - 35**	
	Pension contributions paid	**5 - 10**	
D. Meigh BA (Hons)*, Staff Trustee	Remuneration	**40 - 45**	*40 - 45*
	Pension contributions paid	**5 - 10**	*5 - 10*
T. L. Atherton, Staff Trustee	Remuneration	**10 - 15**	*10 - 15*
	Pension contributions paid	**0 - 5**	*0 - 5*
A. Cross, Trustee	Remuneration	**0 - 5**	*0 - 5*

During the year ended 31 August 2020, no Trustee expenses have been incurred *(2019 - £NIL)*.

11. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2020 is included within the Education Funding Agency Risk Protection Arrangement Fee of £20 per student and is not separately identifiable (2019 - not separately identifiable).

12. Tangible fixed assets

	Long-term leasehold property £000	Assets under construction £000	Furniture and equipment £000	Motor vehicles £000	Computer equipment £000
Cost or valuation					
At 1 September 2019	**5,000**	**147**	**291**	**26**	**321**
Additions	**332**	**-**	**50**	**-**	**43**
Transfers between classes	**147**	**(147)**	**-**	**-**	**-**
At 31 August 2020	**5,479**	**-**	**341**	**26**	**364**
Depreciation					
At 1 September 2019	**265**	**-**	**130**	**21**	**245**
Charge for the year	**135**	**-**	**54**	**5**	**36**
At 31 August 2020	**400**	**-**	**184**	**26**	**281**
Net book value					
At 31 August 2020	**5,079**	**-**	**157**	**-**	**83**
At 31 August 2019	*4,735*	*147*	*161*	*5*	*76*

Total £000
5,785
425
-
6,210
661
230
891
5,319
5,124

13. Debtors

	2020 £000	*2019 £000*
Due within one year		
Trade debtors	**3**	*11*
Other debtors	**88**	*51*
Prepayments and accrued income	**54**	*146*
	145	*208*

14. Creditors: Amounts falling due within one year

	2020 £000	*2019 £000*
Other loans	**19**	*19*
Trade creditors	**-**	*1*
Other taxation and social security	**113**	*108*
Other creditors	**136**	*109*
Accruals and deferred income	**322**	*721*
	590	*958*

	2020 £000	*2019 £000*
Deferred income at 1 September 2019	**431**	*391*
Resources deferred during the year	**96**	*431*
Amounts released from previous periods	**(431)**	*(391)*
	96	*431*

At the balance sheet date the academy trust was holding funds received in advance of pupil activities of £95,745 (2019: £430,681).

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

	2020 £000	*2019 £000*
Other loans	**47**	*66*

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2020 £000	*2019 £000*
Payable or repayable by instalments	**4**	*6*
	4	*6*

Salix Finance Ltd is a Government-backed company which provides loans to the public sector to improve energy efficiency, reduce carbon emissions and lower energy bills. Academies are permitted to borrow monies under the scheme as per the "Borrowing" section of the Academies Financial Handbook.

Loans of £84,792 (issued in 2018) and £17,192 (issued in 2019) from Salix Finance Ltd were provided for the upgrading of light fittings in the School. The loans are repayable over 8 years and 5 years respectively.

At 31 August 2020, a total of £65,918 was outstanding on loans from Salix Finance Ltd, split as follows:
<1 year: £19,107
2-5 years: £42,513
>5 years: £4,298

16. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General Funds - all funds	-	1,203	(1,128)	-	-	75
Restricted general funds						
General Annual Grant (GAG)	(641)	7,237	(7,078)	(21)	-	(503)
Transfer on Conversion	540	-	-	-	-	540
Other DfE/ESFA grants	-	64	(64)	-	-	-
Other government grants	-	77	(77)	-	-	-
Pension reserve	(2,892)	-	(293)	-	496	(2,689)
	(2,993)	7,378	(7,512)	(21)	496	(2,652)
Restricted fixed asset funds						
Class II Restricted Funds - all funds	5,125	403	(230)	21	-	5,319
Total Restricted funds	2,132	7,781	(7,742)	-	496	2,667
Total funds	2,132	8,984	(8,870)	-	496	2,742

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

General Annual Grant must be used for the normal running of the Academy and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement.

