

**KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD**

**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**



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**KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

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**Members**

John Aldridge  
Thomas Carter (resigned 28 February 2021)  
Jane Corsham  
Matthew Chivers (resigned 5 December 2020)  
Andrew Cristin (appointed 22 February 2021)  
Walter Hall  
Diane Hancock (Galloway) (appointed 22 February 2021)  
Gurjit Sandhu (appointed 22 February 2021)  
Mary Turner

**Trustees**

Mary Turner, Community Trustee and Chair of Trustees<sup>1</sup>  
Michael Adewole, Co-Opted Trustee  
Robert Ager, Staff Trustee<sup>1</sup>  
Christine Aldridge, Foundation Trustee  
Minal Backhouse, Parent Trustee and Vice Chair of Trustees (from 23/09/21)  
Alison Brock, Parent Trustee (resigned 5 December 2020)  
Thomas Carter, Headteacher and Accounting Officer<sup>1</sup>  
Matthew Chivers, Parent Trustee (resigned 5 December 2020)<sup>1</sup>  
Jane Corsham, Foundation Trustee and Vice Chair of Trustees (to 23/09/21) (re-appointed 22 September 2020)  
Andrew Cristin, Parent Trustee (resigned 5 December 2020)  
Matthew Fitzsimmonds-Taylor, Foundation Trustee<sup>1</sup>  
Bruce Forster, Staff Trustee  
Walter Hall, Foundation Trustee (resigned 12 February 2021)<sup>1</sup>  
Joanne Martin, Parent Trustee  
Sidra Naeem DL, Community Trustee  
Michael Nye, Co-Opted Trustee<sup>1</sup>  
Hugh Pattenden, Staff Trustee  
Laura Read, Parent Trustee<sup>1</sup>  
Alasdair Roycroft, Parent Trustee (resigned 19 November 2020)  
John Singh MBE, Co-Opted Trustee (re-appointed 8 December 2020)

<sup>1</sup> Finance, Premises, Audit & Risk Committee

**Company registered  
number**

07563345

**Company name**

King Edward VI Grammar School, Chelmsford

**Registered address**

Broomfield Road  
Chelmsford  
Essex  
CM1 3SX

**Senior leadership team**

Thomas Carter, Headteacher  
Helen Wiltshire, Deputy Headteacher  
Douglas Johnson, Deputy Headteacher  
Mark Harding, Assistant Headteacher  
Mark Perrott, Assistant Headteacher

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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Jacqueline Tomkins, School Business Manager (01/09/2020 -28/02/21)  
Helen Davis, School Business Manager (from 01/03/21)  
Jacqueline Tomkins, Chief Financial Officer (from 01/03/21)

**Independent auditors**      Griffin Chapman  
Chartered Accountants  
4&5 The Cedars, Apex 12  
Old Ipswich Road  
Colchester  
CO7 7QR

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

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

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

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2020 to 31 August 2021. 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 29 to 33 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).

The Academy Trust operates a grammar school for pupils aged 11 to 18, with pupil capacity of 1,142 and a roll of 1,122 in the school census autumn 2021.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The academy trust 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 Trustees of King Edward VI Grammar School, Chelmsford are also the directors of the charitable company for the purposes of company law. The charitable company operates as King Edward VI Grammar School, Chelmsford.

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 pages 1 and 2.

**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**

In accordance with normal commercial practice the school has purchased insurance to protect Trustees 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 (2020 - £5,000,000) for any one claim and the cost for the year ended 31 August 2021 was included within the cost of the wider RPA scheme.

**Method of Recruitment and Appointment or Election of Trustees**

During 2020/21, the number of Trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. Trustees are appointed as follows (details have been extracted from the 2011 version of Articles of Association):

- The Members may appoint 3 Community Trustees through such process as they may determine;
- 3 Staff Trustees, 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 Trustee must be employed by the Academy Trust at the time when he/she is elected;
- The total number of Trustees (including the Headteacher) who are employees of the Academy Trust shall not exceed one third of the total number of Trustees;
- The LA may appoint the LA Trustee;
- The Headteacher shall be treated for all purposes as being an ex-officio Trustee;
- At least 2 and up to 7 Parent Trustees shall be elected by parents of registered pupils at the Academy. A Parent Trustee 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 Trustees; and

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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- The Trustees may appoint up to 3 Co-opted Trustees. A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees (including the Headteacher).

The Board reviewed the Articles of Association during 2020/21 and adopted revised Articles from 23 September 2021. The impact of the new model Articles means that the Governing Board will consist of the following Trustees/Governors:

- up to 7 appointed by the Members.
- up to 2 appointed by the Foundation.
- a minimum of 2 Parent Governors.
- the Headteacher if he/she wishes and is so appointed by the Members.
- Co-opted Trustees recruited for the skills that they can offer.

There will be no staff elected Trustees, however the Board will be able to co-opt an employee as long as the number of Trustees who are employees of the Academy Trust would not exceed one third of the total number of Trustees including the Headteacher. Existing staff Governors will complete their term of office.

During the last year no new Trustees have been recruited as the Board has allowed vacancies to reduce its size in preparation for the new structure. When an area of need is identified, Trustees, the Foundation and parents are approached for nominations. An interested person is then invited to submit a CV for consideration by the Board of Trustees and the Members, as appropriate. The same process is followed for Trustees appointed by the Members or the Foundation whose term of office will expire and who wish to stand for reappointment.

#### **Policies and Procedures Adopted for the Induction and Training of Trustees**

The Academy expects all Trustees to undertake training as appropriate to their role. New Trustees are provided with an induction programme delivered partly in-house and partly through external sources. During the year there was less external training due to COVID-19. The log of all Trustee training is kept by the Governance Professional and reviewed on a regular basis at Trustee meetings. The 2020/21 training log can be found on the Academy Trust website.

Training is also provided at one of the Trustees' meetings each term. The annual programme is structured to deliver statutory training and training informed by the Trustees' skills audit. There is sufficient scope within the training schedule to allow for reactive training.

#### **Organisational Structure**

The Trustees determine the general policy of the Academy. The day to day running of the Academy is delegated to the Headteacher, 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 Trustees, which provide for significant expenditure decisions and major capital projects to be referred to the Trustees for prior approval. The Headteacher is an ex-officio Trustee, and the Accounting Officer and attends all meetings. The School Business Manager and Chief Financial Officer are invited to attend Trustees' meetings as appropriate.

