

Registration number: 07447459

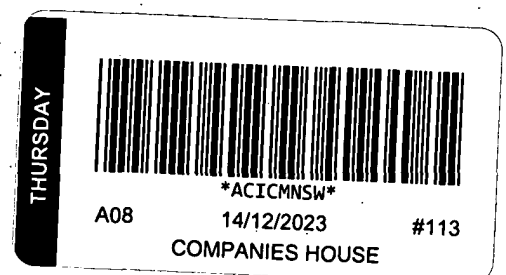
# Churston Ferrers Grammar School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2023

Westcotts (SW) LLP  
Plym House  
3 Longbridge Road  
Marsh Mills  
Plymouth  
PL6 8LT



# **Churston Ferrers Grammar School**

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## **Churston Ferrers Grammar School**

### **Reference and administrative details**

#### **Members**

Mr R Tyler  
Ms R Jay  
Mrs S Gunn-Johnson  
Mrs T Morris (appointed 1 December 2022)  
Mr T Durrant (resigned 16 July 2023)

#### **Trustees**

Mr R Tyler, Chair of Governors - Parent  
Mr K Earley, Headteacher (resigned 31 August 2023)  
Mr J Simpson, Headteacher (appointed 1 September 2023)  
Mr D E Barrett, Parent Governor  
Mr L Blackler, Parent Governor  
Mr A Foley, Community Governor  
Miss A Harris, Staff Governor  
Mr A F Handley, Parent Governor  
Mrs T Morris, Community Governor (resigned 30 November 2022)  
Mrs S Moss, Staff Governor  
Mr T J Page, Parent Governor  
Ms S Sadler-Smith, Community Governor  
Mrs J Skeet (appointed 20 March 2023)  
Ms A K Winter

#### **Company Secretary**

Mrs V Wolf

#### **Head Teacher**

Mr J Simpson

#### **Senior Management Team**

K Earley, Headteacher  
J Simpson, Headteacher  
D Lewis, Deputy Headteacher  
D Greaves, Assistant Headteacher  
G Longhurst, Assistant Headteacher  
R Brooks, Assistant Headteacher  
A Killea, Head of Sixth Form  
N Dart, Director of Finance & Resources  
V Wolf, PA to Headteacher / Office and HR Manager/Admissions

## **Churston Ferrers Grammar School**

### **Reference and administrative details (continued)**

**Principal and  
Registered Office**      Greenway Road  
Churston Ferrers  
Brixham  
Devon  
TQ5 0LN

**Company  
Registration Number**      07447459

**Auditors**              Westcotts (SW) LLP  
Plym House  
3 Longbridge Road  
Marsh Mills  
Plymouth  
PL6 8LT

**Bankers**                Barclays Bank plc  
3 Bedford Street  
Exeter  
EX1 1LX

## **Churston Ferrers Grammar School**

### **Trustees' report for the Year Ended 31 August 2023**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31/08/2023. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The academy trust operates an academy for pupils aged 11 to 18 serving a catchment area in South Devon. It has a pupil roll of 1,026 in the School census in October 2023 (2022: 1,040).

#### **Structure, governance and management**

##### ***Constitution***

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

The governors act as the trustees for the charitable activities of Churston Ferrers Grammar School and are also the 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***

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

##### ***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.

##### ***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.

## **Churston Ferrers Grammar School**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### ***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. 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.

## Churston Ferrers Grammar School

### Trustees' report for the Year Ended 31 August 2023 (continued)

#### *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

1.00

Percentage of time spent on facility time

Percentage of time

Number of employees

0%

-

1%-50%

1

51%-99%

-

100%

-

Percentage of pay bill spent on facility time

Total cost of facility time

-

Total pay bill

-

Percentage of the total pay bill spent on facility time

-

Paid trade union activities

-

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

-

#### *Connected organisations, including related party relationships*

Churston Ferrers Grammar School is a member of the South West Academic Trust (SWAT). This is a formalised collaboration between eleven 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.

## **Churston Ferrers Grammar School**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### **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 and development (SJ)
- Develop an approach to teaching metacognitive skills (AC)
- Developing personal development curriculum (AC)
- Explore best practice in developing literacy in a grammar school context (SJ)

###### **Priority 2: Student development**

- Expand sixth form active citizenship (AC)
- Build and reinforce school attendance norms (SJ)
- Enhance work experience provision (SJ)
- Ensure invisible inclusion for disadvantaged and SEND students (SJ)

###### **Priority 3: Staff development and wellbeing**

- Improve the quantity and quality of professional dialogue (S)
- Increase resilience and effectiveness of safeguarding service (SJ)
- Develop staff awareness and understanding of positive wellbeing culture (S)

