

Company Registration Number: 07455452 (England & Wales)

**Chatham & Clarendon Grammar School**  
(A Company Limited by Guarantee)

**Annual Report and Financial Statements**

**For the Year Ended 31 August 2021**

---

**Chatham & Clarendon Grammar School**  
**(A Company Limited by Guarantee)**

---

**Contents**

---

	Page
Reference and Administrative Details	1
Trustees' Report	2 - 10
Governance Statement	11 - 13
Statement on Regularity, Propriety and Compliance	14
Statement of Trustees' Responsibilities	15
Independent Auditors' Report on the Financial Statements	16 - 18
Independent Reporting Accountant's Report on Regularity	19 - 20
Statement of Financial Activities Incorporating Income and Expenditure Account	21
Balance Sheet	22
Statement of Cash Flows	23
Notes to the Financial Statements	24 - 46

---

**Chatham & Clarendon Grammar School**  
**(A company limited by guarantee)**

---

**Reference and Administrative Details of the Academy trust, its trustees and Advisers  
for the year ended 31 August 2021**

---

<b>Members</b>	Mr. R.A. Bath Mr. D.D. Harris Mrs. J. King Mr. J. Waker
<b>Trustees</b>	Mr. R.A. Bath, Chair of Trustees until 5 October 2021 Mr. S. Wren, Chair of Finance & Resources <sup>1</sup> Mr. D.D. Harris, Responsible Officer Mr. M Baker <sup>1</sup> , Staff Trustee Dr. A. Sutton-Jones, Staff Trustee Mrs. C. Goldsmith (formerly Siggers-Manson) Mr. M. Hutchings <sup>1</sup> Mrs. J. King <sup>2</sup> Mrs. D. Liddicoat, Headteacher <sup>1</sup> Ms. C. Tonkin Jukes, Staff Trustee Mr A Milne <sup>1</sup> Ms. R. Travers Mr. J. Waker (Chair of Trustees from 5 October 2021) <sup>1</sup>
	<sup>1</sup> members of the Finance and Resources Committee <sup>2</sup> members of the Audit Committee
<b>Company registered number</b>	07455452
<b>Company name</b>	Chatham & Clarendon Grammar School
<b>Principal and registered office</b>	Chatham Street Ramsgate Kent. CT11 7PS
<b>Company secretary</b>	Mr. C. Freeman
<b>Chief executive officer</b>	Mrs. D.J. Liddicoat
<b>Senior management team</b>	Mrs. D. Liddicoat, Headteacher, Accounting Officer Mr. T. Richford, Assistant Headteacher (appointed 1 September 2020) Mr. C. Goodwin, Deputy Headteacher - Lower School C. Bowman, Assistant Headteacher Mrs. K. Parkins, Deputy Headteacher – Upper School Mr Craig Lewis, Head of CCVI Mr. C. Freeman, Business Manager, Chief Financial Officer, Company Secretary
<b>Independent auditors</b>	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants, Registered Auditors Thames House, Roman Square Sittingbourne, Kent ME10 4BJ
<b>Bankers</b>	Lloyds Bank plc 3 Queen Street Ramsgate Kent. CT11 7PS
<b>Solicitors</b>	Furley Page LLP 39 St Margaret's Street Canterbury Kent. CT1 2TX

---

**Chatham & Clarendon Grammar School**  
**(A company limited by guarantee)**

---

**Trustees' Report for the year ended 31 August 2021**

---

The trustees present their annual report together with the financial statements and auditor's report of the School for the year ended 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

**INTRODUCTION**

Chatham House & Clarendon House Grammar Schools formally merged on 1st September 2013 having been federated since 2009. Drawing on the long history of academic excellence at both schools and utilising our traditional buildings, we have embraced a contemporary outlook to teaching and learning: with Key Stage 3 retaining single sex classes and Key Stage 4 a combination of both single and mixed sex teaching.

The foundations of our success remain rooted in the traditional values and ethos of both schools:-

- **Community:** Our belief that everyone in the school is equally valued and has a part to play in the school and wider community's success;
- **Creativity:** Students are encouraged to learn by taking risks and trying out new things;
- **Growth:** All students aspire to make the most of the opportunities offered to them in order to become fully rounded individuals;
- **Success:** Staff and students aspire to be outstanding in everything we do.

Our school operates as an academy trust for students aged 11 to 19 serving a catchment area between the towns of Whitstable, Herne Bay and the district of Thanet. It has a student capacity of 1,550 and had a roll of 1,504 in the school census of January 2021.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The academy trust (hereafter referred to as "the School") was incorporated on 30 November 2010 as a company limited by guarantee and an exempt charity. The School's memorandum and articles of association are its primary governing documents.

The trustees of Chatham & Clarendon Grammar School are also the directors of the School for the purposes of company law.

Details of the trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page one.

As from 1 September 2013 the School changed its name and status from "The Chatham & Clarendon Grammar School Federation" to Chatham & Clarendon Grammar School, following the merger of the two individual schools into one combined school.

**Members' liability**

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

**Trustees' indemnities**

The School maintains trustees' and officers' liability insurance which gives appropriate cover for any legal action brought against its Trustees. The School has also granted indemnities to each of its trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the year and remain in force, in relation to certain losses and liabilities which the trustees or other officers may incur to third parties in the course of acting as trustees or officers of the School.

Details of the insurance cover are provided in note 14 to the financial statements.

**Method of recruitment and appointment or election of trustees**

The School has determined that there will be 16 trustees (directors) on the Board in the following categories:

- Five trustees appointed by members;
- Four staff trustees consisting of the Headteacher, plus three staff trustees who are elected by the staff at the school. Employees of the School must not exceed one third of the total number of trustees;
- Four parent trustees who shall be elected by the parents/carers of registered students at the school. The elected parent trustee must be a parent/carer of a registered student at the school at the time when he or she is elected; and

---

**Chatham & Clarendon Grammar School**  
**(A company limited by guarantee)**

---

**Trustees' Report for the year ended 31 August 2021**

---

- Three trustees co-opted by the Board of trustees.

A trustee's term of office is four years; this does not apply to the Headteacher.

The trustees shall each school year, at their first meeting in that year, elect a chairman and a vice-chairman from among their number. A trustee who is employed by the School shall not be eligible for election as chairman or vice-chairman.

The trustees who were in office at 31 August 2021 and served throughout the year, except where shown, are listed on page one.

At the end of August 2021, there were three Co-opted Governor vacancies on the Board.

**Policies and procedures adopted for the induction and training of trustees**

The training and induction provided for new trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new trustees will be given a tour of the schools and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. As there are normally only two or three new trustees a year, induction tends to be undertaken informally and is tailored specifically to the individual.

**Organisation structure**

The management structure consists of three levels: trustees, the Senior Management Team (SMT) and Pastoral/Curriculum Managers. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the School by the use of budgets and making major decisions about the direction of the School, capital expenditure and senior staff appointments. They do this through their structure which consists of four committees: the Curriculum and Welfare Committee; the Audit Committee; the Pay Committee and the Finance & Resources Committee. The trustees, the members and the committees met every term (except Audit – twice and Pay - twice) during the 2020/2021 academic year.

The Senior Management Team are the Headteacher, two Deputy Headteachers, Head of 6th form, two Assistant Headteachers and the Business Manager. These managers control the School at an executive level implementing the policies laid down by the trustees and reporting back to them. As a group, the Senior Management Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Management Team always contain a trustee. Some spending control is devolved to members of the Management Team, with limits above which a Senior Manager must countersign.

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

The key management personnel of the School comprise the trustees and senior leadership team as disclosed on page 1.

The remuneration policy, setting the terms and conditions for the key management personnel, was developed and approved by the board of trustees, after taking advice from the Headteacher and following guidance from the relevant professional pay review bodies. Naturally the Headteacher was not involved in setting their own remuneration.

Only staff trustees, including the Headteacher, are remunerated and these individuals only receive remuneration in respect of their roles within school (as per their contracts of employment), and not in respect of their role as trustees. Specific disclosures concerning staff trustees' remuneration is included in note 13.