The Academy had the following organisational structure during the year:

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

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**TRUSTEES' REPORT (CONTINUED)**  
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**Arrangements for setting pay and remuneration of key management personnel**

The key management personnel of the school are considered to be the Trustees and Senior Leadership Team as listed on pages 1 and 2. Remuneration of the Senior Leadership Team is set by the Board of Trustees with reference to national pay scales, informed by sub-committees as necessary. Trustees 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.

**Related Parties and other Connected Charities and Organisations**

**The KEGS Foundation (Charity Registration Number 310861)**

The organisation is the freehold landlord of the Academy's land and buildings. The Foundation nominate one Member and are represented on the Trust Board (Foundation Trustees) of the school and play an active role in the life of the Academy. The Foundation provides a Bursary Fund and funds many annual prizes, including the KEGS Essay Prizes, as well as grants to support school activities. The Foundation has also previously generated 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) and CSSE staff are employed by KEGS. 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.

**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 Headteachers which engages in a range of brokering activities for school-to-school support. Through this, KEGS is also a member of the Association of Secondary Headteachers in Essex (ASHE) itself.

**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 2021 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% 7/8/9 at GCSE.

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**TRUSTEES' REPORT (CONTINUED)**  
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**OBJECTIVES, STRATEGIES AND ACTIVITIES**

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

**OVER-ARCHING**

Recovering from lockdown – emotional and pedagogical steps towards this.

Being ready for inspection – particularly in terms of schemes of work.

Having good contingencies – organisational (full or partial shutdown), educational and financial.

Ensuring that new colleagues and pupils are suitably welcomed and involved after a difficult Summer 2020.

**TEACHING AND LEARNING**

Checking progress and understanding for all groups and ensuring that students facing public exams in Summer 2021 were ready.

Ensuring that schemes of work and assessment systems were fully in place.

Continuing to engage in research evidenced practice, for example through the KEGS bulletins.

Remote learning securely in place for all eventualities.

**THE BROADER CURRICULUM**

Seeking to keep the extra-curricular programme going as well as possible (moving online where needed).

Trying to restart trips.

**HEALTHY LIFE, GOOD CONDUCT**

Continued to work on and improve equalities, safeguarding, mental health and wellbeing provision.

Equalities training for staff and an anti-racism programme in school.

Behaviour and conduct – aiming for consistency across the school.

**DEVELOPING SYSTEMS AND ENVIRONMENT**

Ensuring that processes as regards new Financial Regulations were embedded and followed.

Tight budget monitoring and monthly reporting followed.

All risk assessments were up to date.

Re-started lettings as appropriate.

Complete site works at the front to ensure that safeguarding survey recommendations have been implemented.

Fire safety work, electrical work and tree work completed.

Vericool updated (contactless card system).

All Covid19 measures in place and understood by all.

**Public Benefit**

The provision of outstanding education at King Edward VI Grammar School, Chelmsford is for public benefit. In addition, the academy's outreach work, for example in Maths, Drama and PE provides a public benefit - and the provision of facilities (such as the Hall or the Sports Hall) to local organisations and clubs also provides a public benefit. The Trustees have therefore 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 - although some of the outreach work or provision of facilities has been limited by the COVID-19 pandemic.

**STRATEGIC REPORT**

**Achievement and Performance**

**Examination Results of 2021**

The school achieved both of its headline goal exam targets (at A level and GCSE). However, this is in the national context of exams being cancelled and grades being decided by schools, using evidence from tests and exams taken in school. We have agreed with other local schools not to publish exam statistics, in view of the particular circumstances of summer 2021. However, it is certainly true that our success in enabling students to move on to courses or employment of their choice continued. In summer 2021, twenty-three students moved on to take up a place at Oxford or Cambridge and thirty-one moved on to begin courses in Medicine (or Veterinary Medicine or Dentistry).



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Capital Projects**

Following a successful 2020 Condition Improvement Fund application, the academy was able to complete fire safety improvements across the site during the year. Whilst the school did not undertake any capital projects funded by the Condition Improvement Fund in 2021, investment from Devolved Formula Capital and contributions from revenue allowed the school to enhance the site and improve Information Technology to support the delivery of remote lessons.

**Key Performance Indicators**

Using Integrated Curriculum Financial Planning (ICFP) analysis, the following key financial performance indicators were monitored by the Trustees during the year:

	<b>2021</b>	<b>2020</b>
Pupil numbers	1,122	1,121
Teacher Contact Ratio	0.77	0.755
% total revenue income:		
- Grant income	91.0%	86.0%
- Self-generated income	9.0%	14.0%
- Teaching staff	56.0%	56.2%
- Support staff	22.0%	21.1%
- Non staff spend	17.0%	21.0%

**Going Concern**

The impact of COVID-19 during the year has been considered in assessing the future operational existence of the school. Whilst there was reduced income and increased costs, the school was able to react to minimise the net financial impact.

Therefore, after making appropriate enquiries, 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, 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**

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 2021 amounted to £6,649,000 (2020 - £6,516,000) of which £5,656,000 (2020 - £5,134,000) related to the ESFA general annual grant and £25,000 (2020 - £94,000) ESFA capital grants.

In addition, the School has received other grants of £487,000 (2020 - £392,000).

The principal financial risk during the year was the impact of COVID-19 and the potential implications on pupil intake for 2021.

The unforeseen second COVID19 lockdown, 5th January 2021 - 8th March 2021, had a significant impact on catering and lettings income and whilst increased costs were seen directly linked to COVID-19 in areas such as hire of toilet units, marquee, IT and PPE, costs were also reduced in several other areas e.g. Bedford Field buses; Exams due to the rebates. The net impact was minimal to the school.

Carefully managed physical visits for parents and students were possible during the year but the experience was limited and Trustees were conscious of the potential impact on intake, particularly for the sixth form.

The School held fund balances of £9,358,000 (2020 - £9,792,000) at 31 August 2021 which includes unrestricted funds (free reserves) of £321,000 (2020 - £184,000).

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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The results for the year are shown on page 24.

**Reserves Policy**

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

The Reserves Policy identifies a free reserves figure of £200,000 (£300,000 from 2021) which Trustees feel is prudent and not excessive. Free Reserves as at 31 August 2021 were £321,000. The financial impact of COVID19, increased costs and reduced income, have been managed in the short term and Trustees will continue to monitor and manage the financial impact for the medium to long term. Following a recent IT Audit and a Condition Survey, Trustees have identified future investment will be needed from reserves in these areas.