## Churston Ferrers Grammar School

### Trustees' report for the Year Ended 31 August 2023 (continued)

#### Priority 4: Finance and premises

- Control of spending to manage financial position (S)
- Reduce energy consumption as a percentage of our overall spend (S)
- Increase school income via alternative revenue schemes (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 good 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 non-financial 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:	2023	2022	2021	2020	2019
Pupils on roll	1,026	1,040	1,039	1,088	1,070
Number sitting 11+ at Churston	284	309	302	276	321
External applications to Year 12	71	89	71	82	92
Student Absence	6.34	7.41	4.12	4.95	4.5

##### **Key financial KPI's include the following:**

	2023	2022	2021	2020	2019
Salary costs to ESFA revenue income (%)	92.09	92.19	84.7	85.5	85
Salary costs to total income (%)	83.78	83.9	78.59	78.21	75.22
Salary costs to total expenditure (%)	79.67	81.21	77.63	73.91	69.81
Pupil: teacher ratio	14.73:1	14.65:1	15.46:1	15.32:1	14.66:1
Pupil: support ratio	15.16:1	17.33:1	16.65:1	18.13:1	18.45:1
Staff absence	1,052.28	971	329	271	417

## **Churston Ferrers Grammar School**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### ***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 principal sources of funding and how expenditure has supported the key objectives of the academy trust***

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 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2023, the academy trust received total income of £6,616,250 (2022: £6,499,152) and incurred total expenditure of £6,957,760 (2022: £6,714,196). There was a deficit of income over expenditure for the year of £341,510 (2022: £215,044 deficit). This also includes depreciation of £265,994 (2022: £261,103) and pension costs payable of £106,000 (2022: £398,000). After adding back payments for tangible fixed assets of £88,755 (2022: £38,520), there was a deficit for the year of £58,271 (2022: £405,539) which is represented by the movement in the restricted and unrestricted income funds as detailed in the Reserves policy below.

At 31 August 2023, the net book value of fixed assets was £10,539,556 (2022: £10,716,795) and movements in tangible fixed assets are shown in note 12 to the financial statements including capital expenditure in the year of £88,755.

Restricted funds include a Pension reserve deficit for the Local Government Pension Scheme (LGPS) of £405,000 (2022: £688,000) represented by the academy trust's share of the total market value of the LGPS's assets of £3,510,000 (2022: £3,415,000) less the present value of the academy trust's defined benefit obligations under the LGPS of £3,915,000 (2022: £4,103,000) as detailed in note 24 to the financial statements. This deficit may result in the academy trust having to make additional contributions in future years.

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.

## Churston Ferrers Grammar School

### Trustees' report for the Year Ended 31 August 2023 (continued)

#### **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.

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 2023 the academy trust's total funds comprised:

	£
Unrestricted funds	120,561
Restricted funds: Other	1,176,076
Pension reserve	(405,000)
Fixed asset funds	10,539,556
	<u>11,431,193</u>

The total reserves of the academy trust amount to £11,431,193 although £10,134,556 of this is either invested in fixed assets or represents non-GAG restricted funds. The remaining £1,296,637 (comprising Unrestricted funds of £120,561 and Other restricted funds of £1,176,076) 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**

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.

## **Churston Ferrers Grammar School**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### ***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 Westcotts (SW) LLP, 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.

#### ***Financial notice to improve (FNtl) from ESFA***

The academy trust's most significant financial risk is future funding from the Government through the ESFA. In the last year 94.9% (2022: 94.9%) 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.

#### **Fundraising**

##### ***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.

## Churston Ferrers Grammar School

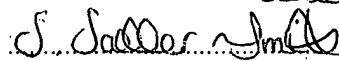
### Trustees' report for the Year Ended 31 August 2023 (continued)

#### Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on <sup>2023</sup> 12<sup>th</sup> DEC and signed on its behalf by:



Ms S Sadler-Smith  
Trustee

## Churston Ferrers Grammar School

### Governance statement

#### 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 Governing Body 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 Governing Body 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 Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mr R Tyler	4	4
Mr K Earley, Headteacher (resigned 31 August 2023)	4	4
Mr J Simpson, Head Teacher (appointed 1 September 2023)	0	0
Mr D E Barrett, Parent Governor	4	4
Mr L Blackler, Parent Governor	4	4
Mr A Foley, Community Governor	3	4
Miss A Harris, Staff Governor	3	4
Mr A F Handley, Parent Governor	2	4
Mrs T Morris, Community Governor (resigned 30 November 2022)	0	1
Mrs S Moss, Staff Governor	4	4
Mr T J Page, Parent Governor	4	4
Ms S Sadler-Smith, Community Governor	4	4
Mrs J Skeet (appointed 20 March 2023)	2	2

#### 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, as well as estates safety and management, achieved in return for the taxpayer resources received.

