

**Company Registration No. 07494620 (England and Wales)**

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

**ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

# TORQUAY GIRLS' GRAMMAR SCHOOL

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# TORQUAY GIRLS' GRAMMAR SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Mrs S Timmins  
Miss J Neal  
Mrs E Cross  
Mr R Owers

### Trustees

Mrs S Timmins (Chairman)  
Mrs S Wright (Vice Chair)  
Dr N Smith (Principal and accounting officer)  
Dr J Hutt (Resigned 1 December 2019)  
Mrs P Rogers  
Mr M Cowling (Staff Governor) (Resigned 3 September 2019)  
Mrs F Fung (Parent Governor)  
Mr B Cartridge (Parent Governor)  
Mrs E Browne (Staff Governor) (Appointed 6 September 2019)  
Mr J Castillo (Staff Governor) (Appointed 6 September 2019)  
L Vallance (Appointed 16 September 2020)

### Senior Leadership Team

- Principal Dr N Smith  
- Deputy Head Mr TJ Gregory  
- Deputy Head Mr C Charlwood

### Company secretary

Mrs S Wallwork

### Company registration number

07494620 (England and Wales)

### Registered office

30 Shiphay Lane  
Torquay  
Devon  
TQ2 7DY

### Independent auditor

Darnells Audit Limited  
Quay House  
Quay Road  
Newton Abbot  
Devon  
TQ12 2BU

### Bankers

Lloyds Bank plc  
Fleet Street  
Torquay  
Devon  
TQ2 5DW

# TORQUAY GIRLS' GRAMMAR SCHOOL

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2020

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The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law. The Trustees have chosen to be referred to as Governors and so this terminology is used on the following pages where the terms are interchangeable.

The academy trust operates an academy for pupils aged 11 to 18 serving a catchment area in Torbay. It has a pupil capacity of 1,000 and had a roll of 992 in the school census completed during the 2019/20 school year (2018/19: 950).

#### **Structure, governance and management**

##### Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust.

The charitable company is known as Torquay Girls' Grammar School and is also referred to by the acronym TGGs.

The Trustees (and Governors) of Torquay Girls' Grammar School are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

The Board of Governors is made up of not less than three Governors and is not subject to any maximum number. The Board of Governors must include at least two parent Governors and not more than three staff Governors. Governors who were in post at the date of conversion in January 2011 served their remaining term of office as if they were still the governing body of the school. The Principal is considered to be an ex officio Governor and is not subject to the term of office rules.

The term of office for any Governor shall be four years, except for the Principal as above. A staff Governor shall only hold office for so long as he or she continues to be employed by the Academy Trust. Parent Governors must be a parent of a pupil who attends Academy at the time when he or she is selected. A term of office may be shorter than four years.

##### Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member.

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

The members of the full governing body may appoint up to 13 Governors (including up to three Staff Governors).

Provisions in the Articles of Association set out the procedure for recruitment and appointment of Governors. Parent Governor vacancies are advertised to parents of all registered pupils; the results are determined by an election open to all parents and guardians. Staff Governor vacancies are advertised to all TGGs staff and an election is held if there are more candidates than vacancies. The Governors may also appoint up to three co-opted Governors.

# TORQUAY GIRLS' GRAMMAR SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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

The academy trust offers new Governors a range of training courses for Governors and Clerks. These courses are designed to give Governors a secure understanding of their legal responsibilities and duties, their liabilities and powers and their strategic role in evaluation performance, raising standards and holding the academy trust to account.

Comprehensive Governor skills reviews are initiated periodically by the Chair of Governors, following programmes of in-house training and mentoring. The programme of training and mentoring focuses on financial compliance and wider compliance matters. There are also updates on safeguarding and on the role of trustees generally.

The Chair of the Governors is an NLG National Leader of Governance.

#### Office of the Regional Schools Commissioner

Following communication in September 2019 between the academy trust and a representative of the RSC's office, trustees were pleased to receive the following feedback: "Governance is a clear strength at the Academy, with a strong Chair and Board which has a broad range of skills. A lot of work has been carried out to make sure the Board is fit for its modern-day function, which has involved training and recruitment."

