

**King Edward VI
Grammar School,
Chelmsford**

**Annual Report and Financial
Statements**

31 August 2018

Company Limited by Guarantee
Registration Number
07563345 (England and Wales)

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Reference and administrative information

Members

Thomas Carter
John Aldridge
Jane Corsham
Andrew Goodwin
Walter Hall
Mary Turner

Governors

Mary Turner (Community Governor and Chair of Governors)
Michael Adewole (Co-Opted Governor)
Christine Aldridge (Foundation Governor)
Jill Attenborough (Parent Governor)
Alison Brock (Parent Governor)
Thomas Carter (Headteacher and Accounting Officer)
Matthew Chivers (Parent Governor)
Jane Corsham (Foundation Governor and Vice Chair of Governors)
Andrew Cristin (Parent Governor and Responsible Officer)
Bruce Forster (Staff Governor)
Andrew Goodwin (Parent Governor)
David Hall (Staff Governor)
Walter Hall (Foundation Governor)
Michael Nye (Co-Opted Governor)
Hugh Pattenden (Staff Governor)
Laura Read (Parent Governor)
John Singh MBE (Co-Opted Governor)
Edward Turner (Community Governor)
Spencer Wilcox (Community Governor)
Christopher Willis (Foundation Governor)

Senior Leadership Team

Headteacher	Thomas Carter
Deputy Head	Helen Wiltshire
Deputy Head	Douglas Johnson

Business & Finance Manager	Lorraine Purkiss
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Registered address

Broomfield Road
Chelmsford
Essex
CM1 3SX

Company registration number

07563345 (England and Wales)

Reference and administrative information

Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers Clydesdale Bank Plc
Clydesdale Bank Service Centre
2nd Floor
35 Regent Street
Piccadilly Circus
London
SW1Y 4ND

Lloyds Bank Plc
Ground Floor
1 Legg Street
Chelmsford
Essex
CM1 1JS

Solicitors Stone King LLP
16 St John's Lane
London
EC1M 4BS

The Governors of King Edward VI Grammar School, Chelmsford ('KEGS') present their statutory report together with the financial statements of the charitable company for the year to 31 August 2018. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 31 to 36 of the attached financial statements and comply with the School's Memorandum and Articles of Association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

King Edward VI Grammar School, Chelmsford is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the academy trust.

The Governors act as the trustees for the charitable activities of King Edward VI Grammar School, Chelmsford and are also the directors of the charitable company for the purposes of company law. The charitable company is known as King Edward VI Grammar School, Chelmsford.

Details of the Governors who served throughout the year (except as noted) are set out on page 4.

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 of ceasing to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Governors' indemnities

In accordance with normal commercial practise the School has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £5,000,000 (2017 - £5,000,000) on any one claim and the cost for the year ended 31 August 2018 was included within the cost of the wider RPA scheme.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Principal activities

The Academy Trust's objects are specifically restricted to the following:

- (a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy").
- (b) to promote for the benefit of the inhabitants of Chelmsford and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The principal activity of the Academy Trust is to provide outstanding education for students between the ages of 11 and 18.

Governors

The Governors are directors of the charitable company for the purposes of the Companies Act 2006. The following Governors were in office at 31 August 2018 and served throughout the year except where shown.

Governor	Elected/Resigned	
Mary Turner (Chair of Governors)	Appointed 21 September 2017	Community Governor *
Christine Aldridge	Re-appointed 5 December 2017	Foundation Governor
Jill Attenborough		Parent Governor
Alison Brock		Parent Governor
Thomas Carter		Headteacher
Joy Chandler	Term of office came to an end on 8 July 2018	Staff Governor *
Matthew Chivers		Parent Governor *
Jane Corsham (Vice Chair of Governors)	Appointed 21 September 2017	Foundation Governor
Andrew Cristin		Parent Governor*
Andrew Goodwin		Parent Governor*
David Hall		Staff Governor
Walter Hall		Foundation Governor*
Michael Nye		Co-opted Governor *
Laura Read	Appointed 27 March 2018	Parent Governor*
Mark Scullin	Term of office came to an end on 17 July 2018	Staff Governor
Richard Shepherd	Term of office came to an end on 17 January 2018	Parent Governor
John Singh		Co-opted Governor
Jason Spencer-Smith	Term of office came to an end on 16 November 2018	
Edward Turner		Community Governor *
Spencer Wilcox	Resigned as the Chair of Governors on 21 September 2017	Community Governor *
Dr Christopher Willis		Foundation Governor

* Member of the Finance and Premises Committee

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governors (continued)

Subsequent to the year end: Mary Turner was re-appointed as the Chair of Governors on 20 September 2018; Jane Corsham was re-appointed as Vice Chair of Governors on 20 September 2018; Jason Spencer-Smith's term of office as a Parent Governor came to an end on 16 November 2018; Michael Adewole was appointed as a Co-opted Governor 20 September 2018); and Bruce Forster and Hugh Pattenden were appointed as Staff Governors on 18 September 2018.

Method of recruitment and appointment or election of Governors

The number of Governors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. Governors are appointed as follows (details have been extracted from the Articles of Association):

- ◆ The Members may appoint 3 Community Governors through such process as they may determine;
- ◆ 3 Staff Governors, two of whom shall be teachers and one of whom shall be a member of the support staff, shall be elected by the teaching and support staff of the Academy. A Staff Governor must be employed by the Academy Trust at the time when he/she is elected;
- ◆ The total number of Governors (including the Headteacher) who are employees of the Academy Trust shall not exceed one third of the total number of Governors;
- ◆ The LA may appoint the LA Governor;
- ◆ The Headteacher shall be treated for all purposes as being an ex-officio Governor;
- ◆ At least 2 and up to 7 Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he/she is elected;
- ◆ The KEGS Foundation (see 'Connected Organisations, including related party relationships' section on page 6) may appoint up to 5 Foundation Governors; and
- ◆ The Governors may appoint up to 3 Co-opted Governors. A 'Co-opted Governor' means a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if thereby the number of Governors who are employees of the Academy Trust would exceed one third of the total number of Governors (including the Headteacher).