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

## **Churston Ferrers Grammar School**

### **Governance statement (continued)**

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Churston Ferrers Grammar School for the year ended 31 August 2023 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 the academy trust 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 academy trust's significant risks that has been in place for the year ended 31 August 2023 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**

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 resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- 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.

There were no material control or other issues reported by the internal auditors to date.

## Churston Ferrers Grammar School

### Governance statement (continued)

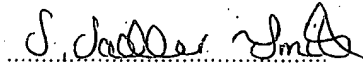
#### Review of effectiveness

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.
- correspondence from ESFA.

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

Approved by order of the members of the Governing Body on 12<sup>th</sup> and signed on its behalf by: Dec 2023



Ms S Sadler-Smith  
Trustee

## Churston Ferrers Grammar School

### Statement of regularity, propriety and compliance

As accounting officer of Churston Ferrers Grammar School I have considered my responsibility to notify the academy trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement 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 Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the academy trust Governing Body 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 Academy Trust Handbook 2022.

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.

Approved by order of the members of the board of trustees on 12/12/2023 and signed on its behalf by:

  
.....  
Mr J Simpson  
Accounting Officer

## Churston Ferrers Grammar School

### Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

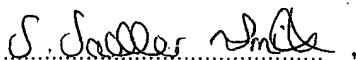
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements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

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

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

Approved by order of the members of the Board on 12<sup>th</sup> DEC and signed on its behalf by:

2023



Ms S Sadler-Smith  
Trustee

## **Churston Ferrers Grammar School**

### **Independent Auditor's Report on the Financial Statements to the Members of Churston Ferrers Grammar School**

#### **Opinion**

We have audited the financial statements of Churston Ferrers Grammar School (the 'Academy') for the year ended 31 August 2023, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2023 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; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2022 to 2023.

#### **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 responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information (covers the Reference and administrative details, the Trustees' report and Strategic Report and the Governance statement)**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

## **Churston Ferrers Grammar School**

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

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

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 [set out on page 16], 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's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

#### **Auditor 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.

## **Churston Ferrers Grammar School**

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We identified having obtained and reviewed the Academy's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Trustees and other management. We communicated identified laws and regulations throughout our team, and remained alert to any indications of non-compliance throughout the audit.
- The Academy must meet the obligations set by the ESFA and other funders in order to continue to receive public funding. The Academy is subject to laws and regulations that govern the preparation of the financial statements, including financial reporting legislation set by the Charities SORP (FRS102) and the ESFA Academy Trust Handbook.
- We have considered the nature of the Academy sector, control environment and the performance of the Academy. Those charged with governance have been questioned about their own identification and assessment of the risks of irregularities.
- The trust is also subject to other laws and regulations where the consequences of non-compliance could have a material impact on the amounts or disclosures within the financial statements, including employment, anti-bribery, and anti-money laundering.
- Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. In any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 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 charity'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 charity to cease to continue as a going concern.

## Churston Ferrers Grammar School

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

- 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

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



Adam Croney (Senior Statutory Auditor)  
For and on behalf of Westcotts (SW) LLP, Statutory Auditor

Plym House  
3 Longbridge Road  
Marsh Mills  
Plymouth  
PL6 8LT

Date: 13/12/2023

## **Churston Ferrers Grammar School**

### **Independent Reporting Accountant's Assurance Report on Regularity to Churston Ferrers Grammar School and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 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 the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Churston Ferrers 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 Churston Ferrers Grammar School and the ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of the Governing Body's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2022 to 31 August 2023 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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:

- A review of the internal controls, policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

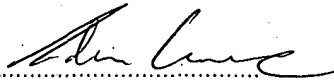
## **Churston Ferrers Grammar School**

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

- Detailed testing based on our assessment of the risk of material irregularity, impropriety and non-complicance. This work was integrated with our audit on the financial statements where appropriate and included review and detailed substantive testing of transactions.

#### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Adam Croney

For and on behalf of Westcotts (SW) LLP, Chartered Accountants

Plym House  
3 Longbridge Road  
Marsh Mills  
Plymouth  
PL6 8LT

Date: 13/12/2023

# **Churston Ferrers Grammar School**

## **Statement of Financial Activities for the Year Ended 31 August 2023** (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2023 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	3	4,894	-	-	4,894
Other trading activities	5	315,908	21,620	-	337,528
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	4	-	6,273,828	-	6,273,828
<b>Total</b>		<b>320,802</b>	<b>6,295,448</b>	<b>-</b>	<b>6,616,250</b>
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Raising funds	7	378,501	-	-	378,501
Academy trust educational operations	7	-	6,313,265	265,994	6,579,259
Net expenditure		(57,699)	(17,817)	(265,994)	(341,510)
Transfers between funds		-	(88,755)	88,755	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	23	-	389,000	-	389,000
Net movement in (deficit)/funds		(57,699)	282,428	(177,239)	47,490
<b>Reconciliation of funds</b>					
Total funds brought forward at 1 September 2022		178,260	488,648	10,716,795	11,383,703
Total funds carried forward at 31 August 2023		120,561	771,076	10,539,556	11,431,193

