

Company Registration Number: 07394671 (England)

TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

CONTENTS

| | Page |
|--------------------------------------------------------------------------------|---------|
| Reference and administrative details | 1 - 2 |
| Trustees' report | 3 |
| Governance statement | 14 - 18 |
| Statement on regularity, propriety and compliance | 19 |
| Statement of trustees' responsibilities | 20 |
| Independent auditors' report on the financial statements | 21 - 25 |
| Independent reporting accountant's report on regularity | 26 - 27 |
| Statement of financial activities incorporating income and expenditure account | 28 |
| Balance sheet | 29 - 30 |
| Statement of cash flows | 31 |
| Notes to the financial statements | 32 - 61 |

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|-------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Members | Mrs C Weston Mrs A Derbyshire Mr C Hart |
| Trustees | Mr J Tucker Mrs C Weston, Chair of Trustees Mrs L Critchlow Mr V Flower, Chair of Audit and Risk Committee Mr P Lawrence, Accounting Officer Mr R Lidbetter Mr C Linton, Vice Chair of Trustees Mr J Hunt |
| Company registered number | 07394671 |
| Company name | Torquay Boys' Grammar School |
| Principal and registered office | Shiphay Manor Shiphay Torquay Devon TQ2 7EL |
| Company Secretary/ Chief Financial Officer | Mrs C Beckett |
| Accounting Officer | Mr P Lawrence |
| MAT Leadership Team | Mr P Lawrence, Headteacher - TBGS Mr S Margetts, Principal - TA Mrs C Beckett, Chief Finance Officer |

TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Independent auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Bankers HSBC
7 Palace Avenue
Paignton
Devon
TQ3 3ED

Lloyds
51-52 Fleet Street
Torquay
Devon
TQ2 5DW

Solicitors Stone King LLP
13 Queens Square
Bath
BA1 2HJ
-
Michelmores LLP
Woodwater House
Pynes Hill
Exeter
EX2 5WR
-

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2022. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates two secondary academies for pupils aged 11 to 18 in Torbay. They have a combined pupil capacity of 2540 and had a roll of 2518 in the school census on October 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust was incorporated on 1 October 2010 and opened as an Academy on 1 November 2010. Torquay Academy was granted academy status on 1 September 2012 and the multi-academy trust was formed. Torquay Boys' Grammar School 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 Torquay Boys' Grammar School (TBGS Trust) are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Torquay Boys' Grammar School. The schools within the Trust are Torquay Boys' Grammar School (TBGS) and Torquay Academy.

Details of the Trustees who served throughout the year, and to the date the accounts are approved are included in the Reference and Administration Details.

Trustees' Liability

Each Trustee 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 Trustee, or within one year after he/she ceases to be a Trustee, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a Trustee.

Trustees' Indemnities

In accordance with normal commercial practice the Academy Trust 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 £500,000 on any one claim.

Method of recruitment and appointment or election of Trustees

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development

Policies and Procedures adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academies and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Organisational Structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Academy and determines MAT policies, terms of reference and procedures of central MAT Committees.

Each Academy has its own Governing Body which supports the local Senior Leadership Teams (SLT) to make both strategic and day to day operational decisions when required. The Headteacher/Principal of each school reports to each Trustees meeting and local governing body committee minutes are circulated to all Trustees.

The Board of Trustees also receives a report from the Chief Financial Officer, (CFO), at each meeting and has strategic oversight of the Trust.

The full details of the delegation to the Local Governing Bodies (LGB's) can be found on the academy websites.

Each school is responsible for the day to day operation and management of the school's budget. The CFO is responsible for consolidating the monthly accounts and preparing the final budgets for approval by the Trustees.

The Board has a separate Audit & Risk Committee which also meets a minimum of once per term. The committee is responsible for compliance with reporting and regulatory matters and receives both internal and external audit reports.

The Academy Trust has a leadership structure which consists of the Trustees and the MAT leadership team.

The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Board of Trustees and the senior leadership team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year for their role as Trustee.

The Headteacher of TBGS is the Accounting Officer and he along with a teacher are also Trustees. They are remunerated for their roles at TBGS.

Salaries for key management personnel are reviewed annually and updated in line with current recommended pay scales as appropriate.

Trade union facility time

There were two employees who were trade union representatives in the year, however, all work was done on a voluntary basis and they received no pay for their roles for the year ended 31 August 2022.

Related Parties and other Connected Charities and Organisations

There are no related parties which either control or significantly influence the decisions and operations of TBGS Trust. There are no sponsors or formal Parent Teacher Associations associated with the Academy

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Engagement with employees (including disabled persons)

The Trust engages with their employees through many means and methods, including:

- Consulting with employees on key matters, including engaging the relevant union officials
- Have a staff representative on the local governing bodies
- Regular updates to all staff via termly updates and newsletters
- Weekly staff briefings
- Supportive line management structure allowing all employees to feel empowered to raise concerns.

Engagement with suppliers, customers and others in a business relationship with the Trust

The Trust aims to foster good business relationships with suppliers, customers and others by:

- Good communication with all stakeholders
- Clarity around requirements and expectations
- Paying suppliers within 30 days (or their standard terms) or ensuring that any issues are advised promptly to enable a prompt resolution
- Being transparent about the awarding of contracts
- Declaration of any business interests that may impact on decisions made

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Trust is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities, with a strong emphasis on all students achieving their potential. A key resource in achieving our objective is our staff and we are committed to appointing the highest quality of staff with a broad range of skills and experience. Continual professional development (CPD) is encouraged at all levels.

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

- to continue to raise the standard of educational attainment and achievement of all pupils.
- to provide a broad and balanced curriculum, including extra-curricular activities.
- to develop students as more effective learners.
- to enhance the tertiary provision and outcomes.
- to develop the Academy site so that it enables students to achieve their full potential.
- to ensure that every child enjoys the same high-quality education in terms of resourcing, tuition and care.
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
- to maximise the number of students who achieve 5 9-5 grades at GCSE including English and Maths.
- to provide value for money for the funds expended.
- to develop greater coherence, clarity and effectiveness in school systems.
- to comply with all appropriate statutory and curriculum requirements.
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Our Academy Trust is a community in which children, staff and parents should feel part of a happy and caring environment. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values.

Objectives, Strategies and Activities

Key priorities for the year are contained in our academy development plans which is available from the administration offices. Improvement focuses identified for this year include:

- ensuring all pupil continue to receive appropriate interventions arising from the Covid-19 disruption and utilising available catch up funding
- Continued expansion of the CCF at TA to include the army and the RAF, to help engender personal aspirations and achievement.
- To continue to improve facilities for both curricular and not curricular activities, eg the installation of a state-of-the art changing room at TA for use during competitive competition.
- Continue to provide quality teaching and learning for all students
- To strive to always to achieve the best for our students

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit, education in Torbay and the surrounding area. In particular, but without prejudice to the generality of the forgoing by estimating, maintaining, managing and development schools, offering a broad curriculum with a strong emphasis on all students achieving their potential.