Policies and procedures adopted for the induction and training of Governors

The Academy expects all Governors to undertake training as appropriate to their work for the School. New Governors will be provided with an induction programme delivered partly in-house and partly through external sources as required. A log is kept of all Governor training and reviewed on a regular basis at Governor meetings.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure

The Governors determine the general policy of the Academy. The day to day running of the Academy is delegated to the Head, supported by senior staff. The Headteacher undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration is undertaken within the policies and procedures approved by the Governors which provide for only significant expenditure decisions and major capital projects to be referred to the Governors for prior approval.

The Headteacher is an ex-officio Governor, and the Accounting Officer and attends all meetings. The Business and Finance Manager is invited to attend Governors' meetings as appropriate.

The Academy has the following organisational structure:

- Level 1:** Academy Trust (Members)
- Level 2:** Management Governors (Directors/Trustees)
- Level 3:** Sub-committees of the Management Governors
- Level 4:** The Accounting Officer (Headteacher)

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the school are considered to be the Governors and Senior Leadership Team as listed on page 1. Remuneration of the Senior Leadership Team is set by the governing body with reference to national pay scales, informed by sub-committees as necessary. Governors are not remunerated for their roles.

Trade union facility time

No Trade Union Officials spent facility time on TU duties or activities during the year.

Connected organisations, including related party relationships

The KEGS Foundation (Charity Registration Number 310861)

The organisation is the freehold landlord of the Academy's land and buildings. They appoint five members of the Governing Body (Directors) of the School and play an active role in the life of the Academy. The Foundation provides a Bursary Fund and funds the KEGS Essay Prizes and other annual prizes. In the past the Foundation has played a role generating financial support for capital and other projects on behalf of the Academy.

CSSE

KEGS is a founding member of The Consortium of Selective Schools in Essex (CSSE). The primary purpose of the CSSE is to coordinate selective admissions in the area with all member schools using the same testing procedures. The CSSE also has a role facilitating transport to schools in the consortium. The Headteacher of KEGS sits on the executive board of the CSSE.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Connected organisations, including related party relationships (continued)

CTSA

KEGS is a member of the Chelmsford Teaching Schools Alliance, which provides training and coordinates activities between Chelmsford schools. The Headteacher of KEGS is a member of the steering group.

MESH

KEGS is a member of the Mid Essex Secondary Heads (MESH) branch of the Essex Association of Secondary Heads in Essex which engages in a range of brokering activities for school to school support. Through this, KEGS is also a member of the Essex Association, ASHE.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the charitable company is the operation of King Edward VI Grammar School, Chelmsford, to provide outstanding education for students between the ages of 11 and 18.

In accordance with the Articles of Association, the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies a range of things identifying admission arrangements, provision of special educational needs and guidelines for the curriculum offered by the School.

The main objectives of King Edward VI Grammar School, Chelmsford during the year ended 31 August 2018 are summarised below:

- ◆ Our core purpose is to nurture all of our students as uniquely talented individuals and principled global citizens, maximising their academic outcomes, the scope of their personal development and their capacity to be independent, autonomous learners.
- ◆ Our headline goal for examination outcomes was to reach 90% A*-B at A level and 90% A*/A/7/8/9 at GCSE.

Objectives, strategies and activities

The School's main objectives for the year were as follows:

Inspiring a love of learning: an emphasis on academic depth and extending students, and celebrating a balanced education.

Cultivating effective study: efficient use of student time and teacher time.

Ensuring an optimal and well planned curriculum: planning for necessary curriculum changes.

OBJECTIVES AND ACTIVITIES (continued)

Objects, strategies and activities (continued)

Promoting happiness and balance: focus on mental health, mental health, mental resilience and happiness.

Using information to intervene wisely: focus on quality of data and information and using it well. We have also worked to ensure GDPR compliance.

Making sure we have the best possible buildings and grounds: We have worked to maintain and improve our premises and grounds wherever possible.

Public Benefit

The provision of outstanding education at King Edward VI Grammar School, Chelmsford is for public benefit. The Governors have complied with their duty to have due regard to the guidance on public benefit, published by the Charity Commission, in exercising their powers or duties.

STRATEGIC REPORT

Examination Results of 2018

The school achieved record GCSE results of 90% A*/A/7/8/9 and 67% A*/8/9. The school achieved 85% of A levels (or Pre-U's) at A*-B and 63% at A*/A. The school's attainment 8 score of 82.6 was the fifthe best out of 6530 secondary schools nationally, and the progress 8 score of +1.11 was 30th best in the country.

Capital Projects

We have successfully delivered the project concerning our Sports Hall construction. We have also successfully implemented a flat roof replacement grant funded project. Both were funded by a combination of government grants, donations from a fund raising campaign and designated reserves. We have also used donations raised and unrestricted funds to complete the refurbishment of spaces released by the creation of the new sports hall, creating a new science laboratory and a new drama space.

Other Achievements

The following key financial performance indicators were set by the Governors:

- ◆ Current ratio
- ◆ Payroll/total income
 - Teaching
 - Support staff
 - Total

STRATEGIC REPORT (continued)

Key financial performance indicators (continued)

The following key financial performance indicators are being considered by the Governors:

- ◆ Diversity of income; and
- ◆ Cash days in hand.