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 2021 by £3,154,000 (2020 - £2,763,000). 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.

The restricted funds not available for general purposes of the Academy Trust totalled £12,191,000. This includes the restricted fixed asset reserve of £12,044,000 which can only be realised by the disposal of fixed assets. The trustees consider this is a suitable level of reserves in the current circumstances.

**Investment Policy**

The school aims to manage its cash balances to provide for the day-to-day operation whilst investing surplus cash funds to maximise returns. The Academy has invested surplus funds in a low risk short notice bank deposit to generate additional income.

**Principal Risks and Uncertainties**

The Board of Trustees identify, assess and mitigate risk both for the school as a whole and its operations. A Risk Register is in place which is subject to regular review and made available to all staff; the Register has been updated to consider the risk to the school presented by COVID19 and is a live document. Key members of staff and Trustees 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 key risks are assessed as:

- Future impact of COVID19 in terms of finance, student numbers and staff wellbeing;
- 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 - e.g. pensions, PAYE and NI; and
- Increased contributions on revaluations of the LGPS deficit transferred on academisation.

We aim to mitigate these risks by (respectively):

- Carefully monitoring the budget and periodically consulting staff on their wellbeing;
- 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 Department Development Plan 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.

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**FUNDRAISING**

The Academy Trust did not use any external fundraisers during the year. All fundraising undertaken during the year was monitored by the Trustees and was not impacted by COVID19.

**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. The impact of the Covid related control measures and potential duration on the future aims and activities of the school are under constant review to minimise the impact and disruption to finances and all stakeholders.

**AUDITOR**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware.
- 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.
- Trustees plan to reappoint the auditor for a further term.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on

9th December 2021

and signed on its behalf by:

*Mary Turner*

**Mary Turner**  
Chair of Trustees

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**KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD**  
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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

As Trustees, 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between King Edward VI Grammar School, Chelmsford and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met remotely 6 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mary Turner, Chair of Trustees	6	6
Michael Adewole	6	6
Robert Ager	5	6
Christine Aldridge	6	6
Minal Backhouse, Vice Chair of Trustees (from 23/09/21)	4	6
Alison Brock (resigned 5/12/20)	1	1
Thomas Carter, Headteacher and Accounting Officer	6	6
Matthew Chivers (resigned 5/12/20)	1	1
Jane Corsham, Vice Chair of Trustees (to 23/09/21)	5	6
Andrew Cristin (resigned 5/12/20)	1	1
Matthew Fitzsimmonds-Taylor	6	6
Bruce Forster	4	6
Walter Hall (resigned 12/02/21)	4	4
Joanne Martin	6	6
Sidra Naeem DL	6	6
Michael Nye	5	6
Hugh Pattenden	6	6
Laura Read	4	6
Alasdair Roycroft (resigned 19/11/20)	1	1
John Singh MBE	5	6

The Board of Trustees (the 'Board') is responsible for influencing the school's strategic direction and for holding the Headteacher and the Senior Leadership Team to account for the school's performance and overseeing the Trust's financial performance. The Board promotes the achievement and the wellbeing of the pupils.

The three core functions of the Board are set out in the Governance Handbook and are supported by requirements of Charitable and Company Law.

The key priorities for the Board over the last academic year have centred on the sustainability of the Trust and ensuring that the budget and spend were justifiable and within acceptable parameters, whilst maintaining high standards and minimising any risk and impact to the pupils' experiences, safety, and outcomes. The Board has taken into consideration the continuous unprecedented circumstances created by the outbreak of Coronavirus (COVID-19) pandemic.

As in previous years, the Board continued to monitor against each of the objectives within the School Development Plan (SDP) and was involved in the school life during and post the COVID-19 outbreak. Meetings of the Board continued as previously scheduled, but were moved to MS Teams platform, and are now starting to take place 'face to face' subject to appropriate risk assessment.

The Board formed a task and finish group to evaluate the structure and constitution of the Academy Trust and its Governing Body. Following a detailed evaluation, the process was completed in the summer term 2021 and a new set of Articles of Association alongside an updated Funding Agreement were implemented. The Academy

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

Trust is now fully compliant with the Academy Trust Handbook (2021).

The new Board structure comprises of a maximum of 7 Trustees appointed by the Members, a minimum of 2 Parent Trustees, a maximum of 2 Foundation Trustees and Co-opted Trustees. The Headteacher is also a serving Trustee as per Article 57.

In the Autumn term 2020 the Board also undertook a Skills Audit. The recommendations identified in the Skills Audit were converted into a Trustee CPD Plan. The Trustee CPD Plan contains several training sessions that had been scheduled over a period of two academic years with any additional training taking place on an ad hoc basis.

All Trustees receive the monthly financial spreadsheets together with a detailed explanation of the key issues identified. The rigorous quality of this information enables all Trustees, not only those on the FPAR Committee, to be aware of the school's financial position and to monitor the priorities and the challenges facing the school.

To ensure continuous development and high performance, the Board appointed a new internal auditor, SBM Services Ltd, and have included a Governance Review as part of the internal audit schedule for 2021-22. The aim of the Governance Review is to provide an assessment of the Board's effectiveness and provide recommendations for further improvement.

The Finance, Premises, Audit & Risk (FPAR) Committee is a sub-committee of the main Board. Its purpose is to fulfil the following responsibilities:

- To review and recommend the annual budget to the Board;
- To regularly monitor the actual expenditure and income against budget;
- To ensure the annual financial statements are produced in accordance with the requirements of the Companies Act 2006 and the DfE guidance issued to academies;
- To authorise changes to the school personnel establishment following recommendations from the Personnel Committee, and
- To review the reports of the Internal and External Auditors on the effectiveness of the financial procedures and controls. These reports are also reported to the full Board.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Robert Ager	3	3
Thomas Carter	3	3
Matthew Chivers	1	1
Matthew Fitzsimmonds-Taylor	1	3
Walter Hall	1	1
Michael Nye	3	3
Laura Read	3	3
Mary Turner	3	3

Currently, the FPAR Committee consists of 7 Trustees; 5 are voting members for the purpose of Audit and Risk function of the Committee.

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of value for money**

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

The accounting officer considers how the Academy'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 has delivered improved value for money during the year by:

- Carefully monitoring the integration between finances and curriculum to optimise efficiency for example, by considering the optimal number of classes in option subjects and arranging efficient staffing to minimise unused capacity.
- Continuing to robustly follow procurement policy to ensure best value; examples during the year include IT hardware; IT audit and site fencing.
- Use of School's National Deals, where appropriate, and the Risk Protection Assurance (RPA) scheme.

