

Parkstone Grammar School Trust  
(A Company Limited by Guarantee)  
Annual Report and Financial Statements  
Year ended 31 August 2022

Company Registration Number:  
07461209 (England and Wales)

# Parkstone Grammar School Trust

## Contents

	Page
Reference and Administrative Details	1
Trustees' Report	3
Governance Statement	14
Statement on Regularity, Propriety and Compliance	20
Statement of Trustees' Responsibilities	21
Independent Auditor's Report on the Financial Statements	22
Independent Reporting Accountant's Report on Regularity	26
Statement of Financial Activities incorporating Income & Expenditure Account	29
Balance Sheet	30
Statement of Cash Flows	31
Notes to the Financial Statements	32

# Parkstone Grammar School Trust

## Reference and Administrative Details

### Members

David Hallsworth  
Ann Simmons  
Dawn Stark

### Trustees

Caroline Amey (appointed 15 March 2022)  
Christopher Benn, Chair of Finance and Premises Committee \*  
Simon Bowden  
Andrew Burn  
Martin Copsey (appointed 15 March 2022)  
Simon Dunk  
David Hallsworth, Headteacher and Accounting Officer \*  
Alison Holme (appointed 15 March 2022)  
Matthew Hosier  
Victoria Roscorla (appointed 7 December 2021) \*  
Ann Simmons  
Dawn Stark, Chair \*  
Nicholas Stebbing (appointed 15 March 2022) \*  
Robert Wilsher \*  
Rodney Woodford (appointed 15 March 2022) \*  
Christine Bailey (resigned 10 January 2022)  
Suzie Baverstock (resigned 19 October 2021) \*  
Adrian Cormack (resigned 18 January 2022)  
Samantha Pope (resigned 17 January 2022)

\* Denotes member of Finance and Premises Committee

### Company Secretary

Browne Jacobson, 44 Castle Gate, Nottingham, NG1 7BJ

### Senior Management Team

David Hallsworth, Headteacher  
Danielle Willis, Deputy Headteacher  
Jaimie Clayton, Assistant Headteacher  
Jeremy Graves, Assistant Headteacher  
Stephanie Izard, Assistant Headteacher  
John Scopes, Assistant Headteacher

### Company Name

Parkstone Grammar School Trust

# Parkstone Grammar School Trust

## Reference and Administrative Details

Principal and Registered Office  
Parkstone Grammar School  
Sopers Lane  
Poole  
Dorset  
BH17 7EP

Company Registration Number  
07461209 (England and Wales)

Independent Auditor  
Hopper Williams & Bell Limited  
Statutory Auditor  
Highland House  
Mayflower Close  
Chandlers Ford  
Eastleigh  
Hampshire  
SO53 4AR

Bankers  
Lloyds Bank PLC  
101 High Street  
Poole  
BH15 1AJ

Solicitors  
Stone King LLP  
Upper Borough Court  
Upper Borough Walls  
Bath  
BA1 1RG

# Parkstone Grammar School Trust

## Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The principal object and activity of the charitable company is to provide education for eligible girls between the ages of 11 and 18. As the school is a selective school, selecting on the grounds of academic ability, eligibility relates to the meeting of a particular academic standard measured by performance in set tests. The school aims to offer a broad and balanced curriculum which meets the needs of its students.

### Structure, Governance and Management

#### Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Parkstone Grammar School Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Parkstone Grammar School Trust.

Details of the Trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

#### Members' Liability

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

#### Trustees' Indemnities

There are no third-party qualifying indemnities.

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

The Trustees, known as Governors, are appointed under the terms of the Articles of Association as follows:

- up to 1 Governor appointed by the Trustees
- up to 1 LA Governor appointed by the LA
- up to 7 Parent Governors elected by parents
- up to 4 Staff Governors (including the Headteacher)
- up to 4 Partnership Governors appointed by the Governing Body
- up to 2 Community Governors appointed by the Governing Body
- any Additional Governors appointed by the Secretary of State for Education
- up to 3 co-opted Governors co-opted by the Governing Body

# Parkstone Grammar School Trust

## Trustees' Report

### Method of Recruitment and Appointment or Election of Trustees (continued)

The term of office for all Governors (except the Headteacher) is four years. The Headteacher's term of office runs parallel with his/her contract of employment. The Governors who were in office at 31 August 2022 and who served throughout the year are listed on page 1.

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

Governors undergo an induction and mentoring process. The training and induction provided for new Governors will depend on their existing experience and is tailored to their individual requirements but would always include a tour of the Academy and a chance to meet with staff and students. An annual evening training session is held each autumn term as part of the Governors' self-review and training process.

All Governors are provided with or given electronic access to copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. Advantage is taken of specific courses offered by the local authority and other bodies. The school also subscribes to The Key Governor Support providing all Governors with up-to-date online support and guidance.

### Organisational Structure

The Governors are responsible for setting the direction of the school, general policy, the School Development Plan and the Budget. They are also responsible for monitoring the work of the school and providing support and challenge.

All Governors are members of at least one committee – Steering Group, Curriculum and Student Matters, Finance and Premises, Personnel and Training each of which has its own Terms of Reference. They work closely with the school's Leadership Group to whom leadership and management of the school on a daily basis is delegated.

The Leadership Group is responsible for the authorisation of spending within agreed budgets and the appointment of staff. However, the interview panels for all middle leaders will normally involve a Governor and for senior appointments a Governor must be involved. Some spending control is devolved to members of the Middle Leadership (for example Heads of Department) with limits above which a Senior Leader must countersign. Spending above certain limits (as defined in the school's Finance Manual) must be countersigned by either the Chair of Governors or the Chair of Finance and Premises. The Leadership Group comprises the Headteacher, one Deputy Headteacher and four Assistant Headteachers. The Headteacher is the Academy's Accounting Officer.

# Parkstone Grammar School Trust

## Trustees' Report

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

Pay and remuneration of key management personnel is determined by a number of contributory factors including the pay scales for each role determined by the Trustees and published in the Whole School Pay Policy; for example, Headteacher, Deputy Headteacher, Assistant Headteacher, the level of experience of the staff member and the annual appraisal outcome. Levels of pay may be affected by any nationally agreed pay awards, the ability to recruit key management personnel and retain them in post. All amendments to key management personnel's pay and remuneration is discussed and agreed by the Personnel and Training committee.

Whilst the school, as an Academy, can set its own pay scales, the Trustees are mindful of the statutory pay ranges published in the School Teachers' Pay and Conditions Document (STPCD) and stay within the recommendations of the STPCD.

Within the STPCD a "unit score" determines the headteacher group and pay range determined by the number of pupils at each key stage on the school register.

### Trade union facility time

The school does not have any members of staff who are engaged as union officials.

### Related Parties and other Connected Charities and Organisations

The Academy is not part of wider network such as a soft federation whereby the relationship involved impacts on the operating policies. The Academy has not established any relationships with related parties and any other charities/organisations with which it cooperates in the pursuit of charitable activities such that they have influence over operational policies.