The day to day management of the remuneration policy is delegated to the Headteacher and monitored by the finance and resources committee. All details for setting pay and remuneration of key management personnel are set out in the pay policy and appraisal policy which are reviewed annually by the board of trustees.

Remuneration of key management personnel is set at an individual level, and where possible the trustees have taken external professional advice which includes benchmarking, market trends and advice on structuring of incentives. Senior management salaries are linked to pay spines, helping trustees conclude that each individual is remunerated at an appropriate level. As such salaries are linked to factors such as length of service and experience. Total remuneration packages include employer pension contribution at specific approved rates.

The board always bear in mind the charitable status of the School and in recognition of the fact the School receives funding under a funding agreement with the Secretary of State for Education. It ensures the remuneration paid to senior management personnel never exceeds a reasonable amount and that it provides value for money to the trust. The performance of senior management personnel is reviewed on a regular basis to ensure continuing value for money.

Total remuneration paid to senior management personnel is set out in note 12(d).

---

**Chatham & Clarendon Grammar School**  
**(A company limited by guarantee)**

---

**Trustees' Report for the year ended 31 August 2021**

---

**Relevant trade union officials and time**

During the year the School had one employee who is a union official.

**Relevant union officials**

Number of employees who were relevant union official during the relevant period	Full-time equivalent employee number
1	1.0

**Percentage of time spent on facility time**

Percentage of time spent	No of Employees
0%	0
1% - 50%	1 -- (1.5% of time spent)

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

Provide the total cost of facility time	<b>£664</b>
Provide the total pay bill	<b>£6,685,396</b>
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	<b>0.0099%</b>

**Connected organisations, including related parties**

As part of the Academies Accounts Direction (part 7.3), the school discloses the following: there is a Parent/Teacher Association, called the Friends of Chatham & Clarendon Grammar School, charity registration no. 283471, and commonly known as Friends of CCGS

The school is also a founder member of BRESIC (Broadstairs and Ramsgate Ethos School Improvement Company) a collaborative partnership with five church schools whose main aim is to share good practice in teaching and learning and achieve economies of scale in procuring goods and services.

**OBJECTIVES AND ACTIVITIES**

**Objects and aims**

The principal object and activity of the School is to provide high quality education for students of different abilities between the ages of 11 and 19. A more detailed summary is provided in the school prospectus (and on the website).

In accordance with the articles of association the School has adopted a "Scheme of Government" (Funding Agreement) approved by the Secretary of State for Education and Skills. The Scheme of Government specifies, amongst other things, the basis for admitting students to the School, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

**Objectives, strategies and activities**

The main objectives of the School during the year ended 31 August 2020 are summarised below:

- to ensure that every student enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all students;
- to improve the effectiveness of the School by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with primary schools, industry and commerce; and
- to conduct the School's business in accordance with the highest standards of integrity, probity and openness.

The School's main strategy is encompassed in its mission statement which is: '*Our school strives for excellence in everything we do to fulfil the potential of all students*'. Our school exists to identify and develop the full potential of each student, to equip them with the skills and the qualifications they need to achieve their ambition, whatever that may be. We have a very strong track record of examination success at GCSE and Advanced Level. A high proportion of our students go on to Higher Education, usually securing places at their first choice university. A fuller explanation of our key values and purposes is set out in the School prospectus which is on the School's website but is also available as a hard copy on request. To this end the activities provided include:

---

**Chatham & Clarendon Grammar School**  
(A company limited by guarantee)

---

**Trustees' Report for the year ended 31 August 2021**

---

- tuition and learning opportunities for all students to attain appropriate academic qualifications;
- training opportunities for all staff, and especially teaching staff;
- secondments and placements of students with industrial and commercial partners;
- a programme of sporting and after school leisure activities for all students;
- a wide selection of after school clubs to allow students to explore science, mathematics, technology and engineering in a practical and project oriented way;
- a careers advisory service to help students obtain employment or move on to higher education; and
- co-operation and sharing good practice with other local schools.

**Public benefit**

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The trustees believe that the School's educational object and aims are demonstrably to the public benefit.

Amongst the benefits brought to the wider community by the School are:

- Use of the AstroTurf at Chatham House;
- Use of the halls by local community groups;
- Inviting primary school pupils to special events such as science days;
- Sixth formers visit local primary schools with mentoring schemes, literacy and numeracy support;
- Sixth form assistance in charity shops;
- Sixth form support in libraries;
- Sports coaching;
- Help with local youth organisations.

**Equal opportunities**

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The School aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

**Disabled persons**

Lifts and disabled toilets are installed in the CCVI centre and Beresford Road Science Block. Chatham House has stair lifts on its main staircase. The policy of the School is to support recruitment and retention of students and employees with disabilities. The School does this by making reasonable adjustment to the physical environment where possible, by making support resources available and through training and career development.

The School makes reasonable adjustments to ensure they are able to admit students with varying levels of disabilities within the constraints of the buildings and other resources available to it.

**STRATEGIC REPORT**

**Achievements and performance**

Total students in the year ended 31st August 2021 numbered 1,032 pre 16 and 472 16-19 (1,504 in total).

On May 16<sup>th</sup> 2018 the school had its second OFSTED Inspection since it was amalgamated. The outcome of the inspection, which was graded overall as GOOD, is quoted from their report:

- 1) 'This school continues to be good'.
- 2) 'The leadership team has maintained a good quality of education in the school since the last inspection. Your determination to provide high-quality care and to foster the school's values of community, creativity, growth and success has created a caring and welcoming school where pupils and students share leaders' high aspirations.'
- 3) 'Determined actions, such as providing training for teachers on improving questioning and on teaching new examination courses, have led to improvements in the outcomes of current pupils, particularly boys.'
- 4) 'You have made sure that your plans for school improvement focus on improving pupils' progress, and governors have monitored these plans'.
- 5) 'Pupils and sixth-form students are very positive about their committed teachers. Pupils and students value their teachers' expertise and subject knowledge. They explained that their teachers 'go the extra mile' in supporting them.'
- 6) 'Pupils and students feel motivated in their learning, being inspired by the wide range of options open to them in the next stage of their education. Many students are successful at gaining places at university, and for several successful applicants they are the first member of their family to attend higher education.'

---

**Chatham & Clarendon Grammar School**  
**(A company limited by guarantee)**

---

**Trustees' Report for the year ended 31 August 2021**

---

**Achievements and performance - continued**

- 7) 'The vast majority of parents support you and your staff. They recognise that the school provides a safe and caring environment. One parent, who responded to Ofsted's online questionnaire wrote, 'I have been extremely impressed by the pastoral care at this school.'
- 8) 'Your pupils benefit from excellent relationships with staff. These are built upon mutual respect and a strong work ethic.'
- 9) 'Pupils behave extremely well.'
- 10) 'Safeguarding is effective.'

Examination results for 2019/20, although affected by the Covid 19 Pandemic, were again outstanding.

This year saw 95% of our students achieving 5 or more grade 9 to grade 4 including Maths and English (97.8% for the previous year). 44% of all grades were Grade 9 to Grade 7 (A\* to B) – (44% last year) and 26%.

At 'A' level the overall pass rate was 99.0% and 58% of these were the higher grades A\*-B (99.7% and 57% respectively last year). A full report of the public exam results and destinations of the sixth form leavers will be published on the website.

To ensure that standards are continually raised the School operates a programme of observation of lessons; is visited regularly by inspectors and school improvement partners; undertakes a comparison of results from entry to Key Stage 3 to GCSE and from GCSE to A-level to assess the added value. The School also participates in national programmes looking at added value through the key stages.

The School monitors the destination of its leavers, the vast majority of our students' progress to higher education attending some of the top universities in the country and Europe.

Due to the Covid 19 Pandemic, students in Year 10 were not able to participate in work experience and the Year 12 and 13 students could not participate one afternoon each week in any charitable, sport activities or work experience.