# Churston Ferrers Grammar School

## Statement of Financial Activities for the Year Ended 31 August 2022 (including Income and Expenditure Account)

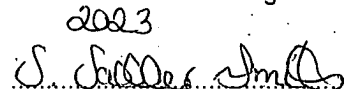
	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2022 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	3	1,792	177,636	-	179,428
Other trading activities	5	299,223	11,991	-	311,214
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	4	-	6,008,510	-	6,008,510
<b>Total</b>		<b>301,015</b>	<b>6,198,137</b>	<b>-</b>	<b>6,499,152</b>
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Raising funds	7	335,162	-	-	335,162
Academy trust educational operations	7	-	6,117,932	261,102	6,379,034
Net (expenditure)/income		(34,147)	80,205	(261,102)	(215,044)
Transfers between funds		-	(38,519)	38,519	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	23	-	2,640,000	-	2,640,000
Net movement in (deficit)/funds		(34,147)	2,681,686	(222,583)	2,424,956
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2021		212,407	(2,193,038)	10,939,378	8,958,747
Total funds carried forward at 31 August 2022		178,260	488,648	10,716,795	11,383,703

# Churston Ferrers Grammar School

(Registration number: 07447459)  
Balance Sheet as at 31 August 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	11	10,539,556	10,716,795
<b>Current assets</b>			
Stocks	12	2,795	2,795
Debtors	13	140,515	209,341
Cash at bank and in hand		1,555,059	1,588,886
		1,698,369	1,801,022
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	14	(401,732)	(446,114)
Net current assets		1,296,637	1,354,908
Total assets less current liabilities		11,836,193	12,071,703
Net assets excluding pension liability		11,836,193	12,071,703
Defined benefit pension scheme liability	23	(405,000)	(688,000)
<b>Total net assets</b>		<b>11,431,193</b>	<b>11,383,703</b>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted fixed asset fund	15	10,539,556	10,716,795
Restricted income funds	15	1,176,076	1,176,648
Pension reserve	15	(405,000)	(688,000)
		11,310,632	11,205,443
<b>Unrestricted funds</b>			
Unrestricted general fund	15	120,561	178,260
<b>Total funds</b>		<b>11,431,193</b>	<b>11,383,703</b>

The financial statements on pages 23 to 48 were approved by the Trustees, and authorised for issue on 12<sup>th</sup> DEC 2023 and signed on their behalf by:

  
Ms S Sadler-Smith  
Trustee

# **Churston Ferrers Grammar School**

## **Statement of Cash Flows for the year ended 31 August 2023**

	Note	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	54,928	581,003
Cash flows from investing activities	19	<u>(88,755)</u>	<u>(38,520)</u>
Change in cash and cash equivalents in the year		(33,827)	542,483
Cash and cash equivalents at 1 September		<u>1,588,886</u>	<u>1,046,403</u>
Cash and cash equivalents at 31 August	20	<u><u>1,555,059</u></u>	<u><u>1,588,886</u></u>

## **Churston Ferrers Grammar School**

### **Notes to the Financial Statements for the Year Ended 31 August 2023**

#### **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.

##### **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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

##### **Going concern**

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

##### **Income**

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

##### **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

## **Churston Ferrers Grammar School**

### **Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**

#### **1 Accounting policies (continued)**

##### ***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.

##### ***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 fixed assets***

Where the donated good is a fixed asset, it is 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.

##### ***Expenditure***

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

All resources expended are inclusive of irrecoverable VAT.

##### ***Expenditure on raising funds***

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

##### ***Charitable activities***

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

## **Churston Ferrers Grammar School**

### **Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**

#### **1 Accounting policies (continued)**

##### **Tangible fixed assets**

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

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a [straight-line/reducing balance] basis over its expected useful life, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

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

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

##### **Asset class**

Freehold property

Fixtures, fittings & equipment

Computer equipment

Motor vehicles

##### **Depreciation method and rate**

2% straight-line

20% straight-line

33% straight-line

20% straight-line

##### **Liabilities**

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

## **Churston Ferrers Grammar School**

### **Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**

#### **1 Accounting policies (continued)**

##### **Provisions**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

##### **Leased assets**

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

##### **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.

##### **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.

## **Churston Ferrers Grammar School**

### **Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**

#### **1 Accounting policies (continued)**

##### **Pension benefits**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated 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 of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

##### **Fund accounting**

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

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

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

##### **Critical accounting estimates and areas of judgement**

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

## Churston Ferrers Grammar School

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 1 Accounting policies (continued)

##### ***Critical accounting estimates and assumptions***

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 'Member Liability', will impact on 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 31/08/2023. 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 academy trust was subject to limits at 31 August 2023 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 academy trust has not exceeded these limits during the year ended 31 August 2023.

