

REGISTERED COMPANY NUMBER: 07558466 (England and Wales)

**REPORT OF THE TRUSTEES AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**  
**FOR**  
**QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST**  
**FAVERSHAM**

McCabe Ford Williams  
Statutory Auditors and Chartered Accountants  
Bank Chambers  
1 Central Avenue  
Sittingbourne  
Kent  
ME10 4AE

**QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST**  
**FAVERSHAM**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

<b>MEMBERS:</b>	J Coulter D R Harwood D Gollins P Lock P J Lee
<b>TRUSTEES</b>	D M Anderson Headteacher and Accounting Officer * T E Rose Co Vice-Chair S D Rowlands D G Wade (resigned 17.4.22) * S Wilson (resigned 7.6.22) N A Amfo * R Bottomley (term of office ended 2.5.22) L A Brunger (appointed 15.6.22) A J Church * S J Davison (resigned 27.11.22) * S R Elderkin * T A Harris (appointed 27.1.22) S C Holmes (elected by parents 27.4.22) T A Jack (term of office ended 26.4.22) (re-appointed 19.5.22) I Rawlings Co Vice-Chair * A D Shepherd R A Spicer Chair * Y G Wills

\* members of the finance and personnel committee

**COMPANY SECRETARY** S M C O'Flaherty

**SENIOR MANAGEMENT TEAM:** E Mudhar-Fung (Finance Manager) (appointed 1.2.22)  
G Lloyd (Finance Manager) (resigned 31.1.22)  
R Silvester (Assistant Head Teacher)  
M Leake (Assistant Head Teacher)  
P Larter (Assistant Head Teacher)  
A McIlroy (Deputy Head Teacher)  
S M C O'Flaherty (Operations Manager)  
D M Anderson (Head Teacher)

**REGISTERED OFFICE** Queen Elizabeth's Grammar School  
Abbey Place  
Faversham  
ME13 7BQ

**REGISTERED COMPANY NUMBER** 07558466 (England and Wales)

**QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST**  
**FAVERSHAM**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operates an academy for students aged 11-18 serving a catchment centred around Faversham, Kent. It has a student capacity of 1,000 and had a roll of 1,038 in the school census in October 2022.

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The object of the trust, per our Articles of Association, is 'to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the school and offering a broad and balanced curriculum'.

Queen Elizabeth's Grammar School is a popular, outstanding and innovative school which aims to provide an education for life for all students within a caring, supportive community. We offer an enjoyable, successful and enriching experience aimed to stimulate and engage each and every student..

The need for students to receive a good education has never been as important as it is today. As new careers and technologies emerge and the competition for jobs increases, there are few jobs for life and students in the 21st century need flexibility, self-discipline, confidence and above all, excellent academic qualifications.

Working towards high standards is central to the school ethos, which expects every student to do their very best, to achieve well in their academic studies and to participate fully in extra-curricular activities.

Upon leaving Queen Elizabeth's Grammar School our students are responsible citizens who have the confidence and flexibility to make a positive contribution to a global society.

**Our Ethos:**

- To provide high quality teaching across a wide range of academic disciplines, allowing for student choice and specialisation
- To develop supportive, responsible and productive relationships both within the school and across the community
- To provide excellent extra-curricular opportunities for all students, encouraging them to participate in a wide range of activities within and beyond the classroom
- To instil a sense of enjoyment and fun in all our learners

Queen Elizabeth's Grammar School is a learning community which aims to prepare our students for their lives in an ever-changing world. We expect students to think critically and creatively, coupled with a strong sense of community and responsibility. Upon leaving Queen Elizabeth's Grammar School, our students should be responsible citizens who have the confidence to make a positive contribution to a society where everyone matters.

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**FUNDRAISING**

After a couple of years of lockdown disruptions, we are happy that this year was almost a return to normalcy. Students, parents and staff managed amazingly to fundraise over £22k for the year.

	Total
MacMillan Coffee Morning 24/09/21	£132.10
CIN School fundraising day 19/11/21	£2,834.11
Red Cross Ukraine 4-11/03/22	£4,713.22
War Child	£768.62
Jeans for Genes	£768.62
Yr 11 Homeless Link	£276.64
Yr 11 Cancer Research	£276.63
Sub-total of external fundraising	<u>£9,769.94</u>
Piano for use in school	£12,671.00
<b>Total</b>	<b><u>£22,440.94</u></b>

The Academy Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

**QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST**  
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**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

The vast majority of students were successful in securing the university place, apprenticeship or further training place of their choice. We enjoyed a great deal of success with applications to competitive university courses; Oxbridge, Medicine and Veterinary Science and a high proportion (46%) of our students secured places to study at Russell group universities.