#### Organisational structure

The governing body normally meets on 8 occasions during the year and has delegated the responsibility for day-to-day management to the Principal and the Senior Management Team. The governing body reviews the Principal's reports and minutes from subcommittees. Ratification of most policies is delegated to the particular sub-committees to which they apply.

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

Pay and conditions for members of the Senior Leadership Team are determined in accordance with the DfE's School Teachers' Pay and Conditions document. Performance management is undertaken using the TGGs performance management guide which is used by all teaching staff in the academy trust. Performance management of the Principal follows a similar procedure, but with oversight by a committee consisting of the Chair of Governors, the Vice Chair of Governors and a third-party expert.

#### Related parties and other connected charities and organisations

All Governors complete a declaration of business interests annually. There is a standing agenda item at the start of each meeting giving Governors the opportunity to declare interests that may relate to agenda items. Where any conflict of interest is suggested, the Governor would not participate in that section of the meeting to ensure transparency and to ensure that decisions cannot be influenced by the consideration of interests other than the academy trust's.

The academy trust has one connected charity, Torquay Grammar School for Girls Trust Fund (registered charity number 295992). Dr N Smith (Principal), Mrs S Timmins (Chair of Governors), Mrs S Wright (Vice Chair of Governors) and Mr TJ Gregory (Deputy Head) are also trustees of the academy trust's Trust Fund. The day to day running of this Trust Fund is delegated to the Director of Finance and Resources and other finance staff, who are paid by the academy trust. The principal charitable purpose of the trust is the advancement of education, both academic and physical, of the pupils of Torquay Girls' Grammar School by providing and assisting the pupils of the school with facilities not normally provided with ESFA funding.

#### Trade union facility time

No employees were relevant union officials during the relevant period.

# TORQUAY GIRLS' GRAMMAR SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### **Objectives and activities**

##### Objects and aims

The academy trust's object is specifically restricted to the advancement for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school, and offered a broad and balanced curriculum. In furtherance of the Object the academy trust operates as a single-sex girls' grammar school with selection by ability.

The Governors have paid due regard to guidance issued by the Charity Commission in deciding what activities the academy trust should undertake.

To complement the broad and balanced curriculum programme offered to the pupils, the academy trust runs many residential and non-residential trips and visits including trips to many UK and European destinations. The academy trust encourages community cohesion and staff and pupils work in partnership with local primary schools, special schools and charities. Sixth form students have dedicated time for enrichment activities including volunteer opportunities at local schools and hospices.

The academy trust operated as a non-fee paying school to provide educational services to young adults in the Torbay area. A bursary fund is available for sixth form students who have financial difficulties and need assistance with paying for uniform, books, school trips and travelling to and from school. Each person's case is reviewed separately, and the amount of bursary awarded is based on their specific circumstances. The all-weather pitch is offered for hire to various community sports groups who are able to use the facilities outside of term time and school hours.

##### Objectives, strategies and activities

The academy trust's aims fall into three areas, as follows:

- Academic Achievement - Girls leave having made, at least, the expected academic progress. The latest Ofsted report found that "In lessons, students develop a range of independent learning skills exceptionally well, such as resilience, the ability to negotiate and problem solving. They demonstrate excellent concentration and are rarely off task".
- Personal Development - Girls develop into rounded, balanced individuals. Spiritual, moral, social and cultural development was found by Ofsted to be exceptional.
- Caring Attitudes - Girls make a positive contribution to the community. Ofsted reported that "The extent to which students support each other and encourage each other to behave well is impressive. Extensive opportunities to contribute to the school, local and international communities are seized eagerly. When given the opportunity, they lead their own learning".

# TORQUAY GIRLS' GRAMMAR SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

The academy trust's main objectives for the year and its strategies for achieving them are set out in the latest version of the School Development Plan.

The 2019-20 academic year was severely disrupted by the global pandemic with the academy trust closed from February –September 2020. The COVID regulations for a return to school have meant the academy trust is now arranged significantly differently. Six separate year group bubbles, a ban on trips and visits and no whole school events are just some of the changes.

From a financial point of view there are several consequences that need to be evaluated and factored in going forward;

1. The costs of Covid precautions in terms of both resources and staffing
2. The management and monitoring of the catch-up funding
3. The loss of external hire funding
4. The continued viability of our catering providers
5. Ensuring we are not liable for loss of trip deposits

Positive actions are been taken in all these areas.

