

Registered number: 07369704



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

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**



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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS GOVERNORS AND ADVISERS FOR  
THE YEAR ENDED 31 AUGUST 2021**

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<b>Members</b>	Wallace Ascham Guy Bradshaw John Clarke Rebecca Flaxman Carolyn Hopper Paul Kenmir John Parker	
<b>Governor</b>	Rebecca Flaxman - Chair of Governors Carolyn Hopper - Vice Chair of Governors Warwick Ainsworth-Parker Nicolas Andrews (appointed 07/06/21) Jenny Dye Russel Ellicott, Head Master & Accounting Officer Ray Fish (term completed 27/03/21) Gayathiri Gowri Shankar (appointed 28/01/21) Fiona Johnston (appointed 28/01/21) Molly Macleod (appointed 01/07/21) Graeme May Rob Morton Laura Ralph Catherine Smith (resigned 15/01/21) Bryan Stiles (appointed 29/09/20) Miriam Wright	Parent Parent Foundation Parent Parent Parent Foundation Foundation Co-Opted Foundation Staff Corpus Christi Staff Co-Opted Staff
<b>Company Secretary</b>	Stephen Locke	
<b>Senior Leadership Team (SLT)</b>	Russel Ellicott - Head Master Andrew Jones - Senior Deputy Head, Pastoral Care, Intervention & Safeguarding Rachel Thorpe - Deputy Head, Academic Strategy, Teaching School Hub, Staff Development Anthony Henley - Assistant Head, Data & Reporting, Accountability Measures, Curriculum Chris Nicholas - Assistant Head, Head of Sixth Form, UCAS Bethan Morgan - Assistant Head, Partnership Plan, Co-Curricular, Inclusion & Diversity Geoff Worth - Assistant Head, Digital & Technology Strategy 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.

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS GOVERNORS AND ADVISERS FOR  
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**Company Name** Pate's Grammar School

**Registered Office** Princess Elizabeth Way  
Cheltenham  
Gloucestershire  
GL51 0HG

**Company Registration Number** 07369704

**Statutory Auditor** Hazlewoods LLP  
Staverton Court  
Staverton  
Cheltenham  
Gloucestershire  
GL51 0UX

**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**  
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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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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 2021. 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.

**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.

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**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 five vacancies, although there are two co-opted Governors). Six (two 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 (one vacancy) 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.

These additional functions and responsibilities, and guidance on the constitution and operation of the Academy Full Governing Body (FGB), are set out in the Memorandum and Articles of Association of Pate's Grammar School. The FGB will typically meet 4 times per year.

The Governing Body is structured into several sub-committees all of which report back to the Full Governing Body:

- Education
- Finance & Facilities
- People & Wellbeing

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Additionally there are the following panels:

- Audit & Risk (now combined with Finance & Facilities)
- Head Teacher PD
- Head Teacher Pay
- Admissions Review Group
- Associate (students)
- International Development

Link Governors are appointed in the following areas:

- Internal Scrutiny
- Careers
- Health & Safety
- Safeguarding
- SEND
- Staff Development
- Teaching School Hub
- Outreach
- Trading Company
- Induction & Training
- Wellbeing

The terms of reference for all of the above are agreed during the autumn term.

The School Development Plan and Annual Planner guides 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 (detailed above). These include both the statutory required individual roles and those focused on the priorities of the School Plan. 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.



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.

#### 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 2021 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. piloting the Gloucestershire Constabulary's BOOST programme, offering use of our facilities to charity groups such as Wiggly Worm and running clubs in primary schools. Students also participated in Community Action initiatives during Tuesday Afternoon Enrichment (TPM) sessions, whereby learners collected litter to keep the public areas in the local environment clean.

#### **STRATEGIC REPORT**

##### **ACHIEVEMENTS AND PERFORMANCE**

##### **IMPACT OF COVID-19**

The pandemic has certainly impacted on our financial position during the year. Income streams, outside of core funding, have all suffered to lesser or greater degrees. However, savings have also been realised, particularly during 'lockdown' periods. The extra money received, both from Catch-Up Premium funding and the Mass Testing income has been very welcome. We have used the Catch-Up Premium to provide additional pastoral and academic support throughout the period, ensuring that no child has been 'left behind' as a result of the pandemic.

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Looking ahead, there will be continuing challenges as a result of the pandemic. However, our financial strategy and diversity (when looking at additional income streams) should ensure that we remain on a firm financial footing. We will continue to monitor the situation very closely over the coming period.

## EDUCATIONAL PERFORMANCE

This summer's national system of Teacher Assessed Grades was different from both the Centre Assessed Grades of 2020 and all previous exam-based years. For this reason, the 2021 results stand alone, and it would be wrong to make comparisons to other years without recognising that the context is very different.

The national trend this summer was obvious, and one that Pate's followed: having risen significantly in summer 2020, results went up hugely at both GCSE and A level. For the first time, more than 90% of our A level entries were A\* or A grades, and over 95% of our GCSE entries were graded 9 to 7.

There are again no national accountability measures based on this summer's data, but in terms of supporting students to progress to the next stage of their education, our results were an outstanding success. Unlike in summer 2020, results days were delightful and stress-free occasions – after such a difficult year it was great to see our students smiling!

We are now watching closely to see how summer 2022 will run. The government is clear that it is expecting exams to go ahead, but it has not yet completed its response to the consultation on how exams will be adjusted, given the learning loss from the pandemic. There is still no clarity on any contingency plans in case of further severe Covid disruption, even though the DfE acknowledges that such a plan is needed.

Finally, it is important to recognise the very many hours that Pate's staff spent on carefully producing and moderating the Teacher Assessed Grades as well as in completing large amounts of paperwork. This ensured that there was a fair and robust approach for all students.

The final outcomes were:

A level	2021	2020	2019
A*	57.6%	40.4%	33.3%
A* - A	91.4%	82.8%	76.5%
A* - B	98.5%	97.7%	95.6%

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<b>GCSE</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
9	56.5%	50.8%	42.1%
9 – 8	90.0%	77.6%	71.1%
9 – 7	96.7%	93.0%	87.5%

**UCAS 2021**

Despite the challenges this year, approximately 92% of students obtained a place at their first choice university – an extremely positive picture. There were 26 Oxbridge places accepted alongside some excellent degree apprenticeships, e.g. Dyson, JP Morgan, BAE Systems and Bloomberg.