**Arrangements for dealing with COVID-19**

The school retained many of the strategies used to help minimise the spread of Covid throughout the last academic year, including the zoning of classrooms, toilets and social spaces, alongside a structured timetable for access to the canteen. We also maintained one-way corridors and staircases. In an effort to keep year groups largely separated, assemblies and other large groupings were restricted to single year groups.

As mentioned above, operations largely returned to normal, with the only interruptions to normal service being the days taken out for testing and the additional PPE examinations in March. Attendance however remained an issue throughout the year largely due to student and staff Covid absence.

The summer examination season saw a return to normal service, we were pleased to be able to conduct the first public examinations for three years without interruption.

The arrangements put in place to minimise the risk of Covid transition were planned and recorded in our detailed risk assessment, which was updated regularly throughout the year until it was deemed unnecessary; compulsory Covid actions were replaced by guidance in April 2022. The risk assessment was updated on a fortnightly basis until this time, however the school is still following the national guidance and maintaining an infectious diseases risk assessment.

**Key financial performance indicators**

Staff costs as a percentage of total income less capital funding

	<b>2022</b>	<b>2021</b>
	%	%
Teaching and educational support staff	70.06	70.65
Other academy support staff	<u>16.48</u>	<u>17.00</u>
Total staff	86.54	87.65

Staff costs as a percentage of adjusted\* GAG income

	<b>2022</b>	<b>2021</b>
	%	%
Teaching and educational support staff	84.23	88.27
Other academy support staff	<u>19.82</u>	<u>21.24</u>
Total staff	104.05	109.51

\*GAG is adjusted to ensure it is comparable year on year and includes teachers' pay and pension grants and 6th form funding.

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**FINANCIAL REVIEW**

**Going concern**

Despite the much higher energy costs and additional pay increases and with a budget deficit of £60k in 2022/23, 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.

**PLANS FOR FUTURE PERIODS**

Queen Elizabeth's Grammar School is a forward looking, successful and dynamic school with high aspirations for every member of the school community. Looking ahead, the key priorities for the future of the school are:

- To continue to develop the quality of teaching, learning and assessment in order to maximise student attainment, with a particular focus on improving outcomes at Key Stage 4
- To further develop our culture of high aspiration, ensuring that every student has the best opportunities to achieve their personal career ambitions, with a focus of encouraging participation in additional activities outside the classroom.
- For the school to develop beyond its boundaries, by working closely with other schools and taking a leading role in creating additional high-quality provision across the community
- To meet increased demand for school places by seeking opportunities to expand the school, possibly through an annexe or taking on an additional form of entry
- To develop the school alumni association, to encourage greater participation from former members of the community, including supporting school initiatives
- To continue to develop and improve the school's facilities by improving the quality of learning environments, enabling broader opportunities for all students and the wider community.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Charity 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 Queen Elizabeth's Grammar School Trust Faversham are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Queen Elizabeth's Grammar School Trust Faversham.

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

**Members' liability**

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

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Organisational structure**

Queen Elizabeth's Grammar School Trust Faversham has a leadership structure which currently consists of 5 members; the Board of Trustees which consists of 16 trustees alongside the Senior Leadership Team which includes 6 members of staff in addition to the Head Teacher who is included with the trustees; the Head Teacher attends meetings of all 3 groups.

The purpose of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Head Teacher is the Accounting Officer.

The members are responsible for agreeing the constitution of the Board of Trustees; appointing the school's Accountants and Auditors and, with the chair of Trustees, signing off the financial statements of the company. The Board of Trustees are responsible inter alia for the setting of general policy, approving and monitoring the annual school improvement plan; approving and monitoring the annual budget and financial plan, approving the statutory accounts required by the Department for Education; setting, approving and monitoring the curriculum; receiving and responding to Ofsted Inspection Reports; approving and monitoring staff appointments and staff terminations; monitoring the use and maintenance of premises including the use of Capital Expenditure and making major decisions about the direction of the Trust.