The increasing likelihood of repeatedly having to send groups of children home necessitates an interim development plan that focusses primarily on managing the immediate situation.

Interim Aims	Actions
<p>1. To manage the <b>full return to school</b>; That keeps students and staff as safe possible.</p> <p>That prioritises academic learning.</p> <p>That allows us to respond to the changing local and national situation.</p>	<p>Staff will implement measures outlined in both the DfE directives and the school risk assessment to ensure the best possible chance of preventing the spread of the virus in school.</p> <p>Every effort will be made to enable classroom teaching to continue to a high standard by managing the available support and resources.</p> <p>The school will be quick to respond appropriately to changing circumstances eg. confirmed cases, local lockdowns etc.</p> <p>Pastoral &amp; SEND teams will support those students with issues arising from or being made worse by the pandemic.</p> <p>All leaders will support and encourage their teams throughout the crises, manage resources and staffing specific to their areas to help boost morale.</p>
<p><b>1. Intervention</b> is provided for all students who have fallen behind as a result of the pandemic with a particular focus on Y11 &amp; Y12.</p> <p>A coherent programme of home learning is in place for those who remain at home/are sent home.</p>	<p>Students who have fallen behind during lockdown will be identified and a coherent programme of catch-up activities will be implemented.</p> <p>Staff will routinely prepare lesson/work that can be used for home learning for those currently absent and for those who are sent home.</p>

# TORQUAY GIRLS' GRAMMAR SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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The longer-term strategic aim of developing our curriculum in line with Ofsted guidance will be picked up in January. The 2014-21 7-year plan finishes in the summer of 2021 so it is appropriate that, on retirement of the current Head, the incoming Headteacher liaises with Mr N Smith to create an SDP & 7-year plan to commence from September 2021.

#### Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Outreach activities include the following undertaken during 2019/20

- Hosting of a lecture programme for the Torquay branch of the British Geographical Society.
- Staging of Saturday careers conferences using local practitioners and keynote speakers related to medicine. These have been attended by 140 students from 21 local schools.
- Engagement with SWAT in an activity programme with students from 12 other schools in areas such as debating, essay writing, research and Gifted and Talented (G&T) workshops.

## **Strategic report**

### **Achievements and performance**

TGGS maintained its position as one of the top performing schools nationally, both in terms of attainment and value added. The academy trust offered a high level of support to sixth formers in pursuing their chosen path on completing their school education and, once again, the students were very successful in gaining their first or second choice universities.

The academy trust is oversubscribed, and the population of students and staff is stable. Students are selected by examination. Achievement at GCSE and at A level is outstanding, as is progress. Torbay is a mixed area of affluence and deprivation with a seasonal economy and low average wages by national standards. The students come from the full range of socio-economic backgrounds.

TGGS continued to enjoy the benefits of its alliance with other schools in the South West Academic Trust (SWAT), a group of high-performing schools in the South West. These benefits including joint staff development, sharing of good practice and joint-educational opportunities for students.

#### Key performance indicators

Due to the cancellation of both GCSEs and A levels this year, no value-added scores have been published by the DfE and so there are no performance league tables to enable between-school comparisons. However, our results continue to confirm TGGS as one of the highest attaining schools in the country.

At GCSE, 100% (2019: 100%; 2018: 99.2%) of pupils achieved a minimum of five GCSEs at grades 9 to 4 including English and Mathematics. The percentage of 9 to 7 grades achieved was 77% (2019: 67%; 2018 71%).

The Progress 8 score was 0.63 in 2019 (2018: 0.83).

At A-Level, the percentage of A\* to B grades was 88% (2019: 72%; 2018: 83%). The proportion of A\* grades achieved was 23% (2019: 11%; 2018:14%). The value-added score for all qualifications (A2, AS and EPQ) was 0.11 in 2019 (2018: 0.22).

#### 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, the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.



# TORQUAY GIRLS' GRAMMAR SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### **Financial review**

The financial results of the academy trust are detailed in the following pages. It is considered that the finances are sound and well-established. The principal financial management policies adopted are laid down by the Academies Financial handbook published by the Education and Skills Funding Agency (ESFA).