We expect around 20 students to reapply in 2022 for a range of reasons. This is more than usual, but perhaps reflects the uncertainty that surrounded the summer 2021 exams.

**UCAS 2022**

We are supporting our Year 13 cohort (231 students) with the UCAS applications. This includes around 150 early entrants (the most ever) – approximately 65 medics, dentists or vets and 85 Oxford or Cambridge applicants. Providing appropriate support to all UCAS applicants is a priority for the Sixth Form team during the autumn term and we continue to offer an extensive range of support, including guidance on how to write a personal statement, practice interviews, entrance test preparation etc.

**ADMISSIONS**

We have 149 new students in Year 7 and 243 students in Year 12 (this gives us a Sixth Form of 474). Early impressions have been extremely positive, with the new students settling in very quickly. 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 induction programmes for both these year groups received very positive feedback.

The admissions test for 2021 was held on 11<sup>th</sup> September – we had c450 students on site over the course of the day, like last year we held two 'sittings', and this was a very successful and well organised occasion. This year we have reverted to the pre Covid-19 timetable, with the results due mid-October and the Common Application Form due to be completed by parents by the 31<sup>st</sup> October.

## CAMPUS

As previously mentioned, we now have a student population of 1223, 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 during academic year 2021/22 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.

Despite the financial and logistical 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.

## TECHNOLOGY

Over the last 12 months we have seen significant development in our IT systems and infrastructure. We have moved completely to MS Teams for teaching of remote and blended learning and setting of all homework. This has been hugely successful with a significant investment of time and resources to support both staff and students. We have also invested into some software to help safeguard conversations and chat within the Teams platform. We have purchased Child Protection Online Management System software which has involved a significant amount of whole staff training and this will develop further over the months ahead. We have also invested more in the school wifi infrastructure and refurbished and kitted out the new IT training room for staff CPD.

Separately we have very recently been awarded Microsoft Showcase school Incubator status. This will enable us to build more regional, national and international partnerships with schools and colleges. This is a very new and exciting development that will allow our students to grow their role as global citizens. This has already allowed us to see some new and exciting software releases coming through in the next months.

## FINANCE

The additional central government funding received this year has been very welcome. However, Covid-19 meant that all of our income streams, outside of ESFA funding, saw a reduction during the course of the year. However, lockdown periods meant that we were able to save money in a variety of areas, e.g., staff overtime, resources etc.

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, despite the considerable pressures of the pandemic, during 2020/21 at a level of £100,000, 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 and the Teaching and Learning plan for 2021 was built and developed on the work of the previous year - structured around the school's 2025 vision. Throughout the year, Covid necessitated moving from teaching 'face to face' to 'online' learning - with many months also spent using a combined approach, however, both staff and students rose admirably to the challenge and once back in school in summer 2021, there was a highly successful relaunch of the 'Pate's Learner' - re-confirming the learning skills that we look to develop in all students.

### **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. Our curriculum is a seven year journey, carefully planned to create a rich experience that is coherent across all areas of school life.

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. Reflecting this, our curriculum is student centred and meets the needs of our diverse community. For example, 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 providing powerful knowledge and cultural capital for all students regardless of background. We are fortunate to have outstanding facilities including two dedicated and fully staffed libraries that support and enhance student learning across the curriculum.

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Pate's offers an exceptional range of co-curricular activities. At both lunch times and after school Pate's buzzes with activity, allowing students to be creative, perform, play sport and be active to their heart's content. Indeed, so committed are we as a school to a true breadth of education, that on Tuesday afternoons and Flexible Learning Days lessons are suspended, allowing all students to access the 'exceptional range' (Ofsted) of enrichment activities that are on offer (see more details per Key Stage below). Furthermore, for two weeks each summer, 'Activities Fortnight' allows students in Years 7 - 10 to participate in an additional myriad of exciting opportunities. Our House system is also an integral part of our curriculum offering, overseen by staff but led and driven by a team of Sixth Form House Officials. Each year over twenty inter-house competitions are staged, many involving whole year groups, in an atmosphere of friendly competition.

**Key Stage 3 - Years 7, 8 and 9**

Students joining us in Year 7 study Art, Computing, Drama, English, French, Geography, German, History, Mandarin, Mathematics, Music, Personal Development Curriculum (including life skills e.g. cookery), Physical Education and Games, Philosophy, Theology and Ethics (PTE) and Science. Students can choose to opt into the Mandarin Excellence Programme in Year 7 and 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 astronomy to climbing, and bushcraft to yoga! Year 9 is a transition year when in most subjects students start to meet some GCSE skills and content while still exploring and extending the Key Stage 3 curriculum. 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 options subjects from the list below, on top of the non-examined subjects of PDC (Personal Development Curriculum), Physical Education, Core PTE and Games. Tuesday afternoons and termly Flexible Learning Days for all students again provide extra opportunities for enrichment activities and careers advice. For some students it can be appropriate to sit a GCSE in Further Maths.

The option subjects comprise: Art, Business Studies, Computing, Drama, French, Geography, German, History, Mandarin, Music, Physical Education, PTE (Religious Education), 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 curriculum around them. All of our students select a broad range of GCSEs and despite not being compulsory, the vast majority of students fulfil the EBacc criteria. 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, Advice and Guidance Programme) and a vast array of enrichment and super-curricular activity supplementing pupils' core academic study.

The majority of our students begin year 12 on four A level 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. The Pate's Bacc on a Tuesday afternoon offers an additional opportunity to broaden and enrich students' analytical and critical skills.

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

Art, Biology, Chemistry, Computing, Economics, English, French, Geography, German, History (Early Modern and Modern pathways), Maths, Further Maths, Music, Physics, Physical Education, Politics, Psychology, PTE, Spanish and Theatre Studies.

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 and IAG programme – 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. Despite the challenges of Covid, we continued to invest in this area – particularly with the development of new 'Pate's Researcher Posts' and staff exploring new ways to support learning in the classroom.



## 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 continuing to experiment with new technology and systems to support students and log the increasing number of incidents we deal with.

## 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 several 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.

## 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.

Our support of Pupil Premium students has now extended to pre-entrance with the introduction of a Familiarisation Summer School run in the weeks leading up to Grammar School entrance test. All students registered to sit the test at Pate's, who are eligible for Pupil Premium support, were invited into the School to help familiarise them with the school venue and were provided with support in accessing and practicing the FROG online materials. An information session of the entrance test process was also offered to the parents and guardians of Pupil Premium students.