The Senior Leadership Team (SLT) consists of the Head Teacher, the Deputy Head Teacher, three Assistant Head Teachers, the Finance Manager and the Operations Manager. The Head Teacher delegates responsibility through the SLT. Each member of the team is responsible for a number of curriculum areas via the Faculty Structure, alongside pastoral care, special educational needs, child protection and other extra-curricular matters. The Operations Manager has responsibility for non-academic matters including premises, personnel, health and safety, support staff and administration. The Finance Manager has responsibility for all areas relating to revenue and expenditure.

The Senior Leadership Team is responsible for drafting, presenting to Trustees and subsequent implementation of improvement plans, policies and procedures approved by the Trustees and reporting back to them on their progress.

The Head Teacher, Faculty Leaders, Managers and Finance Manger are responsible for the authorisation of spending within agreed budgets. Spending control is devolved to budget holders, which must be authorised in line with the Finance Policy. The Head Teacher approves the budget allocations annually prior to their recommendation to Trustees.

The Head Teacher is responsible for the appointment of staff and adjustments to staff contracts. However, the termination of staff contracts is a matter for Trustee approval. All staffing matters are reported to trustees through the finance and Personnel and Full board meetings.

**Policies and Procedures Adopted for the Induction and Training of new trustees**

The training and induction provided for new trustees includes one to one meetings with the following people: the Trustee responsible for training; the Trustee responsible for providing induction training to new Trustees; the Head Teacher and the Operations Manager.

New Trustees also have the opportunity to visit the school for a day in order to meet staff and students. The Governor Services Team at The Education People provides external bespoke training, alongside regular updates on practice, legislation and guidance. In addition, the trustees have access to on-line training at the NGA Learning Link.

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents through GovernorHub, which keeps them informed. Trustee Training is managed, monitored and reported upon throughout the year by the Training and Development Trustee.

**QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST**  
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**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principle risk to Queen Elizabeth's Grammar School Trust Faversham is the maintenance of student numbers as funding is directly related to the number of students on roll. The number on roll is calculated in October of each year and forms the basis by which the funding to be received the following September is calculated.

The Covid-19 pandemic continues to afflict many staff causing additional supply cover cost. Just as we thought the economy was returning to normal, the Russian military action on Ukraine caused global economic instability with unprecedented high energy costs. On top of all this, due to internal political upheavals, inflation shot up to over 10%. With all these unwarranted pressures, all schools face deficit balances and rely on the government for supplementary support.

**AUDITORS**

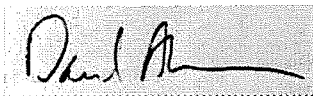
In so far as the Trustees are aware:

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

Approved by order of the Board of Trustees on 8 December 2022 and signed on its behalf by:

*R A Spicer*

.....  
R Spicer - Chair



.....  
D M Anderson – Accounting Officer



**QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST**  
**FAVERSHAM**

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Governance**

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. The full Board of Trustees formally met on six scheduled occasions during the year. There were also 2 extraordinary meetings. Attendance during the year at meetings of the Board of Trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
R Spicer, Chair	7	8
T Rose, Co Vice-Chair	7	8
S Davison (resigned 27/11/2022)	8	8
S Wilson (resigned 07/06/2022)	7	7
D Anderson, Head Teacher & Accounting Officer	8	8
R Bottomly (term of office ended 02/05/2022)	6	6
T Jack (term of office ended 27/04/2022) (re-appointed 19/05/2022)	5	8
S Holmes (elected by parents 27/04/2022)	2	2
I Rawlings, Co Vice-Chair	6	8
S Elderkin	8	8
N Amfo	6	8
S Rowlands	7	8
A Shepherd	8	8
D G Wade (resigned 17/04/2022)	0	6
Y Wills	8	8
T Harris	7	8
A Church	7	8

There were 2 end of term of office from the Board of Trustees, 2 resignations and 2 appointments in the academic year 2021/22.

The full Board meets regularly, six times a year. There are sometimes extraordinary meetings (2 in 2021/22) In addition, there are 4 meetings of the Finance & Personnel Committee and 3 each of the committees; Audit and Risk, Curriculum, Community and Premises and Health & Safety.

The Trustees scrutinise the work of the school regularly and provide a strong level of challenge to the Senior Leadership Team (SLT). They know the school well; a programme of Trustee links with each area of the school provides a structure for frequent visits.

