

CRO

Company Registration No. 07447459 (England and Wales)

CHURSTON FERRERS GRAMMAR SCHOOL

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020



CHURSTON FERRERS GRAMMAR SCHOOL

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 9
Governance statement	10 - 12
Statement on regularity, propriety and compliance	13
Statement of trustees' responsibilities	14
Independent auditor's report on the accounts	15 - 17
Independent reporting accountant's report on regularity	18 - 19
Statement of financial activities including income and expenditure account	20 - 21
Balance sheet	22
Statement of cash flows	23
Notes to the accounts including accounting policies	24 - 41

CHURSTON FERRERS GRAMMAR SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr R Tyler (appointed 18 September 2019) Mr B Goldsmith Mr C Webber Mrs S Gunn-Johnson Mr T Durrant	
Trustees	Mr R Tyler (Chair of Governors (Parent)) Ms R Jay (Vice-Chair of Governors (Parent)) Mr K Earley (Headteacher) (Appointed 1 September 2019) Ms H Godsland (Staff Governor) (Resigned 10 September 2019) Mr S Caunter (Parent Governor) Mr A F Handley (Parent Governor) Mr D Mitchell (Parent Governor) Mr M Cooper (Community Governor) Mrs R Brooks (Staff Governor) Mrs T Morris (Community Governor) Mrs E Loly (Parent Governor) (Resigned 3 July 2020) Mrs S Moss (Staff Governor) (Appointed 8 November 2019)	
Senior Management Team	K Earley D Lewis D Greaves J Owers R Brooks A Killeya J Sadler-Smith N Dart V Wolf	Headteacher (appointed 1/09/2019) Deputy Headteacher Assistant Headteacher (appointed 1/09/2019) Assistant Headteacher (appointed 1/09/2019 and resigned 31/08/20) Assistant Headteacher (appointed 1/09/2019) Head of Sixth Form (appointed 1/06/20) Director of Social-Mobility and Well-Being Director of Finance & Resources PA to Headteacher / Office and HR Manager
Company secretary	Mrs V Wolf	
Company registration number	07447459 (England and Wales)	
Registered office	Greenway Road Churston Ferrers Brixham Devon TQ5 0LN	
Independent auditor	Darnells Audit Limited Quay House Quay Road Newton Abbot Devon TQ12 2BU	

CHURSTON FERRERS GRAMMAR SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Barclays Bank plc
3 Bedford Street
Exeter
EX1 1LX

CHURSTON FERRERS GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees present their annual report together with the financial statements and auditor's report of the academy trust for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the academy trust's Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in 2015, and the Education & Skills Funding Agency's "Academies Accounts Direction 2019 to 2020" issued in June 2020.

The academy trust operates an academy for pupils aged 11 to 18 serving a catchment area of South Devon. It has a pupil roll of 1,088 in the School census in October 2020 (2019: 1,070).

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The academy trust's memorandum and articles of association are the primary governing documents of the academy trust. The company registration number is 07447459.

All the governors act as trustees for the charitable activities of the academy trust and are also directors of the charitable company for the purposes of company law. The academy trust is known as Churston Ferrers Grammar School and is also referred to using the acronym of CFGS.

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

Members' liability

The liability of the members of the charitable company is limited.

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

If the academy trust is wound up or dissolved and after all its debts and liabilities (including any under section 483 of the Education Act 1996) have been satisfied there remains any property it shall not be paid to distributed among the members of the academy trust but shall be given or transferred to some other charity or charities having objects similar to the Objects which prohibits the distribution of income and property to an extent at least as great as is imposed on the academy trust by Article 6 above, chosen by the members of the academy trust at or before the time of dissolution and if that cannot be done to some other charitable object.

Trustees' indemnities

The academy trust through its Articles has indemnified its Governors to the fullest extent permissible by law. Trustees benefit from indemnity insurance purchased at the academy trust's expense to cover the liability of the trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the academy trust. The cost of this insurance in the year was included in the total insurance cost and could not be separately identified.

Method of recruitment and appointment or election of trustees

The academy trust has adopted a skills-based approach to governance and as such the trustees have been approached for the skills and experience that they can bring to the board. The academy trust is proactive in recruiting and has approached local businesses, higher education providers and consultants to recruit.

CHURSTON FERRERS GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for each new trustee will depend on their existing experience and where necessary induction will provide training on charity, educational, legal and financial matters. There is an Induction Booklet which is provided and includes details of policies and procedures to ensure that trustees are provided with suitable support, information and training opportunities to fulfil their role. Copies of minutes, accounts, budgets and other documentation needed to undertake their role as a trustee are made available.

Organisational structure

The board of governors meets four times a year and is responsible for the overall strategic direction of the academy trust. The board currently consists of six parents, two members of staff, the Principal and two community governors. During the period covered by this report not all the community governor posts have been filled. All elected governors (parents, staff and community) serve a four-year term.