The academy trust is funded principally by the DfE via the ESFA through the General Annual Grant (GAG) the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2020, the academy trust received total income of £5,555,442 (2019: £4,885,237) and incurred total expenditure of £5,494,501 (2020: £5,063,952). The excess of income over expenditure for the year was a surplus of £60,941 (2019: deficit of £178,715), however this includes depreciation of £242,086 (2019: £182,354) and pension costs payable of £199,000 (2019: £192,000). After adding back payments for fixed assets of £373,771 (2019: £252,647), there was actually a surplus for the year of £875,798 (2019: £448,286) which is represented by the movement in the restricted and unrestricted income funds as detailed in the Reserves policy below.

At 31 August 2020, the net book value of fixed assets was £11,307,739 (2019: £11,176,054) and movements in tangible fixed assets are shown in note 13 to the financial statements including capital expenditure in the year of £373,771.

Restricted funds include a Pension reserve deficit for the Local Government Pension Scheme (LGPS) of £2,384,000 (2019: £1,906,000) represented by the academy trust's share of the total market value of the LGPS's assets of £1,936,000 (2019: £1,754,000) less the present value of the academy trust's defined benefit obligations under the LPGS of £4,320,000 (2019: £3,660,000) as detailed in note 19 to the financial statements. This deficit may result in the academy trust having to make additional contributions in future years.

The impact of the current year coronavirus pandemic has had a financial effect in terms of the increased costs of cleaning and hygiene practices. However, the academy trust has ensured that in sourcing any equipment to assist in the safe operating of the academy trust, it has done so in accordance with the Finance Policy.

Key financial policies adopted or reviewed during the year include the Finance Policy which details the framework for financial management, including the financial responsibilities of the Trustees, Headteacher, Director of Finance and Resources, Finance staff and Other staff.

#### Reserves policy

The academy trust maintains restricted reserves under three broad categories: restricted general funds, a pension reserve and restricted fixed asset funds. Restricted general funds comprise funding received from the DfE and ESFA for the academy trust's charitable activities together with other funds received or set up for specific purposes. The pension reserve represents the academy trust's financial obligations in relation to the LGPS pension scheme. The restricted fixed asset funds represent the funding of the academy trust's fixed assets, including both those acquired on conversion and those purchased subsequently.

The academy trust's reserves policy is to hold unrestricted reserves equal to at least one month's expenditure. At the balance sheet date, unrestricted reserves amounted to between one and two months' expenditure and the trustees intend to be in a position as a minimum to maintain this ratio.

There is a surplus in the year of £46,252 (2019: surplus of £22,656) on restricted general funds (excluding pensions). The closing deficit of £34,841 on restricted general funds (excluding pensions) has been transferred to Unrestricted funds as it was funded by Unrestricted reserves. The Governors consider it appropriate to carry forward unspent amounts in order to provide additional funding for the academy trust's charitable activities in future years.

# TORQUAY GIRLS' GRAMMAR SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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There is a deficit of £2,384,000 (2019 deficit: £1,906,000) on the LGPS pension reserve at 31 August 2020. This is described further in the note 19 to the financial statements. The trustees note the significant increase in the reported amount of the scheme liabilities. They are mindful that there has been a significant increase in the deficit following the completion of the latest report by Barnett Waddingham, who report annually on the LGPS scheme administered by Devon County Council.

Although there was an increase in the fair value of the fund assets during the year amounting to £182,000, there was also an increase in the present value of the defined benefit obligation amounting to £660,000. This includes changes in financial assumptions and in demographic assumptions which, in aggregate, result in a net increase of £191,000 (2019: increase of £349,000) in obligations. The Trustees note in particular the decision to apply a reduced discount rate to future obligations to reflect prevailing market conditions. The liability is substantial. At the present time, the academy trust is not required to contribute to any shortfall in this scheme, however the Governors continue to monitor this so that they are able to respond appropriately to any change in this situation in future years.

There is a balance of £11,307,739 (2019 balance: £11,176,054) on the restricted fixed asset reserve. This reserve is utilised to fund the academy trust's fixed assets.

#### Investment policy

The academy trust holds surplus cash at bank in an account with Lloyds Bank plc for future allocation as relevant within its restricted and unrestricted funds. The academy trust holds no shares or investments.