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The stability of the senior leadership teams under the Headteacher and Principal has provided the opportunity to embed robust policies and procedures which continue to strengthen and improve the outcomes of all students.

In additional, robust financial planning by the Chief Financial Officer has enabled the Trust to ensure financial viability going forward.

Torquay Academy continues to be oversubscribed for places in Year 7 and the sixth form continues to flourish with more students applying to university to continue their studies.

Success at TBGS continues with outcomes to compare with the best nationally.

Improvement work continues at both schools with a programme to replace the boilers at TBGS and the provision of a new changing facility and MUGA at TA.

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

The Covid-19 pandemic continued to impact education at the beginning of the year however, quality education has continued whether this was in school or through virtual means with good communication maintained with all students and parents/carers.

Key Performance Indicators

During the year the financial position of the Trust has improved over and above expectations. This has been a result of good financial management during a difficult year where the Covid 19 pandemic has continued to impact education delivery. All areas of the budget have contributed to this position, income has been higher than anticipated and expenditure reduced due to a number of factors.

Funding per pupil improved during 2021-22 and the Supplementary Grant received has been beneficial to both schools enabling to make sound financial decisions.

Educational performance has continued to improve for both schools as indicated below and educational outcomes continues to be the key focus when setting the budget.

TBGS was subject to an OFSTED inspection in September 2021, within three weeks of inspections resuming following their suspension during the height of the disruption. Given the huge difficulties the pandemic caused to all schools, which were still evident at the time of the inspection, we were very pleased to be graded 'Good' in all categories, especially in the light of OFSTED's stated expectation that there would be far fewer schools rated Outstanding under the new inspection framework.

The summer of 2022 saw the first public examinations for three years and results were outstanding: 82% of A Level/ IB grades were at grades A*/B for A Level or level 7/6/5 for the IB. The IB results in particular were the best the school has ever seen with an average score of 38.6 points, placing the school as one of the top performing IB schools in the country. Over 90% of students secured their first or second choice university placement with nearly 80% going to 'Russell Group' establishments.

Results at GCSE were equally strong with 60% of grades being 9/8/7 with the progress 8 figure of 0.42 for the cohort comparing favourably with the National average for boys of -0.21; again, this would place the school as one of the top performing schools in the South West for the progress students make. Admissions to the school are very healthy with more students registering for the 11+ tests than at any time in the previous 20 years.

Results at Torquay Academy have remained very strong both at Key Stage 4 and 5. GCSE pass rates were very strong, particularly in the core subject with 4+ percentages of 76, 81 and 84 in English, Maths and Science respectively. 70% of Year 13 students progressed to university with 15% moving on to both apprenticeships and careers. There has been a continued focus on curriculum development in all year groups. The school remains a very popular choice with the local community and continues to be heavily over-subscribed.

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

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2022 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2022, the Academy received total income of £17,135k and incurred total expenditure of £18,072k. Revenue reserve movements in the year (excluding fixed asset and pension funds) represent a surplus of £416k.

At 31 August 2022 the net book value of fixed assets was £38,120k and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued by Montague Evans on 31 August 2020 at £36,776,000. However, the Trust continues to use the depreciated valuation existing within the accounts and consider the value in use to sufficiently support the balance sheet value. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 25 to the financial statements.

Key financial policies adopted or reviewed during the year include the Financial Management Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending.

Reserves Policy

The Trustees have determined that the appropriate level of free reserves should be approximately between 3-5% of annual income. The reason for this is to provide sufficient working capital to manage any changes to funding levels without the need to suddenly reign back expenditure. This will allow for fluid delivery of education year on year. Reserves in excess of this amount should only be held if it is prudent to do so, to save for a specific project and where by doing so will not impact on the education of the incumbent cohort.

The current consolidated reserves are above this level and TA has identified some of their reserves to support a Condition Improvement Fund Bid which if successful will bring additional capital funds into the school.

TBGS are working towards the reserves percentage and hope to achieve this in the near future.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses will be placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme.

Day to day management of the surplus funds is delegated to the Principal and CFO within strict guidelines approved by the Board of Trustees. With the significant reduction in bank interest rates since the pandemic

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

started there is not currently a safe option for short term high interest deposits. The length of time necessary to have funds on deposit is likely to have a negative impact on cash flow however, this is regularly being kept under review.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 95% of the Academy's incoming resources were ultimately Government funded and whilst 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.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed an internal audit specialist to carry out checks on financial systems and records as required by the Academy Trust Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy is over-subscribed, risks to revenue funding from a falling roll are small. However, the Trust monitors numbers regularly to ensure financial sustainability.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 25 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

FUNDRAISING

At TBGS the Parents' Association supports the school through fundraising activities. Donations are then made to the school, as required, generally to support specific expenditure.

At TA no specific fundraising activities are carried out, but where appropriate grants will be applied for to support and enhance curriculum activities. Examples of grants received include British Council, CCF and SEN grants.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

UK energy use and associated greenhouse gas emissions

Annual energy usage and associated annual greenhouse gas ("GHG") emissions are reported pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those assets owned or operated within the UK only as defined by the operational control boundary. This includes both schools controlled during the reporting period and minibuses along with the mandatory inclusion of scope 3 business travel in employee-owned or hire vehicles (grey fleet).

Reporting period

The annual reporting period is 1 September to 31 August each year and the energy and carbon emissions are aligned to this period.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2022 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity and gas consumption were compiled from invoice records. Odometer reads were used to calculate emissions associated with Scope 1 transport. Mileage claims were used to calculate energy use and emissions associated with grey fleet. Fuel purchase records were used to calculate emissions associated with ground fuel. On site generated renewable solar photovoltaic electricity is reported; however, exported energy is not measured nor accounted for in the figure reported. Generally gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of Trust activities but occur from sources not owned or controlled by the organisation (scope 3).

Breakdown of energy consumption used to calculate emissions (kWh):

| Energy type | 2020/21 | 2021/22 |
|----------------------------------------------------------|------------------|------------------|
| Mandatory requirements: | | |
| Gas | 2,545,897 | 2,155,206 |
| Purchased electricity from the grid | 1,039,640 | 1,105,992 |
| Transport fuel | 39,853 | 86,425 |
| Total energy (mandatory) | 3,625,390 | 3,347,624 |
| Voluntary requirements: | | |
| Ground fuel (petrol & diesel for non-transport purposes) | 6,197 | 6,061 |
| Generated electricity from on-site renewable sources | 14,342 | 14,687 |
| Total energy (voluntary) | 20,539 | 20,749 |
| Total energy (mandatory & voluntary) | 3,645,930 | 3,368,372 |

