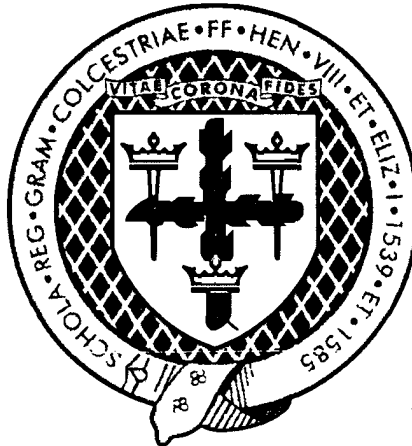


# COLCHESTER ROYAL GRAMMAR SCHOOL

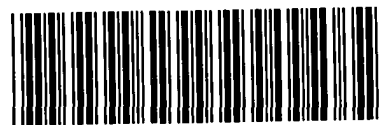
(A company limited by guarantee)

## ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019



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**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**CONTENTS**

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	Page
<b>Reference and administrative details</b>	1 - 2
<b>Trustees' report</b>	3 - 11
<b>Governance statement</b>	12 - 15
<b>Statement on regularity, propriety and compliance</b>	16
<b>Statement of Trustees' responsibilities</b>	17
<b>Independent auditors' report on the financial statements</b>	18 - 20
<b>Independent reporting accountant's report on regularity</b>	21 - 22
<b>Statement of financial activities incorporating income and expenditure account</b>	23 - 24
<b>Balance sheet</b>	25 - 26
<b>Statement of cash flows</b>	27
<b>Notes to the financial statements</b>	28 - 56

<p><b>COLCHESTER ROYAL GRAMMAR SCHOOL</b> <b>(A company limited by guarantee)</b></p>
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**REFERENCE AND ADMINISTRATIVE DETAILS**

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**Members**

Mr J R Russell  
Dr J G Tillet MBE  
Mr J C Johnston  
Mrs J Owens  
Mr P Roberts  
Mrs G A Barritt  
Mrs J Perry  
Mr R A Crayston

**Trustees**

Mr J Russell, Headmaster & Accounting Officer  
Mr P Roberts  
Mrs D M Hoy  
Mr R T Neale<sup>1</sup>  
Mr R A Crayston  
Mr G Constantinides  
Mrs E Anning (appointed 11 December 2018)  
Mr J Carter (appointed 23 January 2019)  
Mrs S Azarmi  
Mr I Ross (resigned 21 November 2019)<sup>1</sup>  
Mr D Ratcliffe<sup>1</sup>  
Mr P Hoddell  
Mrs G A Barritt, Vice Chair  
Mr I Turner  
Mr M Elliff (resigned 31 March 2019)  
Mrs J Owens  
Mr J C Johnston  
Mrs J Perry, Chair  
Dr J G Tillet MBE

<sup>1</sup> Staff Trustee

**Company registered number** 7769103

**Company name** Colchester Royal Grammar School

**Principal and registered office** 6 Lexden Road  
Colchester  
Essex  
CO3 3ND

**Company secretary** A Jennings

**Clerk to the Trustees** J Tompkins

**Senior management team**

J Russell, Headmaster  
D Chart-Boyles, Deputy Headteacher  
A Livingston, Assistant Headteacher  
R Adams, Assistant Headteacher  
A Jennings, Business Manager

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**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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<b>Independent auditors</b>	Griffin Chapman Chartered Accountants Statutory Auditors 4 & 5 The Cedars Apex 12 Old Ipswich Road Colchester Essex CO7 7QR
<b>Bankers</b>	Lloyds Bank 27 High Street Colchester Essex CO1 1DU  Virgin Money Jubilee House Gosforth Newcastle upon Tyne NE3 4PL
<b>Solicitors</b>	Veale Wasborough Vizards Orchard Court Orchard Lane Bristol Essex BS1 5WS  Birkett Long 42 Crouch Street Colchester Essex CO3 3HH

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**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

**Principal Activities**

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

With regard to its objects, Colchester Royal Grammar School provides a broad and balanced curriculum for the benefit of the public and offers, as a selective school, an appropriate education for academically able students between the ages of 11 and 18. The education provided is within an ethos broadly based on Christian values. Most of the Academy's students live within a one-hour radius of the school, and the Academy principally serves the inhabitants of Colchester, Essex and South Suffolk. The Academy educates boys throughout the 11-18 age range and admits girls into the Sixth Form. Colchester Royal Grammar School is a state boarding school and has a small boarding section for sixth form students, which attracts applicants from UK and European passport holders from all over the world.

Entry to this selective grammar school at all levels is based on academic ability. The Academy cares for its students and about their progress and development, and it provides a strong pastoral structure as well as a varied extracurricular programme alongside its academic curriculum. The Academy actively promotes traditional values such as respect, consideration for others and courtesy, and expects high standards of behaviour and appearance from all at the school. The Academy's principal priority is the academic achievement of its students. The Academy has specialist status for Science (including Mathematics) and Languages and, as an Academy, it actively supports the wider community, and in particular, it supports the work of a cluster of local primary schools. The Academy is conscious of its wider community responsibilities, plays a significant role in community cohesion and offers members of the community educational and life-enhancing opportunities and services.

It had a roll of 953 in the school census in May 2019.

**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 Colchester Royal Grammar School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Colchester Royal Grammar School.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

**Members' Liability**

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

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**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Trustees' Indemnities**

In accordance with normal practice, the Academy Trust has purchased insurance to protect the Trustees and officers from claims arising from negligent acts errors or omissions whilst on school business. The cover under the policy is £5 million. In the period under review, no claims were made against the insurance.

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

The Constitution of the Governing Body:

<b>Category of Trustee</b>	<b>Maximum number appointed</b>	<b>Method of appointment</b>
Foundation	5	Elected by members
Parent	7	Elected by parents of pupils
Teaching Staff	2	Elected by teaching staff
Support Staff	1	Elected by support staff
LEA	1	Appointed by LA
Co-opted	3	Appointed by Governing Body
Headmaster	1	Ex officio

The above table shows who or what body is entitled to appoint members of the governing body. Any vacancy for a Foundation Trustee is filled by the Company's Members. Vacancies for parent Trustees are published by email to all parents and nominations are invited. A ballot is conducted if there is more than one nomination for a single vacancy. A similar procedure is employed to fill teaching and support staff vacancies, and the relevant personnel are informed in each case. A ballot is held if there is more than one nomination for a vacancy. The LA appoints its own trustee. Co-opted Trustees are appointed by the governing body, as and when their expertise or experience is deemed desirable and beneficial to the Academy.

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

All new Trustees have an induction meeting with the Chair of Trustees and the Headmaster. They have a subsequent meeting and tour of the school with the Headmaster. Trustees are provided with copies of the policies, procedures and documentation required to undertake their role as trustees. All trustees are expected to serve on a Trustees' Committee, and the Chairman of Trustees consults them on their deployment. New trustees are offered the support of a more experienced trustee as a mentor. A nominated trustee coordinates trustee training, and the Academy subscribes to the LA's governor training programme and supports trustees who attend training sessions. Details of available and recommended training courses are discussed with new trustees. The Academy itself organises trustee information sessions and an annual trustee training day.

Trustees are subject to retirement after a term of four years and are eligible for re-election. The posts of Chair and Vice-Chair of Trustees run for a period of two years. Elections for these positions are normally held at the first autumn meeting of the year - at two year intervals. Post-holders can be re-elected.

