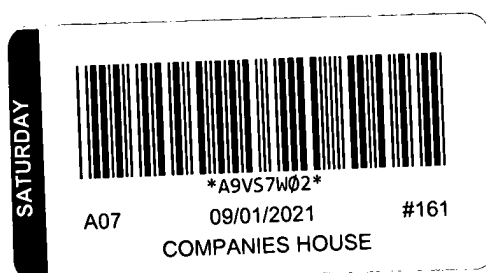


Registered number: 07369704



PATE'S GRAMMAR SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



PATE'S GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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PATE'S GRAMMAR SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS GOVERNORS AND ADVISORS FOR
THE YEAR ENDED 31 AUGUST 2020**

Members	Wallace Ascham Guy Bradshaw John Clarke Rebecca Flaxman Carolyn Hopper Paul Kenmir John Parker	
Governors	Rebecca Flaxman - Chair of Governors Carolyn Hopper - Vice Chair of Governors Warwick Ainsworth-Parker Dr Nigel Bowles (resigned 02/04/20) Jenny Dye Russel Ellicott, Head Master & Accounting Officer Ray Fish Gayathiri Gowri Shankar Will Head (resigned 31/12/19) Fiona Johnston (appointed 21/09/20) Graeme May Rob Morton Laura Ralph Catherine Smith Bryan Stiles (appointed 29/9/20) Miriam Wright (appointed 20/01/20)	Parent Parent Foundation Corpus Christi Parent Parent Co-Opted Staff Co-Opted Foundation Staff Corpus Christi Staff Co-Opted Staff
Company Secretary	Stephen Locke	
Senior Leadership Team (SLT)	Russel Ellicott - Head Master Andrew Jones - Senior Deputy Head, Pastoral Care & Safeguarding Rachel Thorpe - Deputy Head, Academic Strategy, Teaching School Trevor Allinson - Assistant Head, UCAS Anthony Henley - Assistant Head, Data & Reporting Chris Nicholas - Assistant Head, Head of Sixth Form Stephen Locke - Chief Financial Officer	

The SLT directs the School at an executive level, implementing the policies laid down by the Governors and reporting back to them. It is responsible for the day-to-day operation of the School. The SLT is deemed to be the Key Management Personnel of the School.

PATE'S GRAMMAR SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS GOVERNORS AND ADVISORS FOR
THE YEAR ENDED 31 AUGUST 2020**

Company Name	Pate's Grammar School
Registered Office	Princess Elizabeth Way Cheltenham Gloucestershire GL51 0HG
Company Registration Number	07369704
Statutory Auditor	Hazlewoods LLP Windsor House Bayshill Road Cheltenham Gloucestershire GL50 3AT
Bankers	Barclays Bank Plc 128 High Street Cheltenham Gloucestershire GL50 1EL
Solicitors	Harrison Clark Rickerbys LLP Ellenborough House Wellington Street Cheltenham Gloucestershire GL50 1YD

**PATE'S GRAMMAR SCHOOL
(A Company Limited by Guarantee)**

**GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

The Governors (who act as trustees of Pate's Grammar School and are also directors of the charitable company for the purposes of the company law) present their Annual Report together with the audited financial statements of Pate's Grammar School (the School) for the year ended 31 August 2020. The Governors confirm that the Annual Report and financial statements of the School comply with the current statutory requirements, the requirements of the School's governing document and the provisions of the Charities SORP (FRS102) issued in October 2019. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Statement of Financial Activities, Balance Sheet and Cash Flow consolidate the results of the School and its subsidiary undertaking so as to disclose the position of the Group. The comparative 2019 figures for the Statement of Financial Activities are for the School only as consolidated accounts were not prepared as the investment was not deemed to be material (see Note 13). The Balance Sheet and Cash Flow 2019 comparatives have been restated as consolidated figures.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

Pate's Grammar School is a company limited by guarantee and an exempt charity. It was incorporated on 8 September 2010 and commenced trading on 1 December 2010. The School's Memorandum and Articles of Association, together with the Funding Agreement are the primary governing documents of the School. As a school, the company generally refers to itself as a school rather than a company, to its Directors as Governors and to the Principal as the Head Master.

Details of the Governors who have served during the year are listed within the reference and administrative details of the School.

MEMBERS' LIABILITY

The School currently has seven members. Two are appointed by the Pate's Grammar School Foundation (Guy Bradshaw and John Clarke), two are original signatories (Wallace Ascham and John Parker), one has been appointed by fellow members (Paul Kenmir) and the Chair (Rebecca Flaxman) and Vice-Chair (Carolyn Hopper) of Governors are members ex-officio.

Each member undertakes to contribute to the assets of the School 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.

GOVERNORS' INDEMNITIES

Subject to the provisions of the Companies Act, every Governor or other officer of the School shall be indemnified out of the assets of the School against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the School.

PRINCIPAL ACTIVITIES

The principal activity is the provision of public benefit education by maintaining, managing and developing a selective Secondary School offering a broad and balanced curriculum.

SIGNIFICANT CONTRACTS

The School entered into a Funding Agreement to provide educational services with selective admission as part of the state provision of education from 1 December 2010. The School commenced operations on this date. The agreement is for an indefinite period, subject to seven years' notice by either party. There is no indication that it will be terminated other than as a restructuring of state education.

The School occupies the School buildings under a 125 year lease from the Pate's Grammar School Foundation at a peppercorn rent. The School is also one of the beneficiaries of the Pate's Grammar School Foundation, an educational charity. The lease can be terminated by the Pate's Grammar School Foundation if the School ceases to have selective admission arrangements.

If the School ceases to be part of the state sector, the Pate's Grammar School Foundation will have a liability to pay an amount to the public sector to recognise the value of the capital funds invested in the School buildings by the state. Alternatively, the Secretary of State can direct the transfer of the land and buildings to the state on paying the Pate's Grammar School Foundation compensation for the value it has invested in the buildings.

The playing fields, now owned by the School, were transferred to the School for no consideration when the Funding Agreement above was signed. The School must obtain the Secretary of State's permission for any disposal of the fields. On ceasing to be a state school, the School would have to transfer the playing fields or any funds derived from their sale to the state without compensation.

METHOD OF RECRUITMENT AND APPOINTMENT OF GOVERNORS

The Governing Body consists of seventeen Governors (there are currently six vacancies, although there are three co-opted Governors). Six (four vacancies) are appointed by the Pate's Grammar School Foundation, three (two vacancies) by Corpus Christi College, Oxford, four are elected by parents of current students, two are elected by Teachers, one is elected by Support Staff and the Head Master is a Governor ex-officio.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

Governors undertake training as appropriate to their work at the School. New Governors are provided with an induction programme and training as appropriate for their skills and experience, specifically:

- They meet separately with the Chair of Governors and Head Master, where they receive a briefing on important aspects of the School including its history, its governing documentation and its associated bodies and its future plans.
- They are required to sign a confidentiality agreement and to register their business interests. They are registered as directors at Companies House.
- They also receive a DBS clearance application form, copy of the School Development Plan, minutes of all recent Governor meetings, all relevant background papers, list of all Governor contact details, details of the various roles and responsibilities of fellow Governors, as well as a calendar of meetings for the rest of the academic year.
- They attend Local Authority Governor induction training.

ORGANISATIONAL STRUCTURE

The purpose of governance is to provide confident, aspirational and strategic leadership, whilst ensuring robust accountability, oversight and assurance for educational and financial performance.

The Governing Body has three strategic core functions:

- Ensuring clarity of vision, ethos and strategic direction;
- Holding Executive Leaders / Head Master to account for the educational performance of the organisation/school and its pupils, and the performance management of staff; and
- Overseeing the financial performance of the organisation/school and making sure its money is well spent.

The Pate's Governing Body resolved during 2019/20 to meet only as a Full Governing Body (FGB) rather than using a committee structure. The School Development Plan and Annual Planner guided the agenda for each meeting ensuring Governors focus on key strategic areas that further the aspirational and outstanding nature of the school, whilst ensuring that tasks required of the Governing Body are completed.

The Governing Body, to ensure its core functions are fulfilled, delegated monitoring responsibilities to Link Governors or Panels. These include both the statutory required individual roles and those focused on the priorities of the School Plan. Link Governors replaced committees when undertaking their monitoring and reported back to the Governing Body. Whenever a function had been delegated the findings, actions or recommended decisions were reported to the Governing Body by the next meeting.

The Governing Body may commission work arising from the business of the meeting, which will be recorded in the minutes. Any commissioned working groups may have terms of reference drafted and agreed by the Governing Body.

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**GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

As an Academy, the Pate's FGB also has some additional functions and responsibilities:

- to act as its own Admissions Authority;
- to employ staff;
- to own/manage land and buildings on behalf of the Secretary of State and the Pate's Grammar School Foundation;
- to ensure revenue funding and any capital funds delegated by the Secretary of State (via the Education and Skills Funding Agency) are used only for agreed and specified educational purposes;
- to fulfil risk management and reporting obligations as an exempt charity, as set out by the Charity Commission.

These additional functions and responsibilities, and guidance on the constitution and operation of the Academy FGB, are set out in the Memorandum and Articles of Association of Pate's Grammar School.

For the academic year 2020/21 the Governing Body will be structured into several sub-committees all of which will have their own terms of reference and report back to the Full Governing Body.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Trustees consider that the Governing Body and the Senior Leadership Team (SLT) comprise the key management personnel of the School in charge of directing and controlling, running and operating the School on a day to day basis. All Governors give of their time freely and no Governor received remuneration in the year.

Details of trustees' remuneration and expenses are disclosed in Note 10 to the accounts.