The Board of Trustee completes the NGA annual self-review which is coordinated by the Training and Development Trustee. All Trustees complete the NGA Skills Audit to ensure that there is a broad range of skills on the Board of Trustees. A review of Governance was carried out in January 2020. There was a separate review of how a MAT would operate.

The SLT report to each of the Trustee committees in relation to their area of focus. The reports and the data provided are reviewed at each meeting. The data provided in the reports is verified as part of the programme of visits undertaken by Trustees.

The Finance & Personnel Committee is a sub-committee of the main Board of Trustees. Membership comprises of at least 7 Trustees to include the Head, Chair and Co-Vice Chair. The committee is quorate with 3 of its members present including the Head or his nominated deputy. Its purpose is to oversee all matters with a financial impact (which includes Human Resources) and to ensure the efficient, economical and effective management of the Trust's resources and expenditure, including funds, capital assets, resources and staff. The Finance & Personnel Committee then reports to the full Governing Body.

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy's significant risks that has been in place for the period from 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**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 monthly financial reports which are regularly reviewed and agreed by the Board of Trustees;
- Regular reviews by the Finance & Personnel Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and from September 2020 appointed UHY Hacker Young as their internal auditor. However, the Trustees have appointed McCabe Ford Williams, the external auditor, to perform additional checks. The external auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Testing of payroll systems;
- Testing of purchasing/payment systems;
- Checking the tendering process in accordance with internal regulations;
- Reviewing income receipts;
- Reviewing bank reconciliations and control account reconciliations;
- Reviewing procedures used to prepare reports to Trustees and other financial returns;
- Checking procedures for staff expense claims and petty cash claims;
- Reviewing information reported to Trustees.

Twice per year, the auditor provides reports to the Board of Trustees, through the Finance & Personnel Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The Board of Trustees confirms that the review by the external auditor has been fully delivered in line with the ESFA's requirements and all recommendations have been implemented.

**QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST**  
**FAVERSHAM**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**  
**FOR THE YEAR ENDED 31 AUGUST 2022**


As accounting officer of Queen Elizabeth's Grammar School Trust Faversham I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2021.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.

**Management accounts - non-compliance**

In accordance with the Academy Trust Handbook, management accounts are to be presented to the Chair of Trustees on a monthly basis. It was noted that only 8 of the 12 months management accounts were prepared and presented to the Chair of Trustees.



.....  
D M Anderson - Accounting Officer

Date: 8 December 2022.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST**  
**FAVERSHAM**

**Opinion**

We have audited the financial statements of Queen Elizabeth's Grammar School Trust Faversham (the 'academy trust') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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) and the Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2021 to 2022.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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. 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 academy trust 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 academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST**  
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**Responsibilities of 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 academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST**  
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A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

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



Clair Rayner FCA DChA (Senior Statutory Auditor)  
for and on behalf of McCabe Ford Williams  
Statutory Auditors and Chartered Accountants  
Bank Chambers  
1 Central Avenue  
Sittingbourne  
Kent  
ME10 4AE

Date: 8 December 2022

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO**  
**QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST**  
**FAVERSHAM**  
**AND THE EDUCATION AND SKILLS FUNDING AGENCY**

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2021 to 2022 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:

- Review of the internal control environment which is designed to ensure compliance with regulations;
- Review of the work and reports of the internal reviewer during the period;
- Review of governance arrangements and procedures and related compliance with the requirements of the Academies Financial Handbook, including the distribution of management accounts and quantity of meetings.
- Analytical procedures regarding declaration of potential conflicts of interest by key staff and the governing body;
- Review of fixed asset transactions against the requirements of the funding agreement between Queen Elizabeth's Grammar School Trust Faversham and the Secretary of State and the Academies Financial Handbook;
- Testing of grants and other income for application in accordance with the terms and requirements attached;
- Review of the academy trust's activities to check they are in line with the Academies Framework and the academy trust's charitable objectives;
- Review of bank statements and financial transactions for indications of any items which may be improper;
- Review of bank accounts to check that they are operated within the terms of the academy trust's governing document and borrowing limits imposed by the funding agreement are not exceeded;
- Testing of expenditure, including expense claims for signs of transactions for personal benefit;
- Review of any extra-contractual payments made to staff;
- Review of procurement activity during the period.

**QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST**  
**FAVERSHAM**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

				31.8.22	31.8.21	
	Notes	Unrestricted fund £	Restricted General funds £	Restricted Fixed Asset funds £	Total funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	2	131,294	-	2,955,362	3,086,656	417,259
<b>Charitable activities</b>						
Funding for the academy's educational operations	3	305,254	5,609,949	-	5,915,203	5,765,958
Other trading activities	4	16,035	-	-	16,035	11,241
Investment income	5	684	-	-	684	443
<b>Total</b>		<u>453,267</u>	<u>5,609,949</u>	<u>2,955,362</u>	<u>9,018,578</u>	<u>6,194,901</u>
<b>EXPENDITURE ON Charitable activities</b>						
Academy's educational operations	7	240,332	5,877,619	534,875	6,652,826	5,970,200
<b>Total</b>		<u>240,332</u>	<u>5,877,619</u>	<u>534,875</u>	<u>6,652,826</u>	<u>5,970,200</u>
<b>NET INCOME/(EXPENDITURE)</b>		212,935	(267,670)	2,420,487	2,365,752	224,701
Transfers between funds	17	(46,410)	(101,452)	147,862	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit schemes		-	2,753,000	-	2,753,000	(285,000)
<b>Net movement in funds</b>		166,525	2,383,878	2,568,349	5,118,752	(60,299)
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		791,038	(2,627,724)	9,414,854	7,578,168	7,638,467
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>957,563</u>	<u>(243,846)</u>	<u>11,983,203</u>	<u>12,696,920</u>	<u>7,578,168</u>

The notes form part of these financial statements



**QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST**  
**FAVERSHAM**

**BALANCE SHEET - continued**  
**31 AUGUST 2022**

<b>FUNDS</b>	17		
Restricted funds:			
Fixed asset funds		11,983,203	9,414,854
Restricted income funds		76,154	44,276
Pension reserve		<u>(320,000)</u>	<u>(2,672,000)</u>
		<u>11,739,357</u>	<u>6,787,130</u>
Unrestricted funds:			
General fund		<u>957,563</u>	<u>791,038</u>
<b>TOTAL FUNDS</b>		<u>12,696,920</u>	<u>7,578,168</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 8 December 2022 and were signed on its behalf by:

***R A Spicer***

.....  
R A Spicer - Chair



.....  
D M Anderson - Accounting Officer

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

<b>1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>			
		31.8.22	31.8.21
		£	£
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>		2,365,752	224,701
<b>Adjustments for:</b>			
Depreciation charges		271,608	268,644
Capital grants from DfE/ESFA		(1,118,195)	(417,259)
Loss on disposal of fixed assets		263,267	-
Interest received		(684)	(443)
Defined benefit pension admin expenses		2,000	2,000
Defined benefit pension finance cost		43,000	32,000
Increase in debtors		(2,253,000)	(217,322)
Increase in creditors		547,747	70,948
Difference between pension charge and cash contributions		<u>356,000</u>	<u>229,000</u>
<b>Net cash provided by operations</b>		<u>477,495</u>	<u>192,269</u>
<b>2. ANALYSIS OF CHANGES IN NET FUNDS</b>			
	At 1.9.21	Cash flow	At 31.8.22
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	<u>1,177,474</u>	<u>495,758</u>	<u>1,673,232</u>
	<u>1,177,474</u>	<u>495,758</u>	<u>1,673,232</u>
<b>Total</b>	<u>1,177,474</u>	<u>495,758</u>	<u>1,673,232</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. ACCOUNTING POLICIES - continued**

**Critical accounting estimates and areas of judgement**

The valuation of disposals in regards to the old Sports Hall has been determined based on the assumption that the cost of the item was a third of the area on the donated cost brought in to the trust on conversion.

**Critical areas of judgement**

The Trustees do not consider there to be any critical areas of judgement, other than those relating to estimation above, which have a significant effect on the amounts recognised in the financial statements.

**Income**

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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 in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

**Donations**

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

**Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 22.

**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.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

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

Freehold property	2% - straight line over 50 years
Leasehold property	2% - straight line over 50 years
Fixtures & fittings	10% - straight line over 10 years
Motor vehicles	10% - straight line over 10 years
Computer equipment	33% - straight line over 3 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

**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 as detailed in note 13. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 15. 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.

**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.

**QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST**  
**FAVERSHAM**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. ACCOUNTING POLICIES - continued**

**Provisions**

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.

