

Parkstone Grammar School Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2023

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

Samantha Hewson (appointed 8 December 2022)

Ann Simmons

Dawn Stark

David Hallsworth (resigned 7 December 2022)

Trustees

Caroline Amey

Christopher Benn, Chair of Finance and Premises Committee *

Simon Bowden

Andrew Burn

Martin Copsey

David Hallsworth, Headteacher and Accounting Officer *

Alison Holme

Victoria Roscorla *

Ann Simmons *

Dawn Stark, Chair

Nicholas Stebbing *

Robert Wilsher, Chair of Audit and Risk Committee *

Rodney Woodford *

Simon Dunk (resigned 8 December 2022)

Matthew Hosier (resigned 18 July 2023)

*Denotes member of Finance and Premises Committee

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

Principal and Registered Office

Parkstone Grammar School

Sopers Lane

Poole

Dorset

BH17 7EP

Parkstone Grammar School Trust

Reference and Administrative Details

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
Dorset
BH15 1AJ

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

Browne Jacobson LLP
44 Castle Gate
Nottingham
NG1 7BJ

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 2023. 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

The Academy Trust has taken out appropriate indemnity insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 in any membership year.

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 one Governor appointed by the Trustees
- up to one LA Governor appointed by the LA
- up to seven Parent Governors elected by parents
- up to four Staff Governors (including the Headteacher)
- up to four Partnership Governors appointed by the Governing Body
- up to two Community Governors appointed by the Governing Body
- any Additional Governors appointed by the Secretary of State for Education
- up to three 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 2023 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 Financial Procedures 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 2023 are summarised below:

- to continue the development of independent learners through high-quality learning experiences;
- to enhance the impact of provision and intervention for our SEND, PP, and all other vulnerable groups;
- to refine educational systems to deliver greater consistency in leadership activities and classroom practice;
- to scrutinise route to transitioning to a MAT;
- to continue to prioritise staff well-being;
- to continue the process of effective resource management and use;
- to ensure students embody our school values, positively contributing to our community;
- to develop responsible, respectful, and active citizens; and
- to enhance our academic ethos with a focus on excellence, commitment and aspiration.

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; and
- 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 2023 99% (2022: 99%) of students achieved 5 standard passes, including English and Mathematics, with 59% (2022: 62%) of GCSE grades at grades 7-9. 98% of students obtained "standard" pass in English and Mathematics (2022: 100%), and 89% obtained a "good" pass in English and Mathematics (2022: 94%). The indicative Progress 8 figure for 2023 is again positive with a score of 0.27 (Confidence Interval 0.05 to 0.48, 2022: 0.37).

Parkstone Grammar School Trust

Trustees' Report

Key Performance Indicators (continued)

The percentage of students achieving the English Baccalaureate (EBacc) is around 55% (2022: 52%). 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 70% (2022: 76%) of all grades at A* to B, 38% at A*-A. The A* to E pass rate is 99% (2022: 99%). 74% of Year 12 students returned an A-B result.

The Department for Education recommend not making direct comparisons with data from previous years due to marking and moderation restoring grades to pre-pandemic levels.

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.

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 2023 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
- a DfE Energy Efficiency Grant of £51k
- grants from the Condition Improvement Fund (CIF) recognised in this year of £329k for the replacement and improvement of the school fire detection and alarm system.

Parkstone Grammar School Trust

Trustees' Report

Financial Review (continued)

The majority of the fire alarm was completed over Summer 2023, which ensured that the school had a fully operation L2 alarm system in place for the start of the new school year. The value of this work (£310k) has been recognised at the year end. There is a small amount of work for completion Autumn 2023. The balance of the CIF grants at the year-end is held within the Fixed Asset fund.

The Energy Efficiency Grant was fully spent on a range on LED replacements through the school, including the main hall and sports hall, and a solar panel installation on the sports hall. These improvements will deliver increased energy efficiency by reducing energy costs, which with increased energy costs will minimise funding which has to be diverted away from delivering the school curriculum.

The Academy has generated Unrestricted Funds in total of £440k, £145k of which is income from trips and educational activities, £95k from music lessons and £60k from lettings.

In total, significant expenditure has been spent on staff salaries and supply and agency costs, £6,282k, water and energy £120k, examinations £144k, and £158k on premises maintenance and compliance checks. The school also benefitted from funding from the National Tutoring Programme of £2.5k which it paid to staff to run specific subject sessions.