#### 3 Donations and capital grants

	Unrestricted Funds £	2023 Total £	2022 Total £
Capital grants	-	-	177,636
Other donations	4,894	4,894	1,792
	<u>4,894</u>	<u>4,894</u>	<u>179,428</u>

# Churston Ferrers Grammar School

## Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

### 4 Funding for the Academy Trust's educational operations

	Restricted General Funds £	2023 Total £	2022 Total £
<b>Educational operations</b>			
<b>DfE/ESFA revenue grants</b>			
General Annual Grant (GAG)	5,795,920	5,795,920	5,740,394
Other DfE / ESFA Grants	155,391	155,391	104,902
Pupil Premium	68,183	68,183	69,491
	<u>6,019,494</u>	<u>6,019,494</u>	<u>5,914,787</u>
<b>Other government grants</b>			
Local Authority Grants	101,897	101,897	56,902
Devolved Capital Funding	22,970	22,970	24,171
	<u>124,867</u>	<u>124,867</u>	<u>81,073</u>
<b>Non-government grants and other income</b>			
Trip Income	129,467	129,467	12,650
	<u>129,467</u>	<u>129,467</u>	<u>12,650</u>
<b>Total grants</b>	<u>6,273,828</u>	<u>6,273,828</u>	<u>6,008,510</u>

### 5 Other trading activities

	Unrestricted Funds £	Restricted General Funds £	2023 Total £	2022 Total £
Hire of facilities	8,128	-	8,128	9,142
Catering income	307,780	-	307,780	280,209
School shop sales	-	-	-	9,872
Other sales	-	21,620	21,620	11,991
	<u>315,908</u>	<u>21,620</u>	<u>337,528</u>	<u>311,214</u>

# **Churston Ferrers Grammar School**

## **Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**

### **6 Expenditure**

	Non Pay Expenditure			2023	2022
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
<b>Expenditure on raising funds</b>					
Catering	158,970	-	219,531	378,501	335,162
<b>Academy's educational operations</b>					
Direct costs	4,612,283	-	400,043	5,012,326	4,978,783
Allocated support costs	772,123	548,212	246,598	1,566,933	1,400,251
	<u>5,543,376</u>	<u>548,212</u>	<u>866,172</u>	<u>6,957,760</u>	<u>6,714,196</u>

The expenditure on raising funds wholly relates to catering. This was £378,501 (2022: £335,162) of which £378,501 was unrestricted (2022: £335,162).

# **Churston Ferrers Grammar School**

## **Notes to the Financial Statements for the Year Ended 31 August 2023** **(continued)**

### **6 Expenditure (continued)**

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Operating lease rentals	11,844	13,872
Depreciation	265,994	261,102
Fees payable to auditor - audit	8,150	7,675
Net interest on defined benefit pension liability	<u>24,000</u>	<u>47,000</u>

### **7 Charitable activities**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Direct costs - raising funds	378,501	335,162
Direct costs - educational operations	5,012,326	4,978,783
Support costs - educational operations	<u>1,566,933</u>	<u>1,400,251</u>
	<u>6,957,760</u>	<u>6,714,196</u>

	<b>2023</b>	<b>2022</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Analysis of support costs</b>		
Support staff costs	772,123	577,729
Depreciation	265,994	261,102
Premises costs	282,218	492,962
Other support costs	201,519	26,378
Governance	<u>45,079</u>	<u>42,080</u>
Total support costs	<u>1,566,933</u>	<u>1,400,251</u>

## Churston Ferrers Grammar School

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 8 Staff

##### Staff costs

	2023 £	2022 £
<b>Staff costs during the year were:</b>		
Wages and salaries	4,154,179	3,801,150
Social security costs	390,272	326,360
Operating costs of defined benefit pension schemes	998,924	1,325,733
Staff costs - employees	5,543,375	5,453,243
Staff development and other staff costs	34,801	35,484
Total staff expenditure	<u>5,578,176</u>	<u>5,488,727</u>

##### Staff numbers

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

	2023 No	2022 No
Teachers	70	67
Administration and support	68	57
Management	7	7
	<u>145</u>	<u>131</u>

##### Higher paid staff

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

	2023 No	2022 No
£60,001 - £70,000	2	1
£70,001 - £80,000	1	-
£110,001 - £120,000	<u>1</u>	<u>1</u>

##### 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 key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £707,723 (2022: £601,927).