**2. DONATIONS AND CAPITAL GRANTS**

	31.8.22	31.8.21
	£	£
Donations	131,294	146,168
Grants	2,920,361	271,091
Donated fixed assets	<u>35,001</u>	<u>-</u>
	<u>3,086,656</u>	<u>417,259</u>

Grants received, included in the above, are as follows:

	31.8.22	31.8.21
	£	£
Devolved capital	22,647	21,994
CIF Funding	1,095,548	247,097
Capital grants	-	2,000
Other Revenue Grants	35,166	-
KCC Capital Grant	<u>1,767,000</u>	<u>-</u>
	<u>2,920,361</u>	<u>271,091</u>

**QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST**  
**FAVERSHAM**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**6. EXPENDITURE**

	Non-pay expenditure			31.8.22	31.8.21
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
<b>Charitable activities</b>					
<b>Academy's educational operations</b>					
Direct costs	4,043,580	-	504,079	4,547,659	3,960,095
Allocated support costs	<u>999,492</u>	<u>488,373</u>	<u>617,302</u>	<u>2,105,167</u>	<u>2,010,105</u>
	<u>5,043,072</u>	<u>488,373</u>	<u>1,121,381</u>	<u>6,652,826</u>	<u>5,970,200</u>

Net income/(expenditure) is stated after charging/(crediting):

	31.8.22	31.8.21
	£	£
Auditors' remuneration	8,080	8,995
Auditors' remuneration - non-audit	1,750	1,680
Internal audit services	4,268	-
Depreciation - owned assets	271,608	269,644
Other operating leases	10,147	-
Deficit on disposal of fixed assets	<u>263,267</u>	<u>-</u>

**7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds	Restricted funds	31.8.22 Total funds	31.8.21 Total funds
	£	£	£	£
Direct costs	225,174	4,322,485	4,547,659	3,960,095
Support costs	<u>15,158</u>	<u>2,090,009</u>	<u>2,105,167</u>	<u>2,010,105</u>
	<u>240,332</u>	<u>6,412,494</u>	<u>6,652,826</u>	<u>5,970,200</u>

	31.8.22	31.8.21
	Total	Total
	£	£
<b>Analysis of support costs</b>		
Support staff costs	999,492	984,609
Depreciation	271,608	268,644
Loss of disposal of fixed assets	263,267	-
Technology costs	40,345	-
Premises costs	268,970	237,160
Other support costs	247,387	509,017
Governance costs	<u>14,098</u>	<u>10,675</u>
Total support costs	<u>2,105,167</u>	<u>2,010,105</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**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:

- D M Anderson (Head Teacher & trustee):  
 Remuneration £125,001 - £130,000 (2021: £115,001 - £120,000)  
 Employer's pension contributions paid £25,001 - £30,000 (2021: £25,001 - £30,000)
- R Bottomley (staff trustee resigned 02/05/2022):  
 Remuneration £30,001 - £35,000 (2021: £45,001 - £50,000)  
 Employer's pension contributions paid £5,001 - £10,000 (2021: £10,001 - £15,000)
- T A Harris (staff trustee):  
 Remuneration £20,001 - £25,000 (2021: £10,001 - £15,000)  
 Employer's pension contributions paid £5,001 - £10,000 (2021: £1 - £5,000)
- L A Brunger (staff trustee appointed 15/06/2022):  
 Remuneration £5,001 - £10,000  
 Employer's pension contributions paid £1 - £5,000
- S H Percy (staff trustee resigned 27/01/2021):  
 Remuneration £Nil (2021 £20,001 - £25,000)  
 Employer's pension contributions paid £Nil (2021 £1 - £5,000)

During the year ended 31 August 2022, no expenses were reimbursed or paid directly to trustees (2021: £NIL).

**10. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice, the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2022 was included within the total insurance cost.

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted General funds £	Restricted Fixed Asset funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	1,966	13,067	402,226	417,259
<b>Charitable activities</b>				
Funding for the academy's educational operations	364,968	5,400,990	-	5,765,958
Other trading activities	11,241	-	-	11,241
Investment income	443	-	-	443
<b>Total</b>	<b>378,618</b>	<b>5,414,057</b>	<b>402,226</b>	<b>6,194,901</b>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**12. TANGIBLE FIXED ASSETS**