**Organisational Structure**

The trustees are responsible for the governance, strategic direction and financial health and probity of the Academy and for ensuring that all statutory duties are fulfilled. The trustees are responsible for the appointment of the Headmaster and, in conjunction with the Headmaster, the appointment of the Deputy Headmaster(s). All other staff appointments are delegated to the Headmaster, although there will be trustee consultation and involvement in the appointment of other senior staff such as the Assistant Head and the Business Manager.

The Headmaster is responsible for the leadership, management and operation of the Academy and is accountable to the trustees for all aspects of his work, including the development of the Academy, the performance of the staff and the achievement and behaviour of the students. He is supported by a Leadership Group, which includes a Deputy Head, two Assistant Heads and the Business Manager. These senior members

**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

of staff are all directly accountable to the Headmaster for their specific areas of responsibility and for the line management of the staff under them. They also serve as officers to the relevant Trustees' Committee(s) and provide updates, raise issues for discussion, respond to questions and make recommendations on their areas. Any recommendations made to the trustees will have the prior approval of the Headmaster and, where the Headmaster deems it appropriate will have been discussed by the Leadership Group.

Committees of the Governing Body have delegated responsibilities for Personnel, Curriculum, Finance, Premises and, Salaries. Pupil Discipline, Staff Discipline, Salary Appeals and Admissions are ad-hoc trustee committees formed to respond to specific concerns, needs, requests. General matters relating to pupil welfare and discipline as well as to student admissions come under the auspices of the Personnel Committee. There are link trustees who monitor and report on specific aspects of the Academy's provision such as SEN, Gifted and Talented, Pupil Premium and Boarding. There are also strategic groups with senior management and trustee representation, which consider and report on the key areas of Health and Safety, Risk, Boarding and Marketing. The Board of Trustees retains ultimate responsibility for decisions relating to academy policy and the future direction and status of the organization. The Headmaster has overall executive responsibility for the Academy's activities, including the finances, and fulfils the role of the Accounting Officer.

**Arrangements for setting pay and remuneration of key management personnel**

CRGS' policy is to ensure that pay enables the current and future delivery of the curriculum and school improvement plans. CRGS has a salary committee, which has delegated powers from the Governing Body to make decisions on pay within the bands which have been approved by the Governing Body.

Key teaching management personnel are paid in accordance with Teachers Pay & Conditions - including the recommended Group for the Head teacher and Individual Salary Range - The Burgundy Book and in accordance with the school Pay Policy. Key support management personnel are paid in accordance with Local Government Pay, The Green Book and in accordance with the school Pay Policy. Pay scales are published and approved by the Full Governing Body on an annual basis.

**Trade Union facility time** (as per The Trade Union Facility Time Publication Requirements Regulations 2017)

**Relevant union officials**

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

**Percentage of time spent on facility time**

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

**Percentage of pay bill spent on facility time**

Total cost of facility time	£791
Total pay bill	£4,319,607
Percentage of pay bill spent on facility time	0.018%

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**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Paid trade union activities**

Time spent on trade union activities as a percentage of total paid facility time hours      1.15%

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

The Academy's major formal financial link with another organisation is with the CRGS Trust - the academy's independent charitable trust. It has signed a 125 year lease at a peppercorn (zero) rent to allow the land and premises owned by CRGS Trust to be used for Academy purposes. The CRGS Trust makes financial donations to the Academy on an ad-hoc basis as permitted by its Regulatory Scheme.

CRGSA, the Parents' Association also makes ad-hoc donations to the Academy.

The Academy's other links are:

A strategic partner in the Colchester Teacher Training Consortium, which organises ITT in Colchester.

A founder member of the Consortium of Selective Schools in Essex, which organises the selection tests for the selective schools in Essex and Southend and coordinates transport arrangements.

A founder member of the association of Boys' Academically Selective Schools (BASS).

A partner providing support to a number of local schools as part of its academy support programme and its specialist status outreach work for science and languages.

A founder member of the Grammar School Heads Association.

A member of the Association of Secondary Heads in Essex (ASHE) and NEASHE.

**Objectives and Activities**

**Objects and Aims**

CRGS aims to be a world class school, rivalling the educational provision and achievements of the very best schools at home and abroad. This will necessitate a consistently high national ranking in the official national DfE performance tables at 18 and a record of student entry to the most competitive courses at the very best universities at home and abroad. The students will leave CRGS with the ability and character to excel at university and beyond and will have experienced an education at CRGS, which has developed their character, interests and talents as well as their academic ability. To this end, the Academy has to retain and recruit a high calibre staff, capable of delivering an academically demanding curriculum and teaching an able and ambitious student body at 11+ and 16+. A thriving boarding section underlines the Academy's commitment to its international dimension. The Academy seeks to provide a variety of extracurricular opportunities for the students and encourages their understanding of the importance of service to the community. It also provides a well-ordered environment with high standards of behaviour and a purposeful, disciplined learning community.

CRGS seeks to be a force for good in the local community. It supports other schools in the area, further afield, and offers the community opportunities to further their education. It seeks to be a beacon of excellence for an academic education.

**Objectives, Strategies and Activities**

CRGS has a mission statement, a vision document, a declaration of strategic intent, a three year development plan and a list of annual priorities to inform, guide and judge its activities and achievements. The consistent message is to pursue excellence in all it does and to be committed to continuous improvement in every aspect of its work. These are shared, agreed and monitored by trustees at either committee or full governing board level. The Headmaster and Leadership Group plan for continuous improvement and monitor the quality and effectiveness of all the academy's activities. Regular reports are made to trustees on progress at the termly committee meetings and the full governors' meetings. Link trustees exercise a specific monitoring role in key areas and report to trustees as appropriate. The Headmaster and the Leadership Group keep the staff informed



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**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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of the key immediate priorities, involve the staff in the formulation of longer term strategies and lead and support the staff in pursuit of the Academy's aims and objectives. The trustees challenge the Leadership Group appropriately and act as critical friends in the evaluation of the Academy's achievements. They provide invaluable expertise, opinion and support and hold the Headmaster to account for the Academy's achievements, development and standing. In evaluating the Headmaster's performance and agreeing suitable annual objectives for him, they take advice from an experienced external school improvement partner.

The key priorities for 2018/19 were:

- Maintain the school's national academic standing
- Increase the school roll to generate increased revenue
- Continue to make savings and generate income to respond to the reduced funding level
- Continue to develop a Development Committee. Employ a Development Officer as part of the next stage of our financial strategy
- Development of a new boarding team and boarding marketing strategy
- Preparing for the introduction of girls boarding
- Prepare for a Boarding ofsted
- Planning the premises development
- Carry out education surveys to gather the views of our stakeholders
- Improving staff voice
- Improve communication within and outside the school community
- Work with the CSSE in its management of testing before application
- Recruit to capacity without sacrificing the ability of the intake at 11+ and 16+
- Respond to staffing changes and recruit a high calibre staff for 2019/20
- Promote CRGS values
- Develop links with the alumni association, the Old Colcestrian Society
- Provide bespoke practice for Oxbridge, Medical, Vet, Dentistry and Law applicants
- Ensure the smooth transfer of leadership with the introduction of a new Deputy Head

### **Strategies**

The strategies for attaining these objectives were based on developing clear channels of communication with all stakeholders and devising clear and manageable action plans so that everyone was clear about the actions necessary in order to deliver all the outcomes. The trustees were informed of all relevant national developments and available choices so that they could make informed decisions about the future direction of the school. The Headmaster and Leadership group lead initiatives, take responsibility for actions and report to trustees on progress. All this had to be achieved by the efficient use of resources and by engaging others outside the school so that all developments were affordable, sustainable and constituted best value.