Whilst COVID-19 presented financial challenges to the Trust, reduction of income and increased costs due to COVID-19 safety measures, this did not impact on the Trust's ability to secure value for money. As a contracting authority the Trust paid regard to PPN 02/20 and PPN 04/20 but did not need to apply it.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 King Edward VI Grammar School, Chelmsford for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees.
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- setting targets to measure financial and other performance.

**KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**The risk and control framework (continued)**

- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties.
- identification and management of risks.

The Board of Trustees considered the need for a specific internal audit function and bought in an internal audit service from Juniper Education Limited.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. Several areas were tested in the current period, including:

- Payroll systems.
- Financial governance.
- Assets.

The programme for 2021 will include several non-financial areas including an audit of the sixth form funding and the single central record.

On a termly basis, the reviewer reports to the Board of Trustees through the Finance, Premises, Audit and Risk committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal auditor delivered their schedule of work as planned and did not identify any material control issues.

**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 auditors;
- the work of the School Business Manager and Chief Financial Officer who have 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, Premises, Audit and Risk committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 9th December 2021 and signed on their behalf by:

  
**Mary Turner**  
Chair of Trustees

  
**Thomas Carter**  
Accounting Officer



**KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD**  
(A company limited by guarantee)

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As accounting officer of King Edward VI Grammar School, Chelmsford I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2020.

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



**Thomas Carter**  
Accounting Officer

Date: 9 / 12 / 21

**KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD**  
**(A company limited by guarantee).**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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 then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 of Trustees on  
9th December 2021 and signed on its behalf by:



**Mary Turner**  
Chair of Trustees

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS 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 'academy') for the year ended 31 August 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council'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 financial statements are 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.

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**KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING  
EDWARD VI GRAMMAR SCHOOL, CHELMSFORD (CONTINUED)**

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**Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

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

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

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**KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING  
EDWARD VI GRAMMAR SCHOOL, CHELMSFORD (CONTINUED)**

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**Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy'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.

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**KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING  
EDWARD VI GRAMMAR SCHOOL, CHELMSFORD (CONTINUED)**

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

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

The engagement partner ensured the engagement team had the necessary skills and knowledge to identify non-compliance with applicable laws and regulations.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and for those that are most significant, we enquired into how management ensures compliance is maintained.

We identified that the principal risks of non-compliance with laws and regulations related to the DfE/ESFA regulatory industry that the Academy operates in. This affects the ability to continue trading as an Academy Trust. Other relevant laws and regulations of note include health and safety.

Enquiry and review of the entity's transactions was undertaken to highlight any instances of penalties, fines or legal activity which could suggest non-compliance with laws and regulations. There was no contradictory evidence found.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements including the Companies Act 2006, Accounts Directions and Charities SORP.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the override of delegated authorities and the misappropriation of grant funding.

In response, we incorporated testing of procurement and expenditure and any other entries at risk of falling outside of delegated authorities.

Scrutiny of unusual transactions and analytical procedures were used to help identify risk factors in monies received and expended during the year.

It is also stated, as a reminder, that the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the Trust.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD**  
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING  
EDWARD VI GRAMMAR SCHOOL, CHELMSFORD (CONTINUED)**

**Use of our report**

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Daniel M Aldworth FCCA FMAAT (Senior statutory auditor)**

**for and on behalf of Griffin Chapman**

Chartered Accountants  
Statutory Auditors  
4&5 The Cedars, Apex 12  
Old Ipswich Road  
Colchester  
CO7 7QR

Date: 14 December 2021

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**KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KING  
EDWARD VI GRAMMAR SCHOOL, CHELMSFORD AND THE EDUCATION AND SKILLS FUNDING  
AGENCY**

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In accordance with the terms of our engagement letter dated 23 December 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by King Edward VI Grammar School, Chelmsford during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to King Edward VI Grammar School, Chelmsford and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to King Edward VI Grammar School, Chelmsford and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than King Edward VI Grammar School, Chelmsford and 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 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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



**KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD**  
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KING  
EDWARD VI GRAMMAR SCHOOL, CHELMSFORD AND THE EDUCATION & SKILLS FUNDING AGENCY  
(CONTINUED)**

**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's income and expenditure.

The work undertaken comprised:

- a) Analytical review as part of the consideration of whether general activities of the academy trust are within the academy trusts framework of authorities
- b) Confirmation that items have been appropriately authorised in accordance with the academy trust's delegated authorities. Confirmation that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education.
- c) Performing of sample testing of expenditure & procurement and review against specific terms of grant funding within the funding agreement.
- d) Review and testing of the systems surrounding the management of related party transactions.
- e) Consideration of governance activities in line with ESFA expectations.

The extent of work performed was based upon our professional judgement, informed by the assessment of the risk of material irregularity, impropriety and non-compliance.

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

  
Mr Daniel Aldworth (Reporting Accountant)  
for and on behalf of Griffin Chapman  
Chartered Accountants

4&5 The Cedars, Apex 12  
Old Ipswich Road  
Colchester  
CO7 7QR

Date: 14 December 2021

**KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2021**

		Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	As restated Total funds 2020 £000
	Note					
<b>Income from:</b>						
Donations and capital grants	3	128	-	25	153	233
Charitable activities:	4					
Funding for the academy trust's educational operations		18	6,364	-	6,382	6,022
Other trading activities	6	114	-	-	114	260
Investments	7	-	-	-	-	1
<b>Total income</b>		<b>260</b>	<b>6,364</b>	<b>25</b>	<b>6,649</b>	<b>6,516</b>
<b>Expenditure on:</b>						
Charitable activities:	9					
Academy trust's educational operations		123	6,483	422	7,028	6,925
<b>Total expenditure</b>		<b>123</b>	<b>6,483</b>	<b>422</b>	<b>7,028</b>	<b>6,925</b>
<b>Net income/(expenditure)</b>		<b>137</b>	<b>(119)</b>	<b>(397)</b>	<b>(379)</b>	<b>(409)</b>
Transfers between funds	21	-	(73)	73	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>137</b>	<b>(192)</b>	<b>(324)</b>	<b>(379)</b>	<b>(409)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	28	-	(55)	-	(55)	(63)
<b>Net movement in funds</b>	21	<b>137</b>	<b>(247)</b>	<b>(324)</b>	<b>(434)</b>	<b>(472)</b>

**KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
(CONTINUED)  
**FOR THE YEAR ENDED 31 AUGUST 2021**

		Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	As restated Total funds 2020 £000
	Note					
<b>Reconciliation of funds:</b>						
Total funds brought forward as previously stated	21	184	(2,738)	12,368	9,814	10,264
Prior year adjustment	32	-	(22)	-	(22)	-
Total funds brought forward as restated	21	184	(2,760)	12,368	9,792	10,264
Net movement in funds	21	137	(247)	(324)	(434)	(472)
<b>Total funds carried forward</b>	21	<b>321</b>	<b>(3,007)</b>	<b>12,044</b>	<b>9,358</b>	<b>9,792</b>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 29 to 57 form part of these financial statements.

**KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD**

**(A company limited by guarantee)**

**REGISTERED NUMBER: 07563345**

**BALANCE SHEET  
AS AT 31 AUGUST 2021**

	<b>Note</b>	<b>2021 £000</b>	<b>2021 £000</b>	<i>As restated 2020 £000</i>	<i>As restated 2020 £000</i>
<b>Fixed assets</b>					
Tangible assets	15		<b>12,044</b>		<b>12,368</b>
			<b>12,044</b>		<b>12,368</b>
<b>Current assets</b>					
Stocks	16	<b>10</b>		<b>11</b>	
Debtors	17	<b>138</b>		<b>179</b>	
Cash at bank and in hand		<b>753</b>		<b>798</b>	
		<b>901</b>		<b>988</b>	
Creditors: amounts falling due within one year	18	<b>(216)</b>		<b>(556)</b>	
<b>Net current assets</b>			<b>685</b>		<b>432</b>
<b>Total assets less current liabilities</b>			<b>12,729</b>		<b>12,800</b>
Creditors: amounts falling due after more than one year	19		<b>(217)</b>		<b>(245)</b>
<b>Net assets excluding pension liability</b>			<b>12,512</b>		<b>12,555</b>
Defined benefit pension scheme liability	28		<b>(3,154)</b>		<b>(2,763)</b>
<b>Total net assets</b>			<b>9,358</b>		<b>9,792</b>
<b>Funds of the Academy</b>					
<b>Restricted funds:</b>					
Fixed asset funds	21	<b>12,044</b>		<b>12,368</b>	
Restricted income funds	21	<b>147</b>		<b>3</b>	
Restricted funds excluding pension asset	21	<b>12,191</b>		<b>12,371</b>	
Pension reserve	21	<b>(3,154)</b>		<b>(2,763)</b>	
<b>Total restricted funds</b>	21		<b>9,037</b>		<b>9,608</b>
<b>Unrestricted income funds</b>	21		<b>321</b>		<b>184</b>
<b>Total funds</b>			<b>9,358</b>		<b>9,792</b>

**KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD**  
(A company limited by guarantee)  
REGISTERED NUMBER: 07563345

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2021**

The financial statements on pages 24 to 57 were approved by the Trustees, and authorised for issue on  
9th December 2021 and are signed on their behalf, by:

*Mary Turner*

**Mary Turner**  
Chair of Trustees

The notes on pages 29 to 57 form part of these financial statements.

**KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £000	2020 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	23	61	39
<b>Cash flows from investing activities</b>	25	(72)	1
<b>Cash flows from financing activities</b>	24	(34)	(34)
Cash and cash equivalents at the beginning of the year		798	792
<b>Cash and cash equivalents at the end of the year</b>	26, 27	<u>753</u>	<u>798</u>

The notes on pages 29 to 57 form part of these financial statements

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**KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD**  
**(A company limited by guarantee)**

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

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**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

King Edward VI Grammar School, Chelmsford meets the definition of a public benefit entity under FRS 102.

**1.2 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 Academy 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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**KING EDWARD VI GRAMMAR SCHOOL, CHELMSFORD**  
**(A company limited by guarantee)**

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

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**1. Accounting policies (continued)**

**1.3 Income**

All incoming resources are recognised when the Academy 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 year is deducted from income and recognised as a liability.

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

- **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 year it is receivable and to the extent the Academy has provided the goods or services.

**1.4 Expenditure**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.



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**1. Accounting policies (continued)**

**1.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**1.6 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 basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Long-term leasehold property	- 2 -10% per annum
Furniture and equipment	- 6.67 - 25% per annum
Computer equipment	- 33.3% per annum
Motor vehicles	- 6.67 - 25% per annum

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.

**1.7 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.8 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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**1. Accounting policies (continued)**

**1.9 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.10 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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**1.11 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments.

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.12 Operating leases**

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**1. Accounting policies (continued)**

**1.13 Pensions**

Retirement benefits to employees of the Academy 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 so as to spread the cost of pensions over employees' working lives with the Academy 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. 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 in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**1.14 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

Investment income, gains and losses are allocated to the appropriate fund.

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**2. Critical accounting estimates and areas of judgment**

Estimates and judgments 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 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**3. Income from donations and capital grants**

	Unrestricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Donations	128	-	128	139
Capital Grants	-	25	25	94
	<u>128</u>	<u>25</u>	<u>153</u>	<u>233</u>
<i>Total 2020</i>	<u>139</u>	<u>94</u>	<u>233</u>	

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**4. Income from charitable activities**

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Academy trust educational operations	-	6,143	6,143	5,526
Catering	-	221	221	215
Trips	18	-	18	281
	<u>18</u>	<u>6,364</u>	<u>6,382</u>	<u>6,022</u>
<i>Total 2020</i>	<u>-</u>	<u>6,022</u>	<u>6,022</u>	

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**5. Funding for the Academy's academy trust educational operations**

	<b>Restricted funds 2021 £000</b>	<b>Total funds 2021 £000</b>	<i>Total funds 2020 £000</i>
<b>DfE/ESFA grants</b>			
General Annual Grant	5,656	<b>5,656</b>	5,134
Teachers Pay and Pension Grants	299	<b>299</b>	295
Other DfE/ESFA Grants	57	<b>57</b>	49
Pupil Premium Grant	20	<b>20</b>	19
	-	<b>6,032</b>	5,497
<b>Other Government grants</b>			
Local Authority SEN	19	<b>19</b>	21
	19	<b>19</b>	21
<b>COVID-19 additional funding (DfE/ESFA)</b>			
Catch-up Premium	60	<b>60</b>	-
Covid Testing Grant	32	<b>32</b>	-
	92	<b>92</b>	-
<b>COVID-19 additional funding (non-DfE/ESFA)</b>			
Coronavirus Job Retention Scheme grant	-	-	8
	-	-	8
	<b>6,143</b>	<b>6,143</b>	5,526
<i>Total 2020</i>	5,526	5,526	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy received £60,080 for catch-up premium and costs incurred in respect of this funding totalled £40,857, with the remaining £19,145 to be spent in 2021/22.