Remuneration for the School's Headmaster is reviewed annually following a formal appraisal process by the Governing Body. The Governing Body delegates authority to the Headmaster for decisions on SLT pay. Decisions regarding leadership pay progression are taken according to the relevant local and national documents, including the School Teachers' Pay & Conditions Document's statutory provisions along with the School Teachers' Pay Policy's criteria for pay progression. It ensures that pay decisions can be objectively justified, are differentiated on performance, as well as considering the budgetary implications of pay decisions within the School's spending plan. The remuneration is set to ensure it is both fair but also will attract and retain staff of the appropriate calibre and experience required by the School.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

There is a related party relationship with Pate's Grammar School Foundation, due to common members of the governing boards, and with Pate's Grammar School Trading Company Limited as Pate's Grammar School holds 100% of the £1 share capital (further details are provided in Note 27 of the accounts).

TRADE UNION FACILITIES TIME

The School does not have any relevant costs.

OBJECTS AND AIMS

To advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a selective school offering a broad and balanced curriculum, providing an outstanding education for students between the ages of 11 and 18.

The main objectives (specific targets) of Pate's Grammar School during the year ended 31 August 2020 are detailed in the School Development Plan (SDP) for 2019/20. These targets all sit beneath our vision of 'nurturing excellence' and comprise three key strands:

1. Embracing Challenge
2. Supporting Each Other
3. Shaping The Future

PUBLIC BENEFIT

The provision of outstanding education at Pate's Grammar School is for public benefit. The Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties. The School continues to develop links with local primary schools and organisations which support the local community e.g. running clubs in local schools, offering use of our facilities.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

IMPACT OF COVID-19

There is reference throughout this report on the impact of Covid-19 in the various areas but we thought it useful to produce a brief summary in this section.

Following lockdown in March 2020 the school remained open to the children of Keyworkers – SLT staff managed this, there was no expectation on other staff to attend school during this period. Our IT infrastructure and expertise enabled us to produce online lessons for students at short notice and these were well received throughout the period. During the latter part of the summer term we opened to welcome back certain year groups.

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

We were very proactive in ensuring the correct measures, including appropriate risk assessments, were in place and that students and staff were able to work in a safe environment. Clearly, this has continued in to the autumn term 2020 when we welcomed all students back into school. Academic and pastoral support has been enhanced as appropriate.

Financially, there has been an impact on a variety of our income streams and we have also had to invest heavily in the appropriate PPE, signage, sanitiser, wipes, disinfectant, additional cleaning etc. Savings were made during the lockdown period, but these were more than outweighed by unbudgeted expenditure and loss of income. However, our sound financial position, alongside the increased income from our Trading Company, has enabled us to 'weather the storm'. We have allowed for increased expenditure to combat Covid-19 during financial year 2020/21 (e.g. additional IT investment for delivering lessons remotely such as teacher laptops and webcams) but our projections remain positive, i.e. we are still forecasting a surplus by year end.

We will continue to carefully analyse the risks associated with the pandemic going forward. However, at the time of writing, we believe that we are able to continue with our high level of academic and pastoral provision, all supported by a secure financial position. We will keep a close watch on our investment of the Biffen fund.

In summary, Covid-19 has clearly had an impact on our operations, but we have no concerns regarding our ability to continue for the foreseeable future. We continue to monitor the impact of Covid-19 on student experience and adapt as appropriate.

EDUCATIONAL PERFORMANCE

This summer there were no public examinations because of Covid-19 but instead schools and colleges were asked to provide centre assessment grades (CAGs) for their students - this should be a fair, objective and carefully considered judgement of the grades schools and colleges believe their students would have been most likely to achieve if they had sat their exams, and should take into account the full range of available evidence.

The final outcome was:

A level	2020	2019
A*	40.4%	33.3%
A* - A	82.8%	76.5%
A* - B	97.7%	95.6%

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FOR THE YEAR ENDED 31 AUGUST 2020

GCSE	2020	2019
9	50.8%	42.1%
9 - 8	77.6%	71.1%
9 - 7	93.0%	87.5%

UCAS 2020

Despite the challenges this year, approximately 85% of students obtained a place at their first choice university - a very positive picture. There have been 34 Oxbridge places accepted alongside some excellent degree apprenticeships. We expect around 10 students to reapply in 2021 for a range of reasons.

UCAS 2021

We have our largest ever Year 13 cohort (238 students) with close to 140 early entrants, including approximately 50 medics, dentists or vets. Clearly one of the challenges for us is how best to support these students given the current climate, as an example we are producing a fortnightly 'Higher Education Digest' which will be shared with students to highlight the various online resources that exist (e.g. Virtual Open days, recruitment events etc.).

ADMISSIONS

We have 150 new students in Year 7 and 232 students in Year 12 (this gives us a Sixth Form of 470). Early impressions have been extremely positive, with the new students settling in very quickly. The 'Covid' adapted induction sessions were very popular and we have received some excellent feedback regarding the various activities. The additional numbers now give us a student population of 1223, the largest we have ever been. The number of applications for places in Year 7 and Year 12 continues to increase and is testament to the excellent outcomes, facilities, pastoral care, extracurricular activities and the exceptional reputation that we enjoy - all a result of the hard work and dedication of the school staff.

The admissions test for 2021 entry has been moved to October 17th - there will be two 'sittings' and an increased number of students, c450. This later date will mean that parents will not receive the results until after they have completed the LA allocation form. This is due October 31st and results may not be with us until mid-November. We have started online familiarisation work with some local Pupil Premium students, a series of 8 online 'lessons' with practice questions.

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

CAMPUS

We now have a student population of over 1200 and this is the maximum number that our current campus and associated facilities can accommodate – the last Premises Development Plan (PDP) was modelled on 1220 students and 150 permanent staff. We will look to conduct a further PDP over the next 18 months to ensure that we can continue to provide excellent facilities for our staff and students and also seek to address some of the 'pinch points' we are currently experiencing.

We were successful with a bid to the Condition Improvement Fund (CIF) during this period – just over £310,000 for some 'fire safety' and related infrastructure works. The project was largely completed during the summer holiday period with the remainder being dealt with at October half term – the project was completed within budget.

Despite the financial pressures caused by Covid-19 we have continued to invest in our campus and associated facilities and infrastructure for the benefit of both students and staff during this period.

FINANCE

The additional central government funding received this year has been very welcome. However, Covid-19 meant that a number of our income streams came under considerable pressure in 2019/20 and we will see that continuing in 2020/21. We have been very fortunate in securing some additional funding through the work of our Trading Company and this means that we remain in a strong financial position going forward.

The next few years will continue to be challenging. However, our financial and strategic approaches remain sound and we believe that we have the correct mechanisms in place to ensure Pate's remains one of the top schools in the country for the foreseeable future.

We remain hugely grateful for the kind and generous support of the Pate's Grammar School Foundation, who have continued to support our revenue income stream during 2019/20 at a level of £300,000, which makes a significant difference. Clearly, we will continue to monitor the financial situation very carefully, making savings where possible and continuing to explore income 'opportunities', all the while ensuring that the student experience and outcomes are in no way diminished.

TEACHING, LEARNING AND THE FACULTY SYSTEM

The Pate's Learning Framework continues to define our vision for excellent learning.

The Teaching & Learning plan for 2019 was built and developed on the work of the previous year and was structured around the school's 2020 vision - incorporating 6 key areas:

- **Appropriate Challenge For All**
- **Supporting Advanced Bilingual Learners**
- **Developing Learning Skills**
- **Assessment**
- **Sharing Good Practice**
- **Asking the Question 'How Do We Know'?**

In March 2020 our learning moved 'online' by necessity - with both staff and students exemplifying the skills we value in our Pate's Learning Toolkit. A flexible teaching system that allows for the education of some or all of each year group at home (and/or as well as in school) is now in place, ensuring that our students will continue to receive a high quality of tuition, regardless of the challenges posed by Covid-19.

CURRICULUM

As an Academy we have the freedom to decide the best curriculum for our very able students and we keep our model under constant review to ensure our students benefit from the best opportunities available. Breadth of opportunity is particularly important to us and this aligns closely with our school vision. For our students to be individuals and have the true opportunity to explore their place in the world, it is vital that the curriculum remains as broad as possible, for as long as possible. We believe passionately in the study of four subjects at Year 12 and in the academic value this brings, even if only three A levels are taken as examination subjects in Year 13. We believe excellent academic outcomes are supported by this approach, rather than by merely focusing on narrow examination content. Likewise, we nurture excellence through supporting each other and focusing on the individual, and reflecting this our curriculum is student centred. At key stage 4 we don't have option blocks, instead building the timetable around students. This is about knowing, valuing and supporting our students as unique learners. At Pate's we 'embrace challenge' as part of our vision. 'Academic rigour' is important and students of our calibre should rightly be challenged by a curriculum that expects them to go deeper and far beyond the National Curriculum. All the subjects we offer are rigorous academic disciplines.

Key Stage 3 - Years 7, 8 and 9

Students joining us in Year 7 study Art, Computing, Design and Technology, Drama, English, French, Geography, German or Mandarin, History, Mathematics, Music, Personal Development, Physical Education and Games, Religious Education and Science. As they progress through their first three years, they also have the opportunity to start learning Spanish. On Tuesday afternoons we further enrich our curriculum with a wide range of additional learning activities from cookery and climbing to yoga and bushcraft! Year 9 is a transition year when in most subjects students meet some GCSE skills and content. During Year 9 our information, advice and guidance programme helps students in deciding which subjects they will choose to study in Years 10 and 11 to GCSE.

Key Stage 4 - Years 10 and 11

Students take all their external GCSE qualifications at the end of Year 11. All students have a core curriculum of English Literature, English Language, Maths, Chemistry, Biology and Physics. They can then choose four option subjects from the list below, on top of the non-examined subjects of PDC (Personal Development Curriculum), Physical Education, Core PTE (Philosophy, Theology and Ethics) and Games. Tuesday afternoons and termly Flexible Learning Days provide extra opportunities for enrichment activities and careers advice.