Going concern

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

Financial review

Financial report for the year

The majority of the School's funding was provided by the Education and Skills Funding Agency (ESFA). The School's total incoming resources for the year ended 31 August 2018 amounted to £7,082,000 (2017 - £7,087,000) of which £4,795,000 (2017 - £4,682,000) related to the ESFA general annual grant and £1,151,000 (2017 - £1,613,000) for ESFA capital grants and donations towards capital projects. In addition, the School has received other grants of £22,000 (2017 - £31,000). The School held fund balances of £11,074,000 (2017 - £9,714,000) at 31 August 2018 which includes unrestricted funds of £254,000 (2017 - £894,000).

The results for the year are shown on page 27.

Reserves policy

The Governors are aware of the requirement to balance current and future needs. The Governors always aim to set a balanced budget with annual income balancing annual expenditure.

The School's current level of free reserves is £254,000 (unrestricted funds and restricted income funds) at 31 August 2018 (2017 - £894,000).

STRATEGIC REPORT (continued)

Financial review (continued)

Reserves policy (continued)

This year we have spent the £400,000 designated reserves set aside for capital investment purposes and our general reserves have been reduced further by a loss for the year and further necessary capital expenditure to repair the fabric of the school. We secured a CIF grant for flat roof work which required us to use some of those reserves as well as to remove some asbestos and decayed windows. Anticipating reductions in future funding (from general government cuts and falls in the real value of grants) it is anticipated that the finances of the School will become increasingly tight. In light of these future anticipated additional costs and reducing revenues, the Governors have spent existing funds where necessary to support the quality of education offered to the students, for example in ventilating science labs and installing cabling in parts of the building without internet connectivity.

In order to build for the future and continue to maintain the quality of our offering, the Governors agreed to expand our intake in the First Year/ Year 7 by 25% from September 2015 and to continue to increase our Sixth form numbers where feasible. Though there is still considerable uncertainty as to financing of the Teachers' Pay increase in Sep 2018 post April 2020, and the extent to which Teachers' Pensions increased employer contributions will be funded by government, we have assumed this will not adversely impact our future costs. Accordingly as funding from the ESFA for this increase on roll is lagged by one year; we have budgeted for a series of deficits in the next five years, totalling £100,000, which we will fund out of free reserves. These forecasts will be reviewed when more information is known about the National Funding Formula and TPS/LGPS contribution rates.

The pension reserve, which represents the School's share of the Local Government Pension Scheme's (LGPS) assets and liabilities, is in deficit at 31 August 2018 by £1,762,000 (£1,918,000 at 31 August 2017). The deficit is not expected to crystallise in the near future and any cash outflows arising from the deficit will occur over a number of years.

Investment policy

Principles

The School aims to manage its cash balances to provide for the day-to-day operation whilst investing surplus cash funds to maximise returns.

Purpose

- ◆ To ensure adequate cash balances are maintained in the current account to cover day-to-day working capital requirements;
- ◆ To ensure there is no risk of loss in the capital value of any cash funds invested; and
- ◆ To optimise returns on invested funds.

STRATEGIC REPORT (continued)

Financial review (continued)

Investment policy (continued)

Guidelines

- ◆ The Business and Finance Manager will regularly monitor cash flow and current account balances to ensure that the current account has adequate balances to meet forthcoming commitments.
- ◆ The School will look to have a current ratio of no less than 2:1 to ensure its ability to meet short term liabilities as they become due.
- ◆ The School will not go overdrawn.
- ◆ Through monitoring cash flow and the current ratio, the Business and Finance Manager will identify funds surplus to immediate cash requirements and transfer them to the 30 day deposit account bearing a higher interest rate.
- ◆ If the Business and Finance Manager identifies an opportunity to invest for a longer period these may be deposited for a longer term.
- ◆ Investment opportunities exceeding 90 days must be discussed and agreed with the Finance and Premises Committee Chairman before investment.
- ◆ Periodically the Business and Finance Manager will review interest rates and compare them with other investment opportunities and report the findings to the Finance and Premises Committee.
- ◆ The School's current policy is to only invest funds in risk free and short term investments.
- ◆ The School's policy is to invest no more than £100,000 with an institution other than its main bankers.
- ◆ Any change in Policy requires the approval of the Full Governing Body via the Finance and Premises Committee.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governing Body identify, assess and mitigate risk both for the School and as a whole and its operations. A Risk Register is in place which is subject to regular review and made available to all staff. Key members of staff and governors are involved in the preparation of the Risk Register. All members of staff are aware of the risk management policy and the controls in place to limit exposure to risk.

The School's principal risks have been identified and there is a risk register in place to mitigate these risks. The risks fall into the following classifications: Compliance, Financial, Operational, and Strategic and Reputational.

The key risks are assessed as:

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

- ◆ Revenue risk arising from fluctuations in Government Funding determined at government level;
- ◆ Curriculum change due to Exam Board and syllabus changes;
- ◆ Cost increases arising from costs outside our direct control – eg pensions, PAYE and NI; and
- ◆ Increased contributions on revaluations of the LGPS deficit transferred on academisation, as this is outside the control of the school.

We aim to mitigate these risks by (respectively):

- ◆ Reforecasting our budgets on a conservative basis and reacting to any announced changes by cost cutting or mix changes in teaching subjects and teaching load where possible;
- ◆ Precise planning and focus on curriculum change throughout the year in our DDP and classroom practice;
- ◆ Maintaining strong budgetary and reforecasting systems for reacting to costs outside our direct control – e.g. pensions, PAYE and NI; and
- ◆ Holding appropriate reserve levels and revising budgets as and when changes to contribution rates are communicated.

FUNDRAISING

During the year we have carried out Fundraising Campaigns through our website and by post to new parents and former pupils and friends of the Academy. We have not worked with commercial participants or professional fundraisers, as we have been fortunate in having a very supportive community of donors.