The governing body is split into two subcommittees, being Resources and Curriculum. Curriculum maintains a mixture of parent, staff and community governors. A committee may not proceed without a minimum of three governors present. The committees meet once each term. The board establishes an overall framework for the governance of the academy and determines membership and terms of reference.

The governors are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the academy's performance by the use of budgets and other management data and making major decisions about the direction of the academy trust, capital expenditure and staff appointments.

The governors have devolved responsibility for day to day management to the senior management team.

The Headteacher is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

All trustees give their time freely and no trustee or governor received remuneration with the exception of the staff governors. This is referred to in the Trustees' remuneration and expenses note of this report.

The academy trust has a Pay Policy and Performance Management Policy which are reviewed annually. Procedures for the remuneration of staff are outlined in these policies.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	0
Total pay bill	0
Percentage of the total pay bill spent on facility time	0

CHURSTON FERRERS GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours 0

Related parties and other connected charities and organisations

Churston Ferrers Grammar School is a member of the South West Academic Trust (SWAT). This is a formalised collaboration between seven schools and Exeter University which aims to bring together partners who share a common interest in the development of educational provision and opportunity for able students in a way which will also promote the aspiration and standards achieved by all students in partner schools and other schools in the community. Participation in this Trust will allow the academy trust to build on existing relationships, formalise joint working that already takes place with partners, and join with those partners in having a stronger, more unified voice.

Objectives and activities

Objects and aims

Mission

We offer a co-educational, academic education that opens doors for students from all backgrounds. We maximise academic success through a creative and supportive culture that welcomes and includes everyone in the School.

Vision

We want our students to achieve more and be happier at Churston than at any other school and to leave us with a passion for learning and a strong sense of social justice.

Ethos

We believe that happy, challenged and well-supported students perform better and are more caring towards each other. Student welfare is a priority and we are proud of our students' considerate and inclusive outlook.

Objectives, strategies and activities

The academy trust's strategic planning is organised around four priorities. These are summarised below. Within these priorities objectives are identified as addressing our strategic principles: a commitment to Social Justice (SJ), Sustainability (S) and Active Citizenship (AC).

The "live" School Development Plan is a working, one year, operational document. Objectives are evaluated throughout the year at Governor Committee meetings and at meetings of the full board.

Please find a representative if not exhaustive list of actions below.

Priority 1: The curriculum

- Curriculum planning (SJ)
- Respond safely and proportionately with the extra-curricular offer during the C19 pandemic (SJ)
- Address progress against Gatsby Benchmarks 4,6 & 8 (AC)
- Student leadership (AC)

Priority 2: Student development

- Develop teaching & learning and pastoral systems to improve KS5 Value Added (SJ)
- GCSE subjects have a positive Progress 8 or a three year improving trend for all groups of students (SJ)
- To ensure that SEND students make comparable progress to previous years (SJ)
- To increase the percentage of disadvantaged students attending the school (SJ)
- Enhanced technology use (SJ)

CHURSTON FERRERS GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Priority 3: Professional capacity

- Improve the quantity and quality of professional dialogue (S)
- Proactive management of staff workload (S)
- Improve the communication surrounding child protection cases safeguarding (SJ)

Priority 4: Finance and premises

- Bring in the 2020-21 budget with a small surplus (S)
- Reduce energy consumption and costs as a percentage of our overall spend (S)
- Further delegate financial schedule and monitoring of spend (AC)

Public benefit

The governors have complied with their duty to have due regards to the guidance on public benefit published by the Charity Commission in exercising their powers or duties. Churston Ferrers Grammar School fully complies with statutory guidance and governors consider how planned activities will contribute to the aims and objectives they have set. Community based projects are undertaken throughout the year by staff and students which further enhances public benefit.

Strategic report

Achievements and performance

Churston Ferrers Grammar School was rated outstanding in its most recent Ofsted inspection. Examination outcomes at GCSE and A Level are very high. All academic performance indicators support the view that student achievement is very high.

The personal development of students is also excellent. There are a full range of enrichment opportunities available to students and up-take is high. Finally, the academy trust's relationship with the wider community is very strong. There are established links with local schools and businesses and the school has strong links with schools in several continents.

Churston Ferrers Grammar School is part of the South West Academic Trust (SWAT) which is a collection of high-performing schools in the South West. Benefits of this alliance include staff development, sharing good practice and opportunities for pupils to take part in joint-school educational programmes. The academy trust is a member of the South West Training Alliance which offers similar benefits.

Key performance indicators

The academy trust employs a range of KPIs to monitor and assess its performance and its achievements.