The option subjects comprise: Art, French, Business Studies, Geography, Music, Computing, German, Physical Education, Design and Technology, History, Religious Education, Drama and Spanish.

Our student-centred system means we give free choice, under guidance of the pastoral and academic teams, as to which GCSEs a student would like to follow. We then build the timetable around them. We feel this is the best approach to meet the needs of each individual student in our care.

Key Stage 5 - Years 12 and 13

The Sixth Form years offer exceptional opportunities for academic progress and self-development. Our curriculum meets all aspects of the Study Programmes for 16-19 year olds - our IAG (Information and Guidance Programme) and a vast array of enrichment and super-curricular activity supplementing pupils' core academic study. We offer a unique combination of A level and Pre-U qualifications - recognised as the 'gold standard' by universities and allowing some of our students to have their achievements at this level to be recognised as 'beyond A*'.

The majority of our students begin Year 12 on four advanced level or Pre U courses, usually moving onto three in Year 13. A small number of students studying Maths and Further Maths may wish to study 5 subjects, but this is the exception rather than the norm. Many students also elect to complete an EPQ (Extended Project Qualification), an area in which our students have had outstanding success.

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

Subjects currently on offer at Pate's Sixth Form are:

English (Pre U), Maths, Further Maths, Biology, Chemistry, Physics, Art, French, Economics, Geography (Pre U), Music, Computing, German, Physical Education, Design and Technology, History, Religious Education, Politics, Drama and Spanish.

The impact of our curriculum is clear to see. Our students achieve the very highest possible outcomes in terms of academic qualifications (attainment and progress), that see them go on to the very best University courses (both in the UK and abroad) and also increasingly to highly competitive Higher Apprenticeship courses. Crucially however, our students also embody the skills and qualities set out in our school vision. These skills are recorded, reflected on and assessed through our Personal Development Curriculum – resulting in the happy, curious, resilient and well-rounded young individuals who are the hallmark of our school.

STAFF DEVELOPMENT AND TRAINING

At Pate's we continue to believe passionately in the investment in the professional development of our staff, regardless of their job role, career stage or areas of expertise and interest. For teaching staff we see this professional development as a personalised learning journey with the theoretical possibility of moving from Schools Direct trainee to Headship and beyond, via any number of different routes. Professional Development isn't however only a journey for those who aspire to leadership, equally (and perhaps even more) important are pathways for those who are committed to developing their skills in the classroom, to exploring a role in our pastoral system, in teacher training or in CPD facilitation and school to school support.

This year we have continued to invest heavily in staff development and training – both 'face to face' and through virtual online webinars.

Our NQTs and RQTs have all thrived under our Early Career support programmes and a considerable number of staff have also engaged with Leadership Programmes – both as delegates and facilitators. Feedback on a twilight INSET programme led by Heads of Faculty was exceptionally positive, particularly around access for part-time staff and increased levels of choice. This is something that we will continue to develop 'online' from September 2020.

Our work with HPL (High Performance Learning) has also continued, with the introduction of a number of new HPL linked 'Pate's Researcher' roles.

PASTORAL CARE

The Year 7 – Year 13 Pastoral system at Pate's continues to grow from its current position of strength. We continue to educate students both academically, pastorally and socially about the risks of being a teenager in our society. We are experimenting with new technology and systems to support students who need to self-isolate whilst upskilling staff to deal with a new set of challenges the pandemic brings.

STUDENT SUPPORT

We have continued to grow our support for students who have long term medical issues or those who are finding school a challenge. We now have dedicated staff who can cover a number of subjects expertly to support those who have missed considerable chunks of teaching. With input in the sciences, maths and the social sciences we have successfully reintegrated a number of students back into our community. The success of this has grown to using these members of staff to support students at risk of not achieving their potential at GCSE or A-level. Early indications show this will positively impact on outcomes. This scheme demonstrates an increased interaction between the pastoral and academic arms of the school, allowing 360° care for our students.

STUDENT LEADERSHIP

During the 2019-20 academic year students had 6+ months of leadership opportunities before Covid-19 curtailed proceedings.

Sixty Year 13 students held House Official positions and they continued to lead all year groups in the many and various House Activities.

Year 13s also form the student committees: *Community, Wellbeing, Media, Yearbook and Development & Alumni*. Such work is, as ever, wonderfully supported by the Student Council and the newly created Environment Society: we trust that these links will continue to flourish under new leadership next year.

The school-wide Charity Events continue and students have raised just over £7,300 this year, an impressive total given that the May and July events were cancelled. Monies went to medical and environmental causes, all charities selected by the students themselves. We are delighted with the levels of engagement, and our students have shown themselves to be wonderful ambassadors in the local community and passionate advocates within their own school.

Additionally, student led societies continue to flourish and be shaped by the students. This year there were 32 societies, chosen, set up and managed by the Year 13s and open to all Sixth Form students. These varied from the academic (History, Psychology, Mandarin), vocational (Engineering, Law, Medsoc), cultural & political (Fem Soc, Amnesty, LGBT+), religious (Muslim Union, Christian Union) and general interests (Film Society, Art Appreciation).

Year 12s have been volunteering in the community on Tuesday afternoons (in the TPM slot), attending Hester's Way primary school and Monkscroft care home, with some helping at local community charity Family Space.

Finally, all Sixth Form students have the opportunity to be mentors: nearly 40 students, supported by Mrs Hearfield, provided invaluable 1:1 support to other students lower down the school.

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

PUPIL PREMIUM

We continue to provide our Pupil Premium (PP) students with the best possible guidance, care and opportunities at school. Each Head of Year meets with their Pupil Premium students on a half-termly basis and this year we have allocated our PP budget to provide students with 'Quality First Teaching' where needed, taking the opportunity to intervene with students on a one-to-one basis. PP funding is also used to support expenditure on trips, music lessons, school uniform and other resources as appropriate.

ODYSSEY TEACHING SCHOOL

This has been the seventh year of Pate's leading the Odyssey Teaching School Alliance and our work has continued to go from strength to strength. More than 40 different schools have engaged with our work over the course of the year, impacting on well over 20,000 pupils. We have also continued to work to co-ordinate the work of all Teaching Schools across Gloucestershire. We remain the third largest provider of Initial Teacher Training in the county and have again been recognised for the success of our delivery of the nationally accredited NPQ Leadership qualifications. We are accredited to provide three courses – NPQML (Middle Leadership), NPQSL (Senior Leadership) and NPQH (Headship). The delivery of these programmes has continued to bring in additional revenue for both Pate's and the Teaching School Alliance.

FUNDRAISING

The ongoing financial pressures have given us no real alternative but to continue with our successful revenue fundraising appeal, Making Ends Meet. We have raised in excess of £180,000 during this financial year – an excellent achievement, particularly given the pressures caused by Covid-19. We are forecasting a downturn in parental contributions during 2020/21 as a direct impact of the pandemic.

Our fundraising work is carried out by our own staff in the Development Office. We seek the support of our parent and alumni community with an honest, transparent, and factual appeal. We provide regular progress updates throughout the School year. Stewardship of our donor community, (by means of emails and letters) is extremely important and the Head Master and the Bursar become involved in this stewardship by making thank you phone calls to some of our donors.

All funds raised go towards the stated appeal. We have an anti-money laundering policy which involves more rigorous checks of donations in excess of £2,500. Personal data is handled in accordance with our privacy policies and the Data Protection Act 2018. We voluntarily comply with the fundraising regulator's code of practice and are members of the Institute of Development Professionals in Education (IDPE). We have not received any fundraising complaints during this period.

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FOR THE YEAR ENDED 31 AUGUST 2020

Parents and alumni are not pressured in any way to donate towards the appeal. We operate soft asks by presentations, videos, emails or brochures, and do not target individuals to seek gifts. We do not target non-donors to seek their support. We make no differentiation between those who donate and those who don't. We are so very grateful to the parent, alumni and wider community and our fabulous Parents' Association that have supported our appeals, with such a positive response.

During this period we have also continued to develop our international links, through our Trading Company, with the aim of seeking to secure a surplus which can then be transferred to Pate's Grammar School. This venture is now entering its fourth year and we are now starting to see some real benefits. The Trading Company was able to transfer a surplus of over £209,000 to the Grammar School during this financial year, particularly important when we were seeing other income streams reduce as a result of Covid-19.

PLANS FOR THE FUTURE

The Development Plan for the next five years has been agreed with Governors and is an ambitious vision for how an already successful school can progress further. We have gained accreditation from High Performance Learning as a 'World Class' school and have further developed our teaching and learning to ensure we are well placed to meet the needs of our learners. Pate's is an increasingly diverse community and we are focussed on how our teaching and learning priorities are considered in light of our changing student cohorts. This will require further professional development for staff as we continue to consider what a world leading provision for able students should look like. Obviously the exam season was very different this year, however the success of our students in gaining access to the most competitive courses in the best Universities across the UK should be celebrated. We continue to focus on developing learning behaviours that go far beyond the exam syllabus and this will always be attractive to those looking for the most creative and resilient minds.

Pate's continues to progress as a Teaching School, providing support for local schools and helping to train hundreds of teachers who are new to the profession or who are developing their careers. This, alongside our flourishing international work, ensures that we are continually reflecting on best practice and helps to affirm our place as one of the top schools in the country. In November 2019 we were honoured to be named 'School of the Year' by the Sunday Times and are the first school in the UK to have gained this award twice. This was celebrated by our community but just serves as spur to keep going and to consider how we can further improve.

GOING CONCERN

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

KEY FINANCIAL PERFORMANCE INDICATORS

The key financial performance indicator is the net revenue for the year compared to budget. The School normally plans to run a balanced budget each financial period unless there are operational reasons for increasing this timescale. There have been significant financial changes to state education funding over recent years and this has created weighty challenges. Governors had originally set a small surplus budget for unrestricted funds for the financial year 2019/20 and the final figures show an improvement on this number.