Building on this we will continue to raise funds for specific projects where feasible. We have not received any fundraising complaints and all requests to donate are to our potential donors in general. We do not target vulnerable people or engage in intrusive or persistent approaches.

PLANS FOR FUTURE PERIODS

The school plans to continue with the same focus on increasingly improving the education quality and provision and closely managing budgets whilst maintaining and improving the premises and site.

AUDITORS

In so far as the Governors are aware:

- ♦ there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- ♦ the Governors 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.

Governors' report, incorporating a strategic report, approved by order of the members of the board of governors on 6 December 2018 and signed on its behalf by:

Mary Turner M TURNER

Chair of Governors

Date: 06.12.18

Scope of responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that King Edward VI Grammar School, Chelmsford 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 Thomas Carter, 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 King Edward VI Grammar School, Chelmsford and the Secretary of State for Education. The Headteacher is 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 Governors' report and in the statement of Governors' responsibilities. The Governing Body has formally met five times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Governor type	Number of meetings attended	Out of a possible
Christine Aldridge	Foundation	4	5
Jill Attenborough	Parent	5	5
Alison Brock	Parent	4	4
Thomas Carter	Ex-officio	5	5
Joy Chandler	Staff	3	5
Matthew Chivers	Parent	5	5
Jane Corsham	Foundation	3	5
(Vice Chair of Governors)			
Andrew Cristin	Parent	4	5
Andrew Goodwin	Parent	4	5
David Hall	Staff	5	5
Walter Hall	Foundation	5	5
Michael Nye	Co-Opted	4	5
Laura Read	Parent	2	2
Mark Scullin	Staff	4	5
Richard Shepherd	Parent	2	2
John Singh	Co-opted	4	4
Jason Spencer-Smith	Parent	0	5
Edward Turner	Community	4	5
Mary Turner		5	5
(Chair of Governors)	Community		
Spencer Wilcox	Community	4	5
Dr Chris Willis	Foundation	4	5

Governance (continued)

Governance Reviews

Examples of good governance in place which we have identified as best practice through independent review and benchmarking exercises included:

- ◆ There is good communication between the sub committees and the main governing body;
- ◆ Quorum requirements, frequency of meetings, committee membership and terms of reference were all found to be in place and considered to be in line with good practice; and
- ◆ There is a good turnover of both staff and parent governors in line with the four year terms of office determined in the articles.

During the year to August 2018 the Academy Trust used the skills audit of its governors carried out in 2017 to continue to review the effectiveness of the Governing Body. This assisted the identification of training needs, changes in some processes and the additional skills and experience required when recruiting new governors.

Out-going Community Governors are required to express an interest in continuing in office if they wish to do so and invited to provide a short note to indicate their experience, skills and contribution to date. The Academy Trust at this point will also consider other possible candidates nominated either by Members of the Academy Trust or Management Governors, such nominees also being invited to provide a short note to indicate the experience and skills they are able to offer. The Academy Trust will then consider all applications and make the appointments. Existing Members of the Academy Trust who are themselves Community Governors wishing to continue in office are precluded from taking part in the appointment process.

The Governing Body also uses the facility for co-opting governors where particular skills or expertise is needed.

Governance (continued)

The Finance and Premises Committee is a sub-committee of the main Governing Body. Its purpose is to fulfil the following responsibilities:

- ◆ the initial review and recommendation of the annual budget;
- ◆ the regular monitoring of actual expenditure and income against budget;
- ◆ ensuring the annual financial statements are produced in accordance with the requirements of the Companies Act 2006 and the DfE guidance issued to academies;
- ◆ authorising changes to the School personnel establishment following recommendations from the Personnel Committee; and
- ◆ reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to the full Governing Body.

Attendance at meetings in the year was as follows:

Governor	Governor type	Number of meetings attended	Out of a possible
Thomas Carter	Headteacher (Ex-Officio)	3	3
Joy Chandler	Staff	2	3
Matthew Chivers	Parent	2	3
Andrew Cristin	Parent and Responsible Officer	3	3
Andrew Goodwin	Parent	3	3
Walter Hall	Foundation	3	3
Michael Nye (Chair of F&P)	Co-Opted	3	3
Jason Spencer-Smith	Parent	2	3
Edward Turner	Community	3	3
Mary Turner	Community	3	3
Spencer Wilcox	Community	3	3

In addition to attending formal meetings, Governors generally supported the school by attending a wide variety of events, extra-curricular activities and meeting with staff and parents.

Review of value for money

As Accounting Officer the Headteacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during the academic year, and reports to the board of trustees where value for money can be improved, including the use on benchmarking data where available. The accounting officer for the academy trust has delivered and improved value for money during the year by:

Review of value for money (continued)

- ◆ Carefully monitoring the staffing and timetabling to ensure most efficient use of staff without compromising quality of teaching;
- ◆ Continuing to procure best value by obtaining three quotations for major projects or costs from suppliers;
- ◆ Pursuing premises hire opportunities where possible to optimise use of school assets;
- ◆ Reviewing internet and catering advice provision to ensure best advice and reduced costs are obtained;
- ◆ Tendering for relevant work (e.g. the flat roof project); and
- ◆ Continuing to use contracted cover and avoid agency costs where possible.

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 the School's 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 at King Edward VI Grammar School, Chelmsford for the year ended 31 August 2018 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 School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the School's significant risks that have been in place for the year ended 31 August 2018 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 School's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- ◆ regular reviews by the Finance and Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;

- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing guidelines;
- ◆ delegation of authority and segregation of duties; and
- ◆ identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Mr A Cristin, a Governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the School's financial systems. On a termly basis, the RO reports to the Governors on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

Review of effectiveness

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

- ◆ the work of the Responsible Officer;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process; and
- ◆ the work of the School Business and Finance Manager within the School who has responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Premises Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the Governing Body and signed on their behalf by:

Mary Turner M TURNER

Chair of Governors

T.P. Carter T CARTER


Accounting Officer

Approved on: 6 December 2018

As Accounting Officer of King Edward VI Grammar School, Chelmsford, I have considered my responsibility to notify the academy trust Governing Body and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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 Academies Financial Handbook 2017.