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.

Parkstone Grammar School Trust

Trustees' Report

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 2023 these reserves are as follows:

| Fund | Restricted £ | Unrestricted £ | Total £ |
|--------------------------------|-----------------|-------------------|------------|
| Fixed asset fund | 23,356,547 | - | 23,356,547 |
| Pension reserve | (964,000) | - | (964,000) |
| Restricted funds – allocated | - | - | - |
| Restricted funds – unallocated | 159,269 | - | 159,269 |
| Unrestricted funds | - | 900,329 | 900,329 |
| Total | 22,551,816 | 900,329 | 23,452,145 |

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.

£301k of reserves have been released this year to meet the school's contribution for the previous year's successful CIF kitchen and classroom projects, which were completed in 2022-23. The school continues to fund a programme of equipment replacement as the need arises over and above the amount of Deferred Formula Grant (DFG) that the school receives from the ESFA. In 2022-23 reserves were released to install new furniture and ICT in the new classroom block.

Next year, a further £38k has been committed to meet the school's contribution for fire alarm project.

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
- ICT
- 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.

Parkstone Grammar School Trust

Trustees' Report

Principal Risks and Uncertainties (continued)

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 5-year budget is ongoing to ensure that a balanced budget can be maintained, together with the prudent use of reserves.

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.

Parkstone Grammar School Trust

Trustees' Report

Fundraising

As part of its work within the community, the Academy Trust undertakes fundraising activities, for example through fetes, cake sales, non-uniform days etc. 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.

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 5 December 2023 and signed on the Board's behalf by:



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 | 1 | 4 |
| Christopher Benn | 2 | 4 |
| Simon Bowden | 3 | 4 |
| Andrew Burn | 4 | 4 |
| Martin Copsey | 4 | 4 |
| Simon Dunk | 0 | 2 |
| David Hallsworth | 4 | 4 |
| Alison Holme | 3 | 4 |
| Matthew Hosier | 3 | 4 |
| Victoria Roscorla | 4 | 4 |
| Ann Simmons | 2 | 4 |
| Dawn Stark | 4 | 4 |
| Nicholas Stebbing | 3 | 4 |
| Robert Wilsher | 3 | 4 |
| Rod Woodford | 4 | 4 |

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.

Simon Dunk and Matthew Hosier left their governor posts during the school year.

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:

Regular training is undertaken with Governors invited to utilise resources like The Key or to attend speaker led training to imbed the new governors that were appointed in 2021-22.

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; and
- oversight of the operation and maintenance of Academy buildings and grounds with a scrutiny of Health and Safety.

Parkstone Grammar School Trust

Governance Statement

Governance (continued)

Attendance at meetings in the year was as follows:

| <u>Trustee</u> | <u>Meetings attended</u> | <u>Out of a possible</u> |
|-------------------|--------------------------|--------------------------|
| Christopher Benn | 5 | 5 |
| David Hallsworth | 5 | 5 |
| Victoria Roscorla | 4 | 5 |
| Ann Simmons | 4 | 5 |
| Dawn Stark | 5 | 5 |
| Nicholas Stebbing | 2 | 5 |
| Robert Wilsher | 3 | 5 |
| Rod Woodford | 4 | 5 |

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; and
- 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 | 3 | 3 |
| Victoria Roscorla | 2 | 3 |
| Ann Simmons | 2 | 3 |
| Dawn Stark | 3 | 3 |
| Nicholas Stebbing | 1 | 3 |
| Robert Wilsher | 2 | 3 |
| Rod Woodford | 2 | 3 |

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 as well as estates safety and management, 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;
- Monitoring KPIs on the proportion of grant income spent on staff salaries;
- Competitive tendering of services;
- Successfully applying for Condition Improvement Grants to improve the condition and safety of the school; and
- 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 2022 to 31 August 2023 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 2022 to 31 August 2023 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.

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

- testing of payroll systems
- testing of purchase 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:

- Fire Safety
- GDPR processes and compliance

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)

Following the extensive programme of internal scrutiny, using expert audit opinion where necessary, remedial work was completed during the year and 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 was one action identified that will need to be addressed over the next year, being to address the weaknesses identified in the fire risk assessment to fire doors and fire compartmentation. This will require support from a CIF bid and an investment from the school.