The School plays an active part in the local community including sporting activities, fund-raising for charities and much more. It offers a broad and balanced curriculum for Year 7 to Year 11. The Sixth Form offers over 30 Level 3 courses (A levels and vocational courses). The School has an outstanding record of assisting students into higher education and for some years has had no 'NEETS'. The established House system, supported by sixth form prefects, regularly donate money to a range of local and national charities. (Full details are published in the School newsletters and also on the website).

Staff achievements: The School has strong links with local higher education teacher-training establishments. Inset funds are made available to support a thorough CPD programme. A member of staff is employed to provide careers advice, organise a work experience programme and provide support for students going to university. The school also offers students the opportunity to train as teachers of EFL and to learn sign language in order to be able to communicate with the deaf and hard of hearing.

**Going concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future.

For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found at Note 2.2 within the statement of accounts.

**Key financial performance indicators**

Student numbers at key stage 3 continue to increase year on year and it is hoped that we will continue to recruit up to 200 students into year 7 in future years. The school will continue to maintain its provision for students, thereby potentially increasing education funding through growth.

Staff costs represent the largest part of the academy trust's budget and so monitoring these is always key. The table below shows staff costs as a proportion of total expenditure (excluding depreciation), revenue income and total income.

	2021	2020
Salary costs as % of total expenditure <sup>1</sup>	84.3	83.8
Salary costs <sup>1</sup> as % of revenue income	80.7	82.4
Salary costs <sup>1</sup> as % of total income	78.3	81.0

<sup>1</sup> FRS 102 LGPS defined benefit costs are excluded from both salary costs and total expenditure for the purpose of these calculations since these are a non-cash accounting adjustment for the purposes of the statutory accounts.



**Chatham & Clarendon Grammar School**  
**(A company limited by guarantee)**

**Trustees' Report for the year ended 31 August 2021**

The ratios are within acceptable ranges although traditionally staff costs above 80% of total expenditure are considered to be high (per the DfE 'top 10 planning checks for governors'). The percentages in the table have risen during 2020-21 partially due to the impact of the rise in Support Staff Employers Pension Rates in 2020/2021.

Ratio of staff costs have been monitored and benchmarked against similar schools both locally and nationally and the trustees are confident that these remain reasonable and represent value for money.

**FINANCIAL REVIEW**

Most of the academy trust's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities ("SoFA"). Core grant income has been supplemented by capital funding and various other self-generated income streams.

Total income for the year was £8.6m, an increase on £7.7m in the previous year. This includes capital funding of £287k, up from £124k in 2019/20.

Revenue income for the day-to-day running of the academy was therefore £8.3m (2020: £7.6m). Most of this revenue income related to grants and other funding received for the academy trust's educational operations, as detailed in note 7. The great majority of this is core General Annual Grant (GAG) funding, which increased significantly to £7.2m (2020: £6.6m). This year the academy trust received specific Covid-19 funding from the DfE/ESFA to support the academy trust with its response to the pandemic. This is also explained in note 7.

Total expenditure for the year amounted to £9.1m (2020: £8.6m), leaving net expenditure over income for the year of £563k (2020: £821k). The overall movement in funds for the year, after a small gain (2020: loss) on investments, and an actuarial loss of £432k (2020: £189k) on the Local Government Pension Scheme (LGPS), was a reduction of £992k (2020: £1.0m).

It is important to note that this overall movement in funds does not reflect the meaningful operational result because it includes:

- movements in the restricted fixed asset fund, which tracks capital income and depreciation charges that write off the cost of the academy trust's fixed assets – notably the school buildings – over their useful economic lives. This fund was responsible for £435k of the current year deficit.
- movements on the pension reserve. The balance sheet carries the academy trust's share of the LGPS deficit, and this has increased by £841k during the year to £4.6m. The actuarial movement referred to above is only part of the movement, and the remainder of the movement, £409k, is a further non-cash adjustment that is included within staff costs as explained in accounting policy 2.10.

The table below is therefore included to reconcile from the overall reduction in funds to the more meaningful movement on revenue income funds, an increase of £284k (2020: £106k). This movement does include revenue to capital contributions of £28k (2020: £21k) which represent capital fixed assets acquired using revenue funds, and accounted for as transferred into the fixed asset fund on the SoFA. Prior to these transfers the operational surplus for the year was £312k (2020: £127k).

	2021 (£000s)	2020 (£000s)
<b>Overall net movement in funds for the year per SoFA</b>	<b>(992)</b>	<b>(1,015)</b>
<u>Add:</u>		
Decrease / (increase) attributable to fixed asset fund	435	623
LGPS actuarial (gain)/loss	432	189
LGPS service and interest costs	409	309
<b>Total movement in year on revenue funds</b>	<b>284</b>	<b>106</b>
Revenue to capital transfers	28	21
<b>Operational surplus /(deficit) on revenue funds</b>	<b>312</b>	<b>127</b>

At 31 August 2021, the net book value of fixed assets was £28.9m and movements in tangible fixed assets are shown in note 15 to the financial statements. During the year the assets were used almost exclusively for providing education and the associated support services to the academy trust's pupils, the only exceptions to this being limited letting of the premises to local community groups.

**Financial position**

The Trust held fund balances at 31 August 2021 of £24.8m (2020: £25.8m). These funds comprised restricted fixed asset funds of £28.9m (2020: £29.4m), and revenue income funds of £455k (2020: £171k) together with the pension fund reserve.

---

**Chatham & Clarendon Grammar School**  
**(A company limited by guarantee)**

---

**Trustees' Report for the year ended 31 August 2021**

---

The pension reserve deficit of £4.6m (2020: £3.8m) is the only fund in deficit. This deficit does not mean that an immediate liability crystallises; it results in a cash flow effect for the Trust in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the free reserves of the academy trust because of recognising the deficit. The accounting has no direct impact on the free reserves of the Company as a result of recognising the deficit. Employer contributions are reviewed every three years in consultation with the scheme's administrators, and employer contributions are currently set to rise at small annual incremental levels until 1 April 2023.

**Reserves policy**

The trustees review the reserve levels of the School annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of free cash should be equivalent to four weeks expenditure, approximately £500,000. The reason for this is to provide sufficient working revenue to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. It is the School's aim to increase and maintain reserves up to this level within the next two years – at present its reserves are at approximately 80% of its target.

The trustees will continue to monitor levels of reserves to ensure that they are maintained at the desired level. In the event that they are partly used the trust will strive to rebuild free reserves up to the level required.

**Financial and risk management objectives and policies**

The School does not use complex financial instruments. It manages its activities using cash and various items such as trade debtors and trade creditors that arise directly from its operations.

The main risk arising from the trust's financial activities is liquidity risk. (The School manages its cash resources, including sufficient working capital, so that its bank ledger balance is available to the finance team for monitoring at all times and is always taken into account when making payments).

**Principal risks and uncertainties**

The trustees have considered the major risks to which the School is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the School and its finances. The trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, buildings and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk.

Where significant financial risk still remains they have ensured they have adequate insurance cover. The School maintains a Risk Register which is reviewed regularly by the trustees and senior management. The School also has an effective system of internal financial controls and this is explained in more detail in the following statement. The major risks are:

- failure to successfully recruit and retain students;
- lack of financial reserves for 2020/21
- changes to Government policy on Education Funding;
- changes to Education priorities by the Government;
- loss of a key member of the Senior Leadership Team;
- impact of an uncontrollable event, e.g. fire or flood;
- major injury or a Health & Safety issue or environmental incident; and
- changes to Pension policy or funding for the TPS and LGPS.
- 

**Fundraising**

In accordance with the provisions of the Charities (Protection and Social Investment) Act 2016, the school is required to report upon its fundraising activities during the year.

Trustees approved a fundraising strategy in 2015 and identified an action plan with an objective to raise £50,000 per annum. Many of the initiatives identified within the plan were suggested by students and for students to carry out.

Due to the Covid 19 Pandemic, many planned fund raising activities could not be carried out and we had to, for example, cancel a number of foreign students visits from China and Thailand; parental contributions continued to be received, raising £22,600, and individual fund raising activities held by the students for chosen House charities before the lockdown took place.