Before the FRS102 pension adjustment, actuarial loss and transfer to the restricted fixed asset fund the surplus was £2,792 (2019: deficit £145,619). The balance carried forward within unrestricted and restricted funds (excluding pension liability) at 31 August 2020 is £773,957 (2019: £639,789). Please see Note 17 for full details of these funds together with movements on restricted fixed assets and endowment funds.

PRINCIPAL RISKS AND UNCERTAINTIES

Funding is currently not guaranteed for more than one year in advance and there continues to be considerable uncertainty regarding future funding levels – although the introduction of the National Funding Formula and the announcement of additional money, i.e. the 'catch up' premium alongside the pay and pension grants will hopefully provide some stability in this area.

Income is based on student numbers. At present the School is oversubscribed, but if this changed there might be a time lag before the cost base could be adjusted.

Many of the staff are members of defined benefit pension schemes which might lead to unexpected costs if the actuarial assumptions prove optimistic.

These risks are monitored and controlled as part of the Risk Management Strategy described below.

RESERVES & INVESTMENT POLICY

The funds of the School are detailed in Note 17 of the financial statements. The Group's total reserves of £28,962,875 (2019: £30,418,861) included free reserves of £506,157 (2019: £402,519). The Governing Body has examined the requirement for free reserves, i.e. those income funds that are freely available for general purposes and are not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The Governors have agreed that the School should aim to hold between £450,000 and £600,000 in free reserves to be able to meet unplanned expenditures, most likely in relation to urgent repairs and /or the maintenance of the School. In summary, the Governors require the operation of a tight cash flow management system at all times to ensure that the School holds sufficient cash to meet any outstanding liabilities.

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The value of the endowment funds was £1,116,821 (2019: £1,396,560). During 2016/17 Governors approached the Biffen Trustee with a formal bid to request that they approach the Charity Commission to draw down £500,000, over a 4 year period, from the Biffen Investment. The Charity Commission approved this request and the second tranche of three (£200,000) was drawn down in August 2020. This money will be used to support both revenue and capital streams over the period.

Total restricted funds excluding pension liability were £29,808,897 (2019: £30,510,782) including restricted fixed asset funds of £29,541,097 (2019: £30,273,512).

The only fund in deficit was in respect of the pension fund (deficit £2,469,000, 2019: deficit £1,891,000). Some time ago the Actuary set contributions at a level which it was thought would eliminate the deficit over 20 years from 1 April 2014. Governors are concerned that despite paying as requested the deficit position has increased since then and materially so in the year. Therefore the Finance and Facilities Committee will carefully review, analyse and consider the potential impact of this situation, providing recommendations to the Full Board as appropriate.

RISK MANAGEMENT

Risk management is a central part of any organisation's strategic management. It is the process whereby organisations methodically address the risks attached to their activities with the goal of achieving sustained benefit within each activity and across the range of all activities. The focus of good risk management is the identification and treatment of these risks. Its objective is to add maximum sustainable value to all the activities of the organisation.

We identified during the period that the key risk facing us was revenue funding. The long awaited National Funding Formula (NFF) was introduced in September 2018, and although this has provided some additional money, we will continue to face cost pressures going forward. However, as also detailed earlier in the report, strategies (and most importantly funding) are now in place to ensure relative stability for the next 3 years at least. We will, of course, continue to monitor this area very closely and ensure that the relevant and appropriate mechanisms are in place to safeguard the student outcomes, opportunities, support strategies and experiences.

We will also closely monitor the impact of Covid-19 as 2020/21 unfolds as undoubtedly this will present us with a series of challenges throughout the coming period.

The objectives for managing risk across the School are:

- To comply with risk management best practice;
 - To ensure risks facing the School are identified and appropriately documented;
 - To provide assurance to Governors that risks are being adequately controlled, or identify areas for improvement;
 - To ensure action is taken appropriately in relation to accepting, mitigating, transferring and avoiding risks.
-

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Senior Leadership Team (SLT) has overall responsibility for risk management. The Bursar has lead responsibility for risk management processes and the School-wide Risk Register. This responsibility includes:

- Monitoring the performance of risk management processes;
- Ensuring that appropriate controls are in place to manage identified risks;
- Preparation of periodic reports to the Full Governing Body (FGB) and Link Governors as appropriate.

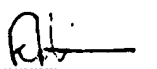
The Risk Register is formally reviewed each term by the Bursar and presented to the FGB as appropriate. A Risk Management Strategy is reviewed annually in the autumn term by the FGB. The Risk Management Strategy and Risk Register is monitored by Full Governors.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Governors at the time when this Governors' Report is approved has confirmed that:

- So far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- That Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

This report was approved by order of the members of the Governing Body on 3 December 2020 and signed on its behalf by:



Rebecca Flaxman, Chair of Governors

PATE'S GRAMMAR SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

SCOPE OF RESPONSIBILITY

As Governors, we acknowledge that we have overall responsibility for ensuring that Pate's 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 Governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Governing Body has delegated the day-to-day responsibility to the Head Master, 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 Pate's Grammar School and the Secretary of State for Education. The Head Master is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance here supplements that described in the Governors' Report and in the Governors' Responsibilities Statement. The Full Governing Body has formally met 10 times during the year. Attendance during the year at meetings of the Full Governing Body was as follows:

Governor	Meetings attended Out of a possible	
Rebecca Flaxman (Chair of Governors)	10	10
Carolyn Hopper (Vice Chair of Governors)	9	10
Russel Ellicott (Head Master)	10	10
Warwick Ainsworth-Parker	8	10
Nigel Bowles	2	3
Jenny Dye	9	10
Ray Fish	8	10
Will Head	3	3
Graeme May	7	10
Rob Morton	8	10
Laura Ralph	8	10
Gayathiri Gowri Shankar	9	10
Catherine Smith	9	10
Miriam Wright	6	6

Section 2.3 of the Academies Financial Handbook 2019 sets out that the board and its committees must meet regularly enough to discharge their responsibilities and ensure robust governance and effective management arrangements. It states that board meetings must take place at least three times a year and larger trusts should consider meeting more frequently. We have fulfilled the above obligation.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

Amongst other duties, the FGB meetings throughout the year have:

- Established and maintained proper financial management arrangements, accounting procedures and a sound system of internal controls.
- Assisted the Head Master in developing a financial budget and ensuring that statutory financial reporting requirements are complied with.
- Monitored actual expenditure against plans and taken necessary action to ensure that the School remains solvent at all times.
- Approved and recommended for acceptance the Annual Budget and financial strategy.

GOVERNANCE REVIEWS

The Governing Body regularly audits the range of skills it needs and, when required, appoints new Governors with experience and expertise in relevant fields. On-going reviews of our structures and approach ensure that we have a comprehensive and coherent set of governance / administrative organisational processes which: enable the Full Governing Body to understand and fulfil formal and statutory requirements more effectively; create a clearer focus on the School Development Plan; and is flexible enough to respond to future governance needs as they arise. In addition, Governors undertake specific training as required.

VALUE FOR MONEY STATEMENT

We acknowledge that we are responsible and accountable for ensuring that the School delivers good value in the use of public resources. We are aware of the guide to academy value for money statements published by the Education and Skills Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. In summary, we are committed to:

- Improving educational results
- Financial Governance and oversight
- Ensuring the operation of the Academy demonstrates good value for money and efficient use of resources
- Maximising income generation
- Reviewing controls and managing risks

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Pate's Grammar School 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 Pate's Grammar School for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

Pate's Grammar School'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 Governing Body;
- Regular reviews by Governing Body of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programme;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties; and
- Identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors appointed a Responsible Officer (RO). This role was performed by Ray Fish (Parent Governor) until 20 September 2020 when Laura Ralph (Corpus Christi Governor) was appointed.

The RO's role includes giving advice on financial matters and performing a range of checks on the School's financial systems. Twice a year, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

We confirm that the RO function has delivered the schedule of work as planned. There have been no material control issues arising from the RO reports thus far.

Additionally, to supplement the work of the RO, the Governors appointed a Link Governor, Laura Ralph to focus on the following: *'to understand the controls around expenditure, consider income sources and whether they could be expanded, tendering processes and controls in place and how we assess our success/progress/resilience'*. Note that following the unmodified 2019 audit report, clean 2019 audit findings report and RO feedback it was not expected that there would be significant issues with the above. Challenges were made for better Governor understanding and to document that Governors have challenged management and documented the good controls in place.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

Following discussions, the visit concluded that best practice is being followed and there were no issues reported or raised.

REVIEW OF EFFECTIVENESS

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

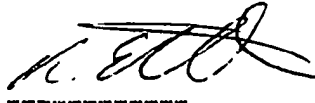
- The work of the Responsible Officer;
- The work of the external auditors;
- The financial management and governance self-assessment process;
- The work of the executive managers within the School who have responsibility for the development and maintenance of the Internal control framework.

The Accounting Officer, Russel Ellicott, has been advised of the implications of the result of their review of the system of internal control by the Governing Body and a plan to address any identified weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 3 December 2020 and signed on their behalf by:



Rebecca Flaxman, Chair of Governors



Russel Ellicott, Accounting Officer

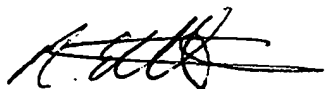
PATE'S GRAMMAR SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2020

As Accounting Officer of Pate's Grammar School I have considered my responsibility to notify the School Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the School 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 School Governing Body are able to identify any material irregular or improper use of funds by the School, or material non-compliance with the terms and conditions of funding under the School'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 Governing Body and ESFA.