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**6. Income from other trading activities**

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Hire of facilities/lettings	55	55	98
Miscellaneous income	59	59	162
	<u>114</u>	<u>114</u>	<u>260</u>
<i>Total 2020</i>	<u>260</u>	<u>260</u>	

**7. Investment income**

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Bank interest	-	-	1
	<u>1</u>	<u>1</u>	
<i>Total 2020</i>	<u>1</u>	<u>1</u>	

**8. Expenditure**

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000	Total 2020 £000
Academy trust educational operations:					
Direct costs	4,235	422	201	4,858	4,593
Allocated support costs	1,224	370	576	2,170	2,332
	<u>5,459</u>	<u>792</u>	<u>777</u>	<u>7,028</u>	<u>6,925</u>
<i>Total 2020</i>	<u>5,171</u>	<u>729</u>	<u>1,025</u>	<u>6,925</u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. Expenditure (continued)**

**9. Analysis of expenditure on charitable activities**

**Summary by fund type**

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Academy trust educational operations	123	6,905	7,028	6,925
<i>Total 2020</i>	186	6,739	6,925	

**10. Analysis of expenditure by activities**

	Activities undertaken directly 2021 £000	Support costs 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Academy trust educational operations	4,858	2,170	7,028	6,925
<i>Total 2020</i>	4,593	2,332	6,925	



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**10. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	Academy trust educational operations 2021 £000	Total funds 2021 £000	As restated Total funds 2020 £000
Staff costs	4,235	4,235	4,015
Depreciation	422	422	397
Educational supplies	34	34	18
Examination fees	126	126	137
Staff development	9	9	10
Educational consultancy	4	4	2
Other direct costs	28	28	14
	<u>4,858</u>	<u>4,858</u>	<u>4,593</u>
<i>Total 2020 as restated</i>	<u>4,593</u>	<u>4,593</u>	

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**10. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	Academy trust educational operations 2021 £000	Total funds 2021 £000	As restated Total funds 2020 £000
Pension finance costs	42	42	27
Staff costs	1,224	1,224	1,156
Technology costs	101	101	67
Premises costs	370	370	332
Legal - other	4	4	1
Other support costs	410	410	686
Governance	13	13	56
Loan interest	6	6	7
	<u>2,170</u>	<u>2,170</u>	<u>2,332</u>
<i>Total 2020 as restated</i>	<u>2,332</u>	<u>2,332</u>	

**11. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2021 £000	2020 £000
Operating lease rentals	29	26
Depreciation of tangible fixed assets	421	397
Fees paid to auditors for:		
- audit	7	9
- other services	3	3
	<u>7</u>	<u>3</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2021</b>	<i>As restated</i> <b>2020</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	3,896	3,733
Social security costs	374	362
Pension costs	1,171	1,067
	<u>5,441</u>	<u>5,162</u>
Agency staff costs	18	9
	<u><u>5,459</u></u>	<u><u>5,171</u></u>

Staff restructuring costs comprise:

**b. Staff numbers**

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Teachers	80	74
Administration and support	74	70
Management	7	6
	<u>161</u>	<u>150</u>

The average headcount expressed as full-time equivalents was:

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Teachers	63	58
Administration and support	45	45
Management	6	6
	<u>114</u>	<u>109</u>

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**12. Staff (continued)**

**c. Higher paid staff**

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	4	3
In the band £70,001 - £80,000	-	1
In the band £100,001 - £110,000	1	1

**d. Key management personnel**

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £602,831 (2020 £575,217).

**13. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. 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. The value of Trustees' remuneration and other benefits was as follows:

		2021 £000	2020 £000
Thomas Carter, Headteacher	Remuneration	105 - 110	100 - 105
	Pension contributions paid	25 - 30	20 - 25
Hugh Pattenden, Staff Trustee	Remuneration	45 - 50	45 - 50
	Pension contributions paid	10 - 15	10 - 15
Robert Ager, Staff Trustee	Remuneration	40 - 45	40 - 45
	Pension contributions paid	10 - 15	10 - 15
Bruce Forster, Staff Trustee	Remuneration	15 - 20	15 - 20
	Pension contributions paid	0 - 5	0 - 5

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

**14. Trustees' and Officers' insurance**

The school has opted into the Department of 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 membership.

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**15. Tangible fixed assets**

	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
<b>Cost or valuation</b>					
At 1 September 2020	14,321	369	228	25	14,943
Additions	8	64	26	-	98
At 31 August 2021	14,329	433	254	25	15,041
<b>Depreciation</b>					
At 1 September 2020	2,132	246	176	21	2,575
Charge for the year	352	43	23	4	422
At 31 August 2021	2,484	289	199	25	2,997
<b>Net book value</b>					
At 31 August 2021	11,845	144	55	-	12,044
At 31 August 2020	12,189	123	52	4	12,368

The leasehold buildings are occupied under a 125 year lease which commenced on 1 April 2011 at a current rent of £20,000 per annum.

**16. Stocks**

	2021 £000	2020 £000
Finished goods and goods for resale	10	11

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**17. Debtors**

	2021 £000	2020 £000
<b>Due within one year</b>		
Trade debtors	19	25
Prepayments and accrued income	99	133
Tax recoverable	20	21
	<u>138</u>	<u>179</u>

**18. Creditors: Amounts falling due within one year**

	2021 £000	<i>As restated</i> 2020 £000
Other loans	28	28
Trade creditors	66	152
Other taxation and social security	-	94
Other creditors	13	115
Accruals and deferred income	109	167
	<u>216</u>	<u>556</u>

	2021 £000	2020 £000
Deferred income at 1 September 2020	103	186
Resources deferred during the year	56	103
Amounts released from previous periods	(103)	(186)
	<u>56</u>	<u>103</u>

The deferred income balance relates to grants received for the year ending 31 August 2022, income received in the year for school trips, events and student meals that are taking place in the year ended 31 August 2022.