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

 T CARTER

Accounting Officer

Date: 6 December 2018

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

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

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- ♦ make judgments and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in operation.

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

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

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

Approved by order of the members of the Governing Body on 6 December 2018 and signed on its behalf by:


Chair of Governors

MARY TURNER
6/12/18

Independent auditor's report to the members of King Edward VI Grammar School, Chelmsford

Opinion

We have audited the financial statements of King Edward VI Grammar School Chelmsford (the 'charitable company') for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2015) and the Academies Accounts Direction 2017 to 2018.

In our opinion, the financial statements:

- ♦ give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its income and expenditure for the year then ended;
- ♦ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ♦ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ♦ have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

- ♦ the governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

Conclusions relating to going concern (continued)

- ♦ the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The governors 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.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' report [including the strategic report].

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

- ♦ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ♦ the financial statements are not in agreement with the accounting records and returns; or
- ♦ certain disclosures of governors' remuneration specified by law are not made; or
- ♦ we have not received all the information and explanations we require for our audit; or
- ♦ the governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the governors' report and from the requirement to prepare a strategic report].

Responsibilities of governors

As explained more fully in the governors' responsibilities statement, the governors 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 governors 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 governors are responsible for assessing the charitable company'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 governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

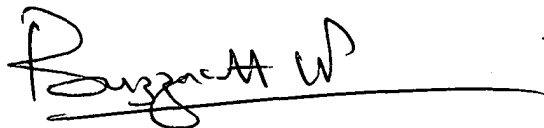
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

Auditor's responsibilities for the audit of the financial statements (continued)

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

Use of our report

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

A handwritten signature in black ink, appearing to read 'Avnish Savjani', with a horizontal line drawn underneath it.

Avnish Savjani (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date 17 December 2018

Independent reporting accountant's assurance report on regularity to King Edward VI Grammar School, Chelmsford and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 30 July 2012 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by King Edward VI Grammar School, Chelmsford during the year ended 31 August 2018 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 King Edward VI Grammar School, Chelmsford and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the King Edward VI Grammar School, Chelmsford 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 the King Edward VI Grammar School, Chelmsford and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of King Edward VI Grammar School, Chelmsford's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of King Edward VI Grammar School, Chelmsford's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. 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 ended 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

Approach (continued)

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.

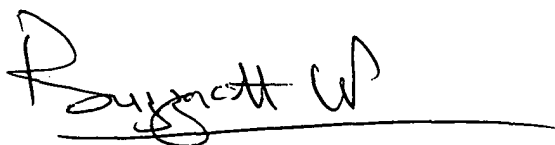
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of our work, other than mentioned above, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year ended 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

17 December 2018

Statement of financial activities Year to 31 August 2018
(incorporating the income and expenditure account)

	Notes	Unrestricted general fund £'000	Restricted funds		2018 Total funds £'000	2017 Total funds £'000
			General £'000	Fixed assets £'000		
Income from:						
Donations and capital grants	1	62	—	1,359	1,421	1,741
Charitable activities						
. Funding for the Academy's educational operations & development	4	—	4,817	—	4,817	4,733
Other trading activities	2	820	22	—	842	611
Investments	3	2	—	—	2	2
Total income		884	4,839	1,359	7,082	7,087
Expenditure on:						
Charitable activities						
. Academy's educational operations	6	757	5,112	282	6,151	5,923
Total expenditure	5	757	5,112	282	6,151	5,923
Net income (expenditure)		127	(273)	1,077	931	1,164
Transfers between funds	15	(767)	—	767	—	—
Other recognised gains and losses						
Actuarial gains (losses) on defined benefit pension scheme	19	—	429	—	429	(34)
Net movement in funds		(640)	156	1,844	1,360	1,130
Reconciliation of funds						
Fund balances brought forward at 1 September 2017		894	(1,918)	10,738	9,714	8,584
Fund balances carried forward at 31 August 2018		254	(1,762)	12,582	11,074	9,714

All of the Academy's activities derive from continuing operations during the above two financial periods.

All gains and losses are included in the Statement of Financial Activities.

Balance sheet 31 August 2018

	Notes	2018 £'000	2018 £'000	2017 £'000	2017 £'000
Fixed assets					
Tangible fixed assets			12,582		9,223
Current assets					
Debtors		588		186	
Cash at bank and in hand		678		3,183	
		<u>1,266</u>		<u>3,369</u>	
Liabilities					
Creditors: amounts falling due within one year		(727)		(785)	
Net current assets			<u>539</u>		<u>2,584</u>
Total assets less current liabilities			<u>13,121</u>		<u>11,807</u>
Creditors: amounts falling due after more than one year			(285)		(175)
Net assets excluding pension scheme liability			<u>12,836</u>		<u>11,632</u>
Pension scheme liability			(1,762)		(1,918)
Total net assets			<u>11,074</u>		<u>9,714</u>
Funds of the School					
Restricted funds					
Fixed assets fund			12,582		10,738
Restricted income fund			—		—
Pension reserve			(1,762)		(1,918)
Total restricted funds			<u>10,820</u>		<u>8,820</u>
Unrestricted income funds					
General fund			254		494
Designated funds			—		400
Total funds			<u>11,074</u>		<u>9,714</u>

The financial statements on page 27 to 49 were approved by the Governors, and authorised for issue on 6 December 2018 and are signed on their behalf by:

Mary Turner, MARY TURNER
Chair of Governors 6/12/18

King Edward VI Grammar School, Chelmsford
Company Limited by Guarantee
Registration Number: 07563345 (England and Wales)

Statement of cash flows 31 August 2018

		2018 £'000	2017 £'000
Net cash inflow from operating activities			
Net cash provided by operating activities	A	(127)	681
Cash flows from investing activities	B	(2,484)	334
Cash flows from financing activities	C	110	128
Change in cash and cash equivalents in the year		(2,505)	1,271
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2017		3,183	1,912
Cash and cash equivalents at 31 August 2018	D	678	3,183

A Reconciliation of net income to net cash flow from operating activities

	2018 £'000	2017 £'000
Net income for the year (as per the statement of financial activities)	931	1,164
Adjusted for:		
Depreciation charges (note 11)	282	281
Capital grants from DfE and other capital income	(1,151)	(1,199)
Interest receivable (note 3)	(2)	(2)
Defined benefit pension scheme cost less contributions payable (note 19)	225	176
Defined benefit pension scheme finance cost (note 19)	48	36
Increase in debtors	(402)	(26)
(Decrease) increase in creditors	(52)	251
Net cash provided by operating activities	(127)	681

B Cash flows from investing activities

	2018 £'000	2017 £'000
Dividends, interest and rents from investments	2	2
Purchase of tangible fixed assets	(3,641)	(739)
Capital grants from DfE/ESFA	1,151	1,199
Net cash provided by investing activities	(2,488)	462

C Cash flows from financing activities

	2018 £'000	2017 £'000
Cash inflows from new borrowings	110	128
Total cash flows from financing activities	110	128

Statement of cash flows 31 August 2018

D Analysis of cash and cash equivalents

	2018 £'000	2017 £'000
Cash at bank and in hand	678	3,183
Total cash and cash equivalents	678	3,183

Statement of accounting policies

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

Basis of preparation

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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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.

The 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.

Income (continued)

Grants (continued)

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

Where an asset is being constructed under the ESFA Free School or Priority Schools Building Programme, and the trust is recognising an asset on balance sheet for the development from ESFA funding, then the policy for this should be disclosed.

Where a trust is recognising an asset under these programmes, it should not be accrued on the basis of the funding letter, which does not give rise to an unconditional entitlement.

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.

Expenditure

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

Expenditure on raising funds

This includes all expenditure incurred by the academy 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.

All resources expended are stated net of recoverable VAT.

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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the School's depreciation policy.

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

◆ Leasehold buildings	2% - 10% per annum
◆ Furniture and equipment	6.67% - 25% per annum
◆ Computer equipment	33.3% per annum

Depreciation is charged from the month of acquisition.

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

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

Leased assets

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

Financial instruments

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

Financial instruments (continued)

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

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

The Academy 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 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.

Debtors

Debtors are recognised at their settlement amount less any provision for non-recoverability. Prepayments are valued at the amounts prepaid.

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.

Pensions benefits

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

Pensions benefits (continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the 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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund Accounting

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

Designated funds comprise those amounts which have been set aside by the Trustees from unrestricted funds for specific future purposes.

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 ESFA funds comprise all other grants received from the Education and Skills Funding Agency.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, Essex County Council.

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.

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 only significant area of uncertainty that will affect the carrying value of assets and liabilities is the assumptions used by the actuaries of the local government pension scheme.

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 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

Critical areas of judgement

No judgements have been made that are considered to have had a significant impact on the preparation of these financial statements.

1 Donations and capital grants

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2018 Total funds £'000	2017 Total funds £'000
Capital grants	—	1,151	1,151	1,199
Other donations	62	208	270	542
	62	1,359	1,421	1,741

2 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
Hire of facilities/lettings income	78	—	78	58
Trip income	307	22	329	126
Catering income	320	—	320	328
Miscellaneous income	115	—	115	99
	820	22	842	611

3 Investment income

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
Interest receivable	2	—	2	2

4 Funding for the School's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
DfE / ESFA grants				
. General Annual Grant (GAG)	—	4,795	4,795	4,682
. Other DfE/ESFA grants	—	22	22	51
2018 total funds	—	4,817	4,817	4,733

5 Expenditure

	Staff costs £'000	Non pay expenditure Premises £'000	Other costs £'000	2018 Total funds £'000	2017 Total funds £'000
Academy's educational operations					
· Direct costs	3,563	283	15	3,861	4,123
· Allocated support costs	1,039	601	650	2,290	1,800
	4,602	884	665	6,151	5,923

	2018 £'000	2017 £'000
Net income for the year includes:		
Depreciation	282	281
Fees payable to auditor for		
· Audit	10	10
· Other services	4	4

6 Charitable activities - Academy's educational operations

	2018 Total funds £'000	2017 Total funds £'000
Direct costs	3,861	4,123
Support costs	2,290	1,800
	6,151	5,923

	2018 Total funds £'000	2017 Total funds £'000
Analysis of support costs		
Support staff costs	1,039	942
Depreciation	282	281
Technology costs	123	70
Premises costs	319	260
Other support costs	511	514
Governance costs	16	14
Total support costs	2,290	1,800

7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2017 between restricted and unrestricted funds:

		Unrestricted	Restricted funds		2017
	Notes	general fund £'000	General £'000	Fixed assets £'000	Total funds £'000
Income from:					
Donations and capital grants	1	128	—	1,613	1,741
Charitable activities					
· Funding for the Academy's educational operations & development	4	—	4,733	—	4,733
Other trading activities	2	611	—	—	611
Investments	3	2	—	—	2
Total income		741	4,733	1,613	7,087
Expenditure on:					
Charitable activities					
· Academy's educational operations	6	724	4,918	281	5,923
Total expenditure	5	724	4,918	281	5,923
Net income (expenditure)		17	(185)	1,332	1,164
Transfers between funds	15	—	(27)	27	—
Other recognised gains and losses					
Actuarial losses on defined benefit pension scheme	19	—	(34)	—	(34)
Net movement in funds		17	(246)	1,359	1,130
Reconciliation of funds					
Fund balances brought forward at 1 September 2016		877	(1,672)	9,379	8,584
Fund balances carried forward at 31 August 2017		894	(1,918)	10,738	9,714