DATE SIGNED: 03/12/2020
Russel Ellicott
Accounting Officer

Date: 3 December 2020

PATE'S GRAMMAR SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

The Governors (who act as trustees for charitable activities of Pate's Grammar School and are also the directors of the School for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual 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 Governors to prepare financial statements for each financial year. Under company law the Governors 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 School and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS102) and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the School's transactions and disclose with reasonable accuracy at any time the financial position of the School 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 School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the School'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 Governing Body on 3 December 2020 and signed on its behalf by:



Rebecca Flaxman, Chair of Governors

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PATE'S GRAMMAR SCHOOL
FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the financial statements of Pate's Grammar School (the 'academy') and its subsidiary (the 'group') for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Academy Statements of Financial Position, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Charities SORP (FRS102) 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 Group's and the academy trust's affairs as at 31 August 2020, and of the Group's 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 (FRS102) and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

PATE'S GRAMMAR SCHOOL
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PATE'S GRAMMAR SCHOOL
FOR THE YEAR ENDED 31 AUGUST 2020

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the Reference and Administrative details, Trustees' Report and the Governance Statement, other than the financial statements and our auditor's report thereon. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PATE'S GRAMMAR SCHOOL
FOR THE YEAR ENDED 31 AUGUST 2020**

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the academy trust 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 trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.

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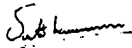
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PATE'S GRAMMAR SCHOOL
FOR THE YEAR ENDED 31 AUGUST 2020**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



Date 11 December 2020

**Scott Lawrence FCA DChA (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor, Cheltenham**

**PATE'S GRAMMAR SCHOOL
(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO PATE'S
GRAMMAR SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY
FOR THE YEAR ENDED 31 AUGUST 2020**

In accordance with the terms of our engagement letter dated 27 July 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020 we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Pate's 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.

**RESPECTIVE RESPONSIBILITIES OF PATE'S GRAMMAR SCHOOL'S ACCOUNTING OFFICER
AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Pate's Grammar School's funding agreement with the Secretary of State for Education date 29 November 2010, 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 the 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 School's income and expenditure.

PATE'S GRAMMAR SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO PATE'S
GRAMMAR SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY
FOR THE YEAR ENDED 31 AUGUST 2020**

In this regard, we have carried out the following:

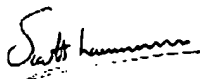
- specific testing of a sample of items of income and expenditure to ensure appropriately applied for the purposes intended;
- specific testing of a sample of system controls relevant to the above items;
- a general review of relevant correspondence with the ESFA regarding Academy governance matters during the period since conversion; and
- a general review and discussion of the Academy's internal processes for establishing and maintaining systems of control and documentation regarding these matters.

USE OF OUR REPORT

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

CONCLUSION

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



Scott Lawrence FCA DChA (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor
Cheltenham

Date 11 December 2020

PATE'S GRAMMAR SCHOOL
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME AND ENDOWMENTS FROM:							
Donations and capital grants	3	184,588	2,000	202,861	-	389,449	1,826,022
Charitable activities:							
Funding for the School's educational operations	4	276,912	6,525,988	-	-	6,802,900	6,520,651
Other trading activities	5	326,524	-	-	-	326,524	39,387
Investment Income	6	1,699	-	-	29,947	31,646	57,983
TOTAL		789,723	6,527,988	202,861	29,947	7,550,519	8,443,943
EXPENDITURE FROM:							
Raising funds	7	38,851	-	-	-	38,851	67,333
Charitable activities:							
School's educational operations	7	468,944	7,056,124	1,033,847	-	8,558,915	8,024,917
TOTAL		507,795	7,056,124	1,033,847	-	8,597,766	8,092,250
NET INCOME/(EXPENDITURE) BEFORE REVALUATION OF INVESTMENTS		281,928	(528,136)	(830,986)	29,947	(1,047,247)	351,693
Revaluation of investment	13	-	-	-	(79,739)	(79,739)	69,488
NET INCOME/(EXPENDITURE) C/F		281,928	(528,136)	(830,986)	(49,792)	(1,126,986)	421,181

PATE'S GRAMMAR SCHOOL
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
NET INCOME/(EXPENDITURE) B/F		281,928	(528,136)	(830,986)	(49,792)	(1,126,986)	421,181
Transfers between funds	17	(178,290)	309,666	98,571	(229,947)	-	-
NET INCOME /(EXPENDITURE) FOR THE YEAR		103,638	(218,470)	(732,415)	(279,739)	(1,126,986)	421,181
Actuarial gains/(losses) on defined benefit pension schemes	26	-	(329,000)	-	-	(329,000)	(617,000)
NET MOVEMENT IN FUNDS		103,638	(547,470)	(732,415)	(279,739)	(1,455,986)	(195,819)
RECONCILIATION OF FUNDS							
Total funds brought forward		402,519	(1,653,730)	30,273,512	1,396,560	30,418,861	30,614,680
Total funds carried forward	17	506,157	(2,201,200)	29,541,097	1,116,821	28,962,875	30,418,861

All activities relate to continuing operations.

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

The notes on pages 37 to 66 form part of these financial statements.

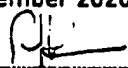
PATE'S GRAMMAR SCHOOL
(A Company Limited by Guarantee)

BALANCE SHEETS
AS AT 31 AUGUST 2020

Company registration number: **07369704**

CONSOLIDATED BALANCE SHEET		2020		2019	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	12	29,541,097		30,273,512	
Investments	13	1,116,821		1,396,560	
CURRENT ASSETS					
Stocks	14	1,251		2,254	
Debtors	15	282,957		370,162	
Cash at bank and in hand		1,204,709		926,083	
		<u>1,488,917</u>		<u>1,298,499</u>	
LIABILITIES					
Creditors: Amounts falling due within one year	16	(714,960)		(658,710)	
NET CURRENT ASSETS			773,957		639,789
TOTAL ASSETS LESS CURRENT LIABILITIES			31,431,875		32,309,861
Defined benefit pension scheme liability	26	(2,469,000)		(1,891,000)	
TOTAL NET ASSETS			28,962,875		30,418,861
CONSOLIDATED FUNDS					
Endowment Funds	17	1,116,821		1,396,560	
Restricted funds:					
Restricted funds	17	267,800		237,270	
Restricted fixed asset funds	17	29,541,097		30,273,512	
Restricted funds excluding pension liability		29,808,897		30,510,782	
Pension reserve		<u>(2,469,000)</u>		<u>(1,891,000)</u>	
Total restricted funds	17	27,339,897		28,619,782	
Unrestricted income funds	17	506,157		402,519	
TOTAL FUNDS		28,962,875		30,418,861	

The financial statements were approved by the Governors, and authorised for issue, on 3 December 2020 and are signed on their behalf, by:

 Rebecca Flaxman, Chair of Governors

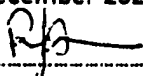
PATE'S GRAMMAR SCHOOL
(A Company Limited by Guarantee)

BALANCE SHEETS
AS AT 31 AUGUST 2020

Company registration number: **07369704**

ACADEMY BALANCE SHEET		2020		2019	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	12	29,541,097		30,273,512	
Investments	13	1,116,822		1,396,561	
CURRENT ASSETS					
Stocks	14	1,251		2,254	
Debtors	15	448,281		385,650	
Cash at bank and in hand		914,702		908,669	
		<u>1,364,234</u>		<u>1,296,573</u>	
LIABILITIES					
Creditors: Amounts falling due within one year	16	(590,278)		(656,785)	
NET CURRENT ASSETS			773,956		639,788
TOTAL ASSETS LESS CURRENT LIABILITIES			31,431,875		32,309,861
Defined benefit pension scheme liability	26	(2,469,000)		(1,891,000)	
TOTAL NET ASSETS			28,962,875		30,418,861
FUNDS OF THE ACADEMY					
Endowment Funds	17	1,116,821		1,396,560	
Restricted funds:					
Restricted funds	17	267,800		237,270	
Restricted fixed asset funds	17	29,541,097		30,273,512	
Restricted funds excluding pension liability		<u>29,808,897</u>		<u>30,510,782</u>	
Pension reserve		(2,469,000)		(1,891,000)	
Total restricted funds	17	27,339,897		28,619,782	
Unrestricted income funds	17	506,157		402,519	
TOTAL FUNDS			28,962,875		30,418,861

The financial statements were approved by the Governors, and authorised for issue, on 3 December 2020 and are signed on their behalf, by:

 Rebecca Flaxman, Chair of Governors

PATE'S GRAMMAR SCHOOL
(A Company Limited by Guarantee)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by/(used in) operating activities	21	147,706	(372,633)
Cash flows from investing activities	22	130,920	110,872
CHANGE IN CASH AND CASH EQUIVALENTS			
IN THE REPORTING PERIOD			
		278,626	(261,761)
Cash and cash equivalents at 1 September 2019		926,083	1,187,844
CASH AND CASH EQUIVALENTS			
AT 31 AUGUST 2020			
	23	1,204,709	926,083

1 STATEMENT OF ACCOUNTING POLICIES

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

Basis of Preparation of Financial Statements

The financial statements of the School, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention (with the exception of investments which are recognised at their fair value or market value) 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 (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. Pate's Grammar School meets the definition of a public benefit entity under FRS 102.

The basis of consolidation used in the financial statements is to consolidate the Statement of Financial Activities so as to disclose income and expenditure relating to the School and subsidiary company as a Group. The Statement of Financial Activities and Balance Sheet consolidate the financial statements of the school and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis. The comparative 2019 figures for the Statement of Financial Activities are for the School only as consolidated accounts were not prepared as the investment was not deemed to be material. The Balance Sheet and Cash Flow 2019 figures have been restated as consolidated figures.

The School has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements. As disclosed in Note 13, for the year ended 31 August 2019 consolidated accounts for the School were not prepared as the investment was not deemed to be material.

Going Concern

The Governors 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 School to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements. On review, taking into account the current financial position, future projections, the continuing high demand for places, and a detailed analysis of the Risk Register, the Governors have concluded that they are to adopt the going concern basis in preparing the annual financial statements.