## STUDENT LEADERSHIP

Despite Covid-19, the 2020-21 academic year continued to offer leadership opportunities. Sixty Year 13 students held House Official positions and they continued to lead all year groups in the many and various House Activities. Some of these activities were unable to happen live, and the House Officials had to adapt their leadership styles to suit the new way of working. Events such as House Music provided Officials with the challenge of leading their Houses virtually to bring together an online event, which greatly developed their skillsets. In-person events such as House Athletics and House Drama enabled House Officials to continue to lead and develop younger year groups through face-to-face interactions.

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Year 13s also form the student committees: Community, Wellbeing, Yearbook and Development & Alumni. Such work is, as ever, wonderfully supported by the Student Council and the Environment Society.

The school-wide Charity Events continue and students have raised just over £10,600 this year, the highest annual amount ever and an impressive total given that the July event was cancelled at the last moment and there were no Valentine Serenades. The first-ever whole-school Christmas Lunches boosted the fundraising total. Monies raised went to support medical and local causes, all charities were 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. Last year, because of the need for year group bubbles, Year 12 and Year 13 societies had to be kept separate. We were delighted by the way the Year 12s rose to the challenge of setting up and running their own societies when in an ordinary year they would just attend those set up by the Year 13s. In all there were 29 Year 12 and 20 Year 13 societies, each set up and managed by the students themselves. 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). Meetings moved online over lockdown and students proved resourceful in keeping their groups going.

The Year 12s usual volunteering in the community on Tuesday afternoons has had to be curtailed over the lockdowns, although local charity Family Space was successfully supported with students organising donations of both Christmas goods and Easter Eggs.

Year 12 students participated in the BOOST leadership programme, in partnership with Gloucestershire Constabulary, to shape and lead a pilot course aimed at promoting self-leadership and resilience for incoming Year 7 students.

**ODYSSEY TEACHING SCHOOL**

2020-2021 was the eighth and final year of Pate's leading the Odyssey Teaching School Alliance. We remained the third largest provider of Initial Teacher Training in the county and were again recognised for the success of our delivery of the nationally accredited NPQ Leadership qualifications. In January 2021, the Teaching School Alliance model was replaced with a new 'Hub' model, and we were delighted to become one of only 87 nationally accredited Hubs, responsible for teacher development across 140 schools in The Forest of Dean, Gloucester and Tewkesbury. Our role as a national 'Computing Hub' also continues.

## FUNDRAISING

The ongoing financial uncertainties resulting from the pandemic mean that we need to maintain diverse income streams. This includes our successful revenue fundraising appeal. We have raised more than £176,000 during this financial year – an excellent achievement, particularly given the pressures caused by Covid-19.

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 Chief Financial Officer (CFO) become involved in this stewardship by making thank you phone calls to some of our donors.

All funds raised go towards educational activities or 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.

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 fifth year and, similar to last year, we are now starting to see some real benefits. The Trading Company was able to generate a surplus of over £269,000 during this financial year which will be transferred to the Grammar School, particularly important when we were seeing other income streams reduce as a result of Covid-19.

## **PLANS FOR THE FUTURE**

The Governors and the Senior Leadership Team are currently creating the development plan for the next 5 years that will articulate how this successful school will improve further. Fundamental to this will be securing the highest academic outcomes, and this is enabled by supporting our teachers to further develop their practice. The 'Pate's Learning Journey' offers a wide range of professional development opportunities that staff can access to create their own bespoke package. Additionally, we have introduced 'The Pate's Learner' around the school – a visible manifestation of all the attributes that are required by a successful learner at our school. This will form the basis of our Teaching and Learning practice and is based on our Pate's Learning Framework, current pedagogical research and our work as a 'World Class' school through the High Performance Learning community. 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.

We are delighted that the school has been accredited as one of only 87 Teaching School Hubs across the country. This places Pate's at the centre for professional development in Gloucestershire and the Odyssey Teaching School hub will offer training for teachers from their first steps in a school right through to Headteacher level. This is a significant honour and is part of our outward facing ethos that sees us engaged with groups of schools and businesses across the UK and internationally. As an outstanding provider we are determined to be considered as an integral and creative part of the educational landscape and have ensured that we have the capacity to take this further in the coming years. It is an exciting time for Pate's!

## **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 2020/21 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 £279,618 (2020: surplus £2,792). The balance carried forward within unrestricted and restricted funds (excluding pension liability) at 31 August 2021 is £1,146,121 (2020: £773,957). 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, e.g. 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 £27,862,845 (2020: £28,962,875) included free reserves of £856,492 (2020: £506,157). 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 £600,000 and £750,000 in free reserves to be able to meet unplanned expenditures (most likely in relation to urgent repairs and /or the maintenance of the School) and shortfalls in income. Any funds held above £750,000 will be considered available to support capital projects, or other appropriate ventures. 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.

The value of the endowment funds was £1,149,179 (2020: £1,116,821). 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 third tranche of three (£180,000) was drawn down in May 2021. This money has been used to support both revenue and capital streams over the period.

Total restricted funds excluding pension liability were £29,105,174 (2020: £29,808,897) including restricted fixed asset funds of £28,815,545 (2020: £29,541,097).

GOVERNORS' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2021

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The only fund in deficit was in respect of the pension fund (deficit £3,248,000, 2020: deficit £2,469,000). Annual contributions are set at a level which it is intended will eliminate the deficit over 20 years from 1 April 2014.

## 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 2021/22 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.

The Senior Leadership Team (SLT) has overall responsibility for risk management. The CFO 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 Finance & Facilities Committee, Full Governing Body (FGB) and Link Governors as appropriate.

The Risk Register is formally reviewed each term by the CFO and presented to the FGB and/or Finance and Facilities Committee as appropriate. A Risk Management Strategy is reviewed annually in the autumn term by the Finance and Facilities Committee and any key items reported to the FGB.