However, the school has a wide range of links with other educational establishments within the area. The school works very closely with Poole Grammar School with which we have a joint Sixth Form timetable, enabling the better use of resources and the widening of opportunities for the students.

The school is an active member of the South West Academic Trust, a group of grammar schools in the South West, working in association with Exeter University to promote opportunities for both staff and pupils to meet together and share good practice. Heads and Directors meetings are held annually, with Heads meeting 3 times a year and Subject Conferences held annually. The Trust also organises a Teaching and Learning Conference each year.

The school is a strategic partner of the South-Central Teaching School Hub.

# Parkstone Grammar School Trust

## Trustees' Report

### Objectives and Activities

#### Objects and Aims

The principal object and activity of the charitable company is to provide education for eligible girls between the ages of 11 and 18. As the school is a selective school, selecting on the grounds of academic ability, eligibility relates to the meeting of a particular academic standard measured by performance in set tests. The school aims to offer a broad and balanced curriculum which meets the needs of its students.

#### Objectives, Strategies and Activities

The main objectives of the Academy during the year ended 31 August 2022 are summarised below:

- to ensure that every student enjoys the same high-quality education in terms of resourcing, teaching and care
- to enable our students to enjoy the highest academic success and to achieve their potential
- to maintain the effectiveness of the Academy 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 our partner schools within the Bournemouth, Christchurch and Poole (BCP) council area
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

To achieve our objectives, we provide:

- outstanding teaching and learning opportunities for all students to attain the highest academic qualifications
- an outstanding pastoral support system that helps our students achieve
- training opportunities for all staff
- an extensive programme of extra-curricular activities for all students that enrich and extend
- support for students in terms of careers and higher educations
- continued links with BCP, South-Central School Hub and the South-West Academic Trust



# Parkstone Grammar School Trust

## Trustees' Report

### Public Benefit

In setting our objectives and planning our activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

The admissions policy of Parkstone Grammar School aims to reflect the underlying ethos of the school which is to provide a selective education for girls from the historic Borough of Poole and its environs. The school is heavily oversubscribed, and places are offered to those who have achieved the required standard in testing, in an agreed priority order. The most up-to-date admissions oversubscription criteria can be found on the school's website.

The school is involved with the local community through the programme of fundraising and outreach activities that the students undertake.

Community and sports groups have use of the school facilities through the lettings programme.

### Strategic Report

#### Achievements and Performance

The school has achieved and performed exceptionally in a wide range of areas inside and outside of the classroom. The core business of achieving excellent results at GCSE, A level and University entrance for those pupils leaving the school is complemented with pupil performance in a diverse spectrum of the arts, music and sport.

The school is once again very proud of its excellent levels of academic success, but equally proud of its outstanding pastoral care, through the commitment of our staff and our continuing partnership work with other agencies.

#### Key Performance Indicators

##### Academic

In October 2017, the school was inspected by Ofsted as a Section 5 inspection and was judged as outstanding in all areas.

##### Key Stage 4 Results

The school is delighted with the results obtained by students at Key Stage 4. The results are exceptional and a testament to the hard work and effort from students, coupled with the expertise and dedication of staff.

In 2022 99.4% (2021: 99.4%) of students achieved 5 standard passes, including English and Mathematics, with 62.2% (2021: 78.5%) of GCSE grades at grades 7-9. The Indicative Progress 8 figure for 2022 is again incredibly positive with a score of 0.37 (CI = 0.59 to 0.14) (2021: 0.57), which is above the national average of 0.01.

# Parkstone Grammar School Trust

## Trustees' Report

### Key Performance Indicators (continued)

The Progress 8 figure for Disadvantaged students, of which the school has 10 (2021: 8), is 0.35 (CI = -0.57 to 1.27) (2021: 0.06) and for SEND students, of which the school has 44 (2021: 26), is -0.47 (CI = -0.03 to -0.98) (2021: 0.00). By comparison, the national average Progress 8 figure for Disadvantaged students, in 2022 was -0.55 (2021: -0.36) and for SEND students was -0.45 (2021: -0.51).

The percentage of students achieving the English Baccalaureate (EBacc) is around 52% (2021: 59%). The EBacc is a set of subjects at GCSE that keeps students' options open for further study and future careers. However, it only reflects success in narrow range of subjects: English, Mathematics, Science, a Language and either History or Geography.

### Year 13 Advanced Level Results

The school is also delighted with this year's Key Stage 5 results. The Year 13 students excelled across a wide range of subjects with 76.5% (2021: 84.7%) of all grades at A\* to B. The A\* to E pass rate is 99.6% (2021: 100%). Unvalidated added value is -0.10 (CI = -0.01 to -0.19) (2021: 0.51). This added value is broadly in line with the national average.

The Department for Education recommend not making direct comparisons with data from previous years or between schools or colleges. This due to the impact of teacher assessed grades for the awarding of final outcomes for students at both A level and GCSE for the past two years. Added to this, the base data used at KS2 to determine the start point for tracking the value added up to KS4 has also been changed for this cohort.

### Financial

The monthly management accounts include a set of key performance indicators which are reported to the Leadership Team and to Governors and discussed within the context of the financial review at Finance and Premises meetings.

Most significantly, the level of reserves is reported to the Governors monthly. The free level of reserves is kept under review, with the Governors considering the future capital plans for the school alongside the nature and size of the reserves being held.

### Going Concern

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

# Parkstone Grammar School Trust

## Trustees' Report

### Financial Review

The principal source of income is grants from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA). The grants received from the DfE during the year ended 31 August 2022 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy has also received capital income from two capital funding streams this year:

- a formula driven capital grant, the Devolved Formula Capital (DFC), of £27k
- grants from the Condition Improvement Fund (CIF) recognised in this year of £92k for the replacement of the existing Crittall windows, £450k for the replacement of the 1960's main school kitchen and £791k for the replacement of four life-expired classrooms in two mobile blocks

The replacement windows project has been fully completed in this academic year with only the final retention outstanding at the year end, payable in February 2023. The majority of the building work necessary to strip and prepare the kitchen for the new equipment fit-out was done over the summer holidays and the value of this work has been recognised at the year end, £128k. Due to delays with planning and appointment of the main contractor, the replacement classroom project was not started until the end of September 2022. Therefore, only the cost of professional fees and the commitment for the timber frame are recognised as costs at the year end, £123k. The balance of the CIF grants for the kitchen and classrooms at the year-end is held within the Fixed Asset fund.

The Academy has generated Unrestricted Funds in total of £385k, £176k of which is income from trips and educational activities, £101k from music lessons and £55k from lettings.

In total, significant expenditure has been spent on staff salaries and supply and agency costs, £6,166k, water and energy £122k, examinations £90k, and £115k on premises maintenance and compliance checks.