1 STATEMENT OF ACCOUNTING POLICIES (continued)

Income

All income is included in the Statement of Financial Activities when the School has entitlement to the funds, receipt is probable and the amount can be measured with sufficient reliability.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the School which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

The values of donated services and gifts in kind provided to the School are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the School can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the School's policies.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured. Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Expenditure

All expenditure is recognised in the period in which a liability is incurred and has been classified under the headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

1 STATEMENT OF ACCOUNTING POLICIES (continued)

Expenditure on Raising Funds: This includes all expenditure incurred by the School to raise funds for its charitable purposes and includes costs of all fundraising activities events and other charitable trading.

Charitable Activities: These are costs incurred on the School's educational operations, including support costs and costs relating to the governance of the School apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Freehold and Leasehold Land and Buildings

The School owns the School playing fields and leases the School buildings from the Pate's Grammar School Foundation. The lease is for 125 years at a peppercorn rent. Although there are break clauses in the lease, there are no current indications that circumstances will arise such that they can be exercised by the Pate's Grammar School Foundation. Accordingly as the School is entitled to the risk and rewards of ownership, their value has been included in the School's balance sheet. This is consistent with the treatment adopted in the accounts of Pate's Grammar School Foundation. The valuation basis of the Leasehold Property was an estimate of the current market value. The value of the Freehold Land for its current use is immaterial compared with the Leasehold Property and has thus been amalgamated with the Leasehold Property in these accounts. See Note 12.

Tangible Fixed Assets and Depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the School's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the costs of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold Property	-	2% - 10%
Motor Vehicles	-	20% - 50%
Fixtures and fittings	-	10% - 20%
Computer equipment	-	20%

1 STATEMENT OF ACCOUNTING POLICIES (continued)

Motor vehicles and computer equipment transferred from the predecessor school were transferred at depreciated cost and have been depreciated over the useful life from original purchase.

Leasehold property and Fixtures and fittings transferred from the predecessor school were transferred at an estimate of depreciated replacement cost and are treated as if purchased at that date.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Leased Assets

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Investments

Investments are valued at market value.

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. 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.

1 STATEMENT OF ACCOUNTING POLICIES (continued)

Stocks

Unsold uniforms are valued at the lower of cost or net realisable value.

Taxation

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

Pension Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School 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. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the School 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 STATEMENT OF ACCOUNTING POLICIES (continued)

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by Education and Skills Funding Agency, Department for Education and Pate's Grammar School Foundation where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency and the Department for Education. Restricted funds also incorporate School Fund accounts and revenue donations received from Pate's Grammar School Foundation.

Endowment funds are monies from the Biffen Fund money which are invested with Newton Investment Management and held separately as a permanent endowment fund. The School benefits from the annual investment return but, under the rules of the Trust, cannot access the capital without an approach to the Biffen Trustee and subsequent (if approved) application to the Charity Commission.

Critical Accounting Estimates and Areas of Judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Governors do not consider that they have made any critical judgements apart from those involving estimation in the preparation of the financial statements.

Critical Accounting Estimates and Assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability.

PATE'S GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

1 STATEMENT OF ACCOUNTING POLICIES (continued)

Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the School was subject to limits at 31 August 2020 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The School has not exceeded these limits during the year ended 31 August 2020.

3 DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Capital grants	-	-	202,861	202,861	1,579,249
Other donations	184,588	2,000	-	186,588	246,773
	184,588	2,000	202,861	389,449	1,826,022
2019 Total	192,547	-	1,633,475	1,826,022	

PATE'S GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

4 FUNDING FOR SCHOOL'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	5,340,380	5,340,380	4,847,531
Other DfE/ESFA grants	-	73,427	73,427	87,302
	-	5,413,807	5,413,807	4,934,833
Other government grants				
Local authority grants	-	48,333	48,333	33,254
	-	5,462,140	5,462,140	4,968,087
Other income				
Catering income	184,411	-	184,411	271,159
Pate's Foundation income	-	300,000	300,000	300,000
Teaching schools income	-	86,480	86,480	103,799
School trips income	-	422,028	422,028	603,392
Other income	92,501	255,340	347,841	274,214
	276,912	1,063,848	1,340,760	1,552,564
	276,912	6,525,988	6,802,900	6,520,651
2019 Total	396,477	6,124,174	6,520,651	

PATE'S GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

5 OTHER TRADING ACTIVITIES

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of facilities	21,326	21,326	39,287
Trading, consulting and brand income	305,198	305,198	-
	<u>326,524</u>	<u>326,524</u>	<u>39,287</u>
2019 Total	<u>39,287</u>	<u>39,287</u>	

6 INVESTMENT INCOME

	Unrestricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Short term deposits	1,699	-	1,699	2,121
Investments	-	29,947	29,947	39,876
Income from subsidiary*	-	-	-	15,986
	<u>1,699</u>	<u>29,947</u>	<u>31,646</u>	<u>57,983</u>
2019 Total	<u>18,107</u>	<u>39,876</u>	<u>57,983</u>	

* The income from subsidiary in 2019 relates to consultancy and brand income for the year of £129,111 net of staff costs recharged by the Academy and other direct costs of £113,125.

PATE'S GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

7 EXPENDITURE

	Staff costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Expenditure on raising funds					
- Direct Costs	31,619	-	7,232	38,851	67,333
Educational operations					
- Direct Costs (note 8)	4,496,863	-	1,040,560	5,537,423	5,156,847
Educational operations					
- Support Costs (note 8)	1,085,799	522,796	1,412,897	3,021,492	2,868,070
	5,614,281	522,796	2,460,689	8,597,766	8,092,250

Expenses of £95,769 for Pate's Grammar School Trading Company Limited are included above in educational operations comprising direct staff costs of £21,251, support staff costs of £12,000 and other direct costs of £62,518. No expenses for Pate's Grammar School Trading Company Limited are included in the 2019 comparatives as the figures were not consolidated (see note 13).

Expenditure on raising funds in 2019 was £67,333 all of which was unrestricted funds. Expenditure on Educational operations in 2019 was £8,024,917 of which £416,019 was unrestricted funds £6,585,859 was restricted funds and £1,023,039 was restricted fixed asset funds.

Net income/(expenditure) for the period includes:

	2020 £	2019 £
Depreciation of tangible fixed assets:		
- owned by the charity	1,033,847	1,023,039
Operating leases - non property	35,908	28,369
Fees paid to auditor for:		
- Audit	10,400	10,700
- Advice (including £1,760 charged to Subsidiary Company (2019: £4,275))	1,760	4,275

PATE'S GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

8 CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Total funds 2020 £	Total funds 2019 £
DIRECT COSTS		
Teaching and educational support staff costs	4,496,863	4,006,964
Educational supplies and services	811,546	945,265
Examination fees	105,422	126,813
Staff development	10,540	17,194
Other direct costs	113,052	60,611
	5,537,423	5,156,847
SUPPORT COSTS		
Support staff costs	836,799	775,243
Depreciation	1,033,847	1,023,039
Pension costs (FRS102 adjustment)	249,000	153,000
Maintenance of premises and equipment	172,498	142,175
Cleaning	151,555	132,582
Rent and rates	70,861	75,904
Heat and light	106,431	133,406
Insurance	21,451	23,122
Security and transport	18,480	17,917
Catering and vending machines	157,483	203,976
Bank interest and charges	1,814	1,821
Computer expenses	74,304	75,072
Legal costs - other	5,361	9,715
Other support costs	88,759	68,702
Governance costs	32,849	32,396
	3,021,492	2,868,070
	8,558,915	8,024,917

PATE'S GRAMMAR SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9 STAFF

a. Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	4,025,251	3,805,238
Social security costs	383,855	356,445
Operating costs of defined benefit pension schemes	952,185	699,189
Supply teacher costs	-	1,710
Total	5,361,291	4,862,582

b. Staff numbers

The average number of persons (including Senior Leadership Team) employed by the School during the year expressed as full time equivalents was as follows:

	2020 No.	2019 No.
Teachers	65	64
Administration and support	40	38

Included within the categories of Teachers and Administration and support are 7 (2019: 6) members of the Senior Leadership Team who are responsible for the day to day operations of the School.

d. Higher paid staff

The number of employees whose annual equivalent emoluments exceeded £60,000 was:

	2020 No.	2019 No.
£60,000 - £70,000	3	1
£70,000 - £80,000	1	1
£80,000 - £90,000	1	1
£120,000 - £130,000	1	1

5 (2019: 3) employees participated in the Teachers' Pension Scheme.

	2020 No.	2019 No.
£10,000 - £15,000	2	2
£15,000 - £20,000	2	-
£20,000 - £25,000	-	1
£25,000 - £30,000	1	-

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

9 STAFF (continued)

The other employee participated in the Local Government Pension Scheme: employer's pension contributions amount to £22,005 (2019: £21,517).

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £722,657 (2019: £642,790).

10 GOVERNORS' REMUNERATION AND EXPENSES

The Head Master and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of the Head Master and staff, and not in respect of their services as Governors. Other Governors also did not receive any payments, from the School in respect of their role as Governors. The value of Governors' remuneration, including employer pension contributions, fell within the following bands:

	2020 £	2019 £
Russel Ellicott	145,000-150,000	145,000-150,000
Will Head	10,000-15,000	35,000-40,000
Robert Morton	45,000-50,000	30,000-35,000
Catherine Smith	25,000-30,000	15,000-20,000
Miriam Wright	5,000-10,000	-
Shirley Park	-	10,000-15,000
Anne Dickinson	-	0-5,000

During the year, no Governors received any reimbursement of expenses incurred in their role as Governor (2019: £Nil). Where other related party transactions involving the Governors arise these are set out in note 27.

11 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the School has purchased cover through the Department for Education's (DfE's) Risk Protection Arrangement (RPA) - this commenced on 1 December 2016. The RPA is not an insurance scheme but is a mechanism through which the cost of risks that materialise are covered by government funds. The scheme protects Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The RPA Administrator's Limit of Liability is £10,000,000 (2019: £10,000,000) on any one claim and any one membership year. The cost of this cover is included in the overall RPA cost (£18 per student per year).