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PATE'S GRAMMAR SCHOOL  
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GOVERNORS' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2021

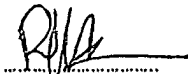
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**DISCLOSURE OF INFORMATION TO AUDITORS**

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 1 December 2021 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 2021**

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**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 4 times during the year, supplemented by sub-committee and panel meetings, as well as link governor sessions with SLT and other senior staff. Attendance during the year at meetings of the Full Governing Body was as follows:

Governor	% total eligible meetings attended
Rebecca Flaxman (Chair of Governors)	100
Carolyn Hopper (Vice Chair of Governors)	100
Russel Ellicott (Head Master)	100
Warwick Ainsworth-Parker	100
Nicolas Andrews	100
Jenny Dye	100
Ray Fish	33
Fiona Johnston	100
Molly Macleod	100
Graeme May	100
Rob Morton	100
Laura Ralph	75
Gayathiri Gowri Shankar	50
Catherine Smith	100
Bryan Stiles	100
Miriam Wright	100



**GOVERNANCE STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2021**

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Section 2.3 of the Academies Financial Handbook 2021 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.

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 2021 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 risks 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 2021 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 have continued to conduct Internal Scrutiny reviews at least three times a year via the appointment of a Responsible Officer (RO). This role was performed by Laura Ralph (Corpus Christi Governor) during the period.

The RO's role includes giving advice on financial matters and performing a range of checks on the School's financial systems. All reports resulting from these checks are shared with the Finance and Facilities committee and onward transmission to the FGB to ensure that the FGB fully discharges its financial responsibilities.

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PATE'S GRAMMAR SCHOOL  
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GOVERNANCE STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2021

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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.


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 1 December 2021 and signed on their behalf by:



Rebecca Flaxman, Chair of Governors



Russel Ellicott, Accounting Officer

**PATE'S GRAMMAR SCHOOL**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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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 2020.

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 2020.

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



.....  
**Russel Ellicott**  
**Accounting Officer**

**Date: 1 December 2021**

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

**GOVERNORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2021**

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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:

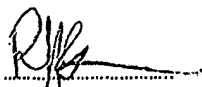
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS102) and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 1 December 2021 and signed on its behalf by:



Rebecca Flaxman, Chair of Governors

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PATE'S GRAMMAR SCHOOL  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**Opinion**

We have audited the financial statements of Pate's Grammar School for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP (FRS102) and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PATE'S GRAMMAR SCHOOL**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**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 2021

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**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.

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the company financial statements or that had a fundamental effect on the operations of the company. We determined that the most significant laws and regulations included UKGAAP, UK Companies Act 2006 and taxation laws;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included challenging assumptions and judgments made by management in its significant accounting estimates and identifying and testing journal entries, in particular any journal entries posted with unusual characteristics.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PATE'S GRAMMAR SCHOOL  
FOR THE YEAR ENDED 31 AUGUST 2021

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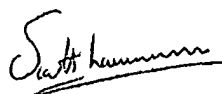
As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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.
- 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.



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

Date 3 December 2021

**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**

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In accordance with the terms of our engagement letter dated 30 July 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021 we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Pate's Grammar School during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 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

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In this regard, we have carried out the following:

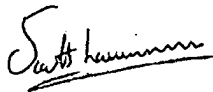
- specific testing of a sample of items of income and expenditure to ensure appropriately applied for the purposes intended;
- specific testing of a sample of system controls relevant to the above items;
- a general review of relevant correspondence with the ESFA regarding Academy governance matters 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 2020 to 31 August 2021 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 3 December 2021

**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 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>INCOME AND ENDOWMENTS FROM:</b>							
Donations and capital grants	3	176,714	2,000	162,672	-	341,386	389,449
Charitable activities:							
Funding for the School's educational operations	4	211,797	6,952,562	-	-	7,164,359	6,802,900
Other trading activities	5	354,210	-	-	-	354,210	326,524
Investment income	6	16	-	-	24,332	24,348	31,646
<b>TOTAL</b>		<b>742,737</b>	<b>6,954,562</b>	<b>162,672</b>	<b>24,332</b>	<b>7,884,303</b>	<b>7,550,519</b>
<b>EXPENDITURE FROM:</b>							
Raising funds	7	37,174	-	-	-	37,174	38,851
Charitable activities:							
School's educational operations	7	403,255	7,229,252	1,000,010	-	8,632,517	8,558,915
<b>TOTAL</b>		<b>440,429</b>	<b>7,229,252</b>	<b>1,000,010</b>	<b>-</b>	<b>8,669,691</b>	<b>8,597,766</b>
<b>NET INCOME/(EXPENDITURE) BEFORE REVALUATION OF INVESTMENTS</b>		<b>302,308</b>	<b>(274,690)</b>	<b>(837,338)</b>	<b>24,332</b>	<b>(785,388)</b>	<b>(1,047,247)</b>
Revaluation of investment	13	-	-	-	212,358	212,358	(79,739)
<b>NET INCOME/(EXPENDITURE) C/F</b>		<b>302,308</b>	<b>(274,690)</b>	<b>(837,338)</b>	<b>236,690</b>	<b>(573,030)</b>	<b>(1,126,986)</b>

**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 2021**

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>NET INCOME/(EXPENDITURE) B/F</b>		302,308	(274,690)	(837,338)	236,690	(573,030)	(1,126,986)
Transfers between funds	17	48,027	44,519	111,786	(204,332)	-	-
<b>NET INCOME /(EXPENDITURE)</b>		350,335	(230,171)	(725,552)	32,358	(573,030)	(1,126,986)
<b>FOR THE YEAR</b>							
Actuarial gains/(losses) on defined benefit pension schemes	26	-	(527,000)	-	-	(527,000)	(329,000)
<b>NET MOVEMENT IN FUNDS</b>		350,335	(757,171)	(725,552)	32,358	(1,100,030)	(1,455,986)
<b>RECONCILIATION OF FUNDS</b>							
Total funds brought forward		506,157	(2,201,200)	29,541,097	1,116,821	28,962,875	30,418,861
Total funds carried forward	17	856,492	(2,958,371)	28,815,545	1,149,179	27,862,845	28,962,875

All activities relate to continuing operations.

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

The notes on pages 39 to 68 form part of these financial statements.