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 5 December 2023 and signed on its behalf by:



Dawn Stark
Chair of Trustees

David Hallsworth
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, including for estates safety and management, under the funding agreement 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 2022, including responsibilities for estates safety and management.

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 2022.

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
Accounting Officer
5 December 2023

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 2022 to 2023
- 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 5 December 2023 and signed on its behalf by:



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 2023 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 2022 to 2023 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 2023 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 2022 to 2023.

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 the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 2022, and the Academies Accounts Direction 2022 to 2023.
- 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. 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

Date12 Dec 2023.....

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 2022 to 2023, 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 2022 to 31 August 2023 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 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 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 2022) (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 2022 to 31 August 2023 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

Date12.Dec.2023.....

Parkstone Grammar School Trust

Statement of Financial Activities for the year ended 31 August 2023 (including Income and Expenditure Account)

| | Note | Un-restricted funds £ | Restricted General Funds £ | Restricted Pension Funds £ | Restricted Fixed Asset Funds £ | 2022/23 Total £ | 2021/22 Total £ |
|--|------|--------------------------|-------------------------------|-------------------------------|-----------------------------------|-----------------------|-----------------------|
| Income and endowments from: | | | | | | | |
| Donations and capital grants | 2 | 5,018 | 6,491 | - | 406,522 | 418,031 | 1,380,006 |
| Other trading activities | 4 | 117,886 | 20,627 | - | - | 138,513 | 135,992 |
| Investments | 5 | 8,241 | - | - | - | 8,241 | 486 |
| Charitable activities: | | | | | | | |
| Funding for the academy trust's educational operations | 3 | 308,797 | 7,177,567 | - | - | 7,486,364 | 7,050,239 |
| Total | | 439,942 | 7,204,685 | - | 406,522 | 8,051,149 | 8,566,723 |
| Expenditure on: | | | | | | | |
| Raising funds | 6 | 952 | 5,940 | - | - | 6,892 | 7,141 |
| Charitable activities: | | | | | | | |
| Academy trust educational operations | 7 | 331,527 | 7,112,802 | 109,000 | 1,625,964 | 9,179,293 | 8,613,171 |
| Total | | 332,479 | 7,118,742 | 109,000 | 1,625,964 | 9,186,185 | 8,620,312 |
| Net income / (expenditure) | | 107,463 | 85,943 | (109,000) | (1,219,442) | (1,135,036) | (53,589) |
| Transfers between funds | 14 | - | (301,374) | - | 301,374 | - | - |
| Other recognised gains / (losses): | | | | | | | |
| Actuarial gains on defined benefit pension schemes | 23 | - | - | 605,000 | - | 605,000 | 3,420,000 |
| Net movement in funds | | 107,463 | (215,431) | 496,000 | (918,068) | (530,036) | 3,366,411 |
| Reconciliation of funds | | | | | | | |
| Total funds brought forward | | 792,866 | 374,700 | (1,460,000) | 24,274,615 | 23,982,181 | 20,615,770 |
| Total funds carried forward | | 900,329 | 159,269 | (964,000) | 23,356,547 | 23,452,145 | 23,982,181 |

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

Parkstone Grammar School Trust

Balance Sheet as at 31 August 2023

Company Number 07461209

| | Note | 2023 £ | 2023 £ | 2022 £ | 2022 £ |
|--|------|--------------------|-------------------|--------------------|-------------------|
| Fixed assets | | | | | |
| Tangible assets | 11 | | 23,330,759 | | 23,285,069 |
| Current assets | | | | | |
| Debtors | 12 | 660,928 | | 1,149,679 | |
| Cash at bank and in hand | | <u>1,517,123</u> | | <u>1,684,456</u> | |
| | | 2,178,051 | | 2,834,135 | |
| Liabilities | | | | | |
| Creditors: Amounts falling due within one year | 13 | <u>(1,092,665)</u> | | <u>(677,023)</u> | |
| Net current assets | | | <u>1,085,386</u> | | <u>2,157,112</u> |
| Total assets less current liabilities | | | 24,416,145 | | 25,442,181 |
| Defined benefit pension scheme liability | 23 | | (964,000) | | (1,460,000) |
| Total net assets | | | <u>23,452,145</u> | | <u>23,982,181</u> |
| Funds of the academy trust: | | | | | |
| Restricted funds | | | | | |
| Fixed asset fund | 14 | 23,356,547 | | 24,274,615 | |
| Restricted income fund | 14 | 159,269 | | 374,700 | |
| Pension reserve | 14 | <u>(964,000)</u> | | <u>(1,460,000)</u> | |
| Total restricted funds | | | 22,551,816 | | 23,189,315 |
| Unrestricted income funds | 14 | | 900,329 | | 792,866 |
| Total funds | | | <u>23,452,145</u> | | <u>23,982,181</u> |