There has been less impact this year from COVID in that the academic year has operated more normally. However, there has still been a high staff absence rate with COVID which has financially impacted the school on the level of supply and agency cover. The school received £8k for the return to school COVID testing which it expensed in higher staffing costs.

The catch-up funding brought forward from 2020-21 was fully expensed in year with further catch-up staff led sessions and the purchase of additional resources. The school also benefitted from funding from the National Tutoring Programme of £7k which it paid to staff to run specific subject sessions.

# Parkstone Grammar School Trust

## Trustees' Report

### Financial Review (continued)

The Board of Trustees recognises that the defined benefit scheme (Local Government Pension Scheme) which is set out in a note to the financial statements, represents a significant potential liability. However, the existence of the pension scheme deficit does not mean an immediate liability crystallises. There may be a cashflow effect with fluctuating pension contributions recommended by the scheme's pension actuaries during the subsequent triennial valuations for the scheme. The Academy is able to meet the known commitments to annual contributions for the foreseeable future. The risk arising from this liability is further minimised given that, at the request of the Secretary of State for Education, a guarantee has been given that, in the event of an Academy Trust closure, outstanding local government pension scheme liabilities would be met by the Department for Education. This guarantee came into force on 18 July 2013.

### Reserves Policy

The school plans its expenditure so that grant funding should be expended each year to support the delivery of education provision to its students. However, given the prudent use of resources and the stable workforce at the school, a healthy level of reserves has been accumulated.

At 31 August 2022, these reserves are as follows:

Fund	Restricted	Unrestricted	Total
Fixed asset fund	£24,274,615	-	£24,274,615
Pension reserve	(£1,460,000)	-	(£1,460,000)
Restricted funds – allocated	-	-	-
Restricted funds – unallocated	£374,700	-	£374,700
Unrestricted funds	-	£792,866	£792,866
Total	£23,189,315	£792,866	£23,982,181

The school policy is to retain, as a minimum, one month's net payroll and any funds committed to specific initiatives. This is either to cover the expenditure identified as a commitment or to act as a contingency for unexpected in-year additional costs over budget. The remainder of the reserves are to support the school's specific strategic development or specific improvements.

£25k of reserves have been released this year to meet the school's contribution for the successful CIF replacement windows project. The school continues to fund a programme of equipment replacement as the need arises over and above the amount of Devolved Formula Capital (DFC) that the school receives from the ESFA. In 2021-22 reserves were released to continue both the programme of IT improvements, £103k, and a further £46k spent on improvements to spaces, furniture and equipment.

Next year, a further £312k has been committed to meet the contribution for the two successful CIF projects to replace the main school kitchen and to replace four outside classrooms.

# Parkstone Grammar School Trust

## Trustees' Report

### Investment Policy

The Governors' Investment policy provides full information on how cash balances are held in order to

- be as secure as possible
- give access as and when required and
- earn as much interest as possible to help fund improvements to the school

The aim of this policy is to ensure that funds, which the school does not immediately need to cover anticipated expenditure, are invested in such a way as to maximise interest, but without risk. The Academy Trust has limited options for investment as it is bound by ESFA rules. The Academy has chosen to put available funds into an interest-bearing savings bank account. The cash is available after a short period of notice but without penalty.

However, the aim is always to spend the public monies with which we are entrusted, for the direct educational benefit of students as soon as is prudent. The Academy does not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow.

### Principal Risks and Uncertainties

The Academy maintains a Risk Register which identifies the risks under the following categories:

- Financial
- Premises Health and Safety
- Unexpected partial or full school closure
- Staffing
- IT
- GDPR
- Compliance
- Governance
- Examinations

### Financial

The Academy has reliance on continued Government funding through the ESFA. In excess of 90% of incoming resources are funded this way. Although this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. The financial risk of failing to be a going concern is met through the due diligence of the Accounting Officer (the Headteacher) and the Chief Financial Officer (the Business Manager) together with the scrutiny of the Finance and Premises Committee.

The school continually looks to manage and reduce costs where possible and endeavours to maximise its funding by making the most of opportunities to bid or generate additional sources of funding. Best value monitoring is embedded into the school's ordering procedures. There is an ongoing identified risk that increases in ESFA funding do not match the increases to both staffing costs and the costs of non-staffing expenditure due to inflationary pressures. Scrutiny of the 3-year budget is ongoing to ensure that a balanced budget can be maintained, together with the prudent use of reserves.

# Parkstone Grammar School Trust

## Trustees' Report

### Principal Risks and Uncertainties (continued)

#### Premises Health and Safety and IT

The Academy's compliance with all known Health and Safety guidance is monitored routinely and regularly reported to the Finance and Premises Committee. Both premises and IT areas implement replacement, management, and resilience strategies where appropriate to reduce risks associated with any possible failure of IT and physical assets serving the school. The school has comprehensive and extensive risk protection cover in both these areas.

#### Unexpected partial or full closure

Specific planning to identify risk of school closure has been identified in the school's Risk Register and back-up systems, personnel and contingencies have been put in place where appropriate.

#### Staffing

The success of the Academy is reliant on the quality of its staff. There are therefore stringent recruitment and vetting procedures and continued development and training of staff. This includes the appropriate and statutory safeguarding training for all staff to ensure that child protection is paramount. There is an ongoing risk that, as the recruitment of staff becomes tougher due to market conditions, it becomes harder to attract enough good quality staff.

#### GDPR, Compliance and Governance

Risks in these areas are likely to be a failure to comply with legislation or completion of statutory returns or the inadequate involvement of Trustees in challenging school governance. Risks are mitigated by appointing a Data Protection Officer to focus on GDPR compliance, ensuring that the Steering Group has an overview on compliance and providing clear terms of reference for Governing body committees. The roles of both external and internal auditors, monitored by the Audit and Risk Committee further mitigate risks identified.

#### Examinations

The reputation of the Academy is dependent on attracting students in sufficient numbers and this is achieved by maintaining the very highest educational standards. The risks associated with the examinations process have been identified in the school's Risk Register and back-up systems, personnel and contingencies have been put in place where appropriate.

#### Fundraising

As part of its work within the community, the Academy Trust undertakes fundraising activities, for example through fetes, cake sales, non-uniform days charity fairs and refreshments at school events. The Academy Trust raises funds in order to support its own operations and also to make donations to local and national charities. The Academy Trust undertakes all such activities itself, with the help of its students and their families. We confirm that when fundraising:

- No unsolicited approaches are made to members of the public
- No commercial participators are used
- No regularity schemes or standards are applicable
- No complaints were made to the Academy Trust during the year

# Parkstone Grammar School Trust

## Trustees' Report

### Plans for Future Periods

The school's aims and objectives in terms of providing the best educational experience possible will continue and be at the forefront of all the school does. Its priorities are those laid down in the School Development Plan:

- Maintain and sustain educational progress, embedding structures to enhance the quality of teaching and learning and closing the gaps in outcomes for our vulnerable students
- Continue effective resource management, sustaining a balancing budget. This will require efficiency in internal procedures and systems and external promotion of the school to attract the best teaching talent and student applications
- Consistently reward students and apply school standards
- Continue to develop and implement wellbeing initiatives for students and staff

### Funds Held as Custodian Trustee on Behalf of Others

Not relevant to the Academy Trust.

### Auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 6 December 2022 and signed on the board's behalf by:



Dawn Stark (Dec 7, 2022 19:46 GMT)

Dawn Stark  
Chair of Trustees

# Parkstone Grammar School Trust

## Governance Statement

### Scope of Responsibility

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

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and Competency Framework for Governance.

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

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met four times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Caroline Amey	0	1
Christine Bailey	2	2
Suzie Baverstock	0	1
Christopher Benn	3	4
Simon Bowden	1	4
Andrew Burn	4	4
Martin Copsey	1	1
Adrian Cormack	0	2
Simon Dunk	0	4
David Hallsworth	4	4
Alison Holme	1	1
Matthew Hosier	3	4
Victoria Roscorla	1	1
Samantha Pope	2	2
Ann Simmons	4	4
Dawn Stark	4	4
Nicholas Stebbing	1	1
Robert Wilsher	4	4
Rod Woodford	1	1



# Parkstone Grammar School Trust

## Governance Statement

### Governance (continued)

The Governors are responsible for setting the direction of the school, general policy, the School Development Plan and the Budget. They are also responsible for monitoring the work of the school and providing support and challenge.

All Governors are members of at least one committee – Steering Group, Curriculum and Student Matters, Finance and Premises, Personnel and Training each of which has its own Terms of Reference. These committees all report into the full Board of Trustees, but the committee structure allows time to discuss and reflect on matters in more depth. The Curriculum and Student Matters committee has met five times, Finance and Premises five times and the Personnel and Training committee three times this year.

There was an active recruitment of Trustees in year, in recognition of the independence and challenge that governance brings to the school. Trustee meetings throughout the year moved back to in-person, suitably socially distanced, meetings rather than online because it was felt this allowed for better group discussion of agenda items.

### Conflicts of interest:

A conflict of interest may arise where a Trustee has a financial or other interest arising from their outside activities which influences, or might reasonably be perceived to influence, their impartiality or independence in performing their duties. To identify conflicts of interest, an up-to-date register of interests is maintained, and each committee has a standing item on the agenda which raises the query whether any attending Trustee has any conflict of interest arising with any item of business on the agenda. If any Trustee is identified with a conflict of interest, they would sit out or abstain from the discussion for that particular agenda item.

### Governance reviews:

The Governing Board have reflected on their membership this year and an active recruitment was made to attract Governors with a wide range of experience and knowledge. Regular training is undertaken with Governors invited to utilise resources like The Key or to attend speaker led training.

# Parkstone Grammar School Trust

## Governance Statement

### Governance (continued)

The Finance and Premises Committee is a sub-committee of the main Board of Trustees. Its purpose is to provide financial scrutiny and oversight of school finances and resources to ensure that:

- robust financial plans are in place and monitored to safeguard ongoing financial health
- school funds are spent in line with strategy and achieve value for money
- internal controls operate effectively, and that sufficient rigour and scrutiny is undertaken to understand and address variances
- oversight of the operation and maintenance of Academy buildings and grounds with a scrutiny of Health and Safety

Attendance at meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Suzie Baverstock	0	1
Christopher Benn	4	5
David Hallsworth	5	5
Victoria Roscorla	2	2
Ann Simmons	5	5
Dawn Stark	5	5
Nicholas Stebbing	2	2
Robert Wilsher	5	5
Rod Woodford	1	1

The Audit and Risk Committee is a sub-committee of the main Board of Trustees. Its purpose is to provide independent assurance to the Board of Trustees that its financial and non-financial controls and risk management procedures are operating effectively. The Committee will:

- oversee and approve the programme of internal scrutiny
- ensure that risks are being addressed appropriately through internal scrutiny
- report to the Board on the adequacy of the internal control framework
- consider the scope, approach, effectiveness and reports of external auditors

Attendance at meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Christopher Benn	2	3
Victoria Roscorla	1	1
Ann Simmons	3	3
Dawn Stark	3	3
Nicholas Stebbing	1	1
Robert Wilsher	3	3
Rod Woodford	1	1

# Parkstone Grammar School Trust

## Governance Statement

### Review of Value for Money

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Recruiting, deploying and managing staff actively ensuring that they are adequately trained for their roles
- Challenging automatic replacement of staff leaving
- Benchmarking support staff roles with those of similar schools and ensuring that pay fairly reflects responsibilities across the support staff structure
- Monitoring KPIs on the proportion of grant income spent on staff salaries
- Competitive tendering of services, for example this year the catering service was re-tendered using the Schools' Buying Hub service. The result was a better financial arrangement for the school
- Ensuring that adequate resources are allocated to planned maintenance and projects which enhance the teaching and working environment. This also ensures safety is paramount and preserves the longevity of buildings and school assets

### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Parkstone Grammar School Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

### Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

# Parkstone Grammar School Trust

## Governance Statement

### The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has appointed a non-employed Governor to co-ordinate a programme of internal scrutiny. A programme of audits has been designed over a 3-year period to examine the mitigation of risks identified on the school's Risk Register. The risks considered are both financial and non-financial risks and where necessary expert audit opinion is sought from independent bodies.

On a termly basis, this Governor has reviewed the school's financial systems and compliance with its own Financial Procedures Manual. In particular, the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase and expenses systems
- testing of control account and bank reconciliations
- testing of compliance with the Academy Trust Handbook

In examination of the non-financial risks, the Board of Trustees has commissioned audits from independent bodies examining:

- Health and safety procedures generally in the school and specifically in the Art and Technology departments
- Health and safety procedures pertaining to water safety, electrical and fire risks
- Review of the IT systems in school with respect to security and fitness for purpose

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

# Parkstone Grammar School Trust

## Governance Statement

### The Risk and Control Framework (continued)

This extensive programme of internal scrutiny, using expert audit opinion where necessary, has resulted in a number of issues arising that require specific corrections. Much of this work was completed during the summer holidays or is scheduled for completion within the next year. The Audit and Risk Committee will continue to monitor progress on actions. However, there were some actions identified that will need to be addressed over the next year:

- Address the weaknesses identified in the fire risk assessment to fire doors, fire compartmentation and the fire detection system. This will require support from a CIF bid and a sizeable investment from the school
- Update the risk assessment process in school to ensure that all identified risks are appropriately assessed, evidence is retained of this assessment and that the assessments are regularly reviewed
- Continue the IT equipment refresh aligned to the development of a school IT vision or roadmap

### Review of Effectiveness

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

- the work of the internal audit function
- the work of the external auditor
- the school resource management self-assessment tool
- the work of the executive managers within the Academy Trust 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 Audit and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 6 December 2022 and signed on its behalf by:



Dawn Stark (Dec 7, 2022 19:46 GMT)

Dawn Stark  
Chair of Trustees



David Hallsworth (Dec 8, 2022 07:24 GMT)

David Hallsworth  
Accounting Officer

# Parkstone Grammar School Trust

## Statement of Regularity, Propriety and Compliance

As Accounting Officer of Parkstone Grammar School Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy 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 Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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.