The school regularly provides information about fund raising through its termly newsletters and on the website.

---

**Chatham & Clarendon Grammar School**  
**(A company limited by guarantee)**

---

**Trustees' Report for the year ended 31 August 2021**

---

**PLANS FOR FUTURE PERIODS**

The School's plans for the future in both the medium and long term are included in the School Improvement Plan, which is reviewed regularly. Key plans include:

- Attainment & Achievement: Examination results – Positive Value added scores for all GCSE and A level subjects. 45% of entries at GCSE to be grade 7, 8 or 9 with 14% being at grades 8 or 9. For A level results - 18% of entries to be A\* or A grade and 48% A\* to B grade. Academic Standards: Improve student outcomes and increase the proportion of students' who progress to higher education.
- Teaching & Learning. All teaching staff to have at least one lesson observation per year and at least one follow up activity to support their professional development.
- Student focus: Focused tracking of student groups (particularly Pupil Premium, FSM, SEN, Girls and Boys Upper ability); challenge weeks to stretch all students via probing questioning and activity planning.
- Curriculum Change and assessment: Consolidate new schemes of work in KS3, KS4 and KS5. Consolidate new assessment procedures in KS3, KS4. Embed creativity opportunities; maintain the rollout of EPQ for all at KS5.
- Business focus: maximising the marketing of the school and pupil success and extracurricular activities through media platforms; maintaining outreach/inreach programmes across all departments; control and manage finances in a period of sustained funding restrictions.
- Finance & Personnel:
  - i) Monitor Academy budget ensuring sound operational surplus/contingency; explore options for operational economies & savings within budget lines and of income generation; maximise opportunities presented by wider association of academies/other partner schools for economies of scale, benchmarked Value for Money purchases of goods & services; improving the management of financial processes within school;
  - ii) Monitor & promote student recruitment; review & adjust teaching group sizes, staffing budget & timetable deployments to ensure viable cost-effective arrangements which will maintain a balanced budget; review and where necessary modify staffing structures to maintain sustainable leadership & management.
- The Learning Environment:
  - i) Implement and monitor (minor works) changes to the buildings which support the operations of the main school sites, ensuring that these are completed on time, to the required standard and within the assigned budget. As/when further financial resources become available (i.e. from successful bids to the DfE's CIF Fund), to develop and implement additional elements of this plan.
  - ii) Disposal of the "Red House" site to fund further improvements.
  - iii) Disposal of Newington Fields to fund further improvements.
  - iv) Improve Science, Technology and Mathematics resources with the view to building a new STEM building at Chatham House (lower school site).
  - v) Improve Physical Education and sports resources with the view to building a new Sports Centre and Multi-use games Area (MUGA) at Chatham House (lower school site)
  - vi) Improve the learning environment for students and staff to work in with specific reference to the heating of classrooms (installation of new heating systems and controls);
  - vii) Acquire a new classroom to help in the management of the COVID 19 arrangements.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The School distributes 16-19 Bursary Funds to its students as an agent for the ESFA. Details, including any amounts not dispersed by the financial year end, are disclosed in note 31 to the financial statements.

---

**Chatham & Clarendon Grammar School**  
**(A company limited by guarantee)**

---

**Trustees' Report for the year ended 31 August 2021**

---

**DISCLOSURE OF INFORMATION TO AUDITORS**

In so far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the School's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the School's auditors are aware of that information.

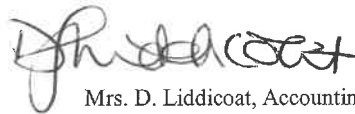
**AUDITORS**

The auditors, UHY Hacker Young, have indicated their willingness to remain in office, and the audit process will be reviewed in detail and re-appointment of the auditors will be considered following the forthcoming Annual General Meeting.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, and signed on the board's behalf by:



Mr. J. Waker, Chair of Trustees



Mrs. D. Liddicoat, Accounting Officer

Date: 7 December 2021

---

**Chatham & Clarendon Grammar School**  
**(A company limited by guarantee)**

---

**Governance Statement**

---

**Scope of Responsibility**

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Chatham & Clarendon 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 trustees' responsibilities statement. The board of trustees has formally met 6 times during the year and attendance at meetings was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr. R.A. Bath, Chair of Trustees	6	6
Mr. S. Wren, Chair of Finance & Resources	5	6
Mr. D. D. Harris, Responsible Officer	5	6
Mr. M. Hutchings	4	6
Mrs. J. King	6	6
Mrs. D. Liddicoat, Headteacher	6	6
Mr. A. Milne	4	6
Ms. C. Tonkin Jukes, Staff Trustee	5	6
Ms. R. Travers	3	6
Mr. J. Waker	6	6
Mrs. C. Goldsmith (Siggers-Manson)	6	6
Mr. M. Baker	5	6
Dr. A. Sutton-Jones	5	6

There have been no changes on the Governing Body this year. There are currently three vacancies for co-opted trustees 2020/21.

The Finance and Resources Committee is a sub-committee of the main board of trustees. Its purpose is to monitor and guide financial activity of the School and to ensure resources are properly used.

Attendance at meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mrs. D. Liddicoat, Headteacher	5	6
Mr. S. Wren, Chair of Finance & Resources	6	6
Mr. M. Baker	5	6
Mr. M. Hutchings	3	6
Mr. A. Milne	4	6
Mr. J. Waker	6	6
Mr. R. Bath	5	6

The audit committee is a further sub-committee of the main board of trustees. Its purpose is to maintain an oversight of the School's governance, risk management, internal control and value for money framework. It will report its findings regularly to the board of Trustees and the Accounting Officer as a critical element of the School's annual reporting requirements.

The Audit Committee has no executive powers or operational responsibilities/duties.

---

**Chatham & Clarendon Grammar School**  
**(A company limited by guarantee)**

---

**Governance Statement**

---

Attendance at Audit Committee meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mrs. J. King	3	3
Mr. D. D. Harris	3	3
Mrs. D. Liddicoat	3	3
Mrs. C. Goldsmith (Siggers-Manson)	3	3

**Review of Value for money**

As Accounting Officer, the Headteacher has responsibility for ensuring that the School 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 School'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 Purpose of the System of Internal Control**

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

**Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the School 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 School's significant risks, which has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and Resources 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; and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Mr. D. Harris, a trustee, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the School's financial systems. On a quarterly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

---

**Chatham & Clarendon Grammar School**  
**(A company limited by guarantee)**

---

**Governance Statement**

---

The School confirms that the Responsible Officer function has been fully delivered in line with the ESFA's requirements. The appointee has delivered their schedule of work as planned during the year and no significant issues have arisen. Remedial action has been taken to deal with any minor points and recommendations.

In accordance with the new GDPR requirements which came into force in May 2019, the school has appointed R Wilding as its Data Protection Officer.

Mrs Wilding was also appointed Scrutiny Officer on 1 January 2021 – her role is to undertake internal scrutiny reviews of the school's major processes and report their findings to the Audit Committee accordingly.

The Audit Committee have approved a plan of reviews covering the period of April 2021 to June 2022 – 14 reviews will be carried out by the Scrutiny officer (one per month) and the findings and recommendations emanating from each review will be reported to the Audit Committee.

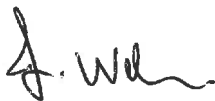
**Review of Effectiveness**

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

- the work of the Responsible Officer;
- the work of the Scrutiny Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the School 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 Chief Financial Officer and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on and signed on their behalf, by:



Mr. J. Waker  
Chair of Trustees



Mrs. D. Liddicoat  
Accounting Officer

Date: 7 December 2021

---

**Chatham & Clarendon Grammar School**  
**(A Company Limited by Guarantee)**

---

**Statement on Regularity, Propriety and Compliance**

---

As accounting officer of Chatham & Clarendon Grammar School I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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



**Mrs. D. Liddicoat**  
Accounting Officer

Date: 7 December 2021



---

**Chatham & Clarendon Grammar School**  
**(A Company Limited by Guarantee)**

---

**Statement of trustees' responsibilities**  
**For the Year Ended 31 August 2021**

---

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

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

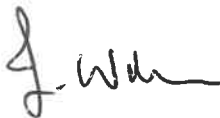
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



**Mr. J. Waker**  
Chair of Trustees

Date: 7 December 2021

**Independent Auditors' Report on the financial statements to the Members of Chatham & Clarendon Grammar School**

---

**Opinion**

We have audited the financial statements of Chatham & Clarendon Grammar School (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

**Independent Auditors' Report on the financial statements to the Members of Chatham & Clarendon Grammar School**  
**(continued)**

---

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

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

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

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

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the academy trust 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 trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or 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.