## **Churston Ferrers Grammar School**

### **Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**

#### **9 Related party transactions - trustees' remuneration and expenses**

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

Mr K Earley (Headteacher and Trustee):

Remuneration: £110,000 - £115,000 (2022 - £105,000 - £110,000)

Employer's pension contributions: £25,000 - £30,000 (2022 - £25,000 - £30,000)

Mrs S Moss (Staff Trustee):

Remuneration: £45,000 - £50,000 (2022 - £45,000 - £50,000)

Employer's pension contributions: £10,000 - £15,000 (2022 - £10,000 - £15,000)

Miss A Harris (Staff Trustee):

Remuneration: £45,000 - £50,000 (2022 - £35,000 - £40,000)

Employer's pension contributions: £10,000 - £15,000 (2022 - £5,000 - £10,000)

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

#### **10 Trustees' and officers' insurance**

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

# **Churston Ferrers Grammar School**

## **Notes to the Financial Statements for the Year Ended 31 August 2023** (continued)

### **11 Tangible fixed assets**

	Freehold property £	Fixtures, fittings & equipment £	Computer equipment £	Motor vehicles £	2023 Total £
<b>Cost</b>					
At 1 September 2022	13,012,924	344,009	521,162	37,795	13,915,890
Additions	-	8,193	80,562	-	88,755
At 31 August 2023	<u>13,012,924</u>	<u>352,202</u>	<u>601,724</u>	<u>37,795</u>	<u>14,004,645</u>
<b>Depreciation</b>					
At 1 September 2022	2,383,781	328,964	448,555	37,795	3,199,095
Charge for the year	<u>215,257</u>	<u>7,667</u>	<u>43,070</u>	<u>-</u>	<u>265,994</u>
At 31 August 2023	<u>2,599,038</u>	<u>336,631</u>	<u>491,625</u>	<u>37,795</u>	<u>3,465,089</u>
<b>Net book value</b>					
At 31 August 2023	<u>10,413,886</u>	<u>15,571</u>	<u>110,099</u>	<u>-</u>	<u>10,539,556</u>
At 31 August 2022	<u>10,629,143</u>	<u>15,045</u>	<u>72,607</u>	<u>-</u>	<u>10,716,795</u>

### **12 Stock**

	2023 £	2022 £
Stocks	<u>2,795</u>	<u>2,795</u>

### **13 Debtors**

	2023 £	2022 £
Trade debtors	20,475	1,997
VAT recoverable	73,189	47,876
Other debtors	853	111,646
Prepayments	<u>45,998</u>	<u>47,822</u>
	<u>140,515</u>	<u>209,341</u>

# **Churston Ferrers Grammar School**

## **Notes to the Financial Statements for the Year Ended 31 August 2023** (continued)

### **14 Creditors: amounts falling due within one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade creditors	38,949	62,970
Other taxation and social security	93,049	90,368
Other creditors	108,410	92,318
Accruals	82,794	188,271
Deferred income	78,530	12,187
	<u>401,732</u>	<u>446,114</u>
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>

### **Deferred income**

Deferred income at 1 September 2022	12,187	9,000
Resources deferred in the period	78,530	12,187
Amounts released from previous periods	<u>(12,187)</u>	<u>(9,000)</u>
Deferred income at 31 August 2023	<u>78,530</u>	<u>12,187</u>

At the balance sheet date the academy trust was holding funds of £78,530 received in advance in respect of trips which have not yet taken place.