The financial statements on pages 29 to 54 were approved by the Trustees and authorised for issue on 5 December 2023 and are signed on their behalf by:



DAVID CLARK

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 2023

| | Note | 2023 £ | 2022 £ |
|---|------|------------------|------------------|
| Cash flows from operating activities | | | |
| Net cash provided by (used in) operating activities | 18 | 541,672 | 338,240 |
| Cash flows from investing activities | 19 | (709,005) | (2,940) |
| Change in cash and cash equivalents in the reporting period | | <u>(167,333)</u> | <u>335,300</u> |
| Cash and cash equivalents at 1 September 2022 | | 1,684,456 | 1,349,156 |
| Cash and cash equivalents at 31 August 2023 | 20 | <u>1,517,123</u> | <u>1,684,456</u> |

Parkstone Grammar School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

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 2022 to 2023 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 2023

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 2023

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 2023

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 2023

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.

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 2023

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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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 £ | 2022/23 Total £ | 2021/22 Total £ |
|-------------------|----------------------------|--------------------------|-----------------------|-----------------------|
| Capital grants | - | 406,522 | 406,522 | 1,359,955 |
| Other donations | 5,018 | 6,491 | 11,509 | 20,051 |
| | <u>5,018</u> | <u>413,013</u> | <u>418,031</u> | <u>1,380,006</u> |
| <i>Total 2022</i> | <i>12,013</i> | <i>1,367,993</i> | <i>1,380,006</i> | |

Parkstone Grammar School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

3 Funding for the Academy Trust's educational operations

| | Unrestricted funds £ | Restricted funds £ | 2022/23 Total £ | 2021/22 Total £ |
|--|----------------------------|--------------------------|-----------------------|-----------------------|
| DfE / ESFA grants | | | | |
| General Annual Grant (GAG) | - | 6,694,567 | 6,694,567 | 6,459,287 |
| Pupil Premium | - | 82,013 | 82,013 | 72,383 |
| Rates reclaim | - | 37,973 | 37,973 | 35,840 |
| Teachers' pay grant | - | - | - | 22,648 |
| Teachers' pension grant | - | 62,974 | 62,974 | 63,995 |
| Other DfE grants | - | 256,298 | 256,298 | 85,388 |
| | - | 7,133,825 | 7,133,825 | 6,739,541 |
| Other government grants | | | | |
| Local authority grants | - | 33,544 | 33,544 | 10,014 |
| COVID-19 additional funding (non-DfE/ESFA) | | | | |
| Other Coronavirus funding | - | - | - | 16,338 |
| Other income from the Academy Trust's educational operations | | | | |
| Catering income | 23,046 | - | 23,046 | - |
| Other income | 285,751 | 10,198 | 295,949 | 284,346 |
| | 308,797 | 10,198 | 318,995 | 284,346 |
| | 308,797 | 7,177,567 | 7,486,364 | 7,050,239 |
| <i>Total 2022</i> | <i>278,067</i> | <i>6,772,172</i> | <i>7,050,239</i> | |

4 Other trading activities

| | Unrestricted funds £ | Restricted funds £ | 2022/23 Total £ | 2021/22 Total £ |
|----------------------|----------------------------|--------------------------|-----------------------|-----------------------|
| Hire of facilities | 69,103 | - | 69,103 | 54,900 |
| Other trading income | 48,783 | 20,627 | 69,410 | 81,092 |
| | 117,886 | 20,627 | 138,513 | 135,992 |
| <i>Total 2022</i> | <i>94,765</i> | <i>41,227</i> | <i>135,992</i> | |

Parkstone Grammar School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

5 Investment income

| | Unrestricted funds | Restricted funds | 2022/23 Total | 2021/22 Total |
|---------------------|--------------------|------------------|---------------|---------------|
| | £ | £ | £ | £ |
| Short term deposits | 8,241 | - | 8,241 | 486 |
| <i>Total 2022</i> | <i>486</i> | <i>-</i> | <i>486</i> | |