David Hallsworth  
David Hallsworth (Dec 8, 2022 07:24 GMT)

David Hallsworth  
Accounting Officer  
6 December 2022

# Parkstone Grammar School Trust

## Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the Board of Trustees on 6 December 2022 and signed on its behalf by:

  
Dawn Stark (Dec 7, 2022 19:46 GMT)

Dawn Stark  
Chair of Trustees

# Parkstone Grammar School Trust

## Independent Auditor's Report on the Financial Statements to the Members of Parkstone Grammar School Trust

### Opinion

We have audited the financial statements of Parkstone Grammar School Trust ('the charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, 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 2021 to 2022 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2021 to 2022.

### Basis for opinion

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

### Conclusions relating to going concern

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 charitable company'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.



# Parkstone Grammar School Trust

## Independent Auditor's Report on the Financial Statements to the Members of Parkstone Grammar School Trust

### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. It includes the Reference and Administrative Details, the Trustees' Report (including the Strategic Report), and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

# Parkstone Grammar School Trust

## Independent Auditor's Report on the Financial Statements to the Members of Parkstone Grammar School Trust

### Responsibilities of the Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company 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 to 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### Our 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 a Report of the Independent Auditors 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:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Academy Trust, and the sector in which it operates. These include but are not limited to compliance with the Companies Act 2006, 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, the Academy Trust Handbook 2021, and the Academies Accounts Direction 2021 to 2022.
- We obtained an understanding of how the Academy Trust is complying with these frameworks through discussions with management.

# Parkstone Grammar School Trust

## Independent Auditor's Report on the Financial Statements to the Members of Parkstone Grammar School Trust

- We enquired with management whether there were any instances of non-compliance with laws and regulations or whether they had knowledge of actual or suspected fraud. These enquiries are corroborated through follow-up audit procedures including but not limited to a review of legal and professional costs, correspondence and a review of board minutes.
- We assessed the susceptibility of the Academy Trust's financial statements to material misstatement, including the risk of fraud and management override of controls. We designed our audit procedures to respond to this assessment, including the identification and testing of any related party transactions and the testing of journal transactions that arise from management estimates, that are determined to be of significant value or unusual in their nature.
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the sector in which the Academy Trust operates in, and their practical experience through training and participation with audit engagements of a similar nature.

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 Independent Auditor's Report.

### Use of our report

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



G Brown FCCA (Senior statutory auditor)

For and on behalf of Hopper Williams & Bell Limited

Statutory Auditor

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

08/12/2022

Date .....

# Parkstone Grammar School Trust

## Independent Reporting Accountant's Assurance Report on Regularity to Parkstone Grammar School Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 1 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Parkstone Grammar School Trust during the period 1 September 2021 to 31 August 2022 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 Parkstone Grammar School Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Parkstone Grammar School Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parkstone Grammar School Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Parkstone Grammar School Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Parkstone Grammar School Trust's funding agreement with the Secretary of State for Education dated 17 December 2010 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

# Parkstone Grammar School Trust

## Independent Reporting Accountant's Assurance Report on Regularity to Parkstone Grammar School Trust and the Education & Skills Funding Agency

### Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration as to whether prior approval was sought from the Secretary of State where it is required by the Academy Trust Handbook (effective from 1 September 2021) (ATH).
- Review of any special payments to staff, including compromise agreements, to consider whether prior approval was sought where required by the ATH and that any payments are in line with the severance guidance published by ESFA.
- Consideration as to whether any borrowings have been made in accordance with the ATH.
- Review of any 'minded to' letters or Notices to Improve which have been issued to the Academy Trust.
- Review of any transactions with related parties to ensure that they have been carried out in accordance with the ATH.
- Review of governance arrangements to determine whether the requirements of the ATH have been met.
- Review of the Academy Trust's internal controls, including whether the general control environment has regard to the regularity of underlying transactions, including fraud management.
- Review of the Academy Trust's procurement policies to determine effectiveness and testing a sample of purchases to confirm that the policies have been correctly implemented.
- Identifying any conditions associated with specialist grant income and determining whether it has been spent as the purposes intended.

# Parkstone Grammar School Trust

## Independent Reporting Accountant's Assurance Report on Regularity to Parkstone Grammar School Trust and the Education & Skills Funding Agency

### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



G Brown FCCA

Reporting Accountant

Hopper Williams & Bell Limited

Chartered Accountants

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

08/12/2022

Date .....

# Parkstone Grammar School Trust

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

	Note	Un-restricted funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2021/22 Total £	2020/21 Total £
Income and endowments from:							
Donations and capital grants	2	12,013	8,038	-	1,359,955	1,380,006	41,130
Other trading activities	4	94,765	41,227	-	-	135,992	93,554
Investments	5	486	-	-	-	486	381
Charitable activities:							
Funding for the academy trust's educational operations	3	278,067	6,772,172	-	-	7,050,239	6,720,252
Total		385,331	6,821,437	-	1,359,955	8,566,723	6,855,317
Expenditure on:							
Raising funds	6	-	7,141	-	-	7,141	3,933
Charitable activities:							
Academy trust educational operations	7	304,451	6,607,533	435,000	1,266,187	8,613,171	8,165,438
Total		304,451	6,614,674	435,000	1,266,187	8,620,312	8,169,371
Net income / (expenditure)		80,880	206,763	(435,000)	93,768	(53,589)	(1,314,054)
Transfers between funds	14	-	(147,326)	-	147,326	-	-
Other recognised gains / (losses):							
Actuarial gains / (losses) on defined benefit pension schemes	23	-	-	3,420,000	-	3,420,000	(120,000)
Net movement in funds		80,880	59,437	2,985,000	241,094	3,366,411	(1,434,054)
Reconciliation of funds							
Total funds brought forward		711,986	315,263	(4,445,000)	24,033,521	20,615,770	22,049,824
Total funds carried forward		792,866	374,700	(1,460,000)	24,274,615	23,982,181	20,615,770

The notes on pages 32 to 54 form part of these financial statements.