Breakdown of emissions associated with the reported energy use (tCO₂e):

| Emission source | 2020/21 | 2021/22 |
|----------------------------------------------------------|--------------|--------------|
| Mandatory requirements: | | |
| <u>Scope 1</u> | | |
| Natural gas | 466.3 | 393.4 |
| Company owned vehicles (minibuses) | 9.7 | 10.2 |
| <u>Scope 2</u> | | |
| Purchased electricity (location-based) | 220.7 | 213.9 |
| <u>Scope 3</u> | | |
| Category 6: Business travel (grey fleet) | 0.4 | 11.0 |
| Total gross emissions (mandatory) | 697.1 | 628.5 |
| <u>Intensity ratios (mandatory emissions only)</u> | | |
| Tonnes of CO ₂ e per pupil | 0.271 | 0.250 |
| Tonnes of CO ₂ e per square meter floor area | 0.031 | 0.028 |
| Voluntary requirements: | | |
| <u>Scope 1</u> | | |
| Ground fuel (petrol & diesel for non-transport purposes) | 1.4 | 1.4 |
| Generated electricity from on-site renewable sources | 0.0 | 0.0 |
| Total gross emissions (voluntary) | 1.4 | 1.4 |
| Total gross emissions (mandatory & voluntary) | 698.6 | 629.9 |

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Intensity ratio

Two intensity ratios are reported showing emissions (tCO₂e) per pupil and per square meter floor area. Emissions per pupil is the recommended ratio for the sector for consistency and comparability and pupil numbers are based on the Autumn 2021 Census. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of the majority of emissions.

Energy efficiency action during current financial year

During the reporting year, the Trust has undertaken a project to upgrade all their lights to LED, which will be completed during the next reporting year. The school has also introduced an EV car leasing salary sacrifice scheme and several members of staff have signed onto the program. This measure should have a positive effect on the Trust's Scope 3, business travel emissions in years to come. The school has also introduced a cycle to work scheme, with 5 members of staff now regularly cycling to work instead of driving. The reduction in emissions associated with commuting is not quantified within this report, but nonetheless is still an action which improves the Trust's carbon footprint.

The Trust has also introduced behavioural and operational changes to become more energy efficient. The time and temperature the schools heating system is on has been reduced & IT devices now automatically switch off after if left on overnight. The school has made the technological investment of installing energy savings projectors, which have a much lower energy output than the ones they replaced. Maintenance efficiency improvements have been undertaken as well, with the Trust receiving Condition Improvement Funding to improve the glazing of their windows. This will reduce heat loss and helps improve the Trust's energy efficiency.

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

At TBGS there are plans to upgrade sports facilities over the next few years (the top-field astroturf has just been re-surfaced) though this will require significant fundraising and grants. As part of this upgrade there will be improved facilities for the Centenary Hall adjoining the Sports hall.

At TA we are in the process of upgrading our AGP to the highest quality. After 12 year's usage the existing pitch has reached the end of its life and we are looking forward to improved performance from all our students.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

AUDITOR

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 5/2/2022 and signed on the board's behalf by:

Signed

A handwritten signature in black ink, appearing to be 'C Weston', written over a horizontal line.

**C Weston
Chair of Trustees**

GOVERNANCE STATEMENT

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the Headteacher of TBGS, 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 TBGS MAT 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.

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

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 4 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|------------------------------------------------|-------------------|-------------------|
| Mr J Tucker | 2 | 4 |
| Mrs C Weston, Chair of Trustees | 4 | 4 |
| Mrs L Critchlow | 4 | 4 |
| Mr V Flower, Chair of Audit and Risk Committee | 4 | 4 |
| Mr P Lawrence, Accounting Officer | 4 | 4 |
| Mr R Lidbetter | 3 | 4 |
| Mr C Linton, Vice Chair of Trustees | 4 | 4 |
| Mr J Hunt | 4 | 4 |

The Trustees usually meet less than 6 times per year so in order to ensure effective monitoring of monthly management reports, these are sent to the Chair of Trustees, the Accounting Officer and the members of the Audit and Risk committee every month and to the rest of the Trustees a minimum of six times per year.

The Audit & Risk Committee is also a sub-committee of the main board of Trustees. The Board mandated its Audit and Risk Committee to consider the following areas during the year:

- review the external auditor's plan
- review the annual report and accounts
- review the auditor's findings and actions taken by the trust's managers in response to those findings
- assess the effectiveness and resources of the external auditor to provide a basis for decisions by the trust's members about the auditor's reappointment or dismissal or retendering.

Considerations may include:

- the auditor's sector expertise
- their understanding of the trust and its activities
- whether the audit process allows issues to be raised on a timely basis at the appropriate level
- the quality of auditor comments and recommendations in relation to key areas
- the personal authority, knowledge and integrity of the audit partners and their staff to interact effectively with, and robustly challenge, the trust's managers
- work with the management team to agree the scope for Internal Audit processes for the year, reviewing the outcomes and submitting them to the Board
- review the company risk registers and where appropriate make comments and recommendations to the management and the Board for consideration
- produce an annual report of the committee's conclusions to advise the board of trustees and members, including recommendations on the reappointment or dismissal or retendering of the external auditor, and their remuneration.

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The committee met 4 times during the year. Attendance during the year at meetings was as follows:

| | Meetings attended | Out of a possible |
|----------------------------------------------------|-------------------|-------------------|
| Vince Flower | 4 | 4 |
| Andrew Sherry (Non Trustee, resigned October 2021) | 0 | 1 |
| Chris Linton | 4 | 4 |
| James Tucker | 2 | 4 |
| David Graham (Non Trustee, appointed January 2022) | 2 | 3 |

Review of value for money

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

The Accounting Officer considers how the 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:

- Robust financial governance and budget management.
- Value for money purchasing.
- Reviewing controls and managing risk.
- Considering allocation/targeting/use of resources.
- Not allocating time/resources to areas where few improvements can be achieved.
- Making comparisons with similar Academies using data provided by the ESFA and the Government.
- Challenging proposals and examining their effectiveness and efficiency.
- Deploying staff effectively.
- Reviewing quality of curriculum provision and quality of teaching.
- Reviewing quality of student's learning to enable students to achieve nationally expected progress.
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.

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 TBGS MAT for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 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.

GOVERNANCE STATEMENT (CONTINUED)

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 General Purposes 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 decided to employ Devon Audit Partnership as internal auditor.

The internal 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:

- Payroll Systems
- Purchasing procedures
- Income streams
- Control accounts, and
- Bank account reconciliations

On an annual basis, the internal auditor/reviewer 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 Trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned during the year. The internal auditor did not find any material control issues.

Review of effectiveness

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

- ☐ the work of the internal auditor;
- ☐ the financial management and governance self-assessment process;
- ☐ the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.
- ☐ the work of the external auditors;

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.