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

*How the audit was considered capable of detecting irregularities including fraud:*

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the academy trust through discussions with management, and from our commercial knowledge and experience of the academy and wider education sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the academy trust, including the Academics Financial Handbook, Annual Accounts Direction, Charity SORP and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the academy trust's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

**Independent Auditors' Report on the financial statements to the Members of Chatham & Clarendon Grammar School**  
**(continued)**

---

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management and representatives of Trustees as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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



**Allan Hickie BSc FCA (Senior Statutory Auditor)**

for and on behalf of

**UHY Kent LLP**

Chartered Accountants

Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

Date: 13 December 2022

---

**Chatham & Clarendon Grammar School**  
**(A Company Limited by Guarantee)**

---

**Independent Reporting Accountant's Assurance Report on Regularity to Chatham & Clarendon Grammar School and the Education and Skills Funding Agency**

---

In accordance with the terms of our engagement letter dated 5 July 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Chatham & Clarendon Grammar School during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Chatham & Clarendon Grammar School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Chatham & Clarendon 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 Chatham & Clarendon Grammar School and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Chatham & Clarendon Grammar School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Chatham & Clarendon Grammar School's funding agreement with the Secretary of State for Education dated 17 December 2010 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to arrive at our conclusion. Other than those procedures undertaken for the purposes of our audit of the financial statements of Chatham and Clarendon Grammar School for the year ended 31 August 2021 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw to our conclusion included:

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

---

**Chatham & Clarendon Grammar School**  
**(A Company Limited by Guarantee)**

---

**Independent Reporting Accountant's Assurance Report on Regularity to Chatham & Clarendon 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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*UHY Kent LLP*

**UHY Kent LLP**  
Chartered Accountants  
Statutory Auditors

Thames House  
Roman Square  
Sittingbourne  
Kent  
ME10 4BJ

Date: *13 December 2021*

**Chatham & Clarendon Grammar School**  
**(A Company Limited by Guarantee)**

**Statement of financial activities (incorporating income and expenditure account)**  
**For the Year Ended 31 August 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>						
Donations and capital grants	4	45,943	-	287,201	333,144	220,584
Other trading activities	5	36,857	-	-	36,857	49,947
Investments	6	96	-	-	96	352
Funding for educational operations	7	109,390	8,081,389	-	8,190,779	7,475,980
<b>Total income</b>		<b>192,286</b>	<b>8,081,389</b>	<b>287,201</b>	<b>8,560,876</b>	<b>7,746,863</b>
<b>Expenditure on:</b>						
Charitable activities	9	55,621	8,293,790	774,187	9,123,598	8,568,124
<b>Total expenditure</b>		<b>55,621</b>	<b>8,293,790</b>	<b>774,187</b>	<b>9,123,598</b>	<b>8,568,124</b>
<b>Net income/(expenditure) before net gains/(losses) on investments</b>						
		136,665	(212,401)	(486,986)	(562,722)	(821,261)
<b>Net gains/(losses) on investments</b>						
		3,032	-	-	3,032	(4,491)
<b>Net income/(expenditure)</b>		<b>139,697</b>	<b>(212,401)</b>	<b>(486,986)</b>	<b>(559,690)</b>	<b>(825,752)</b>
Transfers between funds	19	(13,750)	(38,679)	52,429	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>125,947</b>	<b>(251,080)</b>	<b>(434,557)</b>	<b>(559,690)</b>	<b>(825,752)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	27	-	(432,000)	-	(432,000)	(189,000)
<b>Net movement in funds</b>		<b>125,947</b>	<b>(683,080)</b>	<b>(434,557)</b>	<b>(991,690)</b>	<b>(1,014,752)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		165,249	(3,742,400)	29,383,703	25,806,552	26,821,304
Net movement in funds		125,947	(683,080)	(434,557)	(991,690)	(1,014,752)
<b>Total funds carried forward</b>	<b>19</b>	<b>291,196</b>	<b>(4,425,480)</b>	<b>28,949,146</b>	<b>24,814,862</b>	<b>25,806,552</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 24 to 46 form part of these financial statements.

Chatham & Clarendon Grammar School  
(A Company Limited by Guarantee)  
Registered number: 07455452

Balance Sheet  
As at 31 August 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	15	28,949,146	29,383,703
Investments	16	23,743	20,711
		<u>28,972,889</u>	<u>29,404,414</u>
<b>Current assets</b>			
Debtors	17	309,435	324,805
Cash at bank and in hand		503,155	297,270
		<u>812,590</u>	<u>622,075</u>
Creditors: amounts falling due within one year	18	(381,617)	(471,937)
<b>Net current assets</b>		<u>430,973</u>	<u>150,138</u>
<b>Net assets excluding pension liability</b>		<u>29,403,862</u>	<u>29,554,552</u>
Defined benefit pension scheme liability	27	(4,589,000)	(3,748,000)
<b>Total net assets</b>		<u><u>24,814,862</u></u>	<u><u>25,806,552</u></u>
<b>Funds of the academy trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	19	28,949,146	29,383,703
Restricted income funds	19	163,520	5,600
		<u>29,112,666</u>	<u>29,389,303</u>
Restricted funds excluding pension liability	19	29,112,666	29,389,303
Pension reserve	19	(4,589,000)	(3,748,000)
<b>Total restricted funds</b>	19	<u>24,523,666</u>	<u>25,641,303</u>
<b>Unrestricted income funds</b>	19	<u>291,196</u>	<u>165,249</u>
<b>Total funds</b>		<u><u>24,814,862</u></u>	<u><u>25,806,552</u></u>

The financial statements on pages 21 to 46 were approved and authorised for issue by the trustees and are signed on their behalf, by:

Mr. J. Waker  
Chair of Trustees



Mrs. D. Liddicoat  
Accounting Officer



Date: 7 December 2021

The notes on pages 24 to 46 form part of these financial statements.



---

**Chatham & Clarendon Grammar School**  
**(A Company Limited by Guarantee)**

---

**Statement of Cash Flows**  
**For the Year Ended 31 August 2021**

---

	<b>Note</b>	<b>2021</b> <b>£</b>	<i>2020</i> <i>£</i>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	302,950	<i>166,865</i>
<b>Cash flows from investing activities</b>	22	<i>(97,065)</i>	<i>(16,332)</i>
<b>Change in cash and cash equivalents in the year</b>		205,885	<i>150,533</i>
Cash and cash equivalents at the beginning of the year		297,270	<i>146,737</i>
<b>Cash and cash equivalents at the end of the year</b>	23, 24	<u>503,155</u>	<u><i>297,270</i></u>

The notes on pages 24 to 46 form part of these financial statements

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

---

**1. General information**

Chatham and Clarendon Grammar School is an exempt charitable company, limited by guarantee, incorporated in England. Its company registration number is 07455452. The registered office is Chatham House, Chatham Street, Ramsgate, Kent. CT11 7PS.

**2. 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.

**2.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Chatham & Clarendon Grammar School meets the definition of a public benefit entity under FRS 102.

**2.2 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 trust to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Notes to the Financial Statements  
For the Year Ended 31 August 2021

---

2. Accounting policies (continued)

2.3 Income

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

• **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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 trust has provided the goods or services.

• **Donated fixed assets (excluding transfers on conversion or into the trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The donation is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies. During 2020/21 the academy trust received ICT equipment from the Government under the free laptop and tablet scheme which has been accounted for this way.

Notes to the Financial Statements  
For the Year Ended 31 August 2021

---

2. Accounting policies (continued)

2.4 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.