The success criteria involved the maintenance of our academic outcomes and league positions, especially in comparison with other BASS schools, along with the successful development of boarding facilities and integration of girls, and the positive stakeholder views as expressed in the survey outcomes. A reduction in the impact of financial changes, as measure by an improved position in relation to our budgeted expectations, will be a criteria for success of our financial strategy.

### **Public Benefit**

CRGS is a state selective school and serves the local community by providing an appropriately academic and grammar school education for able students in the area, free of charge. Not only does the Academy serve Essex and South Suffolk but through its boarding section provides an educational opportunity for students from further afield and a haven for able students with difficult home circumstances. Through its outreach work, CRGS provides support for local primary and secondary schools and other grammar schools further afield. CRGS allows the local community to use its sporting facilities, notably its swimming pool in the summer and invites members of the public to its outreach activities, public lectures and music and drama performances. The

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**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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students actively support national charities, international good causes and local organisations, and the Academy is conscious of its responsibility and duty to support the local community. The Academy staff have organized and run a highly popular summer school for local children during the school holidays. Schools Out hired areas of the school to provide a very successful school holiday activity camp catering for all age groups from 4-16 years old.

Ofsted described the school as 'outstanding' in every category.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's aims and objectives and in planning future activities.

### **Strategic Report**

#### **Achievements and Performance**

CRGS was oversubscribed at all levels in 2018/19 and able to recruit to capacity at 11+ and 16+. The school roll was at its highest to date in this school year, and CRGS has sought to maximize its central funding income so that it can continue to deliver its services without sacrificing the quality of its provision. There was a joined-up strategy where all CRGS support groups: CRGS Trust; CRGSA; the OC's worked with the school to focus on the academy's needs to ensure that the very activities and facilities at risk because of the cuts and changes of emphasis in government funding were maintained. This includes the activities, which engage the wider community, offer a full education and benefit the public, such as sport, music, drama, community involvement, school-to-school support and educational trips and visits. The school regards such opportunities as central to its ethos and has taken steps to protect them. The Governors review regularly the Risk Register to take account of the changes in the risks facing the school and the action taken to manage the risks previously identified.

Changes in the Boarding House staffing have been managed without affecting the quality of the provision in the Boarding House.

The academic results at all levels in 2019 were excellent and maintained the school's national standing as one of the leading schools in the country. The curricular offer was rich and included academic opportunities outside the timetable. Year 13s were offered the opportunity to achieve an EPQ, GCSE students Spanish, Geology, Astronomy and A level students Government and Politics, outside the curriculum. Bespoke practice was provided for students applying for Oxbridge, Medical subjects and Law so that they could prepare for the tests and interviews involved. All this was dependent on and the result of the goodwill of staff, governors, parents, OCs and friends of the school.

In the extracurricular field, CRGS had full and strong fixture lists in all sports, highly acclaimed musical and drama productions, a range of other activities, visits and trips. Exchanges with France and Germany were held and CRGS sports teams and music groups travelled abroad to perform.

The school has been awarded the prestigious SafetyMark award recognizing that the school has demonstrated excellent safety management practices and procedures. This has been evidenced by a comprehensive audit.

#### **Key Performance Indicators**

The Boarding Ofsted of November 2016 judged the provision 'outstanding' in all categories. The recommendations were acted on and implemented immediately. The school is now rated 'outstanding' for every category of school and boarding inspection criteria.

The school also received 'outstanding' RO reports for its finance operation in 2018/19.

#### **GCSE results (2019)**

Progress 8 = 0.55; Attainment 8 = 79.8. 62% 9/8 pass rate; 83% 9-7 pass rate. 36% achieved at least 10 grade 9-7;

Recruitment into Year 12 for September 2018; 211 students

**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**A level results (2019)**

90.8% A\*-B; 29.6% A\*. 102 students obtained 3 or more A\*/A grades; over 30 students achieve 3 or more A\* grades.

**DfE Performance Tables (Jan 2019)**

CRGS was ranked 16th in the country for the percentage of students achieving AAB (based on 2018 results). At GCSE CRGS was ranked 26th nationally by on the Attainment 8 criteria

**Financial KPI's**

	<b>2019</b>	<b>2018</b>
GAG income per pupil	£4,616	£4,576
GAG income as % of total income	71.83%	72.99%
Staff costs as % of GAG income	99.56%	99.74%
Teaching staff expenditure per student	£3,481	£3,448

**Going Concern**

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. There are no material uncertainties about the academy's ability to continue.

**Financial Review**

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. These grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also has been in receipt of capital grants from the ESFA through the bid process for Condition Improvement Funding. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2019, total expenditure of £6,410,461 was less than recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the year being the surplus on unrestricted funds of £266,090 less the deficit on restricted funds of £207,803 was £58,287 (2018: a deficit of £88,426). All expenditure has supported the objectives of the Academy. The restricted and unrestricted income fund reserves held at 31 August 2019 were £2,108,503. These reserves are held to support the academy budget in times of reduced funding levels and in particular, to cover the level of lagged funding whilst the academy is increasing its numbers on roll.

At 31 August 2019, the net book value of fixed assets was £9,960,836 and movements in tangible fixed assets are shown in the note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

In accordance with FRS102, the Academy received an actuarial assessment of the pension scheme deficit. The deficit balance of £2,496,000 is included within the balance sheet as at 31 August 2019 and supporting notes to the accounts.

**Reserves Policy**

The Academy will hold reserves to draw on as and when required to supplement the annual budget and to

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**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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support developments over time. The management of reserves to support, maintain, develop and improve provision over time is considered to be an aspect of prudent financial management essential to the maintenance of a high quality provision. It permits flexibility and planning. The unrestricted free reserves totalled £1,466,501 at 31 August 2019 and are intended both to combat any annual fluctuations in funding or unforeseen exceptional circumstances and to fund important developments in the Academy. These may be related to the curriculum, facilities, premises, extracurricular activities or personnel needs but as the reserves are finite, any such developmental projects will be fully costed, and the total commitment will be established before the reserves are used. Such projects will not, therefore, include any ongoing revenue commitments over an indefinite period of time.

The restricted funds not available for general purposes of the academy trust totalled £10,656,106. This includes the restricted fixed asset reserve of £10,014,104 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. The reserves policy is reviewed annually.

With regard to boarding, 10% of boarding income will be allocated to the boarding reserves each period in order to cover ongoing maintenance, fixture and furnishing costs and for the general upkeep of the boarding facilities. A boarding reserve is also necessary in order to be able to maintain the level of boarding provision in the eventuality of a reduction in numbers or income or extra staffing needs in any particular period. This year £106,222 of the Boarding reserves have been used to carry out necessary refurbishment to the boarding facility. This included making provision for four female boarders in Gilbert House, updating the kitchen and common room facilities in School House. The academy will ensure a budget is set achieving a minimum 8% rate of return.