# Parkstone Grammar School Trust

## Balance Sheet as at 31 August 2022

Company Number 07461209

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	11		23,285,069		24,033,521
Current assets					
Debtors	12	1,149,679		124,899	
Cash at bank and in hand		<u>1,684,456</u>		<u>1,349,156</u>	
		2,834,135		1,474,055	
Liabilities					
Creditors: Amounts falling due within one year	13	<u>(677,023)</u>		<u>(446,806)</u>	
Net current assets			<u>2,157,112</u>		<u>1,027,249</u>
Total assets less current liabilities			25,442,181		25,060,770
Defined benefit pension scheme liability	23		(1,460,000)		(4,445,000)
Total net assets			<u>23,982,181</u>		<u>20,615,770</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	14	24,274,615		24,033,521	
Restricted income fund	14	374,700		315,263	
Pension reserve	14	<u>(1,460,000)</u>		<u>(4,445,000)</u>	
Total restricted funds			23,189,315		19,903,784
Unrestricted income funds	14		792,866		711,986
Total funds			<u>23,982,181</u>		<u>20,615,770</u>

The financial statements on pages 29 to 54 were approved by the trustees and authorised for issue on 6 December 2022 and are signed on their behalf by:

  
Dawn Stark (Dec 7, 2022 19:46 GMT)

Dawn Stark  
Chair of Trustees

The notes on pages 32 to 54 form part of these financial statements.



# Parkstone Grammar School Trust

## Statement of Cash Flows for the year ended 31 August 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	18	338,240	247,254
Cash flows from investing activities	19	(2,940)	(86,085)
Change in cash and cash equivalents in the reporting period		<u>335,300</u>	<u>161,169</u>
Cash and cash equivalents at 1 September 2021		1,349,156	1,187,987
Cash and cash equivalents at 31 August 2022	20	<u>1,684,456</u>	<u>1,349,156</u>

# Parkstone Grammar School Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 1 Accounting policies

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

#### Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements are prepared in sterling which is the functional currency of the Academy Trust and are rounded to the nearest £1.

#### Going Concern

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

#### Income

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

- 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.

- Grants

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

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

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

# Parkstone Grammar School Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### Income (continued)

- Other Income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

- Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

### Expenditure

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

- Expenditure on Raising Funds

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

- Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

# Parkstone Grammar School Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### Tangible Fixed Assets

Assets costing £1,500 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.

Depreciation is provided on all tangible fixed assets other than 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:

Freehold Land and Buildings	4% straight line on buildings; not provided for on land.
Furniture and Equipment	25% reducing balance
Computer Equipment	33% straight line
Motor Vehicles	15% reducing balance

Where the Academy Trust can identify the value of major components of freehold or leasehold buildings based upon additions following conversion to academy status, the Academy Trust reviews whether one or more such components have significantly different patterns of consumption of economic benefits. In such cases, the Academy Trust allocates the cost of the asset to its major components and depreciates each component separately over its useful life.

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

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

### Liabilities

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

# Parkstone Grammar School Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### Provisions

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

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

### Leased Assets

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

### Financial Instruments

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

#### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

#### Cash at bank

Cash at bank is classified as a basic financial instrument and is measured at face value. An investment is treated as a cash equivalent when it has a short maturity of three months or less from the date of acquisition.

#### Financial liabilities

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

### Taxation

The Academy 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.

# Parkstone Grammar School Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### Pensions Benefits

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

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

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

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

A defined benefit plan asset is recognised only to the extent that the Academy Trust expects to be able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

### Fund Accounting

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

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

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

# Parkstone Grammar School Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### Critical accounting estimates and areas of judgement

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

### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions 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 2022. 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.

The assumptions used are disclosed in note 23.

### Critical areas of judgement

There are no other critical areas of judgement.

### 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 the notes to the financial statements.

## 2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2021/22 Total £	2020/21 Total £
Capital grants	-	1,359,955	1,359,955	26,390
Other donations	12,013	8,038	20,051	14,740
	<u>12,013</u>	<u>1,367,993</u>	<u>1,380,006</u>	<u>41,130</u>
Total 2021	<u>8,646</u>	<u>32,484</u>	<u>41,130</u>	

# Parkstone Grammar School Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

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

	Unrestricted funds £	Restricted funds £	2021/22 Total £	2020/21 Total £
DfE / ESFA grants				
General Annual Grant (GAG)	-	6,459,287	6,459,287	5,971,068
Pupil Premium	-	72,383	72,383	66,816
Rates reclaim	-	35,840	35,840	35,840
Teachers' pay grant	-	22,648	22,648	84,386
Teachers' pension grant	-	63,995	63,995	240,041
Other DfE grants	-	85,388	85,388	4,872
	-	6,739,541	6,739,541	6,403,023
Other government grants				
Local authority grants	-	10,014	10,014	2,731
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	-	-	73,680
Other DfE/ESFA Coronavirus funding	-	-	-	50,880
	-	-	-	124,560
COVID-19 additional funding (non-DfE/ESFA)				
Other Coronavirus funding	-	16,338	16,338	13,440
Other income from the Academy Trust's educational operations				
Other income	278,067	6,279	284,346	176,498
	278,067	6,772,172	7,050,239	6,720,252
Total 2021	172,956	6,547,296	6,720,252	

### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	2021/22 Total £	2020/21 Total £
Hire of facilities	54,900	-	54,900	14,287
Other trading income	39,865	41,227	81,092	79,267
	94,765	41,227	135,992	93,554
Total 2021	64,420	29,134	93,554	



# Parkstone Grammar School Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 5 Investment income

	Unrestricted funds	Restricted funds	2021/22 Total	2020/21 Total
	£	£	£	£
Short term deposits	486	-	486	381
Total 2021	381	-	381	

### 6 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
	£	Premises	Other	2021/22	2020/21
	£	£	£	£	£
Expenditure on raising funds	-	-	7,141	7,141	3,933
Academy's educational operations:					
Direct costs	4,806,235	-	1,770,642	6,576,877	6,609,722
Allocated support costs	1,359,827	312,223	364,244	2,036,294	1,555,716
	6,166,062	312,223	2,142,027	8,620,312	8,169,371
Total 2021	5,833,191	310,351	2,025,829	8,169,371	

Net income/(expenditure) for the period includes:

	2021/22	2020/21
	£	£
Operating lease rentals	23,036	23,381
Depreciation	1,266,187	1,261,859
(Gain)/loss on disposal of fixed assets	-	1,335
Fees payable to auditor for:		
Audit	7,750	7,830
Other services	5,245	1,580

# Parkstone Grammar School Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 7 Charitable activities

	2021/22 Total £	2020/21 Total £
Direct costs – educational operations	6,576,877	6,609,722
Support costs – educational operations	2,036,294	1,555,716
	<u>8,613,171</u>	<u>8,165,438</u>

#### Analysis of support costs:

	Educational operations £	2021/22 Total £	2020/21 Total £
Support staff costs	1,359,827	1,359,827	940,864
Depreciation	73,937	73,937	74,789
Technology costs	58,541	58,541	44,118
Premises costs	312,223	312,223	310,351
Legal costs - other	9,464	9,464	9,035
Other support costs	209,792	209,792	167,149
Governance costs	12,510	12,510	9,410
Total support costs	<u>2,036,294</u>	<u>2,036,294</u>	<u>1,555,716</u>
Total 2021		<u>1,555,716</u>	<u>1,555,716</u>

# Parkstone Grammar School Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 8 Staff

#### a) Staff costs

Staff costs during the period were:

	2021/22	2020/21
	£	£
Wages and salaries	4,327,739	4,181,569
Social security costs	434,885	409,273
Pension costs	1,332,186	1,220,536
	<u>6,094,810</u>	<u>5,811,378</u>
Agency staff costs	68,528	21,813
Staff restructuring costs	2,724	-
	<u>6,166,062</u>	<u>5,833,191</u>

Staff restructuring costs comprise:

Severance payments	2,724	-
	<u>2,724</u>	<u>-</u>

#### b) Severance payments

The academy trust paid one severance payment in the year, disclosed in the following bands:

	No.
£0 - £25,000	<u>1</u>

#### c) Special staff severance payments

Included in staff restructuring costs is a special staff severance payment of £2,724 (2021: £Nil).