6 Expenditure

| | Staff costs | Non Pay Expenditure | | Total | Total |
|-----------------------------------|------------------|---------------------|------------------|------------------|------------------|
| | £ | Premises | Other | 2022/23 | 2021/22 |
| | £ | £ | £ | £ | £ |
| Expenditure on raising funds | - | - | 6,892 | 6,892 | 7,141 |
| Academy's educational operations: | | | | | |
| Direct costs | 5,129,347 | - | 2,146,403 | 7,275,750 | 6,576,877 |
| Allocated support costs | 1,152,959 | 360,011 | 390,573 | 1,903,543 | 2,036,294 |
| | <u>6,282,306</u> | <u>360,011</u> | <u>2,543,868</u> | <u>9,186,185</u> | <u>8,620,312</u> |
| <i>Total 2022</i> | <i>6,166,062</i> | <i>312,223</i> | <i>2,142,027</i> | <i>8,620,312</i> | |

Net income/(expenditure) for the period includes:

| | 2022/23 | 2021/22 |
|---|--------------|--------------|
| | £ | £ |
| Operating lease rentals | 23,003 | 23,036 |
| Depreciation | 1,312,514 | 1,266,187 |
| (Gain)/loss on disposal of fixed assets | 289,823 | - |
| Fees payable to auditor for: | | |
| Audit | 8,580 | 7,750 |
| Other services | <u>4,105</u> | <u>5,245</u> |

Included within expenditure are the following transactions:

| | Total | Individual items above £5,000 | |
|---------------------------------|-------|-------------------------------|--------|
| | £ | Amount | Reason |
| | £ | £ | |
| Gifts made by the Academy Trust | 384 | - | - |

Parkstone Grammar School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

7 Charitable activities

| | 2022/23 | 2021/22 |
|--|------------------|------------------|
| | Total | Total |
| | £ | £ |
| Direct costs – educational operations | 7,275,750 | 6,576,877 |
| Support costs – educational operations | 1,903,543 | 2,036,294 |
| | <u>9,179,293</u> | <u>8,613,171</u> |

Analysis of support costs:

| | Educational operations | 2022/23 | 2021/22 |
|---------------------|---------------------------|------------------|------------------|
| | £ | Total | Total |
| | £ | £ | £ |
| Support staff costs | 1,152,959 | 1,152,959 | 1,359,827 |
| Depreciation | 88,478 | 88,478 | 73,937 |
| Technology costs | 71,887 | 71,887 | 58,541 |
| Premises costs | 360,011 | 360,011 | 312,223 |
| Legal costs - other | 1,474 | 1,474 | 9,464 |
| Other support costs | 217,229 | 217,229 | 209,792 |
| Governance costs | 11,505 | 11,505 | 12,510 |
| Total support costs | <u>1,903,543</u> | <u>1,903,543</u> | <u>2,036,294</u> |
| <i>Total 2022</i> | | <u>2,036,294</u> | <u>2,036,294</u> |

Premises costs includes £23,627 (2022: £nil) in respect of expenditure on capital projects, which were funded by capital grants from the ESFA.

Parkstone Grammar School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

8 Staff

a) Staff costs

Staff costs during the period were:

| | 2022/23 | 2021/22 |
|---------------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 4,627,670 | 4,327,739 |
| Social security costs | 462,259 | 434,885 |
| Pension costs | 1,108,220 | 1,332,186 |
| | <u>6,198,149</u> | <u>6,094,810</u> |
| Agency staff costs | 84,157 | 68,528 |
| Staff restructuring costs | - | 2,724 |
| | <u>6,282,306</u> | <u>6,166,062</u> |

Staff restructuring costs comprise:

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

b) Special staff severance payments

Included in staff restructuring costs for the prior year is a special staff severance payments totalling £2,724 (2023: nil).

c) Staff numbers

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

| | 2022/23 | 2021/22 |
|----------------------------|------------|------------|
| | No. | No. |
| Teachers | 74 | 75 |
| Administration and support | 105 | 114 |
| Management | 6 | 6 |
| | <u>185</u> | <u>195</u> |

d) Higher paid staff

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

| | 2022/23 | 2021/22 |
|---------------------|---------|---------|
| | No. | No. |
| £60,001 - £70,000 | 3 | 2 |
| £70,001 - £80,000 | 1 | 1 |
| £90,001 - £100,000 | - | 1 |
| £100,001 - £110,000 | 1 | - |

e) Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £591,059 (2022: £563,860).