Key non-financial measures include the following:

	2020	2019	2018	2017	2016
Pupils on roll	1,088	1,070	1,030	1,011	996
Number sitting 11+ at Churston	276	321	304	324	271
External applications to Year 12	82	92	94	125	127
Student Absence	4.95	4.5	4.4	4.4	4.3
Ofsted Category	1	1	1	1	1

Key financial KPI's include the following:

	2020	2019	2018	2017	2016
Salary costs to ESFA revenue income (%)	85.5	85	87	88	87.9
Salary costs to total income (%)	78.21	75.22	76.42	75.54	77.57
Salary costs to total expenditure (%)	73.91	69.81	69.89	72.07	73.77
Pupil: teacher ratio	15.32:1	14.66:1	14.96:1	14.83:1	14.2:1
Pupil: support ratio	18.13:1	18.45:1	19.11:1	18.68:1	18.14:1
Staff absence	271	417	332	-	-

CHURSTON FERRERS GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Going concern

After making appropriate enquiries, and following consideration of the impact of the current coronavirus pandemic, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the board of trustees 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.

Financial review

The financial results of Churston Ferrers Grammar School are detailed in the following pages. It is considered that the finances are sound and well-established. The principal financial management policies adopted are laid down by the Academies Financial handbook published by the Education and Skills Funding Agency (ESFA).

The academy trust is funded principally by the DfE via the ESFA through the General Annual Grant (GAG) the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2020, the academy trust received total income of £5,670,567 (2019: £5,505,017) and incurred total expenditure of £6,001,168 (2020: £5,931,972). The excess of expenditure over income for the year was £330,601 (2019: £426,955), however this includes depreciation of £281,858 (2019: £292,719) and pension costs payable of £277,000 (2019: £197,000). After adding back payments for tangible fixed assets of £50,924 (2019: £53,162), there was a surplus for the year of £177,333 (2019: £9,602) which is represented by the movement in the restricted and unrestricted income funds as detailed in the Reserves policy below.

At 31 August 2020, the net book value of fixed assets was £11,148,799 (2019: £11,379,733) and movements in tangible fixed assets are shown in note 13 to the financial statements including capital expenditure in the year of £50,924.

Restricted funds include a Pension reserve deficit for the Local Government Pension Scheme (LGPS) of £2,668,000 (2019: £2,409,000) represented by the academy trust's share of the total market value of the LGPS's assets of £2,668,000 (2019: £2,409,000) less the present value of the academy trust's defined benefit obligations under the LGPS of £5,336,000 (2019: £4,718,000) as detailed in note 20 to the financial statements. This deficit may result in the academy trust having to make additional contributions in future years.

The impact of the current year coronavirus pandemic has had a financial effect in terms of the increased costs of cleaning and hygiene practices. However, the academy trust has ensured that in sourcing any equipment to assist in the safe operating of the academy trust, it has done so in accordance with the Finance Policy.

Key financial policies adopted or reviewed during the year include the Finance Policy which details the framework for financial management, including the financial responsibilities of the Trustees, Headteacher, Director of Finance and Resources, Finance staff and Other staff.

Reserves policy

Churston Ferrers Grammar School will build and maintain a revenue reserve fund to provide flexibility and certainty in forward planning. The reserve levels will be reviewed termly.

The governors will ensure that within the Reserves Policy the academy trust will carry forward no less than 3% and no more than 12% of the current year's GAG income. Should the projected year end reserves fall below the minimum level this will trigger associated discussions and the formulation of an adequate financial rescue plan.

CHURSTON FERRERS GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

It is the policy of Churston Ferrers Grammar School to hold reserves to support future education purposed in line with the Development Plan and to help bridge any anticipated budget gap over the medium term. To provide sufficient working capital, to cover timing issues between spending and receipt of grants and to provide a buffer for unexpected emergencies a cash balance of £350,000 should also be maintained.

At 31 August 2020 the academy trust's total funds comprised:

Unrestricted funds	234,325
Restricted funds: Other	238,069
Pension reserve	(2,668,000)
Fixed asset funds	11,148,799
	<u>£8,953,193</u>

The total reserves of the academy trust amount to £8,953,193 although £8,480,799 of this is either invested in fixed assets or represents non-GAG restricted funds. The remaining £472,394 (comprising Unrestricted funds of £234,325 and Other restricted funds of £238,069) is the balance that the trustees monitor in accordance with the reserves policy.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the academy trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the academy trust's budgeted annual income.

Investment policy and powers

Due to the nature and timings of funding receipts, the academy trust may hold cash balances surplus to its short term requirements and as such, the academy trust has in place an investment policy which allows for the potential investment of surplus cash balances but operated within the guidelines as approved by the trustees in the Finance Policy.

Principal risks and uncertainties

Churston Ferrers Grammar School maintains and operates an effective system of internal control to safeguard all the resources delegated, granted or otherwise entrusted to the academy trust and ensure they are used cost effectively. The system of internal control has been developed and coordinated to provide as much assurance as is reasonably possible (not absolute assurance) that assets are safeguarded, transactions are properly authorised and recorded and that material errors or irregularities are either prevented or can be detected promptly. By the segregation of duties within the finance department the risk of financial errors or inappropriate conduct is minimised.

The financial regulation of the academy trust is subject to annual audit by Darnells Chartered Accountants, as well as a programme of internal scrutiny which is described more fully in the accompanying Governance Statement.