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Trustees on *5th December 2022* and signed on their behalf by:



Mrs C Weston
Chair of Trustees



Mr P Lawrence
Accounting Officer

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mr P Lawrence
Accounting Officer

Date: 5/12/20²²~~21~~

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

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

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

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

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

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



Mrs C Weston
Chair of Trustees

Date: 5/12/2022

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
TORQUAY BOYS' GRAMMAR SCHOOL**

Opinion

We have audited the financial statements of Torquay Boys' Grammar School (the 'academy trust') for the year ended 31 August 2022 which comprise the Statement of financial activities incorporating the income and expenditure account, the balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education 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; and
- ☐ have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the ESFA.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Academy Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy Trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy Trust's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations
- how the Academy Trust ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Academy Trust will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Academy Trust ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

We also obtained an understanding of the legal and regulatory frameworks that the Academy Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Trust Handbook, UK Companies Act and tax legislation, Charities SORP 2019 and FRS102.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy Trust's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

Our procedures to respond to risks identified included the following:

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

- ☐ reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- ☐ reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- ☐ enquiring of Trustees and management concerning actual and potential litigation and claims;
- ☐ performing procedures to confirm material compliance with the requirements of its regulators;
- ☐ performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- ☐ reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- ☐ in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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 Auditors' report.

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

Use of our report

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



Mark Munro FCA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

Date: 15/12/2022

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

In accordance with the terms of our engagement letter dated 3 October 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Torquay Boys' Grammar School during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Torquay Boys' Grammar School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Torquay Boys' Grammar School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Torquay Boys' Grammar School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Torquay Boys' Grammar School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Torquay Boys' Grammar School's funding agreement with the Secretary of State for Education dated 29 August 2012 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

Conclusion

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



Reporting Accountant
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Date: 15/12/2022

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

| | Note | Unrestricted funds 2022 £000 | Restricted funds 2022 £000 | Restricted fixed asset funds 2022 £000 | Total funds 2022 £000 | Total funds 2021 £000 |
|---------------------------------------------------------------------|------|---------------------------------------|-------------------------------------|----------------------------------------------------|--------------------------------|--------------------------------|
| Income from: | | | | | | |
| Donations and capital grants | 3 | 121 | - | 421 | 543 | 260 |
| Other trading activities | | 161 | - | - | 161 | 108 |
| Charitable activities | | 526 | 15,906 | - | 16,432 | 15,376 |
| Total income | | 808 | 15,906 | 421 | 17,135 | 15,744 |
| Expenditure on: | | | | | | |
| Raising funds | | 28 | - | - | 28 | 46 |
| Charitable activities | | 421 | 16,311 | 1,312 | 18,044 | 16,963 |
| Total expenditure | | 449 | 16,311 | 1,312 | 18,072 | 17,009 |
| Net income/(expenditure) | | 359 | (405) | (891) | (937) | (1,265) |
| Transfers between funds | 17 | - | (500) | 500 | - | - |
| Net movement in funds before other recognised gains/(losses) | | 359 | (905) | (391) | (937) | (1,265) |
| Other recognised gains/(losses): | | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 25 | - | 7,678 | - | 7,678 | (661) |
| Net movement in funds | | 359 | 6,773 | (391) | 6,741 | (1,926) |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 583 | (8,136) | 38,511 | 30,958 | 32,884 |
| Net movement in funds | | 359 | 6,773 | (391) | 6,741 | (1,926) |
| Total funds carried forward | | 942 | (1,363) | 38,120 | 37,699 | 30,958 |

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

The notes on pages 32 to 61 form part of these financial statements.

TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07394671

BALANCE SHEET
AS AT 31 AUGUST 2022

| | Note | 2022 £000 | 2021 £000 |
|---------------------------------------------------------|-------------|----------------------|----------------------|
| Fixed assets | | | |
| Tangible assets | 13 | 38,120 | 38,514 |
| | | 38,120 | 38,514 |
| Current assets | | | |
| Stocks | | 33 | 32 |
| Debtors | 14 | 777 | 724 |
| Cash at bank and in hand | | 2,105 | 1,369 |
| | | 2,915 | 2,125 |
| Creditors: amounts falling due within one year | 15 | (1,456) | (1,074) |
| Net current assets | | 1,459 | 1,051 |
| Total assets less current liabilities | | 39,579 | 39,565 |
| Creditors: amounts falling due after more than one year | 16 | (10) | (21) |
| Net assets excluding pension liability | | 39,569 | 39,544 |
| Defined benefit pension scheme liability | 25 | (1,869) | (8,586) |
| Total net assets | | 37,700 | 30,958 |
| Funds of the Academy Trust | | | |
| Restricted funds: | | | |
| Fixed asset funds | 17 | 38,120 | 38,511 |
| Restricted income funds | 17 | 506 | 450 |
| Restricted funds excluding pension asset | 17 | 38,626 | 38,961 |
| Pension reserve | 17 | (1,869) | (8,586) |
| Total restricted funds | 17 | 36,757 | 30,375 |
| Unrestricted income funds | 17 | 943 | 583 |
| Total funds | | 37,700 | 30,958 |

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07394671**

**BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022**

The financial statements on pages 28 to 61 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



C Weston
Chair of Trustees

Date: 5/12/2022

The notes on pages 32 to 61 form part of these financial statements.

TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

| | Note | 2022 £000 | 2021 £000 |
|---------------------------------------------------------|-------------|----------------------|----------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 19 | 1,244 | 1,069 |
| Cash flows from investing activities | 21 | (497) | (682) |
| Cash flows from financing activities | 20 | (11) | (11) |
| Change in cash and cash equivalents in the year | | 736 | 376 |
| Cash and cash equivalents at the beginning of the year | | 1,369 | 993 |
| Cash and cash equivalents at the end of the year | 22, 23 | 2,105 | 1,369 |

The notes on pages 32 to 61 form part of these financial statements

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

1. Accounting policies

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

1.2 GOING CONCERN

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.3 INCOME

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

Grants 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 grant 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.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

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

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 'Stocks' 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'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

1.4 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

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

1. Accounting policies (continued)

1.5 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 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.

Expenditure on charitable activities 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.

1.6 TANGIBLE FIXED ASSETS

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

| | |
|-------------------------|-----------------------------|
| Freehold property | - 42-50 years straight-line |
| Furniture and equipment | - 2 years straight-line |
| Computer equipment | - 3 years straight-line |
| Refurbishments | - 10 years straight-line |

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.

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

1. Accounting policies (continued)

1.7 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.8 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.9 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.

1.10 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. 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 15 and 16. 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.

1.11 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.

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

1. Accounting policies (continued)

1.12 PENSIONS

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

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

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

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

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

1. Accounting policies (continued)

1.13 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

1.14 OPERATING LEASES

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

1.15 STOCKS

Stocks consist of unsold uniform and catering stocks and are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchases on a first in first out basis.