The academy trust has a deficit of £2,496,000 (2018: £2,160,000) on the restricted LGPS pension reserve. This is a long-term liability, which is being addressed by payment of additional contributions as determined by the scheme's actuaries. These contributions are being met from the academy's budgeted annual income and there is no direct impact on the free reserves of the academy.

#### **Investment Policy**

The Finance Committee considers the level of surplus funds and makes appropriate recommendations for investment as necessary. This year the academy has invested surplus funds in a low risk short notice bank deposit to generate additional income.

#### **Principal Risks and Uncertainties**

The trustees have adopted policies to ensure compliance with statutory duties and systems to manage potential threats and risks to the Academy. They regularly monitor the Academy's operation through trustee committees and groups. A specific Group assesses the risks arising.

As an Academy, the level of financial risk will essentially be determined by the government's funding formulae for academies. Income no longer covers expenditure so this has to be kept under constant review with the government currently reassessing the funding levels and criteria for funding. The changes to 16-19 funding, the removal of protection factors and the increased emphasis on closing the funding gap and Pupil Premium pose a significant threat to the funding level of the Academy. Numbers of applicants to the Academy are high because of the Academy's provision and success. The Academy is using this popularity to increase its roll and increase its income. This puts a constant pressure on the Academy to maintain its high level of achievement and broad educational experience so as to remain attractive. The Hong Kong boarding market is shrinking but still buoyant enough to present CRGS with applicants. Other markets have been successfully explored, both at home and abroad, and there is sufficient demand for CRGS boarding to give the school confidence for the future.

The funding of the school is subject to political decisions, and CRGS has to amend its provision to adapt to recent funding changes. The funding model for A Level is still a concern for a school such as CRGS because a 3 A level funding model does not cover the CRGS curriculum offer which provides the opportunity to study 4 or 5

**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

A levels.

CRGS is dependent on its strong ethos where individuals give generously of their own time for the benefit of the students. To maintain its extracurricular provision, parental contributions and staff goodwill are vital. For this reason, the onus is on the school to create an environment, which promotes and encourages this high level of personal support. CRGS has created strong partnerships with its parents and alumni so that this support is forthcoming.

The school is also dependent on its ability to recruit high calibre staff and provide for their continued professional development. Succession planning is key to sustaining a high level of provision and the unique ethos of the school.

**Fundraising**

The Academy carries out fundraising activities to generate additional income to support its budget. The methods and processes are well planned and monitored effectively to ensure the academy complies with the code of fundraising practice. The academy acts in the best interests of the academy ensuring reasonable care is taken to protect its reputation and to ensure it is open and reasonable in its activities. Complete and accurate returns are made so the academy receives the tax reliefs, which it is entitled to.

This year the Academy has sought professional advice for its fundraising activities for the coming year. A Development Officer has been appointed to oversee and be responsible and accountable for the Academy fundraising.

**Plans for Future Periods**

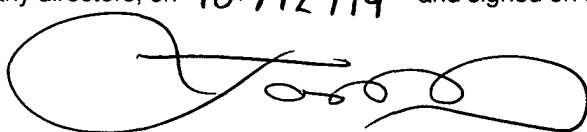
The trustees intend to maintain the Academy's quality of provision and high national standing by retaining and recruiting a high calibre staff and creating a learning environment and experience which will attract able students at all levels. This will require prudent financial management and the generation of extra income to improve the Academy's facilities and facilitate further developments. The trustees continue to see the academic achievement of the students as the Academy's principal priority but remain equally committed to the provision of extracurricular opportunities, notably sport, music and drama. The trustees will continue to seek to generate income through fundraising and outreach work. The school is continuing with its five-year programme of expansion.

**Auditor**

In so far as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 10 / 12 / 19 and signed on its behalf by:



Mrs J Perry  
Chair of Trustees

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**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

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

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

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 5 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
Mrs E Anning (appointed 11/12/2018)	3	3
Mrs S Azarmi	3	5
Mrs G A Barritt, Vice Chair	5	5
Mr J Carter (appointed 23/01/2019)	1	3
Mr G Constantinides	3	5
Mr R A Crayston	5	5
Mr M Elliff (resigned 31/03/2019)	2	3
Mr P Hoddell	5	5
Mrs D M Hoy	3	5
Mr J C Johnston	5	5
Mr R T Neale	4	5
Mrs J Owens	3	5
Mrs J Perry, Chair	5	5
Mr D Ratcliffe	3	5
Mr P Roberts	4	5
Mr I Ross	2	5
Mr J Russell, Headmaster & Accounting Officer	5	5
Dr J G Tillet MBE	1	5
Mr I Turner	4	5

The major challenge for the school continues to be managing the finances effectively in line with the funding provided by government. The trustees have also continued to prioritise the school's management of Health and Safety. Time and training have been invested in raising the awareness of staff to the requirements under the new GDPR regulations.

Various powers are delegated to committees who meet at least three times a year. These additional meetings ensure robust governance and effective oversight of funds. The academy trust has completed the School Resource Management self-assessment tool in October 2019

The Finance Committee is a sub-committee of the board of trustees. Its purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the board of trustees' responsibility to ensure sound management of the academy's finances and resources,

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**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

including proper planning, monitoring and probity. The Finance Committee will make appropriate comments and recommendations on such matters to the board of trustees on a regular basis.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr J C Johnston (Committee Chair)	4	4
Mr J Russell (Headmaster)	4	4
Mr R A Crayston	3	4
Mr I Turner	3	4
Mrs J Perry	4	4
Mr D Ratcliffe	4	4
Mr J Carter	2	3

The Finance Committee is composed of trustees with a high level of financial competence. Its purpose is to oversee the financial management and ensure the financial propriety of the school and to plan strategically to secure the academy's continuity as a viable business.

The priority of the Finance Committee was to monitor the in-year spending within the budget. It is also overseeing the medium-term budget plan so that the academy's finances can be managed prudently over the next three to five years in a climate of reduced funding and rising costs.

**Review of value for money**

As Accounting Officer, the Headmaster 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:

Continuing to get some extremely good deals by reviewing our book suppliers and negotiating discounts, this has achieved a real cost saving for the school at a time when a high volume of books were being purchased for new syllabuses and additional pupils are being provided for. There are occasions when reductions of 33% and 50% were achieved.

Quotes were obtained for our broadband contract which confirmed for the excellent service and the connection speed our current suppliers offered the best deal.

Catering deals have been sought to offer the students good quality meals at a good price. Had we stayed with the existing suppliers we would have had to further increase prices.

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**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT (CONTINUED)**

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**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 Colchester Royal Grammar School for the year 1 September 2018 to 31 August 2019 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 2018 to 31 August 2019 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 Academy has a risk register which is regularly reviewed by the each committee to ensure it accurately reflects the schools major risks to the continued operation of the school. The significance of the impact of the risk and the immediacy of the need to take action to manage the risk has been used to identify the priorities of the Academy. This is a live document along with the school improvement plan which is also considered at every committee meeting to ensure needs, opportunities and risks are recognised timely and appropriate action considered.

**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 Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint School's Choice as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

- Testing of payroll systems
- Testing of tax
- Testing of purchase systems
- Testing of control account/bank reconciliations
- Testing of planning cycle and budget
- Testing of insurance



**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

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

- Testing of income controls
- Testing of data security
- Testing of audit
- Testing of monitoring and review

On a termly basis, the internal auditor reports to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The Schools Choice reports are reviewed after every visit to ensure good governance is being maintained and to consider any recommended action should it arise. The visits this year have confirmed that robust processes are in place for the areas of testing and the academy has achieved an overall score of 'outstanding'.