Parkstone Grammar School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

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:

| | | 2022/23 | 2021/22 |
|---------------------------------|---------------------------------------|---------|---------|
| | | £000 | £000 |
| D Hallsworth | Remuneration | 100-105 | 95-100 |
| (Headteacher and staff trustee) | Employer’s pension contributions paid | 20-25 | 20-25 |

During the period ended 31 August 2023, travel and subsistence expenses totalling £121 were reimbursed or paid directly to one Trustee (2022: £161 to one Trustee).

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 2023

11 Tangible fixed assets

| | Freehold Land and Buildings £ | Assets Under Con- struction £ | Furniture and Equipment £ | Computer Equipment £ | Motor Vehicles £ | Total £ |
|---------------------|--|--|------------------------------------|----------------------------|------------------------|-------------------|
| Cost | | | | | | |
| At 1 September 2022 | 36,312,742 | 251,339 | 555,151 | 467,679 | 3,460 | 37,590,371 |
| Acquisitions | - | 1,244,857 | 357,996 | 45,174 | - | 1,648,027 |
| Disposals | (572,019) | - | - | - | - | (572,019) |
| Reclassifications | 1,496,196 | (1,496,196) | - | - | - | - |
| At 31 August 2023 | <u>37,236,919</u> | <u>-</u> | <u>913,147</u> | <u>512,853</u> | <u>3,460</u> | <u>38,666,379</u> |
| Depreciation | | | | | | |
| At 1 September 2022 | 13,481,759 | - | 470,436 | 350,757 | 2,350 | 14,305,302 |
| Charged in year | 1,224,036 | - | 26,456 | 61,855 | 167 | 1,312,514 |
| Disposals | (282,196) | - | - | - | - | (282,196) |
| At 31 August 2023 | <u>14,423,599</u> | <u>-</u> | <u>496,892</u> | <u>412,612</u> | <u>2,517</u> | <u>15,335,620</u> |
| Net book values | | | | | | |
| At 31 August 2022 | 22,830,983 | 251,339 | 84,715 | 116,922 | 1,110 | 23,285,069 |
| At 31 August 2023 | <u>22,813,320</u> | <u>-</u> | <u>416,255</u> | <u>100,241</u> | <u>943</u> | <u>23,330,759</u> |

12 Debtors

| | 2022/23 £ | 2021/22 £ |
|--------------------------------|----------------|------------------|
| Trade debtors | 7,946 | 4,059 |
| VAT recoverable | 68,002 | 14,792 |
| Prepayments and accrued income | <u>584,980</u> | <u>1,130,828</u> |
| | <u>660,928</u> | <u>1,149,679</u> |

Parkstone Grammar School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

13 Creditors: amounts falling due within one year

| | 2022/23 | 2021/22 |
|---|------------------|----------------|
| | £ | £ |
| Trade creditors | 458,530 | 100,089 |
| Other taxation and social security | 103,576 | 106,116 |
| Other creditors falling due within one year | 138,467 | 128,006 |
| Accruals and deferred income | 392,092 | 342,812 |
| | <u>1,092,665</u> | <u>677,023</u> |

| | 2022/23 | 2021/22 |
|-------------------------------------|----------------|---------------|
| | £ | £ |
| Deferred income at 1 September 2022 | 57,532 | 75,673 |
| Released from previous years | (57,532) | (75,673) |
| Resources deferred in the year | 157,840 | 57,532 |
| Deferred income at 31 August 2023 | <u>157,840</u> | <u>57,532</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 2023