8 Staff

(a) Staff costs

Staff costs during the year were:

	2018 Total funds £'000	2017 Total funds £'000
Wages and salaries	3,455	3,344
Social security costs	313	307
Pension costs	834	778
	4,602	4,429

8 Staff (continued)

(b) Staff severance payments

Included in staff restructuring costs are non-contractual severance payments totalling £nil (2017 – £ nil).

(c) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2018 expressed as average headcount was as follows:

Charitable activities	2018 No.	2017 No.
Teachers	71	71
Administration and support	73	71
Management	6	6
	150	148

(d) Higher paid staff

The number of employees whose annual emoluments fell within the following bands was:

	2018 £'000	2017 £'000
£60,001 - £70,000	2	2
£80,001 - £90,000	1	1

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018 pension contributions for these staff amounted to £36,306 (2017 - £35,442).

(e) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £453,858 (2017 - £437,585).

9 Related party transactions - Governors' remuneration and expenses

The Headteacher and Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors. The annualised value of Governors' remuneration and other benefits was as follows:

	2018 £'000	2017 £'000
Mr T Carter Headteacher		
. Remuneration	90 – 95	90-95
. Employer's pension contributions	15 – 20	10-15
Mr M Scullin Other staff governor		
. Remuneration	15 – 20	15-20
. Employer's pension contributions	0 – 5	0-5
J Chandler, Teacher governor		
. Remuneration	40 – 45	35-40
. Employer's pension contributions	5 – 10	0-5
D Hall, Teacher governor		
. Remuneration	45 – 50	45-50
. Employer's pension contributions	5 – 10	0-5

During the year ended 31 August 2018, £176.55 (2017 - £59) of travel and subsistence expenses were reimbursed to three Governors (2017 – one Governor).

Other related party transactions involving the Governors are set out in note 20.

10 Governors' and Officers' insurance

In accordance with normal commercial practice the School has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £5,000,000 (2017 - £5,000,000) on any one claim. The cost of this insurance for both the current and prior years was included as a part of the school's membership of the RPA scheme.

11 Tangible fixed assets

	Assets under construction £'000	Leasehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Total funds £'000
Cost/valuation					
At 1 September 2017	683	9,603	283	106	10,675
Transfer on conversion	(683)	683	—	—	—
Additions	—	3,572	43	26	3,641
At 31 August 2018	—	13,858	326	132	14,316
Depreciation					
At 1 September 2017	—	1,239	132	81	1,452
Charge in year	—	228	38	16	282
At 31 August 2018	—	1,467	170	97	1,734
Net book value					
At 31 August 2018	—	12,391	156	35	12,582
At 31 August 2017	683	8,364	151	25	9,223

The land that the School is built on is designated for educational purposes only and therefore has no open market value. It has therefore not been included in the financial statements.

12 Debtors

	2018 £'000	2017 £'000
Trade debtors	564	148
Prepayments and accrued income	24	38
	588	186

13 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Other creditors	276	595
Accruals and deferred income	451	156
Loans (note 14)	—	34
	727	785
Deferred income		
Deferred income at 1 September 2017	132	74
Released during the year	(132)	(74)
Resources deferred in the year	8	132
Deferred income at 31 August 2018	8	132

14 Creditors: amounts falling due in greater than one year

	2018 £'000	2017 £'000
Loans	285	175
Repayments due as follows:		
Within one year	—	34
Between 2 and 5 years	34	135
In more than 5 years	251	40
	285	209

The above loan balance relates wholly to loan funding received from the ESFA. The loan is part of a wider funding package for the cost of a new sports hall that is otherwise comprised of capital grant. Interest is at 2.1%, with repayments being made between 2019 and 2029. The total approved loan is for £300,000 as part the wider funding package. The balance recognised above represents the amount of the loan funding that had been received by 31 August 2018.

15 Funds

	Balance at 1 September 2017 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
· General Annual Grant (GAG)	—	4,795	(4,795)	—	—
· Pupil Premium	—	22	(22)	—	—
· Other grants	—	22	(22)	—	—
· Pension reserve	(1,918)	—	(273)	429	(1,762)
	(1,918)	4,839	(5,112)	429	(1,762)
Restricted fixed asset funds					
· Transfer on conversion	6,910	—	(181)	—	6,729
· DfE/ESFA capital grants	3,722	1,359	(98)	—	4,983
· Funded from GAG	106	—	(3)	767	870
	10,738	1,359	(282)	767	12,582
Total restricted funds	8,820	6,198	(5,394)	1,196	10,820
Unrestricted funds					
· General fund	494	884	(757)	(367)	254
· Designated fund	400	—	—	(400)	—
Total unrestricted funds	894	884	(757)	(767)	254
Total funds	9,714	7,082	(6,151)	429	11,074

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

ESFA revenue grant fund and other restricted funds*General Annual Grant (GAG)*

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

These grants relate to the School's development and operational activities.

15 Funds (continued)*Designated fund*

The designated fund retained at 31 August 2017 has been fully spent down in the year on capital projects as planned.

Fixed asset fund

These funds have been used to purchase fixed assets.

Transfers

£767,000 has been transferred from General Annual Grant funds to fixed asset funds in respect of GAG funding which has been used to purchase tangible fixed assets.