Through negotiation with the bank, the academy trust will ensure the best available return on surplus cash whilst ensuring that all savings and investments are low risk.

#### Principal risks and uncertainties

The Governors consider that TGGS is in a strong position. The most recent Ofsted inspection, in September 2011, rated the academy trust as outstanding. The academy trust is oversubscribed with the number of applicants exceeding the available places. As noted above, results in public examinations are good. Achievement is consistently high and despite the national trend of grade deflation, and the removal of modules over the past few years, TGGS has maintained its position as one of the top achieving state girls' schools nationally. All progress measures are significantly positive.

The principal risk relates to financial performance. Although increases in core central funding are anticipated in the short-term future, the governors consider it likely that the academy trust will come under increasing pressure as a result of economic factors and Government funding policy in the medium to longer term. The West and South West already receives per head funding well below the national average. Governors will continue to monitor this situation, at the same time considering opportunities for additional income and exercising tight controls over expenditure.

Many major risks are mitigated by extensive insurance cover. This includes cover for property damage, business interruption, employers' liability, public liability, products liability, hirers' indemnity, loss of money, assault, personal accident, employee and Trustees' fidelity, professional indemnity, legal expenses, computer interruption, school trips and visits and motor vehicles.

Operationally, risks are identified and controlled through an extensive risk assessment process covering the site (workplace assessments), curricular activities, financial risk, ICT (business continuity plan), trip and visit risk assessments (using Devon County Council Evolve system), work placement visits and risk assessments and Health and Safety risk assessments (with the support of SSG Training & Consultancy). An enhanced risk analysis is considered at each meeting of the main Board and at each subcommittee meeting. Members of the Board of Governors routinely review the Risk Register, both in relation to finance and related matters and in relation to risks in all categories. The academy trust self-insures for staff absence by allocating an amount to a Supply Cover budget and through the employment of two permanent Cover Supervisors. Child protection and safeguarding risks are mitigated through thorough scrutiny of staff appointments and by adherence to the child protection policies.

# TORQUAY GIRLS' GRAMMAR SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### **Fundraising**

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

#### **Plans for future periods**

The School Development Plan 2014-2021 records the academy trust's intention of maintaining the right ethos and culture; ensuring that teaching is of a consistently high standard; and ensuring that behaviour is well managed and the school calm and orderly. This will include a sharp focus on rigour and consistency in the basics, while innovating and developing the provision further to bring new gains in students' learning and achievement.

The Plan identifies the following as platforms for future development:

A leadership culture true to the aims of the academy trust.

A strong team culture where new staff are quickly aware of the "Torquay Girls' way" and aims.

Teaching and learning as the academy trust's most important activity.

Promotion of internal leaders through succession planning, internal appointments, identification of leadership skills, and training opportunities.

The appropriate curriculum, by ensuring a quality core delivery and by only changing if there is certainty that it will make a difference.

Systems of tracking and intervention which ensure there is 'No deviation without intervention'.

#### **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.

A resolution proposing that Darnells Audit Limited be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on ..... and signed on its behalf by:

.....  
Mrs S Timmins  
**Chairman**

# TORQUAY GIRLS' GRAMMAR SCHOOL

## GOVERNANCE STATEMENT

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the principal, 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 Torquay Girls' Grammar School and the Secretary of State for Education. The accounting officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

#### Governance

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

Trustees	Meetings attended	Out of possible
Mrs S Timmins (Chairman)	9	9
Mrs S Wright (Vice Chair)	9	9
Dr N Smith (Principal and accounting officer)	9	9
Dr J Hutt (Resigned 1 December 2019)	0	2
Mrs P Rogers	9	9
Mr M Cowling (Staff Governor) (Resigned 3 September 2019)	0	0
Mrs F Fung (Parent Governor)	8	9
Mr B Cartridge (Parent Governor)	5	9
Mrs E Browne (Staff Governor) (Appointed 6 September 2019)	8	9
Mr J Castillo (Staff Governor) (Appointed 6 September 2019)	9	9
L Vallance (Appointed 16 September 2020)		

#### Review of value for money

As accounting officer, the principal 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 own 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by performing a review of expenditure incurred during the year and identifying where funds could be better spent, taking into account not only the educational outcomes but also those factors for the wellbeing of the students, while also ensuring that the school atmosphere is conducive to effective and enjoyable learning.