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

12 TANGIBLE FIXED ASSETS (GROUP & ACADEMY)

	Long leasehold property & improvements £	Assets under construction £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost						
1 September 2019	35,413,715	-	25,019	1,766,226	525,431	37,730,391
Additions	5,780	177,998	13,600	14,362	93,290	305,030
Disposals	-	-	(4,000)	(67,217)	(69,712)	(140,929)
At 31 August 2020	35,419,495	177,998	34,619	1,713,371	549,009	37,894,492
Depreciation						
1 September 2019	5,771,654	-	25,019	1,329,315	330,891	7,456,879
Charge for the year	774,656	-	2,720	170,158	86,313	1,033,847
Disposals	-	-	(4,000)	(63,852)	(69,479)	(137,331)
At 31 August 2020	6,546,310	-	23,739	1,435,621	347,725	8,353,395
Net book value						
At 31 August 2020	28,873,185	177,998	10,880	277,750	201,284	29,541,097
At 31 August 2019	29,642,061	-	-	436,911	194,540	30,273,512

The School leases buildings from Pate's Grammar School Foundation. On conversion, the Governors considered that the cost of a formal valuation was out of proportion to the benefit to be derived and instead based their valuation on the valuation that had been assessed for insurance purposes. Due to the School buildings being specialised in nature and not traded on the open market, this valuation was also considered to be a reasonable estimate of the depreciated replacement cost for the purposes of these accounts.

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

13 INVESTMENTS

	2020	2019
	£	£
Academy		
Fixed asset investments	1,116,821	1,396,560
Investment in subsidiary	1	1
	<u>1,116,822</u>	<u>1,306,561</u>

Valuation of fixed asset investments	£
At 1 September 2019	1,396,560
Sale of investments during the year	(200,000)
Change in value during the year	(79,739)

At 31 August 2020	<u>1,116,821</u>
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Details of subsidiary

On 18 September 2017, Pate's Grammar School Trading Company Limited was incorporated and Pate's Grammar School holds 100% of the £1 share capital. The principal activity of the company is to develop international links, seeking to secure a surplus which can then be transferred to Pate's Grammar School. The relevant details regarding the operation of the Trading Company are contained within the formal 'Standing Orders' document.

The profit of Pate's Grammar School Trading Company Limited for the year ending 31 August 2020 was £209,429 (2019: £15,986) which was donated to Pate's Grammar School. At the year end £180,005 (2019: £15,986) was owed to the School and the aggregate amount of capital and reserves at the end of the period was £1.

The results for the year ending 31 August 2020 have been presented as consolidated accounts. For the year ending 31 August 2019 consolidated accounts for Pate's Grammar School were not prepared as the investment was not deemed to be material.

14 STOCKS

	2020	2019
	£	£
Uniforms	1,251	2,254

PATE'S GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

15 DEBTORS

	Group 2020	Academy 2020 £	Group 2019 £	Academy 2019 £
Trade debtors	-	-	4,967	4,967
Amounts owed by subsidiary	-	180,005	-	15,986
Other debtors	76,585	76,201	76,097	75,891
Prepayments and accrued income	206,372	192,075	289,098	288,806
	282,957	448,281	370,162	385,650

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020	Academy 2020 £	Group 2019 £	Academy 2019 £
Trade creditors	50,094	50,094	88,842	88,842
Other taxation and social security	96,912	96,912	84,802	84,802
Other creditors	125,556	125,556	94,340	94,340
Accruals and deferred income	442,398	317,716	390,725	388,801
	714,960	590,278	658,710	656,785

	Group £	Academy £
Deferred Income		
Deferred income at 1 September 2019	178,113	178,113
Resources deferred during the year	158,155	35,152
Amounts released from previous years	(178,113)	(178,113)
	158,155	35,152
Deferred income at 31 August 2020	158,155	35,152

Deferred Income

Grant income of £26,517 received during the period ended 31 August 2020 relating to expenditure for the future year has been deferred, as have receipts from parents in respect of events which have not yet taken place totalling £4,835 and other Academy income of £3,800. Group deferred income includes £123,003 income from international agreements.

PATE'S GRAMMAR SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17 STATEMENT OF FUNDS

The income funds of the School comprise the following balances of grants to be applied for specific purposes:

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers In/(Out) £	Gains/(Losses) £	Carried Forward £
Endowment funds	1,396,560	29,947	-	(229,947)	(79,739)	1,116,821
Restricted funds						
General Annual Grant	-	5,340,380	(5,673,119)	332,739	-	-
Other DfE/ESFA Grants	-	81,760	(83,564)	1,804	-	-
Teaching schools	167,605	126,480	(97,210)	-	-	196,875
Tatam legacy	54,501	-	-	-	-	54,501
The Thomas Award	-	2,000	-	-	-	2,000
Computing Hub	-	135,305	(130,997)	-	-	4,308
Pate's Foundation	-	300,000	(300,000)	-	-	-
Other income	7,066	7,380	(7,943)	-	-	6,503
School Fund Account	8,098	414,648	(411,363)	(7,770)	-	3,613
Educational services	-	120,035	(102,928)	(17,107)	-	-
Pension reserve	(1,891,000)	-	(249,000)	-	(329,000)	(2,469,000)
	(1,653,730)	6,527,988	(7,056,124)	309,666	(329,000)	(2,201,200)
Restricted fixed asset funds						
DfE/ESFA Capital						
Grants	4,772,965	202,861	(227,963)	-	-	4,747,863
Predecessor						
School Surplus	20,100	-	(8,588)	-	-	11,512
Capital donations on conversion	23,873,318	-	(668,623)	-	-	23,204,695
Pate's Grammar School Foundation	1,235,086	-	(31,252)	-	-	1,203,834
Capital expenditure						
-unrestricted funds	210,307	-	(58,161)	98,571	-	250,717
Other donations	161,736	-	(39,260)	-	-	122,476
	30,273,512	202,861	(1,033,847)	98,571	-	29,541,097
Total restricted funds	28,619,782	6,730,849	(8,089,971)	408,237	(329,000)	27,339,897
Unrestricted funds	402,519	789,723	(507,795)	(178,290)	-	506,157
Total of funds	30,418,861	7,550,519	(8,597,766)	-	(408,739)	28,962,875

PATE'S GRAMMAR SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17 STATEMENT OF FUNDS (continued)

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

	Brought Forward	Incoming Resources	Resources Expended	Transfers In/(Out)	Gains/ (Losses)	Carried Forward
	£	£	£	£	£	£
Endowment funds	1,447,072	39,876	-	(159,876)	69,488	1,396,560
Restricted funds						
General Annual Grant (GAG)	-	4,847,531	(5,214,290)	366,759	-	-
Other DfE/ESFA Grants	-	61,731	(63,043)	1,312	-	-
Teaching schools	152,084	162,624	(147,103)	-	-	167,605
Tatam legacy	56,501	-	(2,000)	-	-	54,501
Pate's Foundation	-	300,000	(300,000)	-	-	-
Other income	687	12,082	(5,703)	-	-	7,066
School Fund Account	-	591,310	(576,739)	(6,473)	-	8,098
Educational services	-	148,896	(123,981)	(24,915)	-	-
Pension reserve	(1,121,000)	-	(153,000)	-	(617,000)	(1,891,000)
	(911,728)	6,124,174	(6,585,859)	336,683	(617,000)	(1,653,730)
Restricted fixed asset funds						
DfE/ESFA Capital Grants	3,422,263	1,579,249	(228,547)	-	-	4,772,965
Predecessor School Surplus	31,277	-	(11,177)	-	-	20,100
Capital donations on conversion	24,541,941	-	(668,623)	-	-	23,873,318
Pate's Grammar School Foundation	1,266,406	-	(31,320)	-	-	1,235,086
Capital expenditure from unrestricted funds	207,113	-	(47,883)	51,077	-	210,307
Other donations	142,999	54,226	(35,489)	-	-	161,736
	29,611,999	1,633,475	(1,023,039)	51,077	-	30,273,512
Total restricted funds	28,700,271	7,757,649	(7,608,898)	387,760	(617,000)	28,619,782
Unrestricted funds	467,337	646,418	(483,352)	(227,884)	-	402,519
Total of funds	30,614,680	8,443,943	(8,092,250)	-	(547,512)	30,418,861

**PATE'S GRAMMAR SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

17 STATEMENT OF FUNDS (continued)

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

The Endowment Fund relates to The Sir Rowland Harry Biffen Trust. This permanent endowment fund was originally administered by trustees of Corpus Christi College, Oxford but was moved into the control of Pate's Grammar School (The Biffen Trustee) during the year ended 31 August 2015.

The Restricted General Funds includes GAG and other grants receivable from the DfE/ESFA towards the School's educational activities. School funds held in respect of education visits and events are also included in the Restricted General Fund as is a legacy received from Mr & Mrs Tatam which is used to fund a maximum of two scholarship awards of £2,000 per annum.

The Restricted Fixed Asset Fund includes amounts receivable from the DfE/ESFA in respect of tangible fixed assets held for School use.

The Pension Reserve relates to the School's share of the deficit of the Local Government Pension Scheme overseen by the Local Authority.

Under the funding agreement with the Secretary of State, the School was subject to a limit on the amount of GAG that it could carry forward at 31 August 2020. Note 2 confirms the limit was not exceeded.