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


**BALANCE SHEETS**  
**AS AT 31 AUGUST 2021**

Company registration number: 07369704

**CONSOLIDATED BALANCE SHEET**

	Note	£	2021 £	£	2020 £
<b>FIXED ASSETS</b>					
Tangible assets	12		28,815,545		29,541,097
Investments	13		1,149,179		1,116,821
<b>CURRENT ASSETS</b>					
Stocks	14	2,270		1,251	
Debtors	15	326,812		282,957	
Cash at bank and in hand		1,388,334		1,204,709	
			1,717,416	1,488,917	
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	16	(571,295)		(714,960)	
<b>NET CURRENT ASSETS</b>			1,146,121		773,957
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			31,110,845		31,431,875
Defined benefit pension scheme liability	26		(3,248,000)		(2,469,000)
<b>TOTAL NET ASSETS</b>			27,862,845		28,962,875
<b>CONSOLIDATED FUNDS</b>					
Endowment Funds	17	1,149,179		1,116,821	
Restricted funds:					
Restricted funds	17	289,629		267,800	
Restricted fixed asset funds	17	28,815,545		29,541,097	
Restricted funds excluding pension liability		29,105,174		29,808,897	
Pension reserve		(3,248,000)		(2,469,000)	
Total restricted funds	17		25,857,174		27,339,897
Unrestricted income funds	17		856,492		506,157
<b>TOTAL FUNDS</b>			27,862,845		28,962,875

The financial statements were approved by the Governors, and authorised for issue, on 1 December 2021 and are signed on their behalf, by:

  
Rebecca Flaxman, Chair of Governors

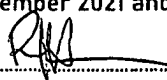
**PATE'S GRAMMAR SCHOOL**  
(A Company Limited by Guarantee)

**BALANCE SHEETS**  
**AS AT 31 AUGUST 2021**

Company registration number: 07369704

ACADEMY BALANCE SHEET		2021	2020
	Note	£	£
<b>FIXED ASSETS</b>			
Tangible assets	12	28,815,545	29,541,097
Investments	13	1,149,180	1,116,822
<b>CURRENT ASSETS</b>			
Stocks	14	2,270	1,251
Debtors	15	581,226	448,281
Cash at bank and in hand		1,115,494	914,702
		<u>1,698,992</u>	<u>1,364,234</u>
<b>LIABILITIES</b>			
Creditors: Amounts falling due within one year	16	(552,870)	(590,278)
<b>NET CURRENT ASSETS</b>		<u>1,146,120</u>	<u>773,956</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>31,110,845</u>	<u>31,431,875</u>
Defined benefit pension scheme liability	26	(3,248,000)	(2,469,000)
<b>TOTAL NET ASSETS</b>		<u>27,862,845</u>	<u>28,962,875</u>
<b>FUNDS OF THE ACADEMY</b>			
Endowment Funds	17	1,149,179	1,116,821
Restricted funds:			
Restricted funds	17	289,629	267,800
Restricted fixed asset funds	17	28,815,545	29,541,097
		<u>29,105,174</u>	<u>29,808,897</u>
Restricted funds excluding pension liability		(3,248,000)	(2,469,000)
<b>Total restricted funds</b>	17	<u>25,857,174</u>	<u>27,339,897</u>
Unrestricted income funds	17	856,492	506,157
<b>TOTAL FUNDS</b>		<u>27,862,845</u>	<u>28,962,875</u>

The financial statements were approved by the Governors, and authorised for issue, on 1 December 2021 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 2021**

	Note	2021 £	2020 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash provided by/(used in) operating activities	21	86,611	147,706
Cash flows from investing activities	22	97,014	130,920
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD</b>			
		183,625	278,626
Cash and cash equivalents at 1 September 2020		1,204,709	926,083
<b>CASH AND CASH EQUIVALENTS AT 31 AUGUST 2021</b>			
	23	1,388,334	1,204,709



## 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 2020 to 2021 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 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.

### 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)**

Computer equipment transferred from the predecessor school was transferred at depreciated cost and has 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. Unrealised gains or losses are calculated as the difference between opening and closing market value and are taken to the Statement of Financial Activities.

**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.

**1 STATEMENT OF ACCOUNTING POLICIES (continued)**

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

**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.

## **1 STATEMENT OF ACCOUNTING POLICIES (continued)**

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.

### **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.

## 1 STATEMENT OF ACCOUNTING POLICIES (continued)

### Critical Accounting Estimates and Assumptions

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

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

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

## 2 GENERAL ANNUAL GRANT (GAG)

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

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

## 3 DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Capital grants	-	-	162,672	162,672	202,861
Other donations	176,714	2,000	-	178,714	186,588
	176,714	2,000	162,672	341,386	389,449
2020 Total	184,588	2,000	202,861	389,449	

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

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

**4 FUNDING FOR SCHOOL'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	6,160,533	6,160,533	5,340,380
Other DfE/ESFA grants	-	144,960	144,960	73,427
	-	6,305,493	6,305,493	5,413,807
<b>Other government grants</b>				
Local authority grants	-	65,575	65,575	48,333
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up premium	-	60,240	60,240	-
Other DfE/ESFA COVID-19 funding	-	29,330	29,330	-
	-	6,460,638	6,460,638	5,462,140
<b>Other income</b>				
Catering income	156,083	-	156,083	184,411
Pate's Foundation income	-	100,000	100,000	300,000
Teaching schools income	-	83,474	83,474	86,480
School trips income	-	120,947	120,947	422,028
Other income	55,714	187,503	243,217	347,841
	211,797	491,924	703,721	1,340,760
	211,797	6,952,562	7,164,359	6,802,900
<b>2020 Total</b>	<b>276,912</b>	<b>6,525,988</b>	<b>6,802,900</b>	

The academy received £60,240 of funding for catch-up premium which has been used to provide additional resource for academic support and the pastoral team.



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**5 OTHER TRADING ACTIVITIES**

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Hire of facilities	250	250	21,326
Trading, consulting and brand income	353,960	353,960	305,198
	<u>354,210</u>	<u>354,210</u>	<u>326,524</u>
2020 Total	<u>326,524</u>	<u>326,524</u>	

**6 INVESTMENT INCOME**

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Short term deposits	16	-	16	1,699
Investments	-	24,332	24,332	29,947
	<u>16</u>	<u>24,332</u>	<u>24,348</u>	<u>31,646</u>
2020 Total	<u>1,699</u>	<u>29,947</u>	<u>31,646</u>	

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**7 EXPENDITURE**

	Staff costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Expenditure on raising funds					
- Direct Costs	33,187	-	3,987	37,174	38,851
Educational operations					
- Direct Costs (note 8)	4,913,228	-	727,255	5,640,483	5,537,423
Educational operations					
- Support Costs (note 8)	1,145,954	507,979	1,338,101	2,992,034	3,021,492
	<u>6,092,369</u>	<u>507,979</u>	<u>2,069,343</u>	<u>8,669,691</u>	<u>8,597,766</u>

Expenses of £84,123 (2020: £95,769) for Pate's Grammar School Trading Company Limited are included above in educational operations comprising direct staff costs of £27,455 (2020: £21,251), support staff costs of £12,000 (2020: £12,000) and other direct costs of £44,668 (2020: £62,518).