1.16 AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the 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, paid and any balances held at period end are disclosed in Note 29.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

3. Income from donations and capital grants

| | Unrestricted funds 2022 £000 | Restricted fixed asset funds 2022 £000 | Total funds 2022 £000 | Total funds 2021 £000 |
|-------------------|---------------------------------------|----------------------------------------------------|--------------------------------|--------------------------------|
| Donations | 121 | - | 121 | 207 |
| Capital Grants | - | 421 | 421 | 52 |
| TOTAL 2022 | 121 | 421 | 542 | 259 |
| TOTAL 2021 | 140 | 119 | 259 | |

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

4. Funding for the Academy Trust's educational operations

| | Unrestricted funds 2022 £000 | Restricted funds 2022 £000 | Total funds 2022 £000 | Total funds 2021 £000 |
|---------------------------------------------------|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| EDUCATION | | | | |
| DFE/ESFA GRANTS | | | | |
| OTHER DFE/ESFA GRANTS | | | | |
| General Annual Grant | - | 14,232 | 14,232 | 12,954 |
| Other DfE/EFSA grants | - | 250 | 250 | 155 |
| Pupil Premium | - | 479 | 479 | 458 |
| Teachers Pay and Pension | - | 140 | 140 | 666 |
| | - | 15,101 | 15,101 | 14,233 |
| OTHER GOVERNMENT GRANTS | | | | |
| Other grant income | - | 53 | 53 | 56 |
| High Needs | - | 307 | 307 | 175 |
| LA Covid Income | - | 29 | 29 | 138 |
| | - | 389 | 389 | 369 |
| COVID-19 ADDITIONAL FUNDING (DFE/ESFA) | | | | |
| Covid Catch Up and Recovery | - | 99 | 99 | 165 |
| FSM Catch Up Grant | - | - | - | 56 |
| Mass Testing | - | 36 | 36 | 87 |
| | - | 135 | 135 | 308 |
| OTHER FUNDING | | | | |
| Internal Catering Income | 459 | - | 459 | 327 |
| Sales to Students | 9 | - | 9 | 11 |
| Other | 58 | 281 | 339 | 128 |
| | 526 | 281 | 807 | 466 |
| | 526 | 15,906 | 16,432 | 15,376 |
| TOTAL 2021 | 366 | 15,010 | 15,376 | |

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under 'COVID-19 ADDITIONAL FUNDING'.

The funding received for coronavirus exceptional support covers costs included in note 7 below.

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

5. Income from other trading activities

| | Unrestricted funds 2022 £000 | Total funds 2022 £000 | Total funds 2021 £000 |
|--------------------|---------------------------------------|--------------------------------|--------------------------------|
| Hire of facilities | 161 | 161 | 109 |
| TOTAL 2021 | 109 | 109 | |

All 2021 amounts relate to unrestricted funds.

6. Expenditure

| | Staff Costs 2022 £000 | Premises 2022 £000 | Other 2022 £000 | Total 2022 £000 | Total 2021 £000 |
|------------------------------------------------|-----------------------------|--------------------------|-----------------------|-----------------------|-----------------------|
| Expenditure on fundraising trading activities: | | | | | |
| Direct costs | - | - | 28 | 28 | 45 |
| Education: | | | | | |
| Direct costs | 11,489 | 939 | 1,595 | 14,023 | 13,402 |
| Support costs | 2,019 | 909 | 1,093 | 4,021 | 3,561 |
| TOTAL 2022 | 13,508 | 1,848 | 2,716 | 18,072 | 17,008 |
| TOTAL 2021 | 13,221 | 1,865 | 1,922 | 17,008 | |

7. Analysis of expenditure by activities

| | Activities undertaken directly 2022 £000 | Support costs 2022 £000 | Total funds 2022 £000 | Total funds 2021 £000 |
|------------|------------------------------------------------------|----------------------------------|--------------------------------|--------------------------------|
| Education | 14,023 | 4,021 | 18,044 | 16,963 |
| TOTAL 2021 | 13,402 | 3,561 | 16,963 | |

TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

| | Total funds 2022 £000 | Total funds 2021 £000 |
|-------------------------|------------------------------------------|------------------------------------------|
| Pension finance costs | 142 | 116 |
| Staff costs | 11,413 | 11,288 |
| Depreciation | 1,148 | 1,044 |
| Educational supplies | 633 | 427 |
| Examination fees | 269 | 248 |
| Staff development | 26 | 24 |
| Other costs | 35 | 12 |
| Supply teachers | 51 | 11 |
| Technology costs | 117 | 126 |
| Educational consultancy | 189 | 106 |
| | 14,023 | 13,402 |

Analysis of support costs

| | Education 2022 £000 | Total funds 2022 £000 | Total funds 2021 £000 |
|-------------------|------------------------------------|------------------------------------------|------------------------------------------|
| Staff costs | 1,984 | 1,984 | 1,887 |
| Depreciation | 164 | 164 | 148 |
| Other costs | 842 | 842 | 692 |
| Supply teachers | 35 | 35 | 19 |
| Premises costs | 890 | 890 | 691 |
| Technology costs | 85 | 85 | 105 |
| Governance costs | 21 | 21 | 19 |
| TOTAL 2022 | 4,021 | 4,021 | 3,561 |
| TOTAL 2021 | 3,561 | 3,561 | |

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

8. Net expenditure

Net expenditure for the year includes:

| | 2022 £000 | 2021 £000 |
|---------------------------------------|----------------------|----------------------|
| Operating lease payments | 58 | 52 |
| Depreciation of tangible fixed assets | 1,312 | 1,193 |
| Fees paid to auditors for: | | |
| - audit | 13 | 12 |
| - other services | 4 | 4 |
| | ===== | ===== |

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

9. Staff

a. Staff costs

Staff costs during the year were as follows:

| | 2022 | 2021 |
|-----------------------|---------------|-------------|
| | £000 | £000 |
| Wages and salaries | 9,501 | 9,492 |
| Social security costs | 979 | 950 |
| Pension costs | 2,917 | 2,735 |
| | 13,397 | 13,177 |
| Agency staff costs | 111 | 44 |
| | 13,508 | 13,221 |

Staff restructuring costs comprise:

| | 2022 | 2021 |
|---------------------------|-------------|-------------|
| | £000 | £000 |
| Other restructuring costs | - | 5 |
| | - | 5 |

b. Special staff severance payments

Included in staff restructuring costs are non-statutory/ non-contractual severance payments totalling £Nil (2021: £5,259).

c. Staff numbers

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

| | 2022 | 2021 |
|----------------------------|-------------|-------------|
| | No. | No. |
| Teachers | 140 | 141 |
| Administration and Support | 132 | 122 |
| Management | 25 | 26 |
| | 297 | 289 |

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

9. Staff (continued)

c. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

| | 2022 | 2021 |
|-------------------|-------------|------|
| | No. | No. |
| Teachers | 126 | 129 |
| Admin and Support | 103 | 94 |
| Management | 25 | 25 |
| | 254 | 248 |

d. Higher paid staff

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

| | 2022 | 2021 |
|---------------------------------|-------------|------|
| In the band £60,001 - £70,000 | 10 | 12 |
| In the band £70,001 - £80,000 | 5 | 3 |
| In the band £100,001 - £110,000 | 1 | 1 |
| In the band £130,001 - £140,000 | 1 | 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 £428,940 (2021 - £420,244).

10. Central services

No central services were provided by the Academy Trust to its academies during the year and no central charges arose.