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NOTES TO THE FINANCIAL STATEMENTS
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18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investments	-	-	-	1,116,821	1,116,821	1,396,560
Tangible fixed assets	-	-	29,541,097	-	29,541,097	30,273,512
Current assets	506,157	982,760	-	-	1,488,917	1,296,573
Creditors due within one year	-	(714,960)	-	-	(714,960)	(656,785)
Provisions for liabilities and charges	-	(2,469,000)	-	-	(2,469,000)	(1,891,000)
	506,157	(2,201,200)	29,541,097	1,116,821	28,962,875	30,418,861

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

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investments	-	-	-	1,396,560	1,396,560	1,447,073
Tangible fixed assets	-	-	30,273,512	-	30,273,512	29,611,999
Current assets	402,519	895,980	-	-	1,298,499	1,551,315
Creditors due within one year	-	(658,710)	-	-	(658,710)	(874,707)
Provisions for liabilities and charges	-	(1,891,000)	-	-	(1,891,000)	(1,121,000)
	402,519	(1,653,730)	30,273,512	1,396,560	30,418,861	30,614,680

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

19 CAPITAL COMMITMENTS

At 31 August 2020 the School had £136,352 capital commitments contracted for, but not provided in the financial statements (2019: £Nil) for the second phase of the Fire Safety project, funded by the ESFA Condition Improvement Fund.

20 FINANCIAL COMMITMENTS

Operating leases

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

	2020 £	2019 £
Other		
Expiring within one year	32,651	35,908
Expiring within two and five years inclusive	19,953	52,604
	<u>52,604</u>	<u>88,512</u>

21 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income for the reporting period before revaluation of investments (as per the statement of financial activities)	(1,047,247)	351,693
Adjusted for:		
Depreciation (note 12)	1,033,847	1,023,039
Loss on disposal of fixed assets	2,155	48
Capital grants from DfE and other capital income	(202,861)	(1,633,475)
Interest receivable (note 6)	(31,646)	(41,997)
Defined benefit pension scheme cost less contributions payable (note 26)	213,000	120,000
Defined benefit pension scheme finance cost (note 26)	36,000	33,000
Decrease/(increase) in stocks	1,003	(943)
Decrease/(increase) in debtors	87,205	(4,655)
Increase/(decrease) in creditors	56,250	(219,343)
	<u>147,706</u>	<u>(372,633)</u>
Net cash provided by/(used in) operating activities	<u>147,706</u>	<u>(372,633)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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22 CASH FLOWS FROM INVESTING ACTIVITIES

	2020 £	2019 £
Interest and rents from investments	31,646	41,997
Sale of investments	200,000	120,000
Purchase of tangible fixed assets	(305,030)	(1,684,600)
Proceeds from sale of tangible fixed assets	1,443	-
Capital grants from DfE/ESFA and other capital income	202,861	1,633,475
	<hr/>	<hr/>
Net cash used in investing activities	130,920	110,872
	<hr/>	<hr/>

23 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31 August 2020 £	At 31 August 2019 £
Cash in hand and at bank	1,204,709	676,083
Notice deposits (less than 3 months)	-	250,000
	<hr/>	<hr/>
Total cash and cash equivalents	1,204,709	926,083
	<hr/>	<hr/>

PATE'S GRAMMAR SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24 ANALYSIS OF CHANGES IN NET DEBT

	At 31 September	Cash flows	New Finance Leases	Other Non-cash changes	At 31 August
	2019 £	2020 £	2020 £	2020 £	2020 £
Cash	926,083	278,626	-	-	1,204,709
	926,083	278,626	-	-	1,204,709

25 CONTINGENT LIABILITIES

In the event, during the period of the funding agreement, of the sale or disposal by other means of any asset for which a capital grant or whatever amount was received, the School shall, if it does not reinvest the proceeds, repay to the Secretary of State the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the funding agreement, whether as a result of the Secretary of State or the School serving notice, the School shall repay to the Secretary of State sums determined by reference to

- the value at that time of the School's site and premises and other assets held for the purposes of the company; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement.

If the School ceased to be a state school with selective admissions, the lease of the School buildings could be terminated without compensation to the School. If the School ceased to be a state school it would have to transfer the school playing fields in accordance with the direction of the Secretary of State without compensation. In these circumstances the land and buildings would thus be valueless. There is no current indication that either of these circumstances will arise and accordingly the land and buildings are included as an asset without any liability for these contingencies.

Guaranteed Minimum Pension (GMP) Equalisation is a requirement to equalise the Guaranteed Minimum Pension benefits accrued between 1990 and 1997 from contracting out of the State Earnings Related Pension Scheme based on the principles outlined in the judgement of the "Lloyds Bank" High Court case in October 2018. The actuarial valuation prepared for the Local Government Pension Scheme (as disclosed in Note 26) does not currently include an adjustment for GMP Equalisation, as the fund actuary considers that a 'trigger event' is yet to occur in the LGPS. The trigger event referred to in this instance is that Government is yet to confirm the long term solution and hence the potential impact of GMP equalisation remains an unknown. In view of this continuing uncertainty, no provision has been made in these financial statements in relation to this matter.

25 MEMBERS' LIABILITY

Each member of the Charitable Company undertakes to contribute to the assets of the School 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 PENSION COMMITMENTS

The School's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Gloucestershire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £78,996 (TPS) and £28,981 (LGPS) were payable to the schemes at 31 August 2020 (2019: £56,914 (TPS) and £24,356 (LGPS)) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

26 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 valuation result is due to be implemented from 1 April 2023

The employer's pension costs paid to TPS in the period amounted to £687,112 (2019: £445,307).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £328,308 (2019: £315,276), of which employer's contributions totalled £265,073 (2019: £253,883) and employees' contributions totalled £63,235 (2019: £61,393). The contribution rate to March 2021 is 27.3% for the employer and depending on salary banding will vary between 5.5% and 12.5% for employees.

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NOTES TO THE FINANCIAL STATEMENTS
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26 PENSION COMMITMENTS (continued)

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

Principal actuarial assumptions	At 31 August 2020	At 31 August 2019
Discount rate for scheme liabilities	1.7%	1.8%
Rate of increase in salaries	2.5%	2.6%
Rate of increase for pensions in payment / inflation	2.2%	2.3%
Commutation of pensions to lump sums pre-April 2008 service	35.0%	35.0%
Commutation of pensions to lump sums post-April 2008 service	68.0%	68.0%

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	Approximate increase to employer liability	Approximate monetary amount £
Change in assumptions at year ended 31 August 2020		
0.5% decrease in Real Discount Rate	11%	646,000
0.5% increase in the Salary Increase Rate	1%	58,000
0.5% increase in the Pension Increase Rate	10%	578,000

It is estimated that a one year increase in life expectancy would increase the employer's liability by around 3%-5%.

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

	2020	2019
Retiring today		
Males	21.7	21.5
Females	23.9	23.7
Retiring in 20 years		
Males	22.4	22.3
Females	25.3	25.0

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26 PENSION COMMITMENTS (continued)

The School's share of assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 August 2020 £	Fair value at 31 August 2019 £
Equities	2,109,000	1,871,000
Government Bonds	735,000	720,000
Property	255,000	230,000
Cash/liquidity	96,000	58,000
	<hr/>	<hr/>
Total market value of assets	3,195,000	2,879,000
Present value of scheme liabilities: Funded	(5,664,000)	(4,770,000)
	<hr/>	<hr/>
(Deficit) in the scheme	(2,469,000)	(1,891,000)
	<hr/>	<hr/>

Amounts recognised in the Statement of Financial Activities

	2020 £	2019 £
Current service cost (net of employee contributions)	476,000	367,000
Past service cost	-	7,000
Interest cost	91,000	105,000
Return on scheme assets	(55,000)	(72,000)
Employer contributions	(263,000)	(254,000)
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Total amount charged to SOFA	249,000	153,000

PATE'S GRAMMAR SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26 PENSION COMMITMENTS (continued)

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

	2020	2019
	£	£
At 1 September	4,770,000	3,556,000
Total service cost	476,000	374,000
Interest cost	91,000	105,000
Employee contributions	63,000	62,000
Actuarial Gains /Losses	287,000	711,000
Estimated Benefits paid	(23,000)	(38,000)
	<hr/>	<hr/>
At 31 August	5,664,000	4,770,000

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

	2020	2019
	£	£
At 1 September	2,879,000	2,435,000
Interest income	55,000	72,000
Return on plan assets	(42,000)	94,000
Employer contributions	263,000	254,000
Employee contributions	63,000	62,000
Estimated Benefits paid	(23,000)	(38,000)
	<hr/>	<hr/>
At 31 August	3,195,000	2,879,000

27 RELATED PARTY TRANSACTIONS

Owing to the nature of the School's operations 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 a governor has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the School's financial regulations and normal procurement procedures.

During the year the spouse of one governor (2019: spouses of two governors) was employed by the school as a teacher, employed under a standard employment contract and was paid a total gross remuneration, including pension contributions, of £18,298 (2019: £59,840).

Pate's Grammar School Foundation is a related party due to common members of the governing boards. During the year it provided revenue funding of £300,000 (2019: £300,000).

Pate's Grammar School Trading Company Limited is a related party as Pate's Grammar School holds 100% of the £1 share capital. As detailed in Note 13, the profit for the year ending 31 August 2020 of £209,429 was donated to Pate's Grammar School.

No other related party transactions took place in the period of account.

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 trust's financial regulations and normal procurement procedures.

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

28 TEACHING SCHOOL TRADING ACCOUNT

	2020 £	2020 £	2019 £	2019 £
Income				
Direct income	40,000		58,825	
Other income	86,480		103,799	
Total income		126,480		162,624
Expenditure				
Direct costs				
- Direct staff costs	(49,799)		(53,224)	
- Other direct costs	(25,917)		(47,683)	
Total direct costs		(75,716)		(100,907)
Other costs				
- Technology costs	(2,540)		(1,550)	
- Other support costs	(18,954)		(44,396)	
- Governance costs	-		(250)	
Total other costs		(21,494)		(46,196)
Total expenditure		(97,210)		(147,103)
Transfers between funds				-
Surplus from all sources		29,270		15,521
Balance at 1 September 2019		167,605		152,084
Balance at 31 August 2020		196,875		167,605