Expenditure on raising funds in 2020 was £38,851 all of which was unrestricted funds. Expenditure on Educational operations in 2020 was £8,558,915 of which £468,944 was unrestricted funds £7,056,124 was restricted funds and £1,033,847 was restricted fixed asset funds.

**Net income/(expenditure) for the period includes:**

	2021 £	2020 £
Depreciation of tangible fixed assets:		
- owned by the charity	1,000,010	1,033,847
Operating leases – non property	32,881	35,908
Fees paid to auditor for:		
- Audit (including £1,650 charged to Subsidiary Company (2020: £1,600))	12,350	12,000
- Advice (including £320 charged to Subsidiary Company (2020: £160))	320	160

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**8 CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Total funds 2021 £	Total funds 2020 £
<b>DIRECT COSTS</b>		
Teaching and educational support staff costs	4,913,228	4,496,863
Educational supplies and services	501,899	811,546
Examination fees	110,286	105,422
Staff development	14,524	10,540
Other direct costs	100,546	113,052
	<hr/> 5,640,483	<hr/> 5,537,423
<b>SUPPORT COSTS</b>		
Support staff costs	893,954	836,799
Depreciation	1,000,010	1,033,847
Pension costs (FRS102 adjustment)	252,000	249,000
Maintenance of premises and equipment	149,455	172,498
Cleaning	156,797	151,555
Rent and rates	61,464	70,861
Heat and light	117,484	106,431
Insurance	22,779	21,451
Security and transport	16,670	18,480
Catering and vending machines	116,911	157,483
Bank interest and charges	2,146	1,814
Computer expenses	90,107	74,304
Legal costs - other	11,281	5,361
Other support costs	66,563	88,759
Governance costs	34,413	32,849
	<hr/> 2,992,034	<hr/> 3,021,492
	<hr/> <b>8,632,517</b>	<hr/> <b>8,558,915</b>

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**9 STAFF**

**a. Staff costs during the year were:**

	2021	2020
	£	£
Wages and salaries	4,377,134	4,025,251
Social security costs	428,593	383,855
Operating costs of defined benefit pension schemes	1,035,537	952,185
Supply teacher costs	5,639	-
	<hr/>	<hr/>
<b>Total</b>	<b>5,846,903</b>	<b>5,361,291</b>

**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:

<b>c. Charitable Activities</b>	2021	2020
	No.	No.
Teachers	71	65
Administration and support	43	40

Included within the categories of Teachers and Administration and support are 7 (2020: 7) 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:

	2021	2020
	No.	No.
£60,000 - £70,000	3	3
£70,000 - £80,000	2	1
£80,000 - £90,000	1	1
£120,000 - £130,000	1	1

6 (2020: 5) employees participated in the Teachers' Pension Scheme.

	2021	2020
	No.	No.
£10,000 - £15,000	1	2
£15,000 - £20,000	4	2
£25,000 - £30,000	1	1

**9 STAFF (continued)**

The other employee participated in the Local Government Pension Scheme: employer's pension contributions amount to £23,912 (2020: £22,005).

**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 £766,625 (2020: £722,657).

**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:

	2021 £	2020 £
Russel Ellicott	150,000-155,000	145,000-150,000
Will Head	-	10,000-15,000
Robert Morton	45,000-50,000	45,000-50,000
Catherine Smith	10,000-15,000	25,000-30,000
Miriam Wright	15,000-20,000	5,000-10,000

During the year, no Governors received any reimbursement of expenses incurred in their role as Governor (2020: £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 (2020: £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 in the year ending 31 August 2021).

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**12 TANGIBLE FIXED ASSETS (GROUP & ACADEMY)**

	Long leasehold property & improvements £	Assets under construction £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
<b>Cost</b>						
1 September 2020	35,419,495	177,998	34,619	1,713,371	549,009	37,894,492
Additions	4,440	156,797	13,500	18,355	81,464	274,556
Disposals	-	-	(4,000)	(1,359)	(35,392)	(40,751)
Transfers	329,595	(329,595)	-	-	-	-
<b>At 31 August 2021</b>	<b>35,753,530</b>	<b>5,200</b>	<b>44,119</b>	<b>1,730,367</b>	<b>595,081</b>	<b>38,128,297</b>
<b>Depreciation</b>						
1 September 2020	6,546,310	-	23,739	1,435,621	347,725	8,353,395
Charge for the year	786,981	-	5,420	116,237	91,372	1,000,010
Disposals	-	-	(4,000)	(1,359)	(35,294)	(40,653)
<b>At 31 August 2021</b>	<b>7,333,291</b>	<b>-</b>	<b>25,159</b>	<b>1,550,499</b>	<b>403,803</b>	<b>9,312,752</b>
<b>Net book value</b>						
<b>At 31 August 2021</b>	<b>28,420,239</b>	<b>5,200</b>	<b>18,960</b>	<b>179,868</b>	<b>191,278</b>	<b>28,815,545</b>
<b>At 31 August 2020</b>	<b>28,873,185</b>	<b>177,998</b>	<b>10,880</b>	<b>277,750</b>	<b>201,284</b>	<b>29,541,097</b>

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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**13 INVESTMENTS**

	2021	2020
	£	£
Academy		
Fixed asset investments	1,149,179	1,116,821
Investment in subsidiary	1	1
	<u>1,149,180</u>	<u>1,116,822</u>

Valuation of fixed asset investments	£
At 1 September 2020	1,116,821
Sale of investments during the year	(180,000)
Change in value during the year	<u>212,358</u>
At 31 August 2021	<u>1,149,179</u>

**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 2021 was £269,837 (2020: £209,429) which was donated to Pate's Grammar School. At the year end £269,837 (2020: £180,005) 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 2021 have been presented as consolidated accounts.