Other DfE/ESFA grants comprise additional funding received for the furtherance of education which must be used in accordance with the specific terms of each grant.

16. Statement of funds (continued)

Other government grants includes other non-DfE/ESFA grants.

The restricted general fund arose upon transfer from the Local Authority on conversion. The incoming resources to the fund must be used for the normal running costs of the school.

The Pension reserve represents the value of the Academy's share of the deficit in the Local Government Pension Scheme. The value of the deficit at the start of the year was £2.892m and has decreased to £2.689m at 31 August 2020.

The Restricted fixed asset funds include assets inherited in conversion and expenditure out of GAG and other capital grants during the period. Depreciation is charged against the fund.

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

16. Statement of funds (continued)

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

	Balance at 1 September 2018 £000	*Income £000*	*Expenditure £000*	*Transfers in/out £000*	*Gains/ (Losses) £000*	*Balance at 31 August 2019 £000*
Unrestricted funds						
General Funds - all funds	*602*	*1,742*	*(1,536)*	*(808)*	-	-
Restricted general funds						
General Annual Grant (GAG)	*(969)*	*6,324*	*(6,719)*	*723*	-	*(641)*
Transfer on Conversion	*540*	-	-	-	-	*540*
Other DfE/ESFA grants	-	*53*	*(53)*	-	-	-
Other government grants	-	*85*	*(85)*	-	-	-
Pension reserve	*(1,481)*	-	*(299)*	-	*(1,112)*	*(2,892)*
	(1,910)	6,462	(7,156)	*723*	*(1,112)*	*(2,993)*
Restricted fixed asset funds						
Capital expenditure from GAG	*1,320*	*198*	*(188)*	*85*	-	*1,415*
Transfer on conversion	*3,710*	-	-	-	-	*3,710*
	5,030	198	(188)	*85*	-	*5,125*
Total Restricted funds	*3,120*	*6,660*	*(7,344)*	*808*	*(1,112)*	*2,132*
Total funds	*3,722*	*8,402*	*(8,880)*	-	*(1,112)*	*2,132*

17. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	5,319	**5,319**
Current assets	173	575	-	**748**
Creditors due within one year	(98)	(491)	-	**(589)**
Creditors due in more than one year	-	(47)	-	**(47)**
Provisions for liabilities and charges	-	(2,689)	-	**(2,689)**
Total	75	(2,652)	5,319	**2,742**

Analysis of net assets between funds - prior period

	Restricted funds 2019 £000	*Restricted fixed asset funds 2019 £000*	*Total funds 2019 £000*
Tangible fixed assets	(1)	5,125	*5,124*
Current assets	924	-	*924*
Creditors due within one year	(958)	-	*(958)*
Creditors due in more than one year	(66)	-	*(66)*
Provisions for liabilities and charges	(2,892)	-	*(2,892)*
Total	(2,993)	5,125	*2,132*

18. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020 £000	*2019 £000*
Net income/(expenditure) for the period (as per Statement of financial activities)	**114**	*(478)*
Adjustments for:		
Depreciation	**230**	*188*
Capital grants from DfE and other capital income	**(403)**	*(198)*
Defined benefit pension scheme cost less contributions payable	**243**	*261*
Defined benefit pension scheme finance cost	**50**	*38*
(Increase)/decrease in debtors	**64**	*19*
Decrease in creditors	**(387)**	*(15)*
Net cash used in operating activities	**(89)**	*(185)*

19. Cash flows from investing activities

	2020 £000	*2019 £000*
Purchase of tangible fixed assets	**(426)**	*(282)*
Capital grants from DfE Group	**383**	*198*
Capital funding received from sponsors and others	**20**	*-*
Net cash used in investing activities	**(23)**	*(84)*

20. Analysis of cash and cash equivalents

	2020 £000	*2019 £000*
Cash in hand	**604**	*716*
Total cash and cash equivalents	**604**	*716*

21. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash at bank and in hand	716	(112)	604
Debt due within 1 year	(19)	-	(19)
Debt due after 1 year	(66)	19	(47)
	631	(93)	538

22. Capital commitments

	2020 £000	*2019 £000*
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	14	*286*

23. Pension commitments

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Merseyside 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 2016.