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

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The 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. Other Trustees did not receive any payments from the Academy Trust in respect of their roles as Trustees. The value of Trustees' remuneration and other benefits was as follows: Mr P Lawrence: Remuneration £105,000- £110,000 (2021: £105,000 - £110,000), Employer's pension contributions £25,000 - £30,000 (2021: £25,000 - £30,000), Mr J Hunt: Remuneration £60,000 - £65,000 (2021: £55,000 - £60,000), Employer's pension contributions £10,000 - £15,000 (2021: £10,000 - £15,000),

During the year ended 31 August 2022, expenses totalling £502 were reimbursed or paid directly to 2 Trustees (2021 - £NIL)

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust 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 £500 (2020: £500). The cost of this insurance is included in the total insurance cost.

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

13. Tangible fixed assets

| | Freehold property £000 | Assets under construction £000 | Furniture and equipment £000 | Plant and machinery £000 | Computer equipment £000 | Total £000 |
|------------------------------|------------------------------|-----------------------------------------|---------------------------------------|--------------------------------|-------------------------------|---------------|
| COST OR VALUATION | | | | | | |
| At 1 September 2021 | 46,513 | - | 874 | 14 | 829 | 48,230 |
| Additions | 231 | 125 | 107 | 370 | 85 | 918 |
| At 31 August 2022 | 46,744 | 125 | 981 | 384 | 914 | 49,148 |
| DEPRECIATION | | | | | | |
| At 1 September 2021 | 8,224 | - | 742 | 1 | 749 | 9,716 |
| Charge for the year | 1,128 | - | 100 | 11 | 73 | 1,312 |
| At 31 August 2022 | 9,352 | - | 842 | 12 | 822 | 11,028 |
| NET BOOK VALUE | | | | | | |
| At 31 August 2022 | 37,392 | 125 | 139 | 372 | 92 | 38,120 |
| At 31 August 2021 | 38,289 | - | 132 | 13 | 80 | 38,514 |

14. Debtors

| | 2022 £000 | 2021 £000 |
|--------------------------------|--------------|--------------|
| DUE WITHIN ONE YEAR | | |
| Trade debtors | 6 | 7 |
| Other debtors | 1 | 3 |
| Prepayments and accrued income | 600 | 601 |
| VAT recoverable | 170 | 113 |
| | 777 | 724 |

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

15. Creditors: Amounts falling due within one year

| | 2022 £000 | 2021 £000 |
|----------------------------------------|----------------------|----------------------|
| ESFA loans | 11 | 11 |
| Trade creditors | 593 | 297 |
| Other creditors | 578 | 567 |
| Accruals and deferred income | 274 | 199 |
| | 1,456 | 1,074 |
| | 2022 £000 | 2021 £000 |
| Deferred income at 1 September 2021 | 61 | 44 |
| Resources deferred during the year | 86 | 61 |
| Amounts released from previous periods | (61) | (44) |
| | 86 | 61 |

At the Balance sheet date the Academy Trust was holding funds received in advance for rates and trips.

16. Creditors: Amounts falling due after more than one year

| | 2022 £000 | 2021 £000 |
|-------------|----------------------|----------------------|
| Other loans | 10 | 21 |

The ESFA loan (Salix loan) is an interest-free loan, which is repayable in equal instalments over 8 years ending in September 2023.

TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds

| | Balance at 1 September 2021 £000 | Income £000 | Expenditure £000 | Transfers in/out £000 | Gains/ (Losses) £000 | Balance at 31 August 2022 £000 |
|---------------------------------|-------------------------------------------|----------------|---------------------|-----------------------------|----------------------------|--------------------------------------|
| UNRESTRICTED FUNDS | | | | | | |
| DESIGNATED FUNDS | | | | | | |
| Designated Funds | 180 | - | - | (97) | - | 83 |
| GENERAL FUNDS | | | | | | |
| General Funds | 403 | 808 | (448) | 97 | - | 860 |
| TOTAL UNRESTRICTED FUNDS | 583 | 808 | (448) | - | - | 943 |
| RESTRICTED GENERAL FUNDS | | | | | | |
| General Annual Grant | 375 | 14,232 | (13,640) | (500) | - | 467 |
| Pupil Premium | - | 479 | (479) | - | - | - |
| SEN/High Needs income | - | 307 | (307) | - | - | - |
| Other DfE/ESFA Grants | - | 390 | (390) | - | - | - |
| Other government grants | - | 61 | (61) | - | - | - |
| Trips | - | 142 | (140) | - | - | 2 |
| Other restricted funds | - | 94 | (94) | - | - | - |
| Confucious Classroom | 18 | 6 | (5) | - | - | 19 |
| Kieran Fund | 2 | - | - | - | - | 2 |
| Duke of Edinburgh Fund | 12 | 19 | (22) | - | - | 9 |
| Music memorial | 2 | 4 | (4) | - | - | 2 |
| House fund | 5 | 6 | (6) | - | - | 5 |
| COVID grants | 36 | 164 | (200) | - | - | - |
| Fitness | - | 2 | (2) | - | - | - |
| Pension reserve | (8,586) | - | (961) | - | 7,678 | (1,869) |
| | (8,136) | 15,906 | (16,311) | (500) | 7,678 | (1,363) |

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

17. Statement of funds (continued)

| | Balance at 1 September 2021 £000 | Income £000 | Expenditure £000 | Transfers in/out £000 | Gains/ (Losses) £000 | Balance at 31 August 2022 £000 |
|-----------------------------------------|-------------------------------------------|----------------|---------------------|-----------------------------|----------------------------|-----------------------------------------|
| RESTRICTED FIXED ASSET FUNDS | | | | | | |
| DfE/ESFA Capital grants | 3,370 | 421 | (164) | (24) | - | 3,603 |
| Inherited Fixed Asset Fund | 33,420 | - | (744) | - | - | 32,676 |
| Capital expenditure from GAG | 265 | - | (147) | 329 | - | 447 |
| Capital expenditure from other grants | 245 | - | (66) | 195 | - | 374 |
| Donations | 1,211 | - | (191) | - | - | 1,020 |
| | <u>38,511</u> | <u>421</u> | <u>(1,312)</u> | <u>500</u> | <u>-</u> | <u>38,120</u> |
| TOTAL RESTRICTED FUNDS | <u>30,375</u> | <u>16,327</u> | <u>(17,623)</u> | <u>-</u> | <u>7,678</u> | <u>36,757</u> |
| TOTAL FUNDS | <u>30,958</u> | <u>17,135</u> | <u>(18,071)</u> | <u>-</u> | <u>7,678</u> | <u>37,700</u> |

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

Designated funds

Designated funds - a Sink fund has been created to ensure that the All Weather Pitch at TA can be adequately maintained and refurbished as required.

Restricted funds

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support.

Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

High Needs - Funding received by the Local Authority to fund further support for students with additional needs.

Start up Grant – This represents one off funding received from the ESFA.

Other DfE/ESFA grants - These are grants received from the DfE/ESFA that have specific purposes.

Other government grants - These are grants received from the government that have specific purposes.

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

17. Statement of funds (continued)

Other restricted funds - These are other funds that have a specific purpose.

Music Memorial Fund - This fund is to be use for the provision of music lessons for children.