• Charitable activities

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

Where relevant, all expenditure is shown inclusive of irrecoverable VAT.

2.5 Taxation

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

2.6 Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Buildings	- 2 - 4%
Furniture and equipment	- 15 - 25%
Computer equipment	- 33%
Motor vehicles	- 25%

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.

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

---

**2. Accounting policies (continued)**

**2.7 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

**2.8 Financial instruments**

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

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

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. 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.

**2.9 Operating leases**

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

**2.10 Pensions**

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to 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.

Notes to the Financial Statements  
For the Year Ended 31 August 2021

---

2. Accounting policies (continued)

2.11 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 academy trust does not have control over the charitable application of the funds. The academy 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 balances held are disclosed in note 31.

2.12 Fund accounting

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

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.

3. 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 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

We consider that there has been one key area of judgement in respect of the actuarial assumptions made leading to the closing pension scheme liability:

The "**McCloud/Sargeant judgements**". These employment tribunal cases relate to all public sector pension schemes and not specifically to the academy trust. The cases relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material and a past service cost adjustment was made, within staff costs, in the trusts 2018/19 financial statements.

Since then a consultation has taken place. Then, on 13 May 2021, the Government issued a ministerial statement which confirms that changes will be made to the LGPS Regulations to compensate members directly affected by the change to career average benefits from 1 April 2014. The Government's intention is that revised regulations will come into force on 1 April 2023, and draft regulations are expected later in 2021.

In July 2021 the actuary has indicated that they do not believe there are any material differences between the approach underlying the estimated allowance and the proposed remedy, and therefore no further subsequent adjustment has been made.

**Chatham & Clarendon Grammar School**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

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

	<b>Unrestricted funds 2021 £</b>	<b>Restricted fixed asset funds 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Donated assets	-	41,700	41,700	-
Donations	45,943	-	45,943	96,513
Capital grants	-	245,501	245,501	124,071
	<u>45,943</u>	<u>287,201</u>	<u>333,144</u>	<u>220,584</u>
<i>Analysis of 2020 total by fund</i>	<u>96,513</u>	<u>124,071</u>	<u>220,584</u>	

**5. Income from other trading activities**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Lettings	11,217	11,217	25,140
Insurance claims	11,727	11,727	5,000
Sale of goods and services	13,719	13,719	13,779
Other	194	194	6,028
	<u>36,857</u>	<u>36,857</u>	<u>49,947</u>
<i>Analysis of 2020 total by fund</i>	<u>49,947</u>	<u>49,947</u>	

**6. Investment income**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Bank interest	96	96	352
	<u>96</u>	<u>96</u>	<u>352</u>
<i>Analysis of 2020 total by fund</i>	<u>352</u>	<u>352</u>	

**Chatham & Clarendon Grammar School**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

**7. Funding for educational operations**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>As restated</i> Total funds 2020 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	7,201,993	7,201,993	6,595,900
Other DfE/ESFA grants				
Pupil Premium	-	149,925	149,925	153,101
Teachers' pension grant	-	287,764	287,764	286,096
Teachers' pay grant	-	101,836	101,836	101,246
Others	-	61,406	61,406	59,480
	-	7,802,924	7,802,924	7,195,823
<b>Other Government grants</b>				
Local authority grants	-	71,959	71,959	21,090
<b>Other income from educational operations</b>	109,390	2,087	111,477	259,067
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up Premium	-	82,080	82,080	-
Other DfE/ESFA COVID-19 funding	-	122,339	122,339	-
	-	204,419	204,419	-
	109,390	8,081,389	8,190,779	7,475,980
<i>Analysis of 2020 total by fund</i>	249,781	7,226,199	7,475,980	

Following the reclassification in the Academies Accounts Direction 2020 to 2021 of some grants received from the Department for Education and ESFA, this funding is now reported as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy trust received Covid catch up premium of £82k to support pupils to catch up on missed learning caused by coronavirus (Covid-19). The costs incurred in respect of this funding totalled £12k leaving a balance of £70k which will be spent in 2021/22. The funding was spent in a variety of ways, including recovery and revision classes, extra teaching resources and teaching costs.

Other Covid funding of £122k comprises (i) £51k of Covid mass testing grants, provided by the DfE to support schools with the costs associated with the coronavirus National Testing Programme, (ii) £39k Summer School grant for the costs of delivering the programme of activities during the school summer holidays and (iii) emergency Covid Grants to cover the additional costs incurred in response to the challenges of the pandemic, including extra cleaning staff and supervision costs relating to 'Bubbles', extra cleaning and antiviral products and extra costs relating to FSM students.

Other income from educational operations comprises catering of £107k (2020: £121k), school trip income of £(9)k (2020: £123k) together with sundry other amounts of £13k (2020: £15k).



Chatham & Clarendon Grammar School  
(A Company Limited by Guarantee)

Notes to the Financial Statements  
For the Year Ended 31 August 2021

8. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Educational operations:					
Direct costs	5,681,423	685,801	374,133	6,741,357	6,479,510
Allocated support costs	1,503,026	499,014	380,201	2,382,241	2,088,614
	<u>7,184,449</u>	<u>1,184,815</u>	<u>754,334</u>	<u>9,123,598</u>	<u>8,568,124</u>
<i>Analysis of 2020 total</i>	<u>6,586,802</u>	<u>1,162,028</u>	<u>819,294</u>	<u>8,568,124</u>	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Educational operations	55,621	9,067,977	9,123,598	8,568,124
	<u>55,621</u>	<u>9,067,977</u>	<u>9,123,598</u>	
<i>Analysis of 2020 total by fund</i>	<u>223,451</u>	<u>8,344,673</u>	<u>8,568,124</u>	

10. Analysis of expenditure by activities

	Direct costs 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Educational operations	6,741,357	2,382,241	9,123,598	8,568,124
	<u>6,741,357</u>	<u>2,382,241</u>	<u>9,123,598</u>	
<i>Analysis of 2020 total</i>	<u>6,479,510</u>	<u>2,088,614</u>	<u>8,568,124</u>	

---

**Chatham & Clarendon Grammar School**  
**(A Company Limited by Guarantee)**

---

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

---

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

**Analysis of support costs**

	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Staff costs	1,503,026	1,306,884
Depreciation	38,674	38,959
Premises costs	462,919	382,846
Technology costs	90,441	91,554
Other support costs	278,070	253,390
Governance costs	9,111	14,981
	<u>2,382,241</u>	<u>2,088,614</u>

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

Net income/(expenditure) for the year includes:

	<b>2021 £</b>	<i>2020 £</i>
Operating lease rentals	46,462	57,116
Depreciation of tangible fixed assets	773,479	779,182
Loss on disposal of fixed assets	708	-
Fees paid to auditors for:		
- audit	8,890	8,680
- other services	2,050	1,990
	<u>831,589</u>	<u>1,617,078</u>

---

**Chatham & Clarendon Grammar School**  
**(A Company Limited by Guarantee)**

---

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

---

**12. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<i>£</i>
Wages and salaries	5,191,539	4,801,079
Social security costs	491,264	458,086
Pension costs	1,494,984	1,307,416
	<u>7,177,787</u>	<u>6,566,581</u>
Agency staff costs	1,710	20,221
Staff restructuring costs	4,952	-
	<u>7,184,449</u>	<u>6,586,802</u>

Staff restructuring costs comprise:

Redundancy payments (contractual)	<u>4,952</u>	<u>-</u>
-----------------------------------	--------------	----------

**b. Staff numbers**

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

	<b>2021</b>	<i>2020</i>
	<b>No.</b>	<i>No.</i>
Teachers	85	80
Administration and support	88	85
Management	10	10
	<u>183</u>	<u>175</u>

Notes to the Financial Statements  
For the Year Ended 31 August 2021

12. Staff (continued)

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	3	3
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-

d. 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 and employer national insurance contributions) received by key management personnel for their services to the academy trust was £654,889 (2020 - £624,384).

13. Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Head Teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff members under their contracts of employment. The value of trustees' remuneration and other benefits was as follows:

		2021 £	2020 £
Mrs. D. Liddicoat, Head Teacher	Remuneration	100,000 - 105,000	95,000 - 100,000
	Pension contributions paid	20,000 - 25,000	20,000 - 25,000
Ms. C. Tonkin Jukes, Staff Trustee	Remuneration	40,000 - 45,000	40,000 - 45,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
Mr. M. Baker, Staff Trustee	Remuneration	25,000 - 30,000	5,000 - 10,000
Mr. A. Sutton-Jones, Staff Trustee	Remuneration	45,000 - 50,000	15,000 - 20,000
	Pension contributions paid	10,000 - 15,000	0 - 5,000

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

14. Trustees' and Officers' insurance

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

**Chatham & Clarendon Grammar School**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

**15. Tangible fixed assets**

	Land & buildings £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 September 2020	35,829,266	716,766	579,597	21,570	37,147,199
Additions	196,235	31,458	98,187	13,750	339,630
Disposals	-	(37)	(14,619)	-	(14,656)
At 31 August 2021	<u>36,025,501</u>	<u>748,187</u>	<u>663,165</u>	<u>35,320</u>	<u>37,472,173</u>
<b>Depreciation</b>					
At 1 September 2020	6,630,059	583,011	528,856	21,570	7,763,496
Charge for the year	721,896	24,672	26,338	573	773,479
On disposals	-	(37)	(13,911)	-	(13,948)
At 31 August 2021	<u>7,351,955</u>	<u>607,646</u>	<u>541,283</u>	<u>22,143</u>	<u>8,523,027</u>
<b>Net book value</b>					
At 31 August 2021	<u><u>28,673,546</u></u>	<u><u>140,541</u></u>	<u><u>121,882</u></u>	<u><u>13,177</u></u>	<u><u>28,949,146</u></u>
At 31 August 2020	<u><u>29,199,207</u></u>	<u><u>133,755</u></u>	<u><u>50,741</u></u>	<u><u>-</u></u>	<u><u>29,383,703</u></u>

**16. Fixed asset investments**

	Listed investments £
<b>Cost or valuation</b>	
At 1 September 2020	20,711
Revaluations	3,032
At 31 August 2021	<u><u>23,743</u></u>

---

**Chatham & Clarendon Grammar School**  
**(A Company Limited by Guarantee)**

---

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

---

**17. Debtors**

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<b>£</b>
Trade debtors	19,623	<i>13,452</i>
Other debtors	8,061	<i>1,140</i>
Prepayments and accrued income	250,256	<i>246,681</i>
VAT recoverable	31,495	<i>63,532</i>
	<u>309,435</u>	<u><i>324,805</i></u>

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

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<b>£</b>
Trade creditors	62,202	<i>59,304</i>
Other taxation and social security	123,226	<i>112,957</i>
Other creditors	55,556	<i>49,284</i>
Accruals and deferred income	140,633	<i>250,392</i>
	<u>381,617</u>	<u><i>471,937</i></u>

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<b>£</b>
Deferred income at 1 September 2020	129,681	<i>154,762</i>
Resources deferred during the year	14,250	<i>129,681</i>
Amounts released from previous periods	(129,681)	<i>(154,762)</i>
	<u>14,250</u>	<u><i>129,681</i></u>

Deferred income included above relates income collected from pupils in advance of trips taking place during 2021/22.

Chatham & Clarendon Grammar School  
(A Company Limited by Guarantee)

Notes to the Financial Statements  
For the Year Ended 31 August 2021

19. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
<b>Unrestricted funds</b>						
General fund	165,249	192,286	(55,621)	(13,750)	3,032	291,196
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	7,201,993	(7,072,434)	(38,679)	-	90,880
Other DfE/ESFA grants	-	600,931	(600,931)	-	-	-
Other government grants	-	71,959	(71,959)	-	-	-
Other restricted income	5,600	2,087	(5,127)	-	-	2,560
Catch-up premium	-	82,080	(12,000)	-	-	70,080
Other DfE/ESFA COVID-19 funding	-	122,339	(122,339)	-	-	-
Pension reserve	(3,748,000)	-	(409,000)	-	(432,000)	(4,589,000)
	(3,742,400)	8,081,389	(8,293,790)	(38,679)	(432,000)	(4,425,480)
<b>Restricted fixed asset funds</b>						
Fixed assets	29,383,703	41,700	(774,187)	297,930	-	28,949,146
DfE/ ESFA capital grants	-	31,183	-	(31,183)	-	-
Other capital grants	-	214,318	-	(214,318)	-	-
	29,383,703	287,201	(774,187)	52,429	-	28,949,146
<b>Total Restricted funds</b>	25,641,303	8,368,590	(9,067,977)	13,750	(432,000)	24,523,666
<b>Total funds</b>	25,806,552	8,560,876	(9,123,598)	-	(428,968)	24,814,862

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

---

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

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

General Annual Grants ("GAG") must be used for the normal running costs of the school. The transfer out of £38,679 is to the restricted fixed asset fund to reflect fixed assets purchased using revenue funds.

The other DfE/ESFA grants fund is used to track other grants provided by the DfE and related bodies, and includes Pupil Premium. The pupil grants have been used to enhance the learning of disadvantaged pupils by subsidising school trips, purchasing uniform, and providing staffing for learning and support at GCSE. This fund also includes Teachers' Pay and Teachers' Pension grants.

Covid Catch-up premium relates to additional funding provided by the DfE to support children and young people to catch up on missed learning caused by coronavirus (Covid-19). This has been spent in a variety ways, as outlined in note 7.

Other Covid funding relates to Covid mass testing grants, provided by the DfE to support schools with the costs associated with the coronavirus National Testing Programme, Summer School funding for the delivery of the programme of activities in the school summer holidays and Covid emergency support funding to cover the costs of specific additional costs incurred during the pandemic.

The other government grants fund is used to track grants provided by government departments other than the DfE/ESFA and includes grants received from Kent County Council and Headstart.

The other restricted balance relates to the Combined Cadet Force at the school.

The pension reserve relates to the academy trust's share of the deficit of the Local Government Pension Scheme overseen by the Local Authority.

The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held. The net transfers into the restricted fixed asset fund relates to capital purchases made from revenue income funds.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.



**Chatham & Clarendon Grammar School**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

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

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
<b>Unrestricted funds</b>						
General fund	26,735	396,593	(223,451)	(30,137)	(4,491)	165,249
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	6,595,900	(6,604,862)	8,962	-	-
Other DfE/ESFA grants	-	599,923	(599,923)	-	-	-
Other government grants	16,320	21,090	(37,410)	-	-	-
Other restricted income	21,437	9,286	(25,123)	-	-	5,600
Pension reserve	(3,250,000)	-	(309,000)	-	(189,000)	(3,748,000)
	<u>(3,212,243)</u>	<u>7,226,199</u>	<u>(7,576,318)</u>	<u>8,962</u>	<u>(189,000)</u>	<u>(3,742,400)</u>
<b>Restricted fixed asset funds</b>						
Fixed assets	30,006,812	124,071	(768,355)	21,175	-	29,383,703
<b>Total Restricted funds</b>	<u>26,794,569</u>	<u>7,350,270</u>	<u>(8,344,673)</u>	<u>30,137</u>	<u>(189,000)</u>	<u>25,641,303</u>
<b>Total funds</b>	<u><u>26,821,304</u></u>	<u><u>7,746,863</u></u>	<u><u>(8,568,124)</u></u>	<u><u>-</u></u>	<u><u>(193,491)</u></u>	<u><u>25,806,552</u></u>

Notes to the Financial Statements  
For the Year Ended 31 August 2021

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	28,949,146	28,949,146
Fixed asset investments	23,743	-	-	23,743
Current assets	267,453	545,137	-	812,590
Creditors due within one year	-	(381,617)	-	(381,617)
Provisions for liabilities and charges	-	(4,589,000)	-	(4,589,000)
<b>Total</b>	<b>291,196</b>	<b>(4,425,480)</b>	<b>28,949,146</b>	<b>24,814,862</b>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	-	29,383,703	29,383,703
Fixed asset investments	20,711	-	-	20,711
Current assets	144,538	477,537	-	622,075
Creditors due within one year	-	(471,937)	-	(471,937)
Provisions for liabilities and charges	-	(3,748,000)	-	(3,748,000)
<b>Total</b>	<b>165,249</b>	<b>(3,742,400)</b>	<b>29,383,703</b>	<b>25,806,552</b>