**Review of effectiveness**

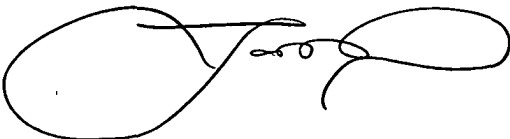
As Accounting Officer, the Headmaster has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- the work of the School resource management and self-assessment process;
- the work of the executive managers within the Academy 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 internal auditor and finance 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 **10/12/19** and signed on their behalf by:

Mrs J Perry  
Chair of Trustees



Mr J R Russell  
Accounting Officer



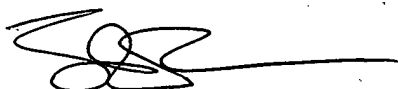
**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As accounting officer of Colchester Royal Grammar School I have considered my responsibility to notify the academy board of Trustees and the Education & 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 2018.

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 2018.

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



Mr J R Russell  
Accounting Officer  
Date:

10/12/19

**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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 & 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:

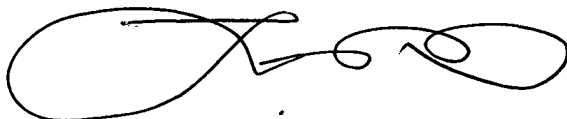
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 and signed on its behalf by:



Mrs J Perry  
Chair of Trustees

Date:

10/12/19

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**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
COLCHESTER ROYAL GRAMMAR SCHOOL**

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**Opinion**

We have audited the financial statements of Colchester Royal Grammar School (the 'academy') for the year ended 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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**

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
COLCHESTER ROYAL GRAMMAR SCHOOL (CONTINUED)**

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**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**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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**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
COLCHESTER ROYAL GRAMMAR SCHOOL (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.

**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.

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.

**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 Aldworth (Senior statutory auditor)

**for and on behalf of Griffin Chapman  
Chartered Accountants**

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

Date: 12 December 2019

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**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
COLCHESTER ROYAL GRAMMAR SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 12 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Colchester Royal Grammar School during the year 1 September 2018 to 31 August 2019 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 Colchester Royal Grammar School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Colchester Royal Grammar School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Colchester Royal Grammar School and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Colchester Royal Grammar School's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Colchester Royal Grammar School's funding agreement with the Secretary of State for Education dated 1 January 2012 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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) Obtaining a sufficient understanding of the framework of authorities which apply to the academy.
- b) Understanding the system of internal control to secure compliance with the framework of authorities.
- c) Considering the basis on which the Accounting Officer is able to make statements on regularity, propriety and compliance in the Financial Statements.
- d) Assessing the risk of material irregularity, impropriety and non-compliance.
- e) Designing and carrying out tests and drawing of conclusions from this work to provide assurance over regularity, propriety and compliance.

**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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

**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 2018 to 31 August 2019 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  
Essex  
CO7 7QR

Date: 12 December 2019



**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	3	229,814	36,429	135,132	401,375	337,732
Charitable activities:	4					
Provision of boarding		-	368,400	-	368,400	370,400
Academy's educational operations		-	4,471,691	-	4,471,691	4,322,958
Other trading activities	6	101,758	71,866	-	173,624	129,076
Investments	7	5,753	-	-	5,753	1,666
Other income	8	686,996	16,051	-	703,047	674,671
<b>Total income</b>		<b>1,024,321</b>	<b>4,964,437</b>	<b>135,132</b>	<b>6,123,890</b>	<b>5,836,503</b>
<b>Expenditure on:</b>						
Raising funds	9	45,954	6,787	-	52,741	79,030
Charitable activities:	10					
Provision of boarding		-	327,362	-	327,362	283,340
Academy's educational operations		712,277	4,838,091	479,990	6,030,358	5,750,669
<b>Total expenditure</b>		<b>758,231</b>	<b>5,172,240</b>	<b>479,990</b>	<b>6,410,461</b>	<b>6,113,039</b>
<b>Net income/(expenditure)</b>		<b>266,090</b>	<b>(207,803)</b>	<b>(344,858)</b>	<b>(286,571)</b>	<b>(276,536)</b>
Transfers between funds	20	(4,825)	(118,407)	123,232	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>261,265</b>	<b>(326,210)</b>	<b>(221,626)</b>	<b>(286,571)</b>	<b>(276,536)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	26	-	(350,000)	-	(350,000)	427,000
<b>Net movement in funds</b>		<b>261,265</b>	<b>(676,210)</b>	<b>(221,626)</b>	<b>(636,571)</b>	<b>150,464</b>

**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
(CONTINUED)  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
<b>Note</b>					
<b>Reconciliation of funds:</b>					
Total funds brought forward	1,205,236	(1,177,788)	10,235,730	10,263,178	10,112,714
Net movement in funds	261,265	(676,210)	(221,626)	(636,571)	150,464
<b>Total funds carried forward</b>	<b>1,466,501</b>	<b>(1,853,998)</b>	<b>10,014,104</b>	<b>9,626,607</b>	<b>10,263,178</b>

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

The notes on pages 28 to 56 form part of these financial statements.

**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 7769103**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Tangible assets	16		9,960,836		10,231,474
			<u>9,960,836</u>		<u>10,231,474</u>
<b>Current assets</b>					
Stocks	17	3,179		4,804	
Debtors	18	144,008		200,030	
Cash at bank and in hand		2,629,711		2,517,256	
		<u>2,776,898</u>		<u>2,722,090</u>	
Creditors: amounts falling due within one year	19	(615,127)		(750,386)	
<b>Net current assets</b>			<u>2,161,771</u>		<u>1,971,704</u>
<b>Total assets less current liabilities</b>			<u>12,122,607</u>		<u>12,203,178</u>
<b>Net assets excluding pension liability</b>			<u>12,122,607</u>		<u>12,203,178</u>
Defined benefit pension scheme liability	26	(2,496,000)		(1,940,000)	
<b>Total net assets</b>			<u><u>9,626,607</u></u>		<u><u>10,263,178</u></u>
<b>Funds of the academy</b>					
<b>Restricted funds:</b>					
Fixed asset funds	20	10,014,104		10,235,730	
Restricted income funds	20	642,002		762,212	
		<u>10,656,106</u>		<u>10,997,942</u>	
Restricted funds excluding pension asset	20	10,656,106		10,997,942	
Pension reserve	20	(2,496,000)		(1,940,000)	
<b>Total restricted funds</b>	20		<u>8,160,106</u>		<u>9,057,942</u>
<b>Unrestricted income funds</b>	20		<u>1,466,501</u>		<u>1,205,236</u>
<b>Total funds</b>			<u><u>9,626,607</u></u>		<u><u>10,263,178</u></u>

The financial statements on pages 23 to 56 were approved by the Trustees, and authorised for issue on  
10 December 2019 and are signed on their behalf, by:

**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2019**



Mrs J Perry

The notes on pages 28 to 56 form part of these financial statements.

**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	22	187,070	444,956
<b>Cash flows from investing activities</b>	23	(74,615)	(223,678)
<b>Change in cash and cash equivalents in the year</b>		112,455	221,278
Cash and cash equivalents at the beginning of the year		2,517,256	2,295,978
<b>Cash and cash equivalents at the end of the year</b>	24	<u>2,629,711</u>	<u>2,517,256</u>

The notes on pages 28 to 56 form part of these financial statements

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**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Colchester Royal Grammar School 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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**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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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.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

**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.

- **Expenditure on raising funds**

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

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**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.4 Expenditure (continued)**

- **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.