Confucius Classroom fund - This fund is to be used towards promoting the teaching of Mandarin Chinese.

Kieran Fund - This is to be used as a hardship fund for pupils of Torquay Boys' Grammar School.

Duke of Edinburgh Fund - This fund is to be used towards pupils achieving there Duke of Edinburgh awards.

Pension reserve – This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

Restricted fixed asset funds

DfE/ESFA Capital grants - These are grants received from the ESFA and the DfE that are to be used on the purchase of fixed assets.

Inherited Fixed Asset Fund - This represents buildings and equipment donated to the Schools from the Local Authority on conversion to an Academy.

Capital Expenditure from GAG - This fund represents fixed assets that have been purchased from GAG income.

Capital expenditure from other grants - This represents other grants that have been used to purchase fixed assets.

Donations - This fund represents fixed assets that have been donated to the MAT.

TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds (continued)

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

| | Balance at 1 September 2020 £000 | Income £000 | Expenditure £000 | Transfers in/out £000 | Gains/ (Losses) £000 | Balance at 31 August 2021 £000 |
|---------------------------------|-------------------------------------------|----------------|---------------------|-----------------------------|----------------------------|-----------------------------------------|
| UNRESTRICTED FUNDS | | | | | | |
| DESIGNATED FUNDS | | | | | | |
| Designated Funds | 160 | - | - | 20 | - | 180 |
| GENERAL FUNDS | | | | | | |
| General Funds | 310 | 615 | (502) | (20) | - | 403 |
| TOTAL UNRESTRICTED FUNDS | 470 | 615 | (502) | - | - | 583 |
| RESTRICTED GENERAL FUNDS | | | | | | |
| General Annual Grant | 144 | 12,954 | (12,567) | (157) | - | 374 |
| Pupil Premium | - | 458 | (458) | - | - | - |
| SEN/High Needs income | - | 175 | (171) | (4) | - | - |
| Other DfE/ESFA Grants | - | 821 | (821) | - | - | - |
| Other government grants | - | 56 | (56) | - | - | - |
| Trips | - | 5 | (5) | - | - | - |
| Other restricted funds | 11 | 60 | (71) | - | - | - |
| Confucious Classroom | 17 | 8 | (7) | - | - | 18 |
| Kieran Fund | 2 | - | - | - | - | 2 |
| Duke of Edinburgh Fund | 15 | 19 | (22) | - | - | 12 |
| Music memorial | 1 | 4 | (2) | - | - | 3 |
| House fund | 3 | 3 | (1) | - | - | 5 |
| COVID grants | - | 447 | (384) | (27) | - | 36 |
| Devolved formula capital | - | - | (24) | 24 | - | - |
| Pension reserve | (7,199) | - | (726) | - | (661) | (8,586) |
| | (7,006) | 15,010 | (15,315) | (164) | (661) | (8,136) |

TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds (continued)

| | Balance at 1 September 2020 £000 | Income £000 | Expenditure £000 | Transfers in/out £000 | Gains/ (Losses) £000 | Balance at 31 August 2021 £000 |
|-----------------------------------------|-------------------------------------------|----------------------|------------------------|-----------------------------|----------------------------|-----------------------------------------|
| RESTRICTED FIXED ASSET FUNDS | | | | | | |
| DfE/ESFA Capital grants | 3,458 | 53 | (117) | (24) | - | 3,370 |
| Inherited Fixed Asset Fund | 34,164 | - | (744) | - | - | 33,420 |
| Capital expenditure from GAG | 253 | - | (145) | 157 | - | 265 |
| Capital expenditure from other grants | 244 | - | (30) | 31 | - | 245 |
| Donations | 1,301 | 66 | (156) | - | - | 1,211 |
| | <u>39,420</u> | <u>119</u> | <u>(1,192)</u> | <u>164</u> | <u>-</u> | <u>38,511</u> |
| TOTAL RESTRICTED FUNDS | <u>32,414</u> | <u>15,129</u> | <u>(16,507)</u> | <u>-</u> | <u>(661)</u> | <u>30,375</u> |
| TOTAL FUNDS | <u><u>32,884</u></u> | <u><u>15,744</u></u> | <u><u>(17,009)</u></u> | <u><u>-</u></u> | <u><u>(661)</u></u> | <u><u>30,958</u></u> |

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

17. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

| | 2022 £000 | 2021 £000 |
|----------------------------------------------------|----------------------|----------------------|
| Torquay Boys' Grammar School | 209 | 4 |
| Torquay Academy | 1,240 | 1,029 |
| Total before fixed asset funds and pension reserve | 1,449 | 1,033 |
| Restricted fixed asset fund | 38,120 | 38,511 |
| Pension reserve | (1,869) | (8,586) |
| TOTAL | 37,700 | 30,958 |

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

| | Teaching and educational support staff costs £000 | Other support staff costs £000 | Educational supplies £000 | Other costs excluding depreciation £000 | Total 2022 £000 | Total 2021 £000 |
|------------------------------------|------------------------------------------------------------------------------|---------------------------------------------------|------------------------------------------|------------------------------------------------------------|--------------------------------|--------------------------------|
| Torquay Boys' Grammar School | 4,659 | 705 | 251 | 957 | 6,572 | 6,261 |
| Torquay Academy | 6,348 | 866 | 382 | 2,592 | 10,188 | 8,845 |
| ACADEMY TRUST | 11,007 | 1,571 | 633 | 3,549 | 16,760 | 15,106 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2022 £000 | Restricted funds 2022 £000 | Restricted fixed asset funds 2022 £000 | Total funds 2022 £000 |
|----------------------------------------|---------------------------------------|-------------------------------------|----------------------------------------------------|--------------------------------|
| Tangible fixed assets | - | - | 38,120 | 38,120 |
| Current assets | 3,854 | (939) | - | 2,915 |
| Creditors due within one year | (2,911) | 1,455 | - | (1,456) |
| Creditors due in more than one year | - | (10) | - | (10) |
| Provisions for liabilities and charges | - | (1,869) | - | (1,869) |
| TOTAL | 943 | (1,363) | 38,120 | 37,700 |

Analysis of net assets between funds - prior year

| | Unrestricted funds 2021 £000 | Restricted funds 2021 £000 | Restricted fixed asset funds 2021 £000 | Total funds 2021 £000 |
|----------------------------------------|---------------------------------------|-------------------------------------|----------------------------------------------------|--------------------------------|
| Tangible fixed assets | - | - | 38,514 | 38,514 |
| Current assets | 583 | 1,541 | - | 2,124 |
| Creditors due within one year | - | (1,070) | (4) | (1,074) |
| Creditors due in more than one year | - | (21) | - | (21) |
| Provisions for liabilities and charges | - | (8,586) | - | (8,586) |
| TOTAL | 583 | (8,136) | 38,511 | 30,958 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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

| | 2022 £000 | 2021 £000 |
|-------------------------------------------------------------------------|----------------------------|----------------------------|
| Net expenditure for the year (as per Statement of financial activities) | (937) | (1,265) |
| ADJUSTMENTS FOR: | | |
| Depreciation | 1,312 | 1,192 |
| Capital grants from DfE and other capital income | (421) | (53) |
| Defined benefit pension scheme cost less contributions payable | 961 | 727 |
| (Increase)/decrease in debtors | (53) | 238 |
| Increase in creditors | 382 | 230 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 1,244 | 1,069 |