A Risk Register, detailing all areas of risk to the academy trust, is in place and reviewed at board meetings with mitigating actions agreed as and when required.

The academy trust's most significant financial risk is future funding from the Government through the ESFA. In the last year 91.4% (2019: 88.4%) of the incoming resources were Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

CHURSTON FERRERS GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

The key plans for the current development planning period as detailed in the School Development Plan include the following:

- Curriculum
- Student development
- Professional capacity
- Finance and premises

Funds held as custodian trustee on behalf of others

Churston Ferrers Grammar School and its Governors do not act as the custodian trustees of any other charity.

Auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

A resolution proposing that Darnells Audit Limited be reappointed as auditor of the academy trust will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 3/12/2020 and signed on its behalf by:

.....
Mr R Tyler
Chair of Governors (Parent)

CHURSTON FERRERS GRAMMAR SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

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

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

Governance

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

Trustees	Meetings attended	Out of possible
Mr R Tyler (Chair of Governors (Parent))	4	4
Ms R Jay (Vice-Chair of Governors (Parent))	4	4
Mr K Earley (Headteacher) (Appointed 1 September 2019)	3	4
Ms H Godsland (Staff Governor) (Resigned 10 September 2019)	1	1
Mr S Caunter (Parent Governor)	3	4
Mr A F Handley (Parent Governor)	4	4
Mr D Mitchell (Parent Governor)	4	4
Mr M Cooper (Community Governor)	3	4
Mrs R Brooks (Staff Governor)	4	4
Mrs T Morris (Community Governor)	4	4
Mrs E Loly (Parent Governor) (Resigned 3 July 2020)	4	4
Mrs S Moss (Staff Governor) (Appointed 8 November 2019)	1	1

Review of value for money

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by performing a review of expenditure incurred during the year and where funds could be better spent considering not only the educational outcomes but also those factors for the wellbeing of the students ensuring that the school atmosphere is conducive to effective and enjoyable learning.

The purpose of the system of internal control

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

CHURSTON FERRERS GRAMMAR SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Capacity to handle risk

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

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- Regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The board of trustees has considered the need for specific internal audit function and has decided to appoint Devon Audit Partnership to carry out a programme of internal checks.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period include:

- testing of the wages systems;
- testing of the purchase systems;
- testing of asset purchases and control systems;
- review of systems of governance;
- review of tendering and contracts;
- testing of income systems; and
- review of investments.

On a semi-annual basis, the internal auditor reports to the board of trustees, through the Resources Committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

CHURSTON FERRERS GRAMMAR SCHOOL

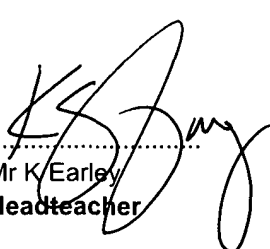
GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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

Approved by order of the board of trustees on 8/12/2020 and signed on its behalf by:


.....
Mr R Tyler
Chair of Governors (Parent)


.....
Mr K Earley
Headteacher

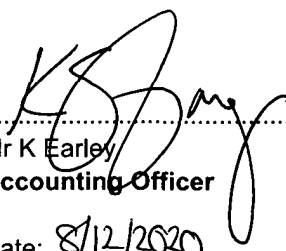
CHURSTON FERRERS GRAMMAR SCHOOL

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

As accounting officer of Churston Ferrers Grammar School, I have considered my responsibility to notify the academy trust's board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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


.....
Mr K Earley
Accounting Officer
Date: 8/12/2020.....

CHURSTON FERRERS GRAMMAR SCHOOL

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

The trustees (who are also the directors of Churston Ferrers Grammar School for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these financial statements, the trustees are required to:

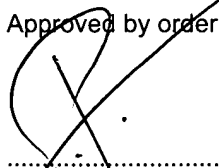
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the board of trustees on8/12/2020..... and signed on its behalf by:



Mr R Tyler
Chair of Governors (Parent)

CHURSTON FERRERS GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHURSTON FERRERS GRAMMAR SCHOOL

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

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

In our opinion the financial statements:

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

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 accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 accounts are authorised for issue.

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report 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.

CHURSTON FERRERS GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHURSTON FERRERS GRAMMAR SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees 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 have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

CHURSTON FERRERS GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHURSTON FERRERS GRAMMAR SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 trusts 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.



.....
Paul Beard (Senior Statutory Auditor)
for and on behalf of Darnells Audit Limited
Statutory Auditor

Date: *15th December 2020*

Quay House
Quay Road
Newton Abbot
Devon
TQ12 2BU

CHURSTON FERRERS GRAMMAR SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHURSTON FERRERS GRAMMAR SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 13 December 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Churston Ferrers Grammar School during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

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

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Inspection and review of grant documents and expenditure to ensure they are used for the correct purpose;
- Review and enquiry of Trustee meetings and those of the Resources Committee;
- Reperformance and review of significant accounting estimates used;
- Evaluation of the system of internal controls for authorisation and approval.