#### d) Staff numbers

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

	2021/22	2020/21
	No.	No.
Teachers	75	73
Administration and support	114	114
Management	6	6
	<u>195</u>	<u>193</u>

#### e) Higher paid staff

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

	2021/22	2020/21
	No.	No.
£60,001 - £70,000	2	3
£70,001 - £80,000	1	-
£90,001 - £100,000	1	1

# Parkstone Grammar School Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 8 Staff (continued)

#### f) 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 £563,860 (2021: £523,274).

### 9 Related Party Transactions – Trustees’ remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the Academy Trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees’ remuneration and other benefits was as follows:

		2021/22	2020/21
		£000	£000
D Hallsworth	Remuneration	95-100	95-100
(Headteacher and staff trustee)	Employer’s pension contributions paid	20-25	20-25

During the period ended 31 August 2022, travel and subsistence expenses totalling £161 were reimbursed or paid directly to one trustee (2021: none).

### 10 Trustees and officers insurance

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

# Parkstone Grammar School Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 11 Tangible fixed assets

	Freehold Land and Buildings	Assets Under Con- struction £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost						
At 1 September 2021	36,171,700	-	532,944	364,532	3,460	37,072,636
Acquisitions	141,042	251,339	22,207	103,147	-	517,735
At 31 August 2022	<u>36,312,742</u>	<u>251,339</u>	<u>555,151</u>	<u>467,679</u>	<u>3,460</u>	<u>37,590,371</u>
Depreciation						
At 1 September 2021	12,289,509	-	446,042	301,410	2,154	13,039,115
Charged in year	1,192,250	-	24,394	49,347	196	1,266,187
At 31 August 2022	<u>13,481,759</u>	<u>-</u>	<u>470,436</u>	<u>350,757</u>	<u>2,350</u>	<u>14,305,302</u>
Net book values						
At 31 August 2021	23,882,191	-	86,902	63,122	1,306	24,033,521
At 31 August 2022	<u>22,830,983</u>	<u>251,339</u>	<u>84,715</u>	<u>116,922</u>	<u>1,110</u>	<u>23,285,069</u>

# Parkstone Grammar School Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 12 Debtors

	2021/22	2020/21
	£	£
Trade debtors	4,059	-
VAT recoverable	14,792	24,940
Prepayments and accrued income	1,130,828	99,959
	<u>1,149,679</u>	<u>124,899</u>

### 13 Creditors: amounts falling due within one year

	2021/22	2020/21
	£	£
Trade creditors	100,089	71,559
Other taxation and social security	106,116	100,256
Other creditors falling due within one year	128,006	134,336
Accruals and deferred income	342,812	140,655
	<u>677,023</u>	<u>446,806</u>

	2021/22	2020/21
	£	£
Deferred income at 1 September 2021	75,673	88,004
Released from previous years	(75,673)	(88,004)
Resources deferred in the year	57,532	75,673
Deferred income at 31 August 2022	<u>57,532</u>	<u>75,673</u>

At the balance sheet date the Academy Trust was holding funds received in advance for school trips relating to the forthcoming financial year.

# Parkstone Grammar School Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 14 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2022 £
Restricted general funds						
General Annual Grant (GAG)	277,948	6,459,287	(6,215,209)	(147,326)	-	374,700
Pupil premium	-	72,383	(72,383)	-	-	-
Rates reclaim	-	35,840	(35,840)	-	-	-
Teachers' pay grant	-	22,648	(22,648)	-	-	-
Teachers' pension grant	-	63,995	(63,995)	-	-	-
Other DfE grants	-	85,388	(85,388)	-	-	-
Local authority grants	-	10,014	(10,014)	-	-	-
Catch-up premium	36,309	-	(36,309)	-	-	-
Other Coronavirus funding	-	16,338	(16,338)	-	-	-
Other educational activities	1,006	55,544	(56,550)	-	-	-
	315,263	6,821,437	(6,614,674)	(147,326)	-	374,700
Pension reserve	(4,445,000)	-	(435,000)	-	3,420,000	(1,460,000)
	(4,129,737)	6,821,437	(7,049,674)	(147,326)	3,420,000	(1,085,300)
Restricted fixed asset funds						
Fixed asset fund	24,033,521	-	(1,266,187)	517,735	-	23,285,069
ESFA capital grants (DFC)	-	26,793	-	(26,793)	-	-
ESFA capital grants (CIF)	-	1,333,162	-	(343,616)	-	989,546
	24,033,521	1,359,955	(1,266,187)	147,326	-	24,274,615
Total restricted funds	19,903,784	8,181,392	(8,315,861)	-	3,420,000	23,189,315
Total unrestricted funds	711,986	385,331	(304,451)	-	-	792,866
Total funds	20,615,770	8,566,723	(8,620,312)	-	3,420,000	23,982,181

# Parkstone Grammar School Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 14 Funds (continued)

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

#### General annual grant

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the school budget share; minimum funding guarantee; education services grant; insurance; rates; and pre- and post-16 high needs funding streams.

#### Other DfE/ESFA grants

This is funding received from the ESFA for specific purposes.

#### Local authority grants

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

#### Other educational activities

This includes all other educational income/expenditure.

#### Pension reserve

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the Academy Trust on conversion.

#### Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

#### DfE/ESFA capital grants

This is funding received from the DfE/ESFA specifically for expenditure on tangible fixed assets.

#### Transfers between funds

Transfers to the restricted fixed asset fund represent the cost of fixed asset additions which have been funded from restricted or unrestricted general funds.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.