20. Cash flows from financing activities

| | 2022 £000 | 2021 £000 |
|----------------------------------------------|----------------------------|----------------------------|
| Repayments of borrowing | (11) | (11) |
| NET CASH USED IN FINANCING ACTIVITIES | (11) | (11) |

21. Cash flows from investing activities

| | 2022 £000 | 2021 £000 |
|----------------------------------------------|----------------------------|----------------------------|
| Purchase of tangible fixed assets | (918) | (735) |
| Capital grants from DfE Group | 421 | 53 |
| NET CASH USED IN INVESTING ACTIVITIES | (497) | (682) |

22. Analysis of cash and cash equivalents

| | 2022 £000 | 2021 £000 |
|----------------------------------------|----------------------------|----------------------------|
| Cash at bank and in hand | 2,105 | 1,369 |
| TOTAL CASH AND CASH EQUIVALENTS | 2,105 | 1,369 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

23. Analysis of changes in net debt

| | At 1 September 2021 £000 | Cash flows £000 | At 31 August 2022 £000 |
|--------------------------|-----------------------------------|--------------------|------------------------------|
| Cash at bank and in hand | 1,369 | 736 | 2,105 |
| Debt due within 1 year | (11) | - | (11) |
| Debt due after 1 year | (21) | 11 | (10) |
| | <u>1,337</u> | <u>747</u> | <u>2,084</u> |

24. Capital commitments

| | 2022 £000 | 2021 £000 |
|--------------------------------------|--------------|--------------|
| Acquisition of tangible fixed assets | <u>227</u> | <u>-</u> |

Capital commitments relate to an ongoing project at Torquay Academy.

25. Pension commitments

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

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

Contributions amounting to £240,000 were payable to the schemes at 31 August 2022 (2021 - £242,000) and are included within creditors.

Teachers' Pension Scheme

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

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

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

25. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,666,000 (2021 - £1,710,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £558,000 (2021 - £535,000), of which employer's contributions totalled £431,000 (2021 - £414,000) and employees' contributions totalled £ 127,000 (2021 - £121,000). The agreed contribution rates for future years are 17.6 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

25. Pension commitments (continued)

Principal actuarial assumptions

| | 2022 | 2021 |
|----------------------------------------------------|-------------|----------|
| | % | % |
| Rate of increase in salaries | 3.95 | 3.9 |
| Rate of increase for pensions in payment/inflation | 2.95 | 2.9 |
| Discount rate for scheme liabilities | 4.25 | 1.65 |

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

| | 2022 | 2021 |
|----------------------|--------------|--------------|
| | Years | Years |
| Retiring today | | |
| Males | 21.7 | 22.7 |
| Females | 22.9 | 24.0 |
| Retiring in 20 years | | |
| Males | 23.0 | 24.0 |
| Females | 24.3 | 25.4 |

Sensitivity analysis

| | 2022 | 2021 |
|----------------------------------------|--------------|-------------|
| | £000 | £000 |
| Discount rate +0.1% | (213) | (381) |
| Discount rate -0.1% | 219 | 391 |
| Mortality assumption - 1 year increase | 260 | 607 |
| Mortality assumption - 1 year decrease | (252) | (335) |
| CPI rate +0.1% | 201 | 343 |
| CPI rate -0.1% | (196) | (335) |

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

25. Pension commitments (continued)

Share of scheme assets

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

| | At 31 August 2022 £000 | At 31 August 2021 £000 |
|-------------------------------------|---------------------------------------|---------------------------------------|
| Equities | 3,703 | 4,290 |
| Gilts | - | 879 |
| Other bonds | 1,387 | 129 |
| Property | 696 | 547 |
| Cash and other liquid assets | 100 | 41 |
| Infrastructure | 517 | 331 |
| Target return portfolio | 580 | 637 |
| TOTAL MARKET VALUE OF ASSETS | 6,983 | 6,854 |

The actual return on scheme assets was a loss of £250,000 (2021 - a gain of £1,120,000).

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

| | 2022 £000 | 2021 £000 |
|-----------------------------------------------------------------------------|----------------------|----------------------|
| Current service cost | (1,250) | (1,024) |
| Interest income | 112 | 85 |
| Interest cost | (254) | (201) |
| TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES | (1,392) | (1,140) |

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

| | 2022 £000 | 2021 £000 |
|--------------------------|----------------------|----------------------|
| At 1 September | 15,440 | 12,608 |
| Current service cost | 1,250 | 1,024 |
| Interest cost | 254 | 201 |
| Employee contributions | 127 | 121 |
| Actuarial (gains)/losses | (8,044) | 1,692 |
| Benefits paid | (175) | (206) |
| AT 31 AUGUST | 8,852 | 15,440 |

**TORQUAY BOYS' GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

25. Pension commitments (continued)

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

| | 2022 £000 | 2021 £000 |
|--------------------------|----------------------|----------------------|
| At 1 September | 6,854 | 5,409 |
| Interest income | 116 | 89 |
| Actuarial (losses)/gains | (366) | 1,031 |
| Employer contributions | 431 | 414 |
| Employee contributions | 127 | 121 |
| Benefits paid | (175) | (206) |
| Administration expense | (4) | (4) |
| AT 31 AUGUST | 6,983 | 6,854 |

26. Operating lease commitments

At 31 August 2022 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2022 £000 | 2021 £000 |
|-----------------------|----------------------|----------------------|
| Within 1 year | 41 | 53 |
| Between 1 and 5 years | 21 | 48 |
| | 62 | 101 |

27. Members' liability

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

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

28. Related party transactions

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

During the year the Academy Trust incurred expenditure to a related party - Barton Recreation Ground Limited of £5,020. The ESFA have been notified of these transactions and the expenditure relates to the cost of the service level agreement (SLA) for the 2021-2022 school year. (2021 - £3,420).

The spouse of one Trustee and the spouse of one member of key management personnel were employed by the Trust during the year. All appointments were made in open competition and neither trustee were involved in the decision-making process regarding appointment. They were paid within the normal pay scale for their roles and receive no special treatment as a result of their relationship to the trustees.

No other related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 11.

29. Agency arrangements

The Trust distributes 16-19 bursary funds to students as an Agent for the ESFA. In the accounting period ended 31 August 2022 the Academy Trust received £37,161 and disbursed £35,290 the fund. An amount of £87,307 is included in other creditors relating to undistributed funds that is repayable to ESFA.

30. General Information

Torquay Boys' Grammar School is a company limited by guarantee, incorporated in England and Wales. The registered office is Torquay Boys' Grammar School, Shiphay Manor, Shiphay, Torquay, Devon, TQ2 7EL.