	Freehold property £	Long leasehold £	Plant and Machinery £	Fixtures and fittings £
<b>COST</b>				
At 1 September 2021	2,285,483	8,547,137	-	550,268
Additions	1,269	287,092	2,695	33,301
Disposals	-	(328,380)	-	(372,313)
At 31 August 2022	<u>2,286,752</u>	<u>8,505,849</u>	<u>2,695</u>	<u>211,256</u>
<b>DEPRECIATION</b>				
At 1 September 2021	262,493	1,699,109	-	433,276
Charge for year	45,731	173,672	120	19,943
Eliminated on disposal	-	(65,113)	-	(372,313)
At 31 August 2022	<u>308,224</u>	<u>1,807,668</u>	<u>120</u>	<u>80,906</u>
<b>NET BOOK VALUE</b>				
At 31 August 2022	<u>1,978,528</u>	<u>6,698,181</u>	<u>2,575</u>	<u>130,350</u>
At 31 August 2021	<u>2,022,990</u>	<u>6,848,028</u>	-	<u>116,992</u>
	Motor vehicles £	Computer equipment £	Assets under construction £	Totals £
<b>COST</b>				
At 1 September 2021	34,106	683,260	14,561	12,114,815
Additions	-	57,419	718,840	1,100,616
Disposals	-	(437,403)	-	(1,138,096)
At 31 August 2022	<u>34,106</u>	<u>303,276</u>	<u>733,401</u>	<u>12,077,335</u>
<b>DEPRECIATION</b>				
At 1 September 2021	17,112	647,394	-	3,059,384
Charge for year	3,411	28,731	-	271,608
Eliminated on disposal	-	(437,403)	-	(874,829)
At 31 August 2022	<u>20,523</u>	<u>238,722</u>	-	<u>2,456,163</u>
<b>NET BOOK VALUE</b>				
At 31 August 2022	<u>13,583</u>	<u>64,554</u>	<u>733,401</u>	<u>9,621,172</u>
At 31 August 2021	<u>16,994</u>	<u>35,866</u>	<u>14,561</u>	<u>9,055,431</u>

Included in cost or valuation of land and buildings is freehold land of £132,400 (2021 - £132,400) which is not depreciated.



**QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued**

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

			Restricted	31.8.21
	Unrestricted	Restricted	Fixed	Total
	fund	General	Asset	funds
	£	funds	funds	£
Fixed assets	-	-	9,055,431	9,055,431
Current assets	1,000,964	243,619	384,498	1,629,081
Current liabilities	(209,926)	(199,343)	(25,075)	(434,344)
Pension liability	-	(2,672,000)	-	(2,672,000)
	<u>791,038</u>	<u>(2,627,724)</u>	<u>9,414,854</u>	<u>7,578,168</u>

**17. MOVEMENT IN FUNDS**

	At 1.9.21	Net	Transfers	At
	£	movement	between	31.8.22
		in funds	funds	£
		£	£	
<b>Restricted general funds</b>				
General Annual Grant (GAG)	-	101,452	(101,452)	-
Other DfE/ESFA grants	-	32,814	-	32,814
Other restricted funds	-	3,655	-	3,655
Pension reserve	(2,672,000)	2,352,000	-	(320,000)
Catch up premium	44,276	(4,591)	-	39,685
	<u>(2,627,724)</u>	<u>2,485,330</u>	<u>(101,452)</u>	<u>(243,846)</u>
<b>Restricted fixed asset funds</b>				
Other capital grants & donations	-	70,167	(15,175)	54,992
DfE/ESFA capital grants	359,423	1,118,195	(621,521)	856,097
Assets held for depreciation	9,055,431	(534,875)	1,100,617	9,621,173
KCC Capital Fund	-	1,767,000	(316,059)	1,450,941
	<u>9,414,854</u>	<u>2,420,487</u>	<u>147,862</u>	<u>11,983,203</u>
<b>Total restricted funds</b>	<u>6,787,130</u>	<u>4,905,817</u>	<u>46,410</u>	<u>11,739,357</u>
<b>Unrestricted fund</b>				
General fund	791,038	212,935	(46,410)	957,563
<b>TOTAL FUNDS</b>	<u>7,578,168</u>	<u>5,118,752</u>	<u>-</u>	<u>12,696,920</u>

**QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST**  
**FAVERSHAM**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