Contributions amounting to £118,573 were payable to the schemes at 31 August 2020 *(2019 - £92,069)* and are included within creditors.

Teachers' Pension Scheme

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

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

23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £816,641 *(2019 - £569,259)*.

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £272,348 *(2019 - £239,300)*, of which employer's contributions totalled £200,314 *(2019 - £176,474)* and employees' contributions totalled £ 72,034 *(2019 - £62,826)*. The agreed contribution rates for future years are 17.1 per cent for employers and 5.5 to 12.5 per cent for employees.

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

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

23. Pension commitments (continued)

Principal actuarial assumptions

	2020 %	*2019* *%*
Rate of increase in salaries	**3.9**	*3.60*
Rate of increase for pensions in payment/inflation	**2.4**	*2.2*
Discount rate for scheme liabilities	**1.80**	*2.80*
Inflation assumption (CPI)	**2.4**	*2.1*
Commutation of pensions to lump sums	**50**	*50*

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

	2020 Years	*2019* *Years*
Retiring today		
Males	**20.9**	*22.2*
Females	**24**	*25*
Retiring in 20 years		
Males	**22.5**	*25.2*
Females	**25.9**	*27.9*

Sensitivity analysis

	2020 £000	*2019* *£000*
Discount rate +0.1%	**2,575**	*2,759*
Mortality assumption - 1 year increase	**2,861**	*3,004*
Pay growth +0.1%	**2,708**	*2,913*
Inflation +0.1%	**2,806**	*3,027*

Share of scheme assets

23. Pension commitments (continued)

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

	2020 £000	*2019 £000*
Equities	**1,534**	*1,703*
Gilts	**514**	*523*
Property	**284**	*300*
Cash and other liquid assets	**170**	*107*
Other	**649**	*700*
Total market value of assets	**3,151**	*3,333*

The actual return on scheme assets was £000148000 *(2019 - £154000)*.

The amounts recognised in the Statement of Financial Activities are as follows:

	2020 £000	*2019 £000*
Current service cost	**(465)**	*(314)*
Past service cost	**(2)**	*(157)*
Interest income	**62**	*86*
Interest cost	**(112)**	*(124)*
Administrative expenses	**(6)**	*(5)*
Employer contributions	**230**	*215*
Total amount recognised in the Statement of Financial Activities	**(293)**	*(299)*

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

	2020 £000	*2019 £000*
At 1 September	**6,225**	*4,427*
Interest cost	**112**	*124*
Employee contributions	**72**	*62*
Actuarial (gains)/losses	**(995)**	*1,174*
Benefits paid	**(41)**	*(33)*
Past service costs	**2**	*157*
Current service cost	**465**	*314*
At 31 August	**5,840**	*6,225*

23. Pension commitments (continued)

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

	2020 £000	*2019 £000*
At 1 September	**3,333**	*2,946*
Expected return on assets	**62**	*86*
Actuarial (losses)/gains	**(499)**	*62*
Employer contributions	**224**	*210*
Employee contributions	**72**	*62*
Benefits paid	**(41)**	*(33)*
Admin expenses	**(6)**	*(5)*
Further employer contributions	**6**	*5*
At 31 August	**3,151**	*3,333*

24. Operating lease commitments

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

	2020 £000	*2019 £000*
Not later than 1 year	**26**	*35*
Later than 1 year and not later than 5 years	**29**	*48*
	55	*83*

25. Members' liability

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

26. Related party transactions

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

27. Agency arrangements

The Academy trust distributes 16-19 Bursary funds to students as an Agent for the ESFA. In the year ended 31st August 2020, the trust received £24,043 (2019 - £25,016) and distributed £19,401 (2019 - £23,843) from the fund. An amount of £17,028 (2019 - £14,676) is included in other creditors that is repayable to the ESFA.