# **Churston Ferrers Grammar School**

## **Notes to the Financial Statements for the Year Ended 31 August 2023** (continued)

### **15 Funds**

	Balance at 1 September 2022 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2023 £
<b>Restricted funds</b>					
General Annual Grant (GAG)	736,499	6,187,960	(5,801,868)	(88,755)	1,033,836
Mass Testing Fund	33,849	-	(2,040)	-	31,809
Other DfE / ESFA grants	278,170	-	(278,170)	-	-
Covid catch-up fund	36,746	-	(4,482)	-	32,264
Nesta project	2,001	-	-	-	2,001
Developing English project	942	-	-	-	942
School Led Tutoring Fund	6,040	10,983	(13,926)	-	3,097
Recovery Premium Fund	7,473	16,839	(1,720)	-	22,592
Ward Music Fund	2,030	-	(2,030)	-	-
Sport England Fund	1,215	-	(1,215)	-	-
Howmet Funding	-	33,698	(30,131)	-	3,567
Capital Allocation Funding	-	45,968	-	-	45,968
Other restricted funds	71,683	-	(71,683)	-	-
Pension reserve	(688,000)	-	(106,000)	389,000	(405,000)
	<u>488,648</u>	<u>6,295,448</u>	<u>(6,313,265)</u>	<u>300,245</u>	<u>771,076</u>
<b>Restricted fixed asset funds</b>					
Land on conversion	2,288,519	-	-	-	2,288,519
Buildings on conversion	7,474,793	-	(171,048)	-	7,303,745
Art & Music Block	439,172	-	(10,097)	-	429,075
Technology & Drama Block	456,779	-	(10,852)	-	445,927
Wolfson Foundation	49,400	-	(600)	-	48,800
Other post conversion assets	8,132	-	(73,397)	88,755	23,490
	<u>10,716,795</u>	<u>-</u>	<u>(265,994)</u>	<u>88,755</u>	<u>10,539,556</u>
Total restricted funds	<u>11,205,443</u>	<u>6,295,448</u>	<u>(6,579,259)</u>	<u>389,000</u>	<u>11,310,632</u>
<b>Unrestricted funds</b>					
General Funds	<u>178,260</u>	<u>320,802</u>	<u>(378,501)</u>	<u>-</u>	<u>120,561</u>
Total unrestricted funds	<u>178,260</u>	<u>320,802</u>	<u>(378,501)</u>	<u>-</u>	<u>120,561</u>
Total funds	<u>11,383,703</u>	<u>6,616,250</u>	<u>(6,957,760)</u>	<u>389,000</u>	<u>11,431,193</u>

# Churston Ferrers Grammar School

## Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

### 15 Funds (continued)

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

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Restricted funds</b>					
General Annual Grant (GAG)	372,001	6,104,562	(5,701,545)	(38,519)	736,499
Mass Testing Fund	35,236	-	(1,387)	-	33,849
Other DfE / ESFA grants	278,170	-	-	-	278,170
Covid catch-up fund	48,612	-	(11,866)	-	36,746
Nesta project	2,001	-	-	-	2,001
Developing English project	942	-	-	-	942
School Led Tutoring Fund	-	9,923	(3,883)	-	6,040
Recovery Premium Fund	-	9,353	(1,880)	-	7,473
Ward Music Fund	-	2,030	-	-	2,030
Sport England Fund	-	1,215	-	-	1,215
Other restricted funds	-	71,054	629	-	71,683
Pension reserve	(2,930,000)	-	(398,000)	2,640,000	(688,000)
	<u>(2,193,038)</u>	<u>6,198,137</u>	<u>(6,117,932)</u>	<u>2,601,481</u>	<u>488,648</u>
<b>Restricted fixed asset funds</b>					
Land on conversion	2,250,000	-	-	38,519	2,288,519
Buildings on conversion	7,645,841	-	(171,048)	-	7,474,793
Art & Music Block	449,269	-	(10,097)	-	439,172
Technology & Drama Block	467,631	-	(10,852)	-	456,779
Wolfson Foundation	50,000	-	(600)	-	49,400
Other post conversion assets	76,637	-	(68,505)	-	8,132
	<u>10,939,378</u>	<u>-</u>	<u>(261,102)</u>	<u>38,519</u>	<u>10,716,795</u>
Total restricted funds	<u>8,746,340</u>	<u>6,198,137</u>	<u>(6,379,034)</u>	<u>2,640,000</u>	<u>11,205,443</u>
<b>Unrestricted funds</b>					
General Funds	<u>212,407</u>	<u>301,015</u>	<u>(335,162)</u>	<u>-</u>	<u>178,260</u>
Total unrestricted funds	<u>212,407</u>	<u>301,015</u>	<u>(335,162)</u>	<u>-</u>	<u>178,260</u>
Total funds	<u>8,958,747</u>	<u>6,499,152</u>	<u>(6,714,196)</u>	<u>2,640,000</u>	<u>11,383,703</u>

## Churston Ferrers Grammar School

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 15 Funds (continued)

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.

##### 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.

#### 16 Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	10,539,556	10,539,556
Current assets	184,621	1,513,748	-	1,698,369
Current liabilities	(38,949)	(362,783)	-	(401,732)
Pension scheme liability	-	(405,000)	-	(405,000)
Total net assets	<u>145,672</u>	<u>745,965</u>	<u>10,539,556</u>	<u>11,431,193</u>

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

# **Churston Ferrers Grammar School**

## **Notes to the Financial Statements for the Year Ended 31 August 2023** **(continued)**

### **16 Analysis of net assets between funds (continued)**

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	10,716,795	10,716,795
Current assets	241,229	1,559,793	-	1,801,022
Current liabilities	(62,969)	(383,145)	-	(446,114)
Pension scheme liability	-	(688,000)	-	(688,000)
Total net assets	<u>178,260</u>	<u>488,648</u>	<u>10,716,795</u>	<u>11,383,703</u>