CHURSTON FERRERS GRAMMAR SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2020

Conclusion

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



.....
Paul Beard
Reporting Accountant
for and on behalf of Darnells Audit Limited

Quay House
Quay Road
Newton Abbot
Devon
TQ12 2BU

Date: *15th December 2020.*

CHURSTON FERRERS GRAMMAR SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	3	6,360	-	-	6,360	11,479
Charitable activities:						
- Funding for educational operations	4	-	5,456,021	-	5,456,021	5,172,924
Other trading activities	5	195,128	11,761	-	206,889	319,043
Investments	6	1,297	-	-	1,297	1,571
Total		202,785	5,467,782	-	5,670,567	5,505,017
Expenditure on:						
Raising funds	7	229,613	-	-	229,613	274,060
Charitable activities:						
- Educational operations	8	-	5,489,697	281,858	5,771,555	5,657,912
Total	7	229,613	5,489,697	281,858	6,001,168	5,931,972
Net expenditure		(26,828)	(21,915)	(281,858)	(330,601)	(426,955)
Transfers between funds	17	-	(50,924)	50,924	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	18,000	-	18,000	(446,000)
Net movement in funds		(26,828)	(54,839)	(230,934)	(312,601)	(872,955)
Reconciliation of funds						
Total funds brought forward		261,153	(2,375,092)	11,379,733	9,265,794	10,138,749
Total funds carried forward		234,325	(2,429,931)	11,148,799	8,953,193	9,265,794

CHURSTON FERRERS GRAMMAR SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2019		funds	General	Fixed asset	2019
	Notes	£	£	£	£
Income and endowments from:					
Donations and capital grants	3	11,479	-	-	11,479
Charitable activities:					
- Funding for educational operations	4	-	5,172,924	-	5,172,924
Other trading activities	5	294,046	24,997	-	319,043
Investments	6	1,571	-	-	1,571
Total		307,096	5,197,921	-	5,505,017
Expenditure on:					
Raising funds	7	274,060	-	-	274,060
Charitable activities:					
- Educational operations	8	-	5,365,193	292,719	5,657,912
Total	7	274,060	5,365,193	292,719	5,931,972
Net income/(expenditure)		33,036	(167,272)	(292,719)	(426,955)
Transfers between funds	17	-	(53,162)	53,162	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(446,000)	-	(446,000)
Net movement in funds		33,036	(666,434)	(239,557)	(872,955)
Reconciliation of funds					
Total funds brought forward		228,117	(1,708,658)	11,619,290	10,138,749
Total funds carried forward		261,153	(2,375,092)	11,379,733	9,265,794

CHURSTON FERRERS GRAMMAR SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13	11,148,799		11,379,733	
Current assets					
Stocks	14	2,795		2,795	
Debtors	15	81,196		109,626	
Cash at bank and in hand		700,799		576,758	
		<u>784,790</u>		<u>689,179</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(312,396)		(394,118)	
Net current assets			472,394		295,061
Net assets excluding pension liability			11,621,193		11,674,794
Defined benefit pension scheme liability	20	(2,668,000)		(2,409,000)	
Total net assets			<u>8,953,193</u>		<u>9,265,794</u>
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds		11,148,799		11,379,733	
- Restricted income funds		238,069		33,908	
- Pension reserve		(2,668,000)		(2,409,000)	
Total restricted funds			8,718,868		9,004,641
Unrestricted income funds	17		234,325		261,153
Total funds			<u>8,953,193</u>		<u>9,265,794</u>

The accounts on pages 20 to 41 were approved by the trustees and authorised for issue on 2/12/2020 and are signed on their behalf by:

.....
Mr R Tyler
Chair of Governors (Parent)

Company Number 07447459

CHURSTON FERRERS GRAMMAR SCHOOL

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash provided by operating activities	21		173,668		127,171
Cash flows from investing activities					
Dividends, interest and rents from investments		1,297		1,571	
Purchase of tangible fixed assets		(50,924)		(53,162)	
Net cash used in investing activities			(49,627)		(51,591)
Net increase in cash and cash equivalents in the reporting period			124,041		75,580
Cash and cash equivalents at beginning of the year			576,758		501,178
Cash and cash equivalents at end of the year			700,799		576,758

CHURSTON FERRERS GRAMMAR SCHOOL

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

1 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.

1.1 Basis of preparation

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

1.2 Going concern

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

1.3 Income

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

Grants

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

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

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

Sponsorship income

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

Donations

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

CHURSTON FERRERS GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

CHURSTON FERRERS GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

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

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

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

Freehold property	2% per annum on a straight-line basis
Computer equipment	33% per annum on a straight-line basis
Fixtures, fittings & equipment	20% per annum on a straight-line basis
Motor vehicles	20% per annum on a straight-line basis

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

1.6 Liabilities

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

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

1.8 Financial instruments

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

Financial assets

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

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

CHURSTON FERRERS GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Financial liabilities

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

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

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow-moving stock.