**14 STOCKS**

	2021	2020
	£	£
Uniforms	<u>2,270</u>	<u>1,251</u>

**PATE'S GRAMMAR SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**15 DEBTORS**

	Group 2021	Academy 2021 £	Group 2020 £	Academy 2020 £
Amounts owed by subsidiary	-	269,837	-	180,005
Other debtors	68,002	68,002	76,585	76,201
Prepayments and accrued income	258,810	243,387	206,372	192,075
	<u>326,812</u>	<u>581,226</u>	<u>282,957</u>	<u>448,281</u>

**16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group 2021	Academy 2021 £	Group 2020 £	Academy 2020 £
Trade creditors	140,886	140,886	50,094	50,094
Other taxation and social security	103,010	103,010	96,912	96,912
Other creditors	133,461	130,219	125,556	125,556
Accruals and deferred income	193,938	178,755	442,398	317,716
	<u>571,295</u>	<u>552,870</u>	<u>714,960</u>	<u>590,278</u>

	Group £	Academy £
<b>Deferred Income</b>		
Deferred income at 1 September 2020	158,155	35,152
Resources deferred during the year	122,831	111,498
Amounts released from previous years	(158,155)	(35,152)
	<u>122,831</u>	<u>111,498</u>
<b>Deferred income at 31 August 2021</b>	<b>122,831</b>	<b>111,498</b>

**Deferred Income**

Grant income of £26,014 received during the period ended 31 August 2021 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 £79,418 and other Academy income of £6,066. Group deferred income includes £11,333 income from international agreements.



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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	1,116,821	24,332	-	(204,332)	212,358	1,149,179
<b>Restricted funds</b>						
General Annual Grant	-	6,160,533	(6,205,433)	44,900	-	-
Other DfE/ESFA Grants	-	103,160	(106,662)	3,502	-	-
Catch-up premium	-	60,240	(60,240)	-	-	-
Other DfE/ESFA Covid 19	-	29,330	(29,330)	-	-	-
Teaching Schools	196,875	110,849	(93,447)	-	-	214,277
Teaching School Hub	-	80,000	(76,273)	-	-	3,727
Tatam legacy	54,501	-	(2,000)	-	-	52,501
The Thomas Award	2,000	-	(2,000)	-	-	-
Trips assistance	-	2,000	-	-	-	2,000
Computing Hub	4,308	130,125	(132,152)	-	-	2,281
Pate's Foundation	-	100,000	(100,000)	-	-	-
Other income	6,503	-	(5,616)	-	-	887
School Fund Account	3,613	120,947	(106,721)	(3,883)	-	13,956
Educational services	-	57,378	(57,378)	-	-	-
Pension reserve	(2,469,000)	-	(252,000)	-	(527,000)	(3,248,000)
	(2,201,200)	6,954,562	(7,229,252)	44,519	(527,000)	(2,958,371)
<b>Restricted fixed asset funds</b>						
DfE/ESFA Capital Grants	4,747,863	162,672	(237,408)	-	-	4,673,127
Predecessor School Surplus	11,512	-	(5,071)	-	-	6,441
Capital donations on conversion	23,204,695	-	(615,092)	-	-	22,589,603
Pate's Grammar School Foundation	1,203,834	-	(30,929)	-	-	1,172,905
Capital expenditure -unrestricted funds	250,717	-	(72,250)	111,786	-	290,253
Other donations	122,476	-	(39,260)	-	-	83,216
	29,541,097	162,672	(1,000,010)	111,786	-	28,815,545
<b>Total restricted funds</b>	27,339,897	7,117,234	(8,229,262)	156,305	(527,000)	25,857,174
<b>Unrestricted funds</b>	506,157	742,737	(440,429)	48,027	-	856,492
<b>Total of funds</b>	28,962,875	7,884,303	(8,669,691)	-	(314,642)	27,862,845

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**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	1,396,560	29,947	-	(229,947)	(79,739)	1,116,821
<b>Restricted funds</b>						
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)
<b>Restricted fixed asset funds</b>						
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 from 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
<b>Total restricted funds</b>	<b>28,619,782</b>	<b>6,730,849</b>	<b>(8,089,971)</b>	<b>408,237</b>	<b>(329,000)</b>	<b>27,339,897</b>
<b>Unrestricted funds</b>	<b>402,519</b>	<b>789,723</b>	<b>(507,795)</b>	<b>(178,290)</b>	<b>-</b>	<b>506,157</b>
<b>Total of funds</b>	<b>30,418,861</b>	<b>7,550,519</b>	<b>(8,597,766)</b>	<b>-</b>	<b>(408,739)</b>	<b>28,962,875</b>

**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 2021. 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 2021 are represented by:

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investments	-	-	-	1,149,179	1,149,179	1,116,821
Tangible fixed assets	-	-	28,815,545	-	28,815,545	29,541,097
Current assets	856,492	860,924	-	-	1,717,416	1,488,917
Creditors due within one year	-	(571,295)	-	-	(571,295)	(714,960)
Provisions for liabilities and charges	-	(3,248,000)	-	-	(3,248,000)	(2,469,000)
	856,492	(2,958,371)	28,815,545	1,149,179	27,862,845	28,962,875

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

	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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**19 CAPITAL COMMITMENTS**

At 31 August 2021 the School had no capital commitments contracted for, but not provided in the financial statements. In 2020 there was a capital commitment of £136,352 for the second phase of the Fire Safety project, funded by the ESFA Condition Improvement Fund.