#### 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 Torquay Girls' Grammar School for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts.

# TORQUAY GIRLS' GRAMMAR SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### **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 period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

#### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and 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 considered the need for a specific internal audit function and will appoint an internal auditor to perform additional checks, to replace Darnells, the external auditor, who performed this role in the past.

The internal reviewer'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 include, during two separate visits, a review of non-payroll expenditure and the systems and controls in place over third party expenditure and a review of major contracts and the systems and controls in place over significant items of expenditure.

On a regular basis the reviewer reports to the board of trustees, through the finance and general purposes committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

#### **Review of effectiveness**

As accounting officer, the principal 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 reviewer; the work of the external 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 accounting officer has been advised of the implications of the results for their review of the system of internal control by the finance and audit committee and a plan to address weaknesses and ensure continuous improvement of their system is under development.

# TORQUAY GIRLS' GRAMMAR SCHOOL

## GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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

.....  
Dr N Smith  
**Principal and accounting officer**

# TORQUAY GIRLS' GRAMMAR SCHOOL

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2020

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As accounting officer of Torquay Girls' Grammar School, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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.

.....  
Dr N Smith  
**Accounting Officer**

Date: .....

# TORQUAY GIRLS' GRAMMAR SCHOOL

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### FOR THE YEAR ENDED 31 AUGUST 2020

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The trustees (who are also the Governors of Torquay Girls' Grammar School and the directors of Torquay Girls' Grammar School for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

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

.....  
Mrs S Timmins  
**Chairman**



# TORQUAY GIRLS' GRAMMAR SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORQUAY GIRLS' GRAMMAR SCHOOL

FOR THE YEAR ENDED 31 AUGUST 2020

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### Opinion

We have audited the accounts of Torquay Girls' Grammar School for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

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

### Basis for opinion

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

### Conclusions relating to going concern

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

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

### Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in 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 there is a material misstatement in the accounts or a material misstatement of the other information. 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.

# TORQUAY GIRLS' GRAMMAR SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORQUAY GIRLS' GRAMMAR SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### Opinions 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 incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated 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 accounts 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 statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 charitable company, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# TORQUAY GIRLS' GRAMMAR SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORQUAY GIRLS' GRAMMAR SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### Use of our report

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

.....  
**Paul Beard (Senior Statutory Auditor)**  
for and on behalf of Darnells Audit Limited  
Statutory Auditor

Date: .....

Quay House  
Quay Road  
Newton Abbot  
Devon  
TQ12 2BU

# TORQUAY GIRLS' GRAMMAR SCHOOL

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

### FOR THE YEAR ENDED 31 AUGUST 2020

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In accordance with the terms of our engagement letter dated 23 August 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Torquay Girls' Grammar School during the period 1 September 2019 to 31 August 2020 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 Girls' Grammar School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Torquay Girls' 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 Girls' Grammar School and ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of Torquay Girls' Grammar School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Torquay Girls' Grammar School's funding agreement with the Secretary of State for Education dated 1 January 2011 (and the deed of variation dated 20 December 2012) and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 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 Academies Accounts Direction 2019 to 2020 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.

The work undertaken to draw our conclusion includes:

Inspection and review of grant documents and expenditure to ensure they are used for the correct purpose;  
Review and enquiry of Trustee meetings and those of the Finance committee;  
Reperformance and review of significant accounting estimates used;  
Evaluation of the system of internal controls for authorisation and approval.

# TORQUAY GIRLS' GRAMMAR SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2020

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### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....  
**Paul Beard**  
**Reporting Accountant**  
**Darnells Audit Limited**

Date: .....