1.10 Taxation

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

1.11 Pensions benefits

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

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

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

1.12 Fund accounting

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

CHURSTON FERRERS GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability.

Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Other donations	6,360	-	6,360	11,479

CHURSTON FERRERS GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	4,725,392	4,725,392	4,588,168
Other DfE & EFSA group grants	-	381,981	381,981	102,391
	-	5,107,373	5,107,373	4,690,559
Other government grants				
Local authority grants	-	27,320	27,320	47,137
Devolved capital funding	-	49,431	49,431	128,594
	-	76,751	76,751	175,731
Other funding				
Trip income	-	271,897	271,897	306,634
Total funding	-	5,456,021	5,456,021	5,172,924

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	9,479	-	9,479	12,829
Catering income	181,297	-	181,297	281,217
Uniform income	4,352	-	4,352	-
Other income	-	11,761	11,761	24,997
	195,128	11,761	206,889	319,043

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	1,297	-	1,297	1,571

CHURSTON FERRERS GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2020 £	Total 2019 £
Expenditure on raising funds					
- Direct costs	115,170	-	114,443	229,613	274,060
Academy's educational operations					
- Direct costs	3,790,403	-	583,367	4,373,770	4,169,443
- Allocated support costs	725,653	477,822	194,310	1,397,785	1,488,469
	<u>4,631,226</u>	<u>477,822</u>	<u>892,120</u>	<u>6,001,168</u>	<u>5,931,972</u>

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Fees payable to auditor for audit services	7,750	7,000
Depreciation of tangible fixed assets	281,858	292,719
Net interest on defined benefit pension liability	81,000	7,000
	<u></u>	<u></u>

8 Charitable activities

	2020 £	2019 £
All from restricted funds:		
Direct costs		
Educational operations	4,373,770	4,169,443
Support costs		
Educational operations	1,397,785	1,488,469
	<u>5,771,555</u>	<u>5,657,912</u>

	2020 £	2019 £
Support costs		
Support staff costs	725,653	727,621
Depreciation	281,858	292,719
Maintenance of premises and equipment	66,714	162,969
Cleaning	41,976	59,750
Energy costs	66,029	92,263
Rent, rates and other occupancy costs	50,549	56,232
Insurance	24,672	23,625
Security and transport	19,535	18,420
Defined benefit scheme finance costs - LGPS	81,000	7,000
Other support costs	333	460
Governance costs	39,466	47,410
	<u>1,397,785</u>	<u>1,488,469</u>

CHURSTON FERRERS GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

9 Governance costs

	Total 2020 £	Total 2019 £
All from restricted funds:		
Amounts included in support costs		
Legal costs	31,716	40,410
Auditor's remuneration		
- Audit of financial statements	7,750	7,000
	<u>39,466</u>	<u>47,410</u>

10 Staff

Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	3,437,901	3,356,337
Social security costs	286,784	271,031
Pension costs	906,541	703,803
	<u>4,631,226</u>	<u>4,331,171</u>
Amounts paid to employees		
Staff development and other staff costs	35,334	31,406
	<u>4,666,560</u>	<u>4,362,577</u>

Staff numbers

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

	2020 Number	2019 Number
Teachers	71	72
Administration and support	60	58
Management	8	6
	<u>139</u>	<u>136</u>

CHURSTON FERRERS GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

(Continued)

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	1	2
£70,001 - £80,000	1	-
£90,001 - £100,000	1	-
£110,001 - £120,000	-	1
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the academy trust comprise of 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 £557,346 (2019: £411,479).

11 Trustees' remuneration and expenses

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

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

Mr K Earley (Head Teacher and Trustee) appointed 1 September 2019

Remuneration: £90,000 - £95,000

Employers' pension contributions paid: £20,000 - £25,000

Ms S Moss (Staff Trustee) appointed 8 November 2019

Remuneration: £35,000 - £40,000

Employers' pension contributions paid: £5,000 - £10,000

Mrs R Brooks (Staff Trustee)

Remuneration: £55,000 - £60,000 (2019: £45,000 - £50,000)

Employers' pension contributions paid: £10,000 - £15,000 (2019: £5,000 - £10,000)

During the year, travel and subsistence payments totalling £nil (2019: £nil) were reimbursed or paid directly to 0 trustees (2019: 0 trustees).

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

12 Insurance for trustees and officers

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £10 million on any one claim and the cost for the year ended 31 August 2020 was not separately identifiable within the overall premiums payable.