**20 FINANCIAL COMMITMENTS**

**Operating leases**

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

	2021 £	2020 £
<b>Other</b>		
Expiring within one year	31,649	32,651
Expiring within two and five years inclusive	74,486	19,953
	<u>106,135</u>	<u>52,604</u>

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

	2021 £	2020 £
Net income for the reporting period before revaluation of investments (as per the statement of financial activities)	(785,388)	(1,047,247)
Adjusted for:		
Depreciation (note 12)	1,000,010	1,033,847
(Profit)/loss on disposal of fixed assets	(4,452)	2,155
Capital grants from DfE and other capital income	(162,672)	(202,861)
Interest receivable (note 6)	(24,348)	(31,646)
Defined benefit pension scheme cost less contributions payable (note 26)	208,000	213,000
Defined benefit pension scheme finance cost (note 26)	44,000	36,000
(Increase)/decrease in stocks	(1,019)	1,003
(Increase)/decrease in debtors	(43,855)	87,205
(Decrease)/increase in creditors	(143,665)	56,250
<b>Net cash provided by operating activities</b>	<u>86,611</u>	<u>147,706</u>

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**22 CASH FLOWS FROM INVESTING ACTIVITIES**

	2021 £	2020 £
Interest and rents from investments	24,348	31,646
Sale of investments	180,000	200,000
Purchase of tangible fixed assets	(274,556)	(305,030)
Proceeds from sale of tangible fixed assets	4,550	1,443
Capital grants from DfE/ESFA and other capital income	162,672	202,861
<b>Net cash provided by investing activities</b>	<b>97,014</b>	<b>130,920</b>

**23 ANALYSIS OF CASH AND CASH EQUIVALENTS**

	At 31 August 2021 £	At 31 August 2020 £
Cash in hand and at bank	1,388,334	1,204,709
Notice deposits (less than 3 months)	-	-
<b>Total cash and cash equivalents</b>	<b>1,388,334</b>	<b>1,204,709</b>

**24 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 September 2020 £	Cash flows 2021 £	New Finance Leases 2021 £	Other Non-cash changes 2021 £	At 31 August 2021 £
Cash	1,204,709	183,625	-	-	1,388,334
	<b>1,204,709</b>	<b>183,625</b>	<b>-</b>	<b>-</b>	<b>1,388,334</b>

## 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

- a) the value at that time of the School's site and premises and other assets held for the purposes of the company; and
- b) 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 2019.

Contributions amounting to £86,521 (TPS) and £28,661 (LGPS) were payable to the schemes at 31 August 2021 (2020: £78,996 (TPS) and £28,981 (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.

#### 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



## 26 PENSION COMMITMENTS (continued)

- 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 £748,418 (2020: £687,112).

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 2021 was £355,784 (2020: £328,308), of which employer's contributions totalled £287,119 (2020: £265,073) and employees' contributions totalled £68,665 (2020: £63,235). The contribution rates for future years are 26.7% for the year to 31 March 2022 and 26% for the year to 31 March 2023 for the employer and depending on salary banding will vary between 5.5% and 12.5% for employees.

Parliament has agreed at the request of the Secretary of State for Education, to a guarantee that, in the event of 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 2021	At 31 August 2020
Discount rate for scheme liabilities	1.65%	1.7%
Rate of increase in salaries	3.2%	2.5%
Rate of increase for pensions in payment / inflation	2.9%	2.2%
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%

## 26 PENSION COMMITMENTS (continued)

### 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 £
<b>Change in assumptions at year ended 31 August 2021</b>		
0.5% decrease in Real Discount Rate	10%	820,000
0.5% increase in the Salary Increase Rate	1%	65,000
0.5% increase in the Pension Increase Rate	10%	740,000

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:

	2021	2020
Retiring today		
Males	21.9	21.7
Females	24.3	23.9
Retiring in 20 years		
Males	22.9	22.4
Females	26.0	25.3

NOTES TO THE FINANCIAL STATEMENTS  
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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 2021 £	Fair value at 31 August 2020 £
Equities	2,902,000	2,109,000
Government Bonds	871,000	735,000
Property	290,000	255,000
Cash/liquidity	83,000	96,000
Total market value of assets	4,146,000	3,195,000
Present value of scheme liabilities: Funded	(7,394,000)	(5,664,000)
(Deficit) in the scheme	(3,248,000)	(2,469,000)

Amounts recognised in the Statement of Financial Activities

	2021 £	2020 £
Current service cost (net of employee contributions)	497,000	476,000
Past service cost	-	-
Interest cost	101,000	91,000
Return on scheme assets	(57,000)	(55,000)
Employer contributions	(289,000)	(263,000)
Total amount charged to SOFA	252,000	249,000

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

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

**26 PENSION COMMITMENTS (continued)**

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

	2021 £	2020 £
At 1 September	5,664,000	4,770,000
Total service cost	497,000	476,000
Interest cost	101,000	91,000
Employee contributions	69,000	63,000
Actuarial Gains /Losses	1,105,000	287,000
Estimated Benefits paid	(42,000)	(23,000)
	<hr/>	<hr/>
At 31 August	7,394,000	5,664,000
	<hr/>	<hr/>

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

	2021 £	2020 £
At 1 September	3,195,000	2,879,000
Interest income	57,000	55,000
Return on plan assets	578,000	(42,000)
Employer contributions	289,000	263,000
Employee contributions	69,000	63,000
Estimated Benefits paid	(42,000)	(23,000)
	<hr/>	<hr/>
At 31 August	4,146,000	3,195,000
	<hr/>	<hr/>

## 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 previous year the spouse of one governor 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.

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 £100,000 (2020: £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 2021 of £269,837 (2020: £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.

**PATE'S GRAMMAR SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**28 TEACHING SCHOOL TRADING ACCOUNT**

	2021 £	2021 £	2020 £	2020 £
<b>Income</b>				
Teaching School				
Direct income	27,375		40,000	
Other income	83,474		86,480	
Teaching School Hub				
Direct income	80,000		-	
<b>Total income</b>		<b>190,849</b>		<b>126,480</b>
<b>Expenditure</b>				
Direct costs				
Teaching School				
- Direct staff costs	(51,082)		(49,799)	
- Other direct costs	(38,293)		(25,917)	
Teaching School Hub				
- Direct staff costs	(51,869)		-	
- Other direct costs	(10,200)		-	
<b>Total direct costs</b>		<b>(151,444)</b>		<b>(75,716)</b>
Other costs				
Teaching School				
- Technology costs	(2,910)		(2,540)	
- Other support costs	(1,162)		(18,954)	
Teaching School Hub				
- Technology costs	(7,008)		-	
- Other support costs	(7,196)		-	
<b>Total other costs</b>		<b>(18,276)</b>		<b>(21,494)</b>
<b>Total expenditure</b>		<b>(169,720)</b>		<b>(97,210)</b>
Transfers between funds				
<b>Surplus from all sources</b>		<b>21,129</b>		<b>29,270</b>
Balance at 1 September 2020		196,875		167,605
Balance at 31 August 2021		218,004		196,875