**Quay House**  
**Quay Road**  
**Newton Abbot**  
**Devon**  
**TQ12 2BU**

# TORQUAY GIRLS' GRAMMAR SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2020 £	Total 2019 £
<b>Income and endowments from:</b>						
Donations and capital grants	4	66,577	-	282,927	349,504	66,963
Charitable activities:						
- Funding for educational operations	5	325,121	4,737,831	-	5,062,952	4,695,277
Other trading activities	6	141,036	-	-	141,036	119,477
Investments	7	1,950	-	-	1,950	3,520
<b>Total</b>		<b>534,684</b>	<b>4,737,831</b>	<b>282,927</b>	<b>5,555,442</b>	<b>4,885,237</b>
<b>Expenditure on:</b>						
Raising funds	8	9,292	-	-	9,292	10,743
Charitable activities:						
- Educational operations	9	352,544	4,890,579	242,086	5,485,209	5,053,209
<b>Total</b>	<b>8</b>	<b>361,836</b>	<b>4,890,579</b>	<b>242,086</b>	<b>5,494,501</b>	<b>5,063,952</b>
<b>Net income/(expenditure)</b>		<b>172,848</b>	<b>(152,748)</b>	<b>40,841</b>	<b>60,941</b>	<b>(178,715)</b>
Transfers between funds	16	(34,481)	(108,238)	90,844	(51,875)	-
<b>Other recognised gains/(losses)</b>						
Actuarial losses on defined benefit pension schemes	19	-	(279,000)	-	(279,000)	(349,000)
<b>Net movement in funds</b>		<b>138,367</b>	<b>(539,986)</b>	<b>131,685</b>	<b>(269,934)</b>	<b>(527,715)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		832,781	(1,844,014)	11,176,054	10,164,821	10,692,536
Total funds carried forward		971,148	(2,384,000)	11,307,739	9,894,887	10,164,821

# TORQUAY GIRLS' GRAMMAR SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020		2019	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		11,307,739		11,176,054
<b>Current assets</b>					
Debtors	14	428,076		203,589	
Cash at bank and in hand		991,644		1,013,654	
		<u>1,419,720</u>		<u>1,217,243</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(448,572)		(322,476)	
<b>Net current assets</b>			971,148		894,767
<b>Net assets excluding pension liability</b>			12,278,887		12,070,821
Defined benefit pension scheme liability	19	(2,384,000)		(1,906,000)	
<b>Total net assets</b>			<u>9,894,887</u>		<u>10,164,821</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	16				
- Fixed asset funds			11,307,739		11,176,054
- Restricted income funds			-		61,986
- Pension reserve			(2,384,000)		(1,906,000)
<b>Total restricted funds</b>			<u>8,923,739</u>		<u>9,332,040</u>
<b>Unrestricted income funds</b>	16		971,148		832,781
<b>Total funds</b>			<u>9,894,887</u>		<u>10,164,821</u>

The accounts on pages 20 to 41 were approved by the trustees and authorised for issue on ..... and are signed on their behalf by:

.....  
Mrs S Timmins  
Chairman

Company Number 07494620

# TORQUAY GIRLS' GRAMMAR SCHOOL

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2020

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	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	20		66,884		164,569
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		1,950		3,520	
Capital grants from DfE Group		282,927		12,860	
Purchase of tangible fixed assets		(373,771)		(252,647)	
Proceeds from sale of tangible fixed assets		-		167	
		<hr/>		<hr/>	
<b>Net cash used in investing activities</b>			(88,894)		(236,100)
			<hr/>		<hr/>
<b>Net decrease in cash and cash equivalents in the reporting period</b>			(22,010)		(71,531)
Cash and cash equivalents at beginning of the year			1,013,654		1,085,185
			<hr/>		<hr/>
<b>Cash and cash equivalents at end of the year</b>			991,644		1,013,654
			<hr/> <hr/>		<hr/> <hr/>



# TORQUAY GIRLS' GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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### 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

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 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, ie. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

#### 1.3 Income

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

##### Grants receivable

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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

##### Sponsorship income

Sponsorship income provided to the academy trust 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

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

##### Other income

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

# TORQUAY GIRLS' GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

(Continued)

#### Donated goods, facilities and services

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

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations 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 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

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

#### Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

#### 1.5 Tangible fixed assets and depreciation

Assets costing £3,000 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 that require 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.

# TORQUAY GIRLS' GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

---

### 1 Accounting policies

(Continued)

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

Land	not depreciated
Freehold Buildings	2% per annum on a straight-line basis (Residual value deemed to be 25% of cost)
Fixtures, fittings & equipment	25% per annum on a straight-line basis
Motor vehicles	25% per annum on a reducing balance basis

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.

#### 1.6 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 of services it must provide.

#### 1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

#### 1.8 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 chapter 3 part 11 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.