CHURSTON FERRERS GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

13 Tangible fixed assets

	Freehold property	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2019	13,012,924	385,137	326,826	37,795	13,762,682
Additions	-	45,785	5,139	-	50,924
At 31 August 2020	13,012,924	430,922	331,965	37,795	13,813,606
Depreciation					
At 1 September 2019	1,739,680	336,970	271,541	34,758	2,382,949
Charge for the year	214,422	41,110	24,807	1,519	281,858
At 31 August 2020	1,954,102	378,080	296,348	36,277	2,664,807
Net book value					
At 31 August 2020	11,058,822	52,842	35,617	1,518	11,148,799
At 31 August 2019	11,273,244	48,167	55,285	3,037	11,379,733

14 Stocks

	2020 £	2019 £
Stock	2,795	2,795

15 Debtors

	2020 £	2019 £
Trade debtors	9,849	4,937
VAT recoverable	25,113	48,700
Other debtors	1,018	-
Prepayments and accrued income	45,216	55,989
	81,196	109,626

CHURSTON FERRERS GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	43,246	119,086
Other taxation and social security	83,006	72,741
Other creditors	87,831	70,834
Accruals and deferred income	98,313	131,457
	<u>312,396</u>	<u>394,118</u>

17 Funds

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant	30,965	4,725,392	(4,470,307)	(50,924)	235,126
Other DfE / EFSA grants	-	381,981	(381,981)	-	-
Other government grants	-	76,751	(76,751)	-	-
Nesta project	2,001	-	-	-	2,001
Developing English project	942	-	-	-	942
Trips	-	271,897	(271,897)	-	-
Other income	-	11,761	(11,761)	-	-
	<u>33,908</u>	<u>5,467,782</u>	<u>(5,212,697)</u>	<u>(50,924)</u>	<u>238,069</u>
Funds excluding pensions	33,908	5,467,782	(5,212,697)	(50,924)	238,069
Pension reserve	(2,409,000)	-	(277,000)	18,000	(2,668,000)
	<u>(2,375,092)</u>	<u>5,467,782</u>	<u>(5,489,697)</u>	<u>(32,924)</u>	<u>(2,429,931)</u>
Restricted fixed asset funds					
Land on conversion	2,250,000	-	-	-	2,250,000
Buildings on conversion	8,032,457	-	(193,308)	-	7,839,149
Art & Music Block	467,793	-	(9,262)	-	458,531
Technology & Drama Block	489,335	-	(10,852)	-	478,483
Wolfson Foundation	52,000	-	(1,000)	-	51,000
Other post conversion assets	88,148	-	(67,436)	50,924	71,636
	<u>11,379,733</u>	<u>-</u>	<u>(281,858)</u>	<u>50,924</u>	<u>11,148,799</u>
Total restricted funds	<u><u>9,004,641</u></u>	<u><u>5,467,782</u></u>	<u><u>(5,771,555)</u></u>	<u><u>18,000</u></u>	<u><u>8,718,868</u></u>

CHURSTON FERRERS GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds	(Continued)				
Unrestricted funds					
General funds	261,153	202,785	(229,613)	-	234,325
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total funds	9,265,794	5,670,567	(6,001,168)	18,000	8,953,193
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

Restricted general funds

- The General Annual Grant is the Academy Trust's principal source of income and is expended on educational activities.
- Other DfE/EFA and government grants represent specific additional amounts received alongside the GAG funding
- The Nesta Project represents funding from the runner up prize in the Longitude Explorer Competition to be used to enhance and develop STEM education in school.
- The Developing English project holds funding to develop English/Literacy within school.
- The Art & Music Block Fund represents a capital grant received in 2015 which was applied to the construction of the new facility.
- Funds for Trips and for Recharges are utilised to track receipts and payments for activities charged to parents.
- Other Government Grants represents grant income received from the Condition Improvement Fund (CIF) for roofing works.

Restricted fixed asset funds

- The funds holding land and buildings on conversion represent the book value of assets transferred to the Academy on conversion.
- The Art & Music and Technology & Drama funds represent grants received (with top-up transfers from the GAG fund where appropriate) for major building projects.
- The Wolfson Foundation provided a fund to refurbish the Technology Suite during 2008.
- Other post conversion assets represents the net book value of other assets acquired since conversion and is funded primarily by transfers from the GAG.

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

	Balance at 1 September 2018	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2019
	£	£	£	£	£
Restricted general funds					
General Annual Grant	54,399	4,588,168	(4,558,440)	(53,162)	30,965
Other DfE / EFA grants	-	102,391	(102,391)	-	-
Other government grants	-	175,731	(175,731)	-	-
Nesta project	2,001	-	-	-	2,001
Developing English project	942	-	-	-	942
Trips	-	306,634	(306,634)	-	-
Recharges & Reimbursements	-	24,997	(24,997)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Funds excluding pensions	57,342	5,197,921	(5,168,193)	(53,162)	33,908
Pension reserve	(1,766,000)	-	(197,000)	(446,000)	(2,409,000)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

CHURSTON FERRERS GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

(Continued)