# Parkstone Grammar School Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 14 Funds (continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2021 £
Restricted general funds						
General Annual Grant (GAG)	155,102	5,971,068	(5,768,457)	(79,765)	-	277,948
Pupil premium	-	66,816	(66,816)	-	-	-
Other DfE grants	-	365,139	(365,139)	-	-	-
Local authority grants	320	2,731	(3,051)	-	-	-
Catch-up premium	-	73,680	(33,787)	(3,584)	-	36,309
Other Coronavirus funding	-	50,880	(50,880)	-	-	-
Other educational activities	3,000	52,210	(54,204)	-	-	1,006
	158,422	6,582,524	(6,342,334)	(83,349)	-	315,263
Pension reserve	(3,975,000)	-	(350,000)	-	(120,000)	(4,445,000)
	(3,816,578)	6,582,524	(6,692,334)	(83,349)	(120,000)	(4,129,737)
Restricted fixed asset funds						
Fixed asset fund	25,183,859	-	(1,263,194)	112,856	-	24,033,521
ESFA capital grants (DFC)	3,117	26,390	-	(29,507)	-	-
	25,186,976	26,390	(1,263,194)	83,349	-	24,033,521
Total restricted funds	21,370,398	6,608,914	(7,955,528)	-	(120,000)	19,903,784
Total unrestricted funds	679,426	246,403	(213,843)	-	-	711,986
Total funds	22,049,824	6,855,317	(8,169,371)	-	(120,000)	20,615,770

# Parkstone Grammar School Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 15 Analysis of net assets between funds

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	23,285,069	23,285,069
Current assets	792,866	1,051,723	-	989,546	2,834,135
Current liabilities	-	(677,023)	-	-	(677,023)
Pension scheme liability	-	-	(1,460,000)	-	(1,460,000)
Total net assets	792,866	374,700	(1,460,000)	24,274,615	23,982,181

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

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	24,033,521	24,033,521
Current assets	711,986	762,069	-	-	1,474,055
Current liabilities	-	(446,806)	-	-	(446,806)
Pension scheme liability	-	-	(4,445,000)	-	(4,445,000)
Total net assets	711,986	315,263	(4,445,000)	24,033,521	20,615,770

### 16 Capital commitments

	2021/22	2020/21
	£	£
Contracted for, but not provided in the financial statements	1,300,612	-

# Parkstone Grammar School Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

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

#### Operating leases

At 31 August 2022 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2021/22	2020/21
	£	£
Amounts due within one year	23,003	23,055
Amounts due between one and five years	12,390	35,270
	<u>35,393</u>	<u>58,325</u>

### 18 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021/22	2020/21
	£	£
Net expenditure for the reporting period	(53,589)	(1,314,054)
Adjusted for:		
Depreciation	1,266,187	1,261,859
(Gain)/loss on disposal of fixed assets	-	1,335
Capital grants from DfE and other capital income	(1,359,955)	(26,390)
Interest receivable	(486)	(381)
Defined benefit pension scheme cost less contributions payable	361,000	286,000
Defined benefit pension scheme finance cost	74,000	64,000
Decrease / (increase) in debtors	5,683	(11,171)
Increase / (decrease) in creditors	45,400	(13,944)
Net cash provided by Operating Activities	<u>338,240</u>	<u>247,254</u>

### 19 Cash flows from investing activities

	2021/22	2020/21
	£	£
Dividends, interest and rents from investments	486	381
Purchase of tangible fixed assets	(332,918)	(112,856)
Capital grants from DfE Group	329,492	26,390
Net cash used in investing activities	<u>(2,940)</u>	<u>(86,085)</u>

# Parkstone Grammar School Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 20 Analysis of cash and cash equivalents

	2021/22 £	2020/21 £
Cash at bank and in hand	<u>1,684,456</u>	<u>1,349,156</u>

### 21 Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	Acquisition/ disposal of subsidiaries £	New finance leases £	Other non-cash changes £	At 31 August 2022 £
Cash	1,349,156	335,300	-	-	-	1,684,456
Total	<u>1,349,156</u>	<u>335,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,684,456</u>

### 22 Members liability

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

# Parkstone Grammar School Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 23 Pension and similar obligations

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

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

Contributions amounting to £113,658 were payable to the schemes at 31 August 2022 (2021: £109,264) 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 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 four 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. The 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%.

# Parkstone Grammar School Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 23 Pension and similar obligations (continued)

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £743,003 (2021: £745,282).

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

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

#### Local Government Pension 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 2022 was as follows:

	2022	2021
	£	£
Employer's contributions	206,000	188,000
Employees' contributions	59,000	56,000
	<u>265,000</u>	<u>244,000</u>

The agreed contribution rates for future years are 21.0% for employers and 5.5% to 12.5% for employees.

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

#### Principal actuarial assumptions

	2022	2021
Rate of increase in salaries	4.0%	3.9%
Rate of increase for pensions in payment/inflation	3.0%	2.9%
Discount rate for scheme liabilities	4.3%	1.7%
Inflation assumption (CPI)	<u>3.0%</u>	<u>2.9%</u>

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

	2022	2021
Retiring today		
Males	22.1	23.1
Females	<u>24.2</u>	<u>24.6</u>
Retiring in 20 years		
Males	23.4	24.4
Females	<u>25.6</u>	<u>26.1</u>

# Parkstone Grammar School Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 23 Pension and similar obligations (continued)

#### Sensitivity analysis

	Increase/(reduction) in defined benefit obligation	
	2022	2021
	£	£
Discount rate +0.1%	(103,000)	(171,000)
Discount rate -0.1%	105,000	175,000
Mortality assumption – 1 year increase	147,000	322,000
Mortality assumption – 1 year decrease	<u>(143,000)</u>	<u>(309,000)</u>

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

	2022	2021
	£	£
Equities	1,797,000	1,813,000
Gilts	363,000	390,000
Corporate bonds	153,000	184,000
Property	343,000	290,000
Cash and other liquid assets	50,000	53,000
Other	621,000	580,000
Total market value of assets	<u>3,327,000</u>	<u>3,310,000</u>

The actual return on scheme assets was a loss of £142,000 (2021: a gain of £573,000).

#### Amount recognised in the Statement of Financial Activities

	2021/22	2020/21
	£	£
Current service cost	567,000	474,000
Interest income	(54,000)	(41,000)
Interest cost	128,000	105,000
Total amount recognised in the SOFA	<u>641,000</u>	<u>538,000</u>

# Parkstone Grammar School Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 23 Pension and similar obligations (continued)

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

	2021/22	2020/21
	£	£
At 1 September	7,755,000	6,631,000
Current service cost	567,000	474,000
Interest cost	128,000	105,000
Employee contributions	59,000	56,000
Actuarial (gain) / loss	(3,616,000)	652,000
Benefits paid	(106,000)	(163,000)
At 31 August	<u>4,787,000</u>	<u>7,755,000</u>

Changes in the fair value of Academy Trust's share of scheme assets:

	2021/22	2020/21
	£	£
At 1 September	3,310,000	2,656,000
Interest income	54,000	41,000
Actuarial (loss) / gain	(196,000)	532,000
Employer contributions	206,000	188,000
Employee contributions	59,000	56,000
Benefits paid	(106,000)	(163,000)
At 31 August	<u>3,327,000</u>	<u>3,310,000</u>

### 24 Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.

### 25 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2022 the Academy Trust received £11,135 and disbursed £13,679 from the fund. An amount of £20,743 is included in other creditors relating to undistributed funds that are repayable to ESFA. Comparatives for the accounting period ending 31 August 2021 are £14,755 received, £11,943 disbursed and £23,287 included in other creditors.