### **17 Long-term commitments, including operating leases**

#### ***Operating leases***

At 31 August 2023 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

# **Churston Ferrers Grammar School**

## **Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**

### **17 Long-term commitments, including operating leases (continued)**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Amounts due within one year	11,844	11,844
Amounts due between one and five years	23,688	35,532
	<u>35,532</u>	<u>47,376</u>

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Net expenditure	(341,510)	(215,044)
Depreciation	265,994	261,103
Defined benefit pension scheme contributions less interest	106,000	398,000
Decrease in debtors	68,826	210,219
Decrease in creditors	(44,382)	(73,275)
Net cash provided by Operating Activities	<u>54,928</u>	<u>581,003</u>

### **19 Cash flows from investing activities**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Purchase of tangible fixed assets	<u>(88,755)</u>	<u>(38,520)</u>

### **20 Analysis of cash and cash equivalents**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Cash in hand and at bank	1,555,059	1,588,886
Total cash and cash equivalents	<u>1,555,059</u>	<u>1,588,886</u>

### **21 Analysis of changes in net debt**

	<b>At 1 September 2022</b>	<b>Cash flows</b>	<b>At 31 August 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash	1,588,886	(33,827)	1,555,059
Loans falling due within one year	(446,114)	44,382	(401,732)
Total	<u>1,142,772</u>	<u>10,555</u>	<u>1,153,327</u>

## **Churston Ferrers Grammar School**

### **Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**

#### **22 Member liability**

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

#### **23 Pension and similar obligations**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS to the period ended 31 March 2022.

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

#### **Teachers' Pension Scheme**

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

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

#### **Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2022.

## Churston Ferrers Grammar School

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 23 Pension and similar obligations (continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £218,000 (2022: £185,000).

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 schemes

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £282,000 (2022 - £241,000), of which employer's contributions totalled £218,000 (2022 - £185,000) and employees' contributions totalled £64,000 (2022 - £56,000). The agreed contribution rates for future years are 21.9% for employers and 5.5%-12.5% for employees. The scheme is managed by Barnett Waddingham.

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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

#### Principal actuarial assumptions

	2023 %	2022 %
Rate of increase in salaries	3.90	4.05
Rate of increase for pensions in payment/inflation	2.90	3.05
Discount rate for scheme liabilities	<u>5.35</u>	<u>4.25</u>

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

# **Churston Ferrers Grammar School**

## **Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**

### **23 Pension and similar obligations (continued)**

	2023	2022
<b>Retiring today</b>		
Males retiring today	21.40	21.70
Females retiring today	22.60	22.90
<b>Retiring in 20 years</b>		
Males retiring in 20 years	22.70	23.00
Females retiring in 20 years	<u>24.00</u>	<u>24.30</u>
<b>Sensitivity analysis</b>		
	2023	2022
	£	£
Discount rate +0.1%	3,852	4,234
Discount rate -0.1%	3,980	4,434
Mortality assumption + 1 year increase	4,034	4,238
Mortality assumption – 1 year decrease	3,800	4,204
CPI rate +0.1%	4,181	4,429
CPI rate -0.1%	<u>4,026</u>	<u>4,258</u>

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

	2023	2022
	£	£
Equities	1,871,000	1,812,000
Corporate bonds	764,000	678,000
Property	296,000	340,000
Cash and other liquid assets	47,000	-
Investment funds	213,000	284,000
Other	<u>319,000</u>	<u>301,000</u>
Total market value of assets	<u>3,510,000</u>	<u>3,415,000</u>

The actual return on scheme assets was (£76,000) (2022 - (£122,000)).

## Churston Ferrers Grammar School

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 23 Pension and similar obligations (continued)

##### Amounts recognised in the statement of financial activities

	2023 £	2022 £
Current service cost	298,000	534,000
Interest income	(97,000)	(57,000)
Interest cost	24,000	47,000
Admin expenses	2,000	2,000
Total amount recognized in the SOFA	<u>227,000</u>	<u>526,000</u>

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

	2023 £	2022 £
At start of period	4,103,000	6,306,000
Current service cost	298,000	534,000
Interest cost	173,000	104,000
Employee contributions	64,000	56,000
Changes in assumptions and loss/(gain) on defined benefit obligations	(614,000)	(2,819,000)
Benefits paid	<u>(109,000)</u>	<u>(78,000)</u>
At 31 August	<u>3,915,000</u>	<u>4,103,000</u>

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

	2023 £	2022 £
At start of period	3,415,000	3,376,000
Interest on assets	149,000	57,000
Actuarial gain/(loss)	(225,000)	(179,000)
Employer contributions	218,000	185,000
Employee contributions	64,000	56,000
Benefits paid	(109,000)	(78,000)
Administration expenses	<u>(2,000)</u>	<u>(2,000)</u>
At 31 August	<u>3,510,000</u>	<u>3,415,000</u>

#### 24 Related party transactions

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 trustees have an interest.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 9.