14 Funds

| | Balance at 1 September 2022 £ | Income £ | Expenditure £ | Transfers £ | Gains and losses £ | Balance at 31 August 2023 £ |
|------------------------------|--|-------------|------------------|----------------|--------------------------|--------------------------------------|
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | 374,700 | 6,694,567 | (6,608,624) | (301,374) | - | 159,269 |
| Pupil premium | - | 82,013 | (82,013) | - | - | - |
| Rates reclaim | - | 37,973 | (37,973) | - | - | - |
| Teachers' pension grant | - | 62,974 | (62,974) | - | - | - |
| Other DfE grants | - | 256,298 | (256,298) | - | - | - |
| Local authority grants | - | 33,544 | (33,544) | - | - | - |
| Other educational activities | - | 37,316 | (37,316) | - | - | - |
| | 374,700 | 7,204,685 | (7,118,742) | (301,374) | - | 159,269 |
| Pension reserve | (1,460,000) | - | (109,000) | - | 605,000 | (964,000) |
| | (1,085,300) | 7,204,685 | (7,227,742) | (301,374) | 605,000 | (804,731) |
| Restricted fixed asset funds | | | | | | |
| Fixed asset fund | 23,285,069 | - | (1,602,337) | 1,648,027 | - | 23,330,759 |
| ESFA capital grants (DFC) | - | 77,285 | - | (77,285) | - | - |
| ESFA capital grants (CIF) | 989,546 | 329,237 | (23,627) | (1,269,368) | - | 25,788 |
| | 24,274,615 | 406,522 | (1,625,964) | 301,374 | - | 23,356,547 |
| Total restricted funds | 23,189,315 | 7,611,207 | (8,853,706) | - | 605,000 | 22,551,816 |
| Total unrestricted funds | 792,866 | 439,942 | (332,479) | - | - | 900,329 |
| Total funds | 23,982,181 | 8,051,149 | (9,186,185) | - | 605,000 | 23,452,145 |

Parkstone Grammar School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

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 capital improvements.

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 2023.

Parkstone Grammar School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

14 Funds (continued)

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

| | 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 2023

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 | - | - | - | 23,330,759 | 23,330,759 |
| Current assets | 900,329 | 1,251,934 | - | 25,788 | 2,178,051 |
| Current liabilities | - | (1,092,665) | - | - | (1,092,665) |
| Pension scheme liability | - | - | (964,000) | - | (964,000) |
| Total net assets | 900,329 | 159,269 | (964,000) | 23,356,547 | 23,452,145 |

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 | - | - | - | 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 |

16 Capital commitments

| | 2022/23 | 2021/22 |
|--|---------|-----------|
| | £ | £ |
| Contracted for, but not provided in the financial statements | 176,610 | 1,300,612 |

17 Long-term commitments, including operating leases

Operating leases

At 31 August 2023 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

| | 2022/23 | 2021/22 |
|--|---------|---------|
| | £ | £ |
| Amounts due within one year | 15,229 | 23,003 |
| Amounts due between one and five years | - | 12,390 |
| | 15,229 | 35,393 |

Parkstone Grammar School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

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

| | 2022/23 | 2021/22 |
|--|----------------|----------------|
| | £ | £ |
| Net expenditure for the reporting period | (1,135,036) | (53,589) |
| Adjusted for: | | |
| Depreciation | 1,312,514 | 1,266,187 |
| (Gain)/loss on disposal of fixed assets | 289,823 | - |
| Capital grants from DfE and other capital income | (406,522) | (1,359,955) |
| Interest receivable | (8,241) | (486) |
| Defined benefit pension scheme cost less contributions payable | 50,000 | 361,000 |
| Defined benefit pension scheme finance cost | 59,000 | 74,000 |
| (Increase) / decrease in debtors | (98,698) | 5,683 |
| Increase in creditors | 478,832 | 45,400 |
| Net cash provided by Operating Activities | <u>541,672</u> | <u>338,240</u> |

19 Cash flows from investing activities

| | 2022/23 | 2021/22 |
|--|------------------|----------------|
| | £ | £ |
| Dividends, interest and rents from investments | 8,241 | 486 |
| Purchase of tangible fixed assets | (1,711,217) | (332,918) |
| Capital grants from DfE Group | 993,971 | 329,492 |
| Net cash used in investing activities | <u>(709,005)</u> | <u>(2,940)</u> |

20 Analysis of cash and cash equivalents

| | 2022/23 | 2021/22 |
|--------------------------|------------------|------------------|
| | £ | £ |
| Cash at bank and in hand | <u>1,517,123</u> | <u>1,684,456</u> |

Parkstone Grammar School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

21 Analysis of changes in net debt

| | At 1 September 2022 £ | Cash flows £ | Acquisition/ disposal of subsidiaries £ | New finance leases £ | Other non-cash changes £ | At 31 August 2023 £ |
|-------|--------------------------------|--------------------|--|-------------------------------|-----------------------------------|------------------------------|
| Cash | 1,684,456 | (167,333) | - | - | - | 1,517,123 |
| Total | 1,684,456 | (167,333) | - | - | - | 1,517,123 |

22 Member 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 2023

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 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 2022.