	(1,708,658)	5,197,921	(5,365,193)	(499,162)	(2,375,092)
Restricted fixed asset funds					
Land on conversion	2,250,000	-	-	-	2,250,000
Buildings on conversion	8,225,765	-	(193,308)	-	8,032,457
Art & Music Block	477,055	-	(9,262)	-	467,793
Technology & Drama Block	500,187	-	(10,852)	-	489,335
Wolfson Foundation	53,000	-	(1,000)	-	52,000
Other post conversion assets	113,283	-	(78,297)	53,162	88,148
	-	-	-	-	-
	11,619,290	-	(292,719)	53,162	11,379,733
Total restricted funds	9,910,632	5,197,921	(5,657,912)	(446,000)	9,004,641
Unrestricted funds					
General funds	228,117	307,096	(274,060)	-	261,153
Total funds	10,138,749	5,505,017	(5,931,972)	(446,000)	9,265,794

18 Deferred income

	2020 £	2019 £
Deferred income is included within:		
Creditors due within one year	87,501	63,741
Deferred income at 1 September 2019	63,741	132,824
Released from previous years	(63,741)	(132,824)
Resources deferred in the year	87,501	63,741
Deferred income at 31 August 2020	87,501	63,741

CHURSTON FERRERS GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Endowment Funds £	Total Funds £
Fund balances at 31 August 2020 are represented by:					
Tangible fixed assets	-	-	11,148,799	-	11,148,799
Current assets	480,976	303,814	-	-	784,790
Creditors falling due within one year	(246,651)	(65,745)	-	-	(312,396)
Defined benefit pension liability	-	(2,668,000)	-	-	(2,668,000)
Total net assets	234,325	(2,429,931)	11,148,799	-	8,953,193

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Endowment Funds £	Total Funds £
Fund balances at 31 August 2019 are represented by:					
Tangible fixed assets	-	-	11,379,733	-	11,379,733
Current assets	655,271	33,908	-	-	689,179
Creditors falling due within one year	(394,118)	-	-	-	(394,118)
Defined benefit pension liability	-	(2,409,000)	-	-	(2,409,000)
Total net assets	261,153	(2,375,092)	11,379,733	-	9,265,794

20 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Torbay District 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 2012, and that of the LGPS related to the period ended 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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.

CHURSTON FERRERS GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £585,520 (2019: £398,845).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 15.8% for employers and 5.5% for employees.

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

Total contributions made	2020 £	2019 £
Employer's contributions	144,000	133,000
Employees' contributions	46,000	44,000
	<hr/>	<hr/>
Total contributions	190,000	177,000
	<hr/>	<hr/>

CHURSTON FERRERS GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.3	3.75
Rate of increase for pensions in payment/inflation	2.3	2.25
Discount rate for scheme liabilities	1.6	1.85

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

	2020 Years	2019 Years
Retiring today		
- Males	22.9	22.5
- Females	24.1	24.4
Retiring in 20 years		
- Males	24.3	24.2
- Females	25.5	26.2

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

	2020 Fair value £	2019 Fair value £
Equities	1,593,000	1,378,000
Bonds	126,000	43,000
Gilts	94,000	83,000
Target Return Portfolio	336,000	323,000
Property	212,000	201,000
Other assets	307,000	281,000
Total market value of assets	2,668,000	2,309,000

The actual return on scheme assets was £10,000 (2019: £96,000).

Amount recognised in the Statement of Financial Activities

	2020 £	2019 £
Current service cost	340,000	290,000
Past service cost	-	33,000
Interest income	(8,000)	(95,000)
Interest cost	89,000	102,000
Total operating charge	421,000	330,000

CHURSTON FERRERS GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

(Continued)

Changes in the present value of defined benefit obligations	2020 £	2019 £
At 1 September 2019	4,718,000	3,870,000
Current service cost	340,000	290,000
Interest cost	89,000	102,000
Employee contributions	46,000	44,000
Actuarial loss	183,000	446,000
Benefits paid	119,000	(67,000)
Experience gain on defined benefit obligation	(159,000)	-
Past service cost	-	33,000
At 31 August 2020	5,336,000	4,718,000

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

	2020 £	2019 £
At 1 September 2019	2,309,000	2,104,000
Interest income	8,000	95,000
Actuarial gain	42,000	-
Employer contributions	144,000	133,000
Employee contributions	46,000	44,000
Benefits paid	119,000	(67,000)
At 31 August 2020	2,668,000	2,309,000

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

	2020 £	2019 £
Net expenditure for the reporting period (as per the statement of financial activities)	(330,601)	(426,955)
Adjusted for:		
Investment income receivable	(1,297)	(1,571)
Defined benefit pension costs less contributions payable	196,000	190,000
Defined benefit pension scheme finance cost	81,000	7,000
Depreciation of tangible fixed assets	281,858	292,719
Decrease in debtors	28,430	9,252
(Decrease)/increase in creditors	(81,722)	56,726
Net cash provided by operating activities	173,668	127,171

CHURSTON FERRERS GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

22 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	576,758	124,041	700,799

23 Related party transactions

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

Owing to the nature of the academy trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

24 Members' liability

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