Pension reserve

The pension reserve relates to the School's share of the deficit of the Essex County Council Local Government Pension Scheme.

Comparative information

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

	Balance at 1 September 2016 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant (GAG)	—	4,682	(4,655)	(27)	—
Pupil Premium	—	20	(20)	—	—
Other grants	—	31	(31)	—	—
Pension reserve	(1,672)	—	(212)	(34)	(1,918)
	<u>(1,672)</u>	<u>4,733</u>	<u>(4,918)</u>	<u>(61)</u>	<u>(1,918)</u>
Restricted fixed asset funds					
Transfer on conversion	7,139	—	(229)	—	6,910
DfE/ESFA capital grants	2,156	1,613	(47)	—	3,722
Funded from GAG	84	—	(5)	27	106
	<u>9,379</u>	<u>1,613</u>	<u>(281)</u>	<u>27</u>	<u>10,738</u>
Total restricted funds	<u>7,707</u>	<u>6,346</u>	<u>(5,199)</u>	<u>(34)</u>	<u>8,820</u>
Unrestricted funds					
General fund	477	741			494
Designated fund	400	—			400
Total unrestricted funds	<u>877</u>	<u>741</u>			<u>894</u>
Total funds	<u>8,584</u>	<u>7,087</u>	<u>(5,923)</u>	<u>(34)</u>	<u>9,714</u>

15 Analysis of net assets between fund

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2018 £'000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	—	—	12,582	12,582
Current assets	227	985	54	1,266
Current liabilities	—	(727)	—	(727)
Non-current liabilities	—	(285)	—	(285)
Pension scheme liability	—	(1,762)	—	(1,762)
Total net assets	227	(1,789)	12,636	11,074

16 Commitments under operating leases**Operating leases**

At 31 August 2018, the total of the Academy's future minimum lease payments under non-cancellable operating leases was as follows:

	2018 £'000	2017 £'000
Amounts due within one year	23	25
Amounts due between two and five years inclusive	83	83
Amounts due after five years	1,324	1,344
	1,430	1,452

17 Members' Liability

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

18 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 Essex County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

19 Pension and similar obligations (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers 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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- ◆ employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- ◆ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- ◆ an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- ◆ the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 16.48%. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £438,000 (2017 - £393,000).

19 Pension and similar obligations (continued)*Valuation of the Teachers' Pension Scheme (continued)*

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

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

Local Government Pension Scheme (LGPS)

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 2018 was £217,000 (2017 - £190,000), of which employer's contributions totalled £164,000 (2017 - £140,000) and employees' contributions totalled £53,000 (2017 - £50,000). The agreed contribution rates for future years are 18.4% of employers and 5.5 - 12.5% of employees.

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

	At 31 August 2018	At 31 August 2017
Principal Actuarial Assumptions		
Rate of increase in salaries	4%	4%
Rate of increase for pensions in payment / inflation	2%	3%
Discount rate for scheme liabilities	3%	3%

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

	At 31 August 2018	At 31 August 2017
<i>Retiring today</i>		
Males	22.3	22.2
Females	24.8	24.7
<i>Retiring in 20 years</i>		
Males	24.5	24.3
Females	27.1	27.0

19 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS)

The increase (decrease) to the net pension deficit as a result of changes in actuarial assumptions is as follows:

	At 31 August 2018 £'000	At 31 August 2017 £'000
Discount rate +0.1%	(76)	(73)
Discount rate -0.1%	78	75
Mortality assumption – 1 year increase	107	103
Mortality assumption – 1 year decrease	(103)	(100)

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2018 £'000	Fair value at 31 August 2017 £'000
Equities	944	781
Gilts	79	75
Corporate bonds	87	47
Property	132	116
Cash and other liquid assets	51	37
Derivatives	133	91
Investment funds	57	51
Total market value of assets	1,483	1,198
Present value of scheme liabilities		
Funded	(3,245)	(3,116)
Deficit in the scheme	(1,762)	(1,918)

The actual return on scheme assets was £89,000 (2017 - £147,000).

	2018 £'000	2017 £'000
Amounts recognised in statement of financial activities		
Current service cost	389	316
Interest income	34	22
Interest cost	(82)	(58)
Total amount recognised in the SOFA	341	280
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	34	22
Interest on pension liabilities	(82)	(58)
Pension finance income/(costs)	(48)	(36)

19 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS)

Changes in the present value of defined benefit obligations were as follows:	2018 £'000	2017 £'000
At 1 September 2017	3,116	2,596
Current service cost	389	316
Interest cost	82	58
Employee contributions	53	50
Actuarial loss	(382)	109
Benefits paid	(13)	(13)
At 31 August 2018	3,245	3,116

Changes in the fair value of the Academy's share of scheme assets:	2018 £'000	2017 £'000
At 1 September 2017	1,198	924
Interest income	34	22
Actuarial gain	47	75
Employer contributions	164	140
Employee contributions	53	50
Benefits paid	(13)	(13)
At 31 August 2018	1,483	1,198

20 Related party transactions

Owing to the nature of the School's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the School's financial regulations and normal procurement procedures.

The KEGS Foundation (Charity Registration Number 310861) is the freehold landlord of the School's land and buildings and the School has been granted a 125 year lease for the site. The Foundation appoints five members of the Governing Body (Directors) of the School and play an active role in the life of the School. The Foundation provides a Bursary Fund and funds the KEGS Essay Prizes and other annual prizes. In the past, and potentially in the future, the Foundation has played a role generating financial support for capital and other projects on behalf of the School. In addition, the Foundation donates a number of prizes and awards and a number of bursaries directly to pupils of the school.

For the year ended 31 August 2018, the School made rent payments to the Foundation of £20,000 (2017 - £20,000) and were paid donations of £75,000 (2017 - £70,000) during the year).