**19. Creditors: Amounts falling due after more than one year**

	2021 £000	<i>As restated</i> 2020 £000
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**19. Creditors: Amounts falling due after more than one year (continued)**

	<b>2021</b>	<i>As restated</i>
	<b>£000</b>	<i>2020</i>
		<i>£000</i>
Other loans	<b>217</b>	<i>245</i>

The loan balance shown in creditors within and after one year is a CIF loan received from the ESFA. The loan is part of a wider funding package for the cost of a new sports hall part funded by a capital grant. Interest is charged at 2.1%, with repayments being made between 2019 and 2029. The total approved loan is for £300,000. The balances recognised above represent the amount of the loan funding outstanding at the year end.

Included within the above are amounts falling due as follows:

	<b>2021</b>	<i>As restated</i>
	<b>£000</b>	<i>2020</i>
		<i>£000</i>
<b>Between one and two years</b>		
Other loans	<b>29</b>	<i>28</i>
<b>Between two and five years</b>		
Other loans	<b>91</b>	<i>89</i>
<b>Over five years</b>		
Other loans	<b>97</b>	<i>128</i>

Amounts above falling due after 5 years are repayable by monthly instalments.

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**20. Financial instruments**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	<b>753</b>	<b>798</b>
Financial assets that are debt instruments measured at amortised cost	<b>73</b>	<b>117</b>
	<b>826</b>	<b>915</b>
	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Financial liabilities</b>		
Financial liabilities shown at amortised cost	<b>434</b>	<b>704</b>

Financial assets measured at fair value through income and expenditure comprise bank and cash balances

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, loans and other creditors.



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**21. Statement of funds**

	As restated Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
<b>Unrestricted funds</b>						
General Funds - all funds	184	260	(123)	-	-	321
<b>Restricted general funds</b>						
General Annual Grant	-	6,013	(5,830)	(73)	-	110
Pupil Premium	3	20	(21)	-	-	2
Catch-up premium	-	60	(41)	-	-	19
Other DfE/ESFA COVID-19 funding	-	32	(16)	-	-	16
Other restricted income	-	239	(239)	-	-	-
Pension reserve	(2,763)	-	(336)	-	(55)	(3,154)
	<b>(2,760)</b>	<b>6,364</b>	<b>(6,483)</b>	<b>(73)</b>	<b>(55)</b>	<b>(3,007)</b>
<b>Restricted fixed asset funds</b>						
Transfer on conversion	6,056	-	(229)	-	-	5,827
DfE/ESFA grants	5,261	25	(157)	73	-	5,202
Funded from GAG	889	-	(18)	-	-	871
Private sector capital sponsorship	162	-	(18)	-	-	144
	<b>12,368</b>	<b>25</b>	<b>(422)</b>	<b>73</b>	<b>-</b>	<b>12,044</b>

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**21. Statement of funds (continued)**

	As restated Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
<b>Total Restricted funds</b>	<b>9,608</b>	<b>6,389</b>	<b>(6,905)</b>	<b>-</b>	<b>(55)</b>	<b>9,037</b>
<b>Total funds</b>	<b>9,792</b>	<b>6,649</b>	<b>(7,028)</b>	<b>-</b>	<b>(55)</b>	<b>9,358</b>

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

The General Annual Grant must be used for the normal running costs and operational activities of the academy. The academy trust is not subject to GAG carry forward limits.

Pupil premium fund includes all income and expenditure in relation to the pupil premium grant.

Other restricted grants are DFE/ESFA and other government grants which are used to support teaching and learning in the academy.

The pension reserve represents the academy's share of the deficit on the Essex Pension Fund LGPS pension scheme.

The restricted fixed asset fund represents the cost or valuation of fixed assets held by the academy trust and any unspent capital grant income.

Unrestricted funds are those arising from unrestricted activities and can be applied for any purpose.

During the year £73,000 was transferred to fixed asset funds from restricted funds. This is capital expenditure met from GAG.

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**21. Statement of funds (continued)**

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	As restated Balance at 31 August 2020 £000
<b>Unrestricted funds</b>						
General Funds - all funds	54	400	(186)	(84)	-	184
<b>Restricted general funds</b>						
General Annual Grant	(15)	5,183	(5,184)	16	-	-
Pupil Premium	3	19	(22)	3	-	3
Other grants	29	820	(849)	-	-	-
Pension reserve	(2,413)	-	(287)	-	(63)	(2,763)
	(2,396)	6,022	(6,342)	19	(63)	(2,760)
<b>Restricted fixed asset funds</b>						
Transfer on conversion	6,285	-	(229)	-	-	6,056
DfE/ESFA grants	5,234	94	(132)	65	-	5,261
Funded from GAG	907	-	(18)	-	-	889
Private sector capital sponsorship	180	-	(18)	-	-	162
	12,606	94	(397)	65	-	12,368
<b>Total Restricted funds</b>	10,210	6,116	(6,739)	84	(63)	9,608
<b>Total funds</b>	10,264	6,516	(6,925)	-	(63)	9,792

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**22. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	12,044	12,044
Current assets	321	580	-	901
Creditors due within one year	6	(222)	-	(216)
Creditors due in more than one year	(6)	(211)	-	(217)
Provisions for liabilities and charges	-	(3,154)	-	(3,154)
<b>Total</b>	<b>321</b>	<b>(3,007)</b>	<b>12,044</b>	<b>9,358</b>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2020 £000	As restated Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	As restated Total funds 2020 £000
Tangible fixed assets	-	-	12,368	12,368
Current assets	200	788	-	988
Creditors due within one year	6	(562)	-	(556)
Creditors due in more than one year	(6)	(239)	-	(245)
Provisions for liabilities and charges	-	(2,763)	-	(2,763)
<b>Total As restated</b>	<b>200</b>	<b>(2,776)</b>	<b>12,368</b>	<b>9,792</b>

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**23. Reconciliation of net expenditure to net cash flow from operating activities**

	<b>2021</b>	<i>As restated</i> <b>2020</b>
	<b>£000</b>	<b>£000</b>
Net expenditure for the year (as per Statement of financial activities)	<b>(379)</b>	<b>(409)</b>
<b>Adjustments for:</b>		
Depreciation	<b>422</b>	397
Capital grants from DfE and other capital income	<b>(26)</b>	(159)
Interest receivable	-	(1)
Defined benefit pension scheme administration cost	<b>1</b>	-
Defined benefit pension scheme cost less contributions payable	<b>293</b>	244
Defined benefit pension scheme finance cost	<b>42</b>	43
Decrease/(increase) in stocks	<b>1</b>	(11)
Decrease in debtors	<b>41</b>	29
Decrease in creditors	<b>(340)</b>	(101)
Interest payable	<b>6</b>	7
<b>Net cash provided by operating activities</b>	<b>61</b>	<b>39</b>