17. **MOVEMENT IN FUNDS - continued**

**Comparatives for movement in funds**

	At 1.9.20 £	Net movement in funds £	Transfers between funds £	At 31.8.21 £
<b>Restricted general funds</b>				
General Annual Grant (GAG)	-	138,613	(138,613)	-
Pension reserve	(2,124,000)	(548,000)	-	(2,672,000)
Catch up premium	-	44,276	-	44,276
	<u>(2,124,000)</u>	<u>(365,111)</u>	<u>(138,613)</u>	<u>(2,627,724)</u>
<b>Restricted fixed asset funds</b>				
DfE/ESFA capital grants	90,332	269,091	-	359,423
Assets held for depreciation	8,893,910	(136,211)	297,732	9,055,431
	<u>8,984,242</u>	<u>132,880</u>	<u>297,732</u>	<u>9,414,854</u>
<b>Total restricted funds</b>	<u>6,860,242</u>	<u>(232,231)</u>	<u>159,119</u>	<u>6,787,130</u>
<b>Unrestricted fund</b>				
General fund	778,225	171,932	(159,119)	791,038
<b>TOTAL FUNDS</b>	<u>7,638,467</u>	<u>(60,299)</u>	<u>-</u>	<u>7,578,168</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**17. MOVEMENT IN FUNDS - continued**

**Restricted fixed asset funds**

Funding is provided by way of government grants, private grants and donations or capital expenditure from the GAG or unrestricted funds in order to acquire specified fixed assets for use by the academy trust in achieving its educational objectives.

**Unrestricted funds**

Unrestricted funds can be used for any purpose at the discretion of the academy trust.

**Transfers between funds**

A transfer of £46,410 was made from unrestricted funds, £32,836 was transferred to the restricted fixed asset fund to cover the Academies contribution towards the Roof CIF project that completed in the year with a further £13,574 to the restricted fixed asset fund to cover the purchase of fixed assets during the period under review.

A transfer of £101,452 was made from General Annual Grant funds to the restricted fixed asset fund to cover the purchase of fixed assets during the period under review.

**18. 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 Kent County Council. Both are multi-employer defined benefit schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**Teachers' pension scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**18. PENSION AND SIMILAR OBLIGATIONS - continued**

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

	Defined benefit pension plans	
	31.8.22	31.8.21
	£	£
Current service cost	559,000	384,000
Net interest from net defined benefit asset/liability	43,000	32,000
Past service cost	-	-
Administration expenses	<u>2,000</u>	<u>2,000</u>
	<u>604,000</u>	<u>418,000</u>
Actual return on plan assets	<u>46,000</u>	<u>37,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.22	31.8.21
	£	£
Opening defined benefit obligation	5,502,000	4,456,000
Current service cost	559,000	384,000
Contributions by scheme participants	58,000	49,000
Interest cost	91,000	71,000
Benefits paid	(56,000)	(50,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(115,000)	(58,000)
Actuarial (gains)/losses from changes in financial assumptions	(3,068,000)	739,000
Experience loss/(gain) on obligation	<u>346,000</u>	<u>(89,000)</u>
	<u>3,317,000</u>	<u>5,502,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**18. PENSION AND SIMILAR OBLIGATIONS - continued**

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.22	31.8.21
	£	£
Equities	1,965,000	1,852,000
Gilts	17,000	16,000
Other Bonds	396,000	393,000
Property	352,000	291,000
Absolute return fund	216,000	197,000
Cash	51,000	81,000
	<u>2,997,000</u>	<u>2,830,000</u>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31.8.22	31.8.21
Discount rate	4.25%	1.65%
Future salary increases	3.95%	3.90%
Future pension increases	2.95%	2.90%

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

Retiring today		
Males	21	21.6
Females	23.5	23.6
Retiring in 20 years		
Males	22.3	22.9
Females	24.9	25.1

Sensitivity analysis

	31.8.22	31.8.21
	£	£
Discount rate +0.1%	3,240,000	5,371,000
Discount rate -0.1%	3,396,000	5,636,000
Mortality assumption - 1 year increase	3,423,000	5,736,000
Mortality assumption - 1 year decrease	3,214,000	5,278,000
CPI rate +0.1%	3,390,000	5,620,000
CPI rate -0.1%	3,246,000	5,386,000

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**22. AGENCY ARRANGEMENTS**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2022 the trust received £20,026, plus £5,891 carried forward from 2021 (2021: £16,688, plus £6,013 carried forward from 2020) and disbursed £20,657 (2021: £16,810), including an allocation for administration costs incurred, from the fund, leaving £5,260 (2021: £5,891) in other creditors.