**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 Taxation**

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.7 Tangible fixed assets**

Assets costing £3,000 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 basis over its expected useful life, as follows:



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**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.7 Tangible fixed assets (continued)**

Depreciation is provided on the following bases:

Buildings	- 2% and 3.45% straight line
Furniture and equipment	- 10% straight line
Plant and machinery	- 20% straight line
Motor vehicles	- 20% straight line
Computer equipment and software	- 33% straight line

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.

**1.8 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.

**1.9 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.

**1.10 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.

**1.11 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.

**1.12 Provisions**

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

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

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**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.13 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 18. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 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. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

**1.14 Operating leases**

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

**1.15 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.

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**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.16 Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA.

Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

The funds received and paid and any balance held for all agency arrangements are disclosed in notes to the financial statements.

**1.17 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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	229,814	42,577	272,391	255,254
Capital Grants	-	128,984	128,984	82,478
	<u>229,814</u>	<u>171,561</u>	<u>401,375</u>	<u>337,732</u>
<i>Total 2018</i>	<u>212,941</u>	<u>124,791</u>	<u>337,732</u>	

**4. Income from charitable activities**

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Academy's Educational Operations	4,840,091	4,840,091	4,693,358

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

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DfE/ESFA grants</b>			
General Annual Grant	4,398,726	4,398,726	4,260,203
Other government grants	56,618	56,618	46,928
<b>Total DfE/EFSA grants</b>	<u>4,455,344</u>	<u>4,455,344</u>	<u>4,307,131</u>
LSA SEN grant	16,347	16,347	15,827
Provision of boarding	368,400	368,400	370,400
	<u>4,840,091</u>	<u>4,840,091</u>	<u>4,693,358</u>

**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**6. Income from other trading activities**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Hire of facilities	54,973	-	54,973	35,664
Income from services provided	40,808	64,940	105,748	75,919
Items sold	5,977	6,926	12,903	17,493
	<u>101,758</u>	<u>71,866</u>	<u>173,624</u>	<u>129,076</u>
<i>Total 2018</i>	<u>92,626</u>	<u>36,450</u>	<u>129,076</u>	

**7. Investment income**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank Interest received	<u>5,753</u>	<u>5,753</u>	<u>1,666</u>

**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**8. Other incoming resources**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Catering income	317,023	-	317,023	308,303
Academy trips	369,793	-	369,793	340,127
Examination fees	-	16,051	16,051	24,636
Other incoming resources	180	-	180	1,605
	<u>686,996</u>	<u>16,051</u>	<u>703,047</u>	<u>674,671</u>
<i>Total 2018</i>	<u>650,035</u>	<u>24,636</u>	<u>674,671</u>	

**9. Expenditure**

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Expenditure on fundraising trading activities:					
Direct costs	19,230	-	33,511	52,741	79,030
Academy's Educational Operations:					
Direct costs	3,302,628	362,554	827,995	4,493,177	4,291,648
Support costs	905,780	122,493	542,416	1,570,689	1,459,021
Provision of Boarding Activities:					
Direct costs	14,691	-	16,969	31,660	14,935
Support costs	137,181	46,675	78,338	262,194	268,405
	<u>4,379,510</u>	<u>531,722</u>	<u>1,499,229</u>	<u>6,410,461</u>	<u>6,113,039</u>
<i>Total 2018</i>	<u>4,248,948</u>	<u>510,587</u>	<u>1,353,504</u>	<u>6,113,039</u>	

**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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

**Summary by fund type**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Academy's Educational Operations	712,277	5,302,589	6,014,866	5,750,668
Provision of Boarding Activities	-	293,854	293,854	283,341
Pension cost	-	49,000	49,000	-
	<u>712,277</u>	<u>5,645,443</u>	<u>6,357,720</u>	<u>6,034,009</u>
<i>Total 2018</i>	<u>643,089</u>	<u>5,390,920</u>	<u>6,034,009</u>	

**11. Analysis of expenditure by activities**

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Academy's Educational Operations	4,493,177	1,570,689	6,063,866	5,750,668
Provision of Boarding Activities	31,660	262,194	293,854	283,341
	<u>4,524,837</u>	<u>1,832,883</u>	<u>6,357,720</u>	<u>6,034,009</u>
<i>Total 2018</i>	<u>4,306,583</u>	<u>1,727,426</u>	<u>6,034,009</u>	

**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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

**Analysis of direct costs**

	<b>Academy's Educational Operations 2019 £</b>	<b>Provision of Boarding 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Staff costs	3,302,628	14,691	<b>3,317,319</b>	3,209,788
Depreciation	479,990	-	<b>479,990</b>	479,095
Technology costs	46,642	5,381	<b>52,023</b>	31,308
Educational supplies	90,506	5,724	<b>96,230</b>	91,677
Examination fees	152,730	713	<b>153,443</b>	149,531
Staff development	10,472	253	<b>10,725</b>	7,204
Educational consultancy	46,627	-	<b>46,627</b>	4,204
Other direct costs	363,582	4,898	<b>368,480</b>	333,776
	<u>4,493,177</u>	<u>31,660</u>	<u><b>4,524,837</b></u>	<u>4,306,583</u>
<i>Total 2018</i>	<u>4,291,646</u>	<u>14,936</u>	<u>4,306,583</u>	



**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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

**Analysis of support costs**

	Academy's Educational Operations 2019 £	Provision of Boarding 2019 £	Total funds 2019 £	Total funds 2018 £
Pension finance cost	49,000	-	49,000	54,000
Staff costs	905,780	137,181	1,042,961	1,010,357
Technology costs	23,270	-	23,270	21,025
Recruitment and support	19,522	12,000	31,522	24,230
Maintenance of premises and equipment	82,760	11,736	94,496	105,994
Cleaning	7,610	2,753	10,363	14,675
Rent rates and water	30,070	1,431	31,501	43,462
Energy costs	90,982	42,041	133,023	80,398
Insurance	26,794	-	26,794	23,515
Travel and subsistence	3,022	2,075	5,097	5,662
Catering	203,081	45,257	248,338	227,782
Bank charges	10,448	-	10,448	9,686
Other support costs	109,239	7,720	116,959	96,960
Governance costs	9,111	-	9,111	9,680
	<u>1,570,689</u>	<u>262,194</u>	<u>1,832,883</u>	<u>1,727,426</u>
<i>Total 2018</i>	<u>1,459,021</u>	<u>268,405</u>	<u>1,727,426</u>	

**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	1,444	1,483
Depreciation of tangible fixed assets	479,990	479,092
Governance internal audit costs	1,111	930
Fees paid to auditors for:		
- audit	7,750	7,750
- other services	3,050	3,395
	<u>          </u>	<u>          </u>

**13. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	3,328,661	3,245,807
Social security costs	295,808	290,363
Pension costs	695,138	673,097
	<u>          </u>	<u>          </u>
	4,319,607	4,209,267
Agency staff costs	57,021	39,681
Staff restructuring costs	2,882	-
	<u>          </u>	<u>          </u>
	4,379,510	4,248,948
	<u>          </u>	<u>          </u>

Staff restructuring costs comprise:

	2019 £	2018 £
Severance payments	2,882	-
	<u>          </u>	<u>          </u>
	2,882	-
	<u>          </u>	<u>          </u>

**b. Non-statutory/non-contractual staff severance payments**

Staff restructuring costs comprise of one non-statutory/non-contractual severance payment of £2,882 (2018 £nil)

**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**13. Staff costs (continued)**

**c. Staff numbers**

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

	2019 No.	2018 No.
Teachers	72	62
Administration and support	113	105
Management	5	5
	<u>190</u>	<u>172</u>

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	52	55
Administration and support	41	43
Management	5	5
	<u>98</u>	<u>103</u>

**d. Higher paid staff**

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	1	1
In the band £90,001 - £100,000	1	1
	<u>2</u>	<u>2</u>

**e. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £508,910 (2018: £513,919).

**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**14. 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:

		<b>2019</b>	<b>2018</b>
		<b>£'000</b>	<b>£'000</b>
Mr J Russell	Remuneration	<b>95-100</b>	<b>90-95</b>
	Pension contributions paid	<b>15-20</b>	<b>15-20</b>
Mr D Ratcliffe	Remuneration	<b>35-40</b>	<b>40-45</b>
	Pension contributions paid	<b>5-10</b>	<b>5-10</b>
	Other benefits	<b>0-5</b>	<b>0-5</b>
R Neale	Remuneration	<b>30-35</b>	<b>35-40</b>
	Pension contributions paid	<b>5-10</b>	<b>5-10</b>
	Other benefits	<b>0-5</b>	<b>0-5</b>
I Ross	Remuneration	<b>35-40</b>	<b>30-35</b>
	Pension contributions paid	<b>5-10</b>	<b>5-10</b>

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

**15. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £203 (2018 - £115). The cost of this insurance is included in the total insurance cost.

**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**16. Tangible fixed assets**

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Motor vehicles £	Assets under construction £	Total £
<b>Cost or valuation</b>								
At 1 September 2018	7,509,031	4,262,157	493,107	179,042	384,795	5,313	241,103	13,074,548
Additions	33,508	12,289	4,825	-	25,165	-	133,565	209,352
Transfers between classes	315,093	-	-	-	-	-	(315,093)	-
At 31 August 2019	7,857,632	4,274,446	497,932	179,042	409,960	5,313	59,575	13,283,900
<b>Depreciation</b>								
At 1 September 2018	1,145,566	973,356	262,689	162,309	293,841	5,313	-	2,843,074
Charge for the year	290,153	72,401	49,673	6,509	61,254	-	-	479,990
At 31 August 2019	1,435,719	1,045,757	312,362	168,818	355,095	5,313	-	3,323,064
<b>Net book value</b>								
At 31 August 2019	6,421,913	3,228,689	185,570	10,224	54,865	-	59,575	9,960,836
At 31 August 2018	6,363,465	3,288,801	230,418	16,733	90,954	-	241,103	10,231,474

**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**16. Tangible fixed assets (continued)**

The Trustees have based their valuation of the freehold and long leasehold buildings, gifted on conversion, on the remaining useful life assessment and existing use valuation prepared by DTZ for the EFA. For the purposes of these financial statements the land is deemed to have no commercial value.

The leasehold buildings are occupied under a 125 year lease which commenced on 20 February 2012 at a peppercorn rent.

**17. Stocks**

	2019 £	2018 £
Raw materials and consumables	3,179	4,804

**18. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	-	18
Other debtors	69,983	31,904
Prepayments and accrued income	60,863	127,221
VAT recoverable	13,162	40,887
	<u>144,008</u>	<u>200,030</u>

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

	2019 £	2018 £
Trade creditors	55,398	247,530
Other taxation and social security	75,151	72,661
Other creditors	82,933	90,257
Accruals and deferred income	401,645	339,938
	<u>615,127</u>	<u>750,386</u>

**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**20. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General Funds - all funds	1,205,236	1,024,321	(758,231)	(4,825)	-	1,466,501
<b>Restricted general funds</b>						
General Annual Grant (GAG)	541,826	4,427,453	(4,342,356)	(173,755)	-	453,168
Provision of Boarding	131,078	368,400	(293,854)	(106,222)	-	99,402
Pupil Premium	402	25,371	(25,371)	-	-	402
Other restricted reserves	88,906	143,213	(143,089)	-	-	89,030
Pension reserve	(1,940,000)	-	(367,570)	161,570	(350,000)	(2,496,000)
	<u>(1,177,788)</u>	<u>4,964,437</u>	<u>(5,172,240)</u>	<u>(118,407)</u>	<u>(350,000)</u>	<u>(1,853,998)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds	10,235,730	135,132	(479,990)	123,232	-	10,014,104
<b>Total Restricted funds</b>	<u>9,057,942</u>	<u>5,099,569</u>	<u>(5,652,230)</u>	<u>4,825</u>	<u>(350,000)</u>	<u>8,160,106</u>
<b>Total funds</b>	<u>10,263,178</u>	<u>6,123,890</u>	<u>(6,410,461)</u>	<u>-</u>	<u>(350,000)</u>	<u>9,626,607</u>

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 of the academy. DfE/ESFA and other government grants are used to support teaching and learning in the academy. Other restricted funds support teaching and learning and student language skills.

Boarding funds support the provision of boarding activities.

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

Other restricted reserves are various funds which are applied to specific restricted purposes.

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**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

The pension reserve represents the deficit on the 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 £12,185 was transferred to restricted fixed asset reserve from restricted funds. This is capital expenditure met from GAG. A further transfer of £4,825 from unrestricted funds, and £106,222 from boarding funds was made to restricted fixed asset reserve in respect of capital expenditure.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.



**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds - all funds	976,580	957,268	(728,612)	-	-	1,205,236
<b>Restricted funds</b>						
General Annual Grant (GAG)	558,733	4,283,329	(4,115,339)	(184,897)	-	541,826
Provision of Boarding	228,518	370,400	(283,340)	(184,500)	-	131,078
Pupil Premium	402	19,713	(19,713)	-	-	402
Other restricted reserves	84,641	123,315	(130,045)	10,995	-	88,906
Pension reserve	(2,160,000)	-	(356,895)	149,895	427,000	(1,940,000)
	<u>(1,287,706)</u>	<u>4,796,757</u>	<u>(4,905,332)</u>	<u>(208,507)</u>	<u>427,000</u>	<u>(1,177,788)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds	10,423,840	82,478	(479,095)	208,507	-	10,235,730
<b>Total Restricted funds</b>	<u>9,136,134</u>	<u>4,879,235</u>	<u>(5,384,427)</u>	<u>-</u>	<u>427,000</u>	<u>9,057,942</u>
<b>Total funds</b>	<u>10,112,714</u>	<u>5,836,503</u>	<u>(6,113,039)</u>	<u>-</u>	<u>427,000</u>	<u>10,263,178</u>

**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	9,960,836	9,960,836
Current assets	1,466,501	1,257,129	53,268	2,776,898
Creditors due within one year	-	(615,127)	-	(615,127)
Provisions for liabilities and charges.	-	(2,496,000)	-	(2,496,000)
<b>Total</b>	<b>1,466,501</b>	<b>(1,853,998)</b>	<b>10,014,104</b>	<b>9,626,607</b>