Contributions amounting to £117,448 were payable to the schemes at 31 August 2023 (2022: £113,658) 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 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019. The key elements of the valuation and subsequent consultation were:

- 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%.

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

Parkstone Grammar School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

23 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £793,628 (2022: £743,003).

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 2023 was as follows:

| | 2023 | 2022 |
|--------------------------|----------------|----------------|
| | £ | £ |
| Employer's contributions | 249,000 | 206,000 |
| Employees' contributions | 67,000 | 59,000 |
| | <u>316,000</u> | <u>265,000</u> |

The agreed contribution rates for future years are 23.6% 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Principal actuarial assumptions

| | 2023 | 2022 |
|--|-------------|-------------|
| Rate of increase in salaries | 3.9% | 4.0% |
| Rate of increase for pensions in payment/inflation | 2.9% | 3.0% |
| Discount rate for scheme liabilities | 5.4% | 4.3% |
| Inflation assumption (CPI) | <u>2.9%</u> | <u>3.0%</u> |

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

| | 2023 | 2022 |
|-----------------------------|-------------|-------------|
| <i>Retiring today</i> | | |
| Males | 21.8 | 22.1 |
| Females | <u>23.9</u> | <u>24.2</u> |
| <i>Retiring in 20 years</i> | | |
| Males | 23.1 | 23.4 |
| Females | <u>25.3</u> | <u>25.6</u> |

Parkstone Grammar School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

23 Pension and similar obligations (continued)

Sensitivity analysis

| | Increase/(reduction) in defined benefit obligation | |
|--|---|-----------|
| | 2023 | 2022 |
| | £ | £ |
| Discount rate +0.1% | (79,000) | (103,000) |
| Discount rate -0.1% | 81,000 | 105,000 |
| Mortality assumption – 1 year increase | 133,000 | 147,000 |
| Mortality assumption – 1 year decrease | (129,000) | (143,000) |
| CPI rate +0.1% | 78,000 | 97,000 |
| CPI rate -0.1% | (76,000) | (95,000) |

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

| | 2023 | 2022 |
|------------------------------|-----------|-----------|
| | £ | £ |
| Equities | 2,336,000 | 1,797,000 |
| Gilts | - | 363,000 |
| Corporate bonds | 264,000 | 153,000 |
| Property | 339,000 | 343,000 |
| Cash and other liquid assets | 38,000 | 50,000 |
| Investment funds | 264,000 | - |
| Other | 527,000 | 621,000 |
| Total market value of assets | 3,768,000 | 3,327,000 |

The actual return on scheme assets was a gain of £234,000 (2022: a loss of £142,000).

Amount recognised in the Statement of Financial Activities

| | 2022/23 | 2021/22 |
|-------------------------------------|-----------|----------|
| | £ | £ |
| Current service cost | 299,000 | 567,000 |
| Interest income | (144,000) | (54,000) |
| Interest cost | 203,000 | 128,000 |
| Total amount recognised in the SOFA | 358,000 | 641,000 |

Parkstone Grammar School Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

23 Pension and similar obligations (continued)

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

| | 2022/23 | 2021/22 |
|------------------------|------------------|------------------|
| | £ | £ |
| At 1 September | 4,787,000 | 7,755,000 |
| Current service cost | 299,000 | 567,000 |
| Interest cost | 203,000 | 128,000 |
| Employee contributions | 67,000 | 59,000 |
| Actuarial gain | (515,000) | (3,616,000) |
| Benefits paid | (109,000) | (106,000) |
| At 31 August | <u>4,732,000</u> | <u>4,787,000</u> |

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

| | 2022/23 | 2021/22 |
|-------------------------|------------------|------------------|
| | £ | £ |
| At 1 September | 3,327,000 | 3,310,000 |
| Interest income | 144,000 | 54,000 |
| Actuarial gain / (loss) | 90,000 | (196,000) |
| Employer contributions | 249,000 | 206,000 |
| Employee contributions | 67,000 | 59,000 |
| Benefits paid | (109,000) | (106,000) |
| At 31 August | <u>3,768,000</u> | <u>3,327,000</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 2023 the Academy Trust received £13,942 and disbursed £14,139 from the fund. An amount of £20,546 is included in other creditors relating to undistributed funds that are repayable to ESFA. Comparatives for the accounting period ended 31 August 2022 are £11,135 received, £13,679 disbursed and £20,743 included in other creditors.