**24. Cash flows from financing activities**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Repayments of borrowing	<b>(34)</b>	(34)
<b>Net cash used in financing activities</b>	<b>(34)</b>	(34)

**25. Cash flows from investing activities**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Dividends, interest and rents from investments	-	1
Purchase of tangible fixed assets	<b>(98)</b>	(159)
Capital grants from DfE Group	<b>26</b>	159
<b>Net cash (used in)/provided by investing activities</b>	<b>(72)</b>	<b>1</b>

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**26. Analysis of cash and cash equivalents**

	2021 £000	2020 £000
Cash in hand and at bank	753	798
<b>Total cash and cash equivalents</b>	<b>753</b>	<b>798</b>

**27. Analysis of changes in net debt**

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	798	(45)	753
Debt due within 1 year	(28)	-	(28)
Debt due after 1 year	(245)	28	(217)
	<b>525</b>	<b>(17)</b>	<b>508</b>

**28. Pension commitments**

The Academy'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 2016 and of the LGPS 31 March 2019.

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 full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

**NOTES TO THE FINANCIAL STATEMENTS  
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**28. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed 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 year amounted to £672,024 (2020 - £635,736).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £288,000 (2020 - £261,000), of which employer's contributions totalled £225,000 (2020 - £202,000) and employees' contributions totalled £ 63,000 (2020 - £59,000). The agreed contribution rates for future years are 21.7 per cent for employers and 5.5-12.5 per cent for employees.

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

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**28. Pension commitments (continued)**

**Principal actuarial assumptions**

	<b>2021</b>	<b>2020</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	<b>3.90</b>	3.30
Rate of increase for pensions in payment/inflation	<b>2.9</b>	2.30
Discount rate for scheme liabilities	<b>1.65</b>	1.60
Inflation assumption (CPI)	<b>2.9</b>	2.30

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

	<b>2021</b>	<b>2020</b>
	<b>Years</b>	<b>Years</b>
<i>Retiring today</i>		
Males	<b>21.6</b>	21.8
Females	<b>23.6</b>	23.8
<i>Retiring in 20 years</i>		
Males	<b>22.9</b>	23.2
Females	<b>25.1</b>	25.2

**Sensitivity analysis**

	<b>2021</b>	<i>As restated</i> <b>2020</b>
	<b>£000</b>	<b>£000</b>
Discount rate +0.1%	<b>141</b>	114
Discount rate -0.1%	<b>(145)</b>	(117)
Mortality assumption - 1 year increase	<b>(242)</b>	(182)
Mortality assumption - 1 year decrease	<b>233</b>	175
CPI rate +0.1%	<b>(13)</b>	(11)
CPI rate -0.1%	<b>13</b>	11

**Share of scheme assets**



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**28. Pension commitments (continued)**

The Academy's share of the assets in the scheme was:

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Equities	<b>1,846</b>	<i>1,320</i>
Gilts	<b>73</b>	<i>91</i>
Corporate bonds	<b>134</b>	<i>119</i>
Property	<b>201</b>	<i>165</i>
Cash and other liquid assets	<b>80</b>	<i>58</i>
Other	<b>549</b>	<i>376</i>
<b>Total market value of assets</b>	<b>2,883</b>	<i>2,129</i>

The actual return on scheme assets was £516,000 (2020 - £52,000).

The amounts recognised in the Statement of financial activities are as follows:

	<b>2021</b>	<i>As restated 2020</i>
	<b>£000</b>	<i>£000</i>
Current service cost	<b>518</b>	<i>445</i>
Interest income	<b>(36)</b>	<i>(36)</i>
Interest cost	<b>78</b>	<i>79</i>
Administrative expenses	<b>1</b>	<i>1</i>
<b>Total amount recognised in the Statement of financial activities</b>	<b>561</b>	<i>489</i>

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

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
<b>At 1 September</b>	<b>4,892</b>	<i>4,253</i>
Current service cost	<b>518</b>	<i>445</i>
Interest cost	<b>78</b>	<i>79</i>
Employee contributions	<b>63</b>	<i>59</i>
Actuarial losses	<b>535</b>	<i>92</i>
Benefits paid	<b>(49)</b>	<i>(36)</i>
<b>At 31 August</b>	<b>6,037</b>	<i>4,892</i>

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**28. Pension commitments (continued)**

Changes in the fair value of the Academy's share of scheme assets were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 September</b>	<b>2,129</b>	<b>1,840</b>
Interest income	36	36
Actuarial gains	480	29
Employer contributions	225	202
Employee contributions	63	59
Benefits paid	(49)	(36)
Administration expenses	(1)	(1)
<b>At 31 August</b>	<b>2,883</b>	<b>2,129</b>

**29. Operating lease commitments**

At 31 August 2021 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Not later than 1 year	28	27
Later than 1 year and not later than 5 years	50	84
Later than 5 years	1,094	1,100
	<b>1,172</b>	<b>1,211</b>

**30. 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**31. Related party transactions**

Owing to the nature of the Academy 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. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

The KEGS Foundation (Charity Registration Number 310861) is the freehold landlord of the Academy's land and buildings and the Academy has been granted 125 year lease for the site. The Foundation appoints five members of the Governing Body (Directors) of the Academy (from September 2021 reduced to two) and play an active role in the life of the School. The Foundation provides a Bursary Fund and funds the KRGS Essay Prizes and other annual prizes. In the past and potentially in the future, the Foundation has played a role in generating financial support for capital and other projects on behalf of the Academy. In addition the Foundation donates a number of prizes and awards and a number of bursaries directly to the pupils of the school.\*

For the year ended 31 August 2021, the School made rent payments to the Foundation of £20,000 (2020 -£20,000) and received donations of £Nil (2020 - £75,703) from the Foundation.

**32. Prior year adjustments**

A prior year adjustment has been made to correctly state the CIF loan balance and interest charged on the loan in the prior year.

**33. Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the academy trust received £16,492 and disbursed £9,987 from the fund. An amount of £6,505 is included in other creditors relating to undistributed funds that is repayable to ESFA. Comparatives for the accounting period ending 31 August 2020 are £13,194 received, £8,340 disbursed and £4,854 included in other creditors.