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	10,231,474	10,231,474
Current assets	1,307,512	1,341,500	73,080	2,722,092
Creditors due within one year	(102,277)	(579,288)	(68,824)	(750,389)
Provisions for liabilities and charges	-	(1,940,000)	-	(1,940,000)
<b>Total</b>	<b>1,205,235</b>	<b>(1,177,788)</b>	<b>10,235,730</b>	<b>10,263,177</b>

**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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

	2019 £	2018 £
Net expenditure for the year (as per Statement of financial activities)	(286,571)	(276,536)
<b>Adjustments for:</b>		
Depreciation	479,990	479,092
Capital grants from DfE and other capital income	(128,984)	(82,478)
Interest receivable	(5,753)	(1,666)
Decrease/(increase) in stocks	1,625	(1,783)
Decrease/(increase) in debtors	56,022	(19,023)
(Decrease)/increase in creditors	(135,259)	140,350
Defined benefit pension scheme cost less contributions payable	156,000	152,000
Defined benefit pension scheme finance cost	49,000	54,000
Defined benefit pension scheme administration cost	1,000	1,000
<b>Net cash provided by operating activities</b>	<b>187,070</b>	<b>444,956</b>

**23. Cash flows from investing activities**

	2019 £	2018 £
Dividends, interest and rents from investments	5,753	1,666
Purchase of tangible fixed assets	(209,352)	(307,822)
Capital grants from DfE Group	128,984	82,478
<b>Net cash used in investing activities</b>	<b>(74,615)</b>	<b>(223,678)</b>

**24. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	2,629,711	2,517,256
<b>Total cash and cash equivalents</b>	<b>2,629,711</b>	<b>2,517,256</b>

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**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**25. Capital commitments**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	<b>3,906</b>	<b>57,531</b>

**26. Pension commitments**

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

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

Contributions amounting to £66,137 were payable to the schemes at 31 August 2019 (2018 - £64,586) and are included within creditors.

**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 and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**26. 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. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £377,567 (2018 - £371,202).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy 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 2019 was £207,000 (2018 - £192,000), of which employer's contributions totalled £162,000 (2018 - £149,000) and employees' contributions totalled £ 45,000 (2018 - £43,000). The agreed contribution rates for future years are 22.4 per cent for employers and variable rates of 5.5% to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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.

**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**26. Pension commitments (continued)**

**Principal actuarial assumptions**

	2019 %	2018 %
Rate of increase in salaries	3.75	3.80
Rate of increase for pensions in payment/inflation	2.25	2.30
Discount rate for scheme liabilities	1.85	2.65
Inflation assumption (CPI)	2.25	2.30
Commutation of pensions to lump sums	50.00	50.00

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.3	22.3
Females	23.6	24.8
<i>Retiring in 20 years</i>		
Males	23.0	24.5
Females	25.4	27.1

**Sensitivity analysis**

	2019 £000	2018 £000
Discount rate +0.1%	4,448,000	3,596,000
Discount rate -0.1%	4,636,000	3,746,000
Mortality assumption - 1 year increase	4,724,000	3,800,000
Mortality assumption - 1 year decrease	4,365,000	3,544,000
CPI rate +0.1%	4,625,000	3,738,000
CPI rate -0.1%	4,459,000	3,604,000

**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**26. Pension commitments (continued)**

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	1,289,000	1,102,000
Gilts	112,000	92,000
Corporate bonds	115,000	101,000
Property	164,000	154,000
Cash and other liquid assets	60,000	59,000
Derivatives	200,000	155,000
Other managed funds	105,000	67,000
<b>Total market value of assets</b>	<b>2,045,000</b>	<b>1,730,000</b>

The actual return on scheme assets was £150,000 (2018 - £97,000).

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

	2019 £	2018 £
Current service cost	(317,571)	(301,895)
Interest cost	(49,000)	(54,000)
Administrative expenses	(1,000)	(1,000)
<b>Total amount recognised in the Statement of financial activities</b>	<b>(367,571)</b>	<b>(356,895)</b>

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

	2019 £	2018 £
<b>At 1 September</b>	<b>3,672,995</b>	<b>3,656,100</b>
Transferred out on existing academies leaving the trust	317,571	301,895
Interest cost	97,000	95,000
Employee contributions	45,000	43,000
Actuarial losses/(gains)	452,000	(371,000)
Benefits paid	(41,000)	(52,000)
<b>At 31 August</b>	<b>4,543,566</b>	<b>3,672,995</b>

**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**26. Pension commitments (continued)**

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

	2019 £	2018 £
<b>At 1 September</b>	<b>1,732,995</b>	<b>1,496,100</b>
Interest income	48,000	41,000
Actuarial gains	102,000	56,000
Employer contributions	161,571	149,895
Employee contributions	45,000	43,000
Benefits paid	(41,000)	(52,000)
Other item - user input	(1,000)	(1,000)
<b>At 31 August</b>	<b>2,047,566</b>	<b>1,732,995</b>

**27. Operating lease commitments**

At 31 August 2019 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	academy 2019 £
Not later than 1 year	2,042
Later than 1 year and not later than 5 years	3,913
	<b>5,955</b>

The following lease payments have been recognised as an expense in the Statement of financial activities:

	academy 2019 £	academy 2018 £
Operating lease rentals	1,444	1,483

**28. 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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**COLCHESTER ROYAL GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**29. Related party transactions**

The following related party transactions took place during the period of account:

Birkett Long LLP - of which P Hoddell is a member

The trust received legal services of £4,857 (2018: £156). At the year end £384 (2018: £nil) was outstanding which is included in trade creditors.

During the year Mrs K Livingston who is the wife of A Livingston, a trustee, was employed by the school as a teacher, and was remunerated in accordance with her contract of employment on Band 3 of the pay scale.

During the year Mrs M Russell who is the wife of J Russell, a trustee, was employed by the school as a teacher, and was remunerated in accordance with her contract of employment on Band 3 of the pay scale.

In entering into the transactions above, the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

**COLCHESTER ROYAL GRAMMAR SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**30. Academy Boarding Trading Account**

	2019 £	2018 £
<b>Income</b>		
Fee income	368,400	370,400
Other income	-	-
	<u>368,400</u>	<u>370,400</u>
<b>Direct Costs</b>		
Goods and services	(47,577)	(43,840)
Other direct costs	(17,925)	(15,288)
	<u>(65,502)</u>	<u>(59,128)</u>
<b>Indirect costs</b>		
Staff costs	(151,439)	(145,660)
Utilities	(43,874)	(30,963)
Security	(46)	(114)
Buildings maintenance	(15,160)	(37,363)
Other indirect costs	(17,833)	(10,112)
	<u>(228,352)</u>	<u>(224,212)</u>
Transfer to restricted fixed asset fund	(106,222)	(184,500)
	<u>(31,676)</u>	<u>(97,440)</u>
Surplus b/fwd at 1 September 2018	131,078	228,518
<b>Surplus c/fwd at 31 August 2019</b>	<u><u>99,402</u></u>	<u><u>131,078</u></u>

**31. Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year ending 31 August 2019 the trust received £9,656 (2018: £9,370) and disbursed £6,833 (2018: £8,021) from the fund. There was a balance of £4,171 (2018: £1,349) at the year end which is included in other creditors.

The academy trust collected income on behalf of Essex Music Services of £64,941 (2018: £19,398), and paid over £61,830 (£19,398) during the year. After bank charges of £869 there was a balance at the year end of £2,242.