Notes to the Financial Statements  
For the Year Ended 31 August 2021

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

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(559,690)	(825,752)
<b>Adjustments for:</b>		
Depreciation	773,479	757,570
Capital grants from DfE and other capital income	(245,501)	(124,071)
Interest receivable	(96)	(352)
Defined benefit pension scheme cost less contributions payable	351,000	251,000
Defined benefit pension scheme finance cost	58,000	58,000
Increase in debtors	(5,520)	(64,258)
(Decrease)/increase in creditors	(69,430)	103,943
Loss on disposal of fixed assets	708	10,785
<b>Net cash provided by operating activities</b>	<b>302,950</b>	<b>166,865</b>

22. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	96	352
Purchase of tangible fixed assets	(339,630)	(145,246)
Capital grants from DfE Group	31,183	124,071
Other capital funding	214,318	-
(Gains)/losses on investments	(3,032)	4,491
<b>Net cash used in investing activities</b>	<b>(97,065)</b>	<b>(16,332)</b>

23. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	503,155	297,270

Notes to the Financial Statements  
For the Year Ended 31 August 2021

24. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	297,270	205,885	503,155

25. Contingent liabilities

The trust continues to have a contingent liability in respect of term time only workers' annual leave. This relates to trade unions encouraging their members to collectively make claims against Kent based education employers regarding the calculation of term time only workers' annual leave, following settlements made in other local authorities.

Since gaining academy status the academy trust has been free to set its own pay rates, but in common with most academies the trust has closely followed the local authority scales. The Kent County Council (KCC) 'Kent Scheme' Pay Scales were amended from 1 April 2020 following a change to the way leave for term time only staff is calculated, and the trust followed suit by altering its own approach and aligning its pay scales to KCC rates later in 2020.

At the time the 31 August 2020 financial statements were approved last year KCC were resisting making any collective settlement and encouraging individual employer schools and academies to do likewise. The issue has not yet been fully resolved, however KCC have now negotiated a settlement during 2021. Whilst this settlement was made by KCC, and does not directly affect academy trusts, which negotiate in their own right as their own employer, in line with the KCC recommendation and having taken further appropriate advice, the trust has chosen to make the same offer settlement to its affected staff.

The potential settlement has two parts;

(1) a historical element relating to pre-1 April 2020. This element is in the process of being quantified, however KCC have indicated they are prepared to reimburse academies for any settlement they have to make, and therefore this part of the potential liability is not expected to have an impact of the trust's finances.

(2) a settlement for the period post 1 April 2020 until pay scales were amended. This part will not be funded by KCC and will become a cost borne by the trust. This element is expected to be in the region of £5k.

26. Capital commitments

	2021 £	2020 £
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	73,316	-

As at the time of these accounts, the school had committed to a further £73,316 of capital expenditure in relation to the grant awarded for Growth by Kent County Council. The commitments related to a new external classroom; adaptations to the external courts and sports grounds; adaptations to the Food Tech work shop and associated school furniture. This capital commitment to be reclaimed from KCC in 2021/22.

27. Pension commitments

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

---

**27. Pension commitments (continued)**

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £26,000 were payable to the schemes at 31 August 2021 (2020 - £24,000) 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. All teachers have the option to opt-out of the TPS following enrolment.

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £841,000 (2020 - £776,000).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £314,000 (2020 - £308,000), of which employer's contributions totalled £243,000 (2020 - £242,000) and employees' contributions totalled £ 71,000 (2020 - £66,000). The agreed contribution rates for future years are 21 per cent for employers, increasing to 22.5 per cent from 1 April 2022, and 5.5-12.5 per cent for employees.

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

**Chatham & Clarendon Grammar School**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

**27. Pension commitments (continued)**

**Principal actuarial assumptions**

	<b>2021</b>	<b>2020</b>
	%	%
Rate of increase in salaries	3.90	3.30
Rate of increase for pensions in payment/inflation	2.90	2.30
Discount rate for scheme liabilities	1.65	1.60

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

	<b>2021</b>	<b>2020</b>
	Years	Years
<i>Retiring today</i>		
Males	21.9	21.8
Females	23.8	23.8
<i>Retiring in 20 years</i>		
Males	23.3	23.2
Females	25.3	25.2

**Sensitivity analysis**

	<b>2021</b>	<b>2020</b>
	£000	£000
Discount rate +0.1%	(225)	(187)
Discount rate -0.1%	230	192
Mortality assumption - 1 year increase	391	307
Mortality assumption - 1 year decrease	(376)	(296)
CPI rate +0.1%	198	164
CPI rate -0.1%	(193)	(160)

**Share of scheme assets**

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

	<b>2021</b>	<b>2020</b>
	£	£
Equities	3,321,000	2,787,000
Gilts	28,000	29,000
Corporate bonds	704,000	556,000
Property	521,000	473,000
Cash and other liquid assets	145,000	131,000
Investment funds	353,000	328,000
<b>Total market value of assets</b>	<b>5,072,000</b>	<b>4,304,000</b>

**Chatham & Clarendon Grammar School**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2021**

**27. Pension commitments (continued)**

The actual return on scheme assets was £629,000 (2020 - £291,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<b>£</b>
Current service cost	(591,000)	(491,000)
Interest income	70,000	72,000
Interest cost	(128,000)	(130,000)
Administrative expenses	(3,000)	(2,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(652,000)</b>	<b>(551,000)</b>

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

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<b>£</b>
<b>At 1 September</b>	<b>8,052,000</b>	<b>7,037,000</b>
Current service cost	591,000	491,000
Interest cost	128,000	130,000
Employee contributions	71,000	66,000
Actuarial losses	991,000	406,000
Benefits paid	(172,000)	(78,000)
<b>At 31 August</b>	<b>9,661,000</b>	<b>8,052,000</b>

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

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<b>£</b>
<b>At 1 September</b>	<b>4,304,000</b>	<b>3,787,000</b>
Interest income	70,000	72,000
Actuarial gains	559,000	217,000
Employer contributions	243,000	242,000
Employee contributions	71,000	66,000
Benefits paid	(172,000)	(78,000)
Administrative expenses	(3,000)	(2,000)
<b>At 31 August</b>	<b>5,072,000</b>	<b>4,304,000</b>

Notes to the Financial Statements  
For the Year Ended 31 August 2021

---

**28. Operating lease commitments**

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

	2021 £	2020 £
Not later than 1 year	41,343	53,756
Later than 1 year and not later than 5 years	40,567	58,460
	<u>81,910</u>	<u>112,216</u>

**29. Members' liability**

Each member of the academy trust 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.

**30. Related party transactions**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the financial period:

Expenditure Related Party Transactions:

During the year, Mr. J. Liddicoat, a close family member of the Accounting Officer, was paid a total of £435 (2020: £nil) for loading lateral flow device (LFD) test results to the government's website. There were no amounts outstanding at 31 August 2021 (2020: £nil).

- The academy trust made the purchase at arms' length, which the Accounting Officer neither participated in, nor influenced;
- In entering into the transaction, the academy trust has complied with the requirements of the Academies Financial Handbook;
- Since the value of the transaction is considerably below the £2,500 de-minimus threshold it was not necessary to obtain an 'at cost' statement.

**31. Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2021 the academy trust received £50,884 (2020: £41,931) and disbursed £47,025 (2020: £48,118) from the fund. An amount of £28,880 (2020: £25,021) is included in other creditors relating to undistributed funds that are repayable to ESFA if not expended in the following year.

**32. Controlling party**

The academy trust is run by the senior management team on a day to day basis. Strategic decisions are made by the trustees. There is no ultimate controlling party.