#### 1.9 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The 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 are recognised in the period to which they relate.

# TORQUAY GIRLS' GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

---

### 1 Accounting policies

(Continued)

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

#### 1.10 Fund accounting

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

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

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

### 2 Critical accounting estimates and areas of judgement

Accounting 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

Accounting 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.

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 19, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2020.

# TORQUAY GIRLS' GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 3 Statement of financial activities - comparative year information

Year ended 31 August 2019	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2019 £
<b>Income and endowments from:</b>				
Donations and capital grants	54,103	-	12,860	66,963
Charitable activities:				
- Funding for educational operations	307,501	4,387,776	-	4,695,277
Other trading activities	119,477	-	-	119,477
Investments	3,520	-	-	3,520
<b>Total</b>	<b>484,601</b>	<b>4,387,776</b>	<b>12,860</b>	<b>4,885,237</b>
<b>Expenditure on:</b>				
Raising funds	10,743	-	-	10,743
Charitable activities:				
- Educational operations	313,735	4,557,120	182,354	5,053,209
<b>Total</b>	<b>324,478</b>	<b>4,557,120</b>	<b>182,354</b>	<b>5,063,952</b>
<b>Net income/(expenditure)</b>	<b>160,123</b>	<b>(169,344)</b>	<b>(169,494)</b>	<b>(178,715)</b>
Transfers between funds	-	(171,307)	171,307	-
<b>Other recognised gains/(losses)</b>				
Actuarial losses on defined benefit pension schemes	-	(349,000)	-	(349,000)
<b>Net movement in funds</b>	<b>160,123</b>	<b>(689,651)</b>	<b>1,813</b>	<b>(527,715)</b>

### 4 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	282,927	282,927	12,860
Other donations	66,577	-	66,577	54,103
	<b>66,577</b>	<b>282,927</b>	<b>349,504</b>	<b>66,963</b>

# TORQUAY GIRLS' GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	4,342,473	4,342,473	4,138,903
Other DfE group grants	-	55,299	55,299	57,499
	-	4,397,772	4,397,772	4,196,402
<b>Other government grants</b>				
Local authority grants	-	12,060	12,060	27,904
Special educational projects	-	316,652	316,652	155,803
	-	328,712	328,712	183,707
<b>Other funding</b>				
Trip income	325,121	-	325,121	307,501
Examination income	-	11,347	11,347	7,667
	325,121	11,347	336,468	315,168
<b>Total funding</b>	<b>325,121</b>	<b>4,737,831</b>	<b>5,062,952</b>	<b>4,695,277</b>

### 6 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	49,482	-	49,482	65,947
Other income	91,554	-	91,554	53,530
	141,036	-	141,036	119,477

### 7 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	1,950	-	1,950	3,520

# TORQUAY GIRLS' GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 8 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2020 £	Total 2019 £
Expenditure on raising funds					
- Direct costs	-	-	9,292	9,292	10,743
Academy's educational operations					
- Direct costs	2,940,453	-	678,093	3,618,546	3,404,858
- Allocated support costs	1,234,793	535,411	96,459	1,866,663	1,648,351
	<u>4,175,246</u>	<u>535,411</u>	<u>783,844</u>	<u>5,494,501</u>	<u>5,063,952</u>

#### Net income/(expenditure) for the year includes:

	2020 £	2019 £
Fees payable to auditor for:		
- Audit	5,900	5,900
- Other services	500	1,325
Depreciation of tangible fixed assets	242,086	182,521
Gain on disposal of fixed assets	-	(167)
Net interest on LGPS defined benefit pension liability	61,000	2,000
	<u>61,000</u>	<u>2,000</u>

### 9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<b>Direct costs</b>				
Educational operations	319,639	3,298,907	3,618,546	3,404,858
<b>Support costs</b>				
Educational operations	32,905	1,833,758	1,866,663	1,648,351
	<u>352,544</u>	<u>5,132,665</u>	<u>5,485,209</u>	<u>5,053,209</u>

	2020 £	2019 £
<b>Analysis of support costs</b>		
Support staff costs	1,234,793	1,223,890
Depreciation	242,086	182,354
Premises costs	293,325	214,644
Legal costs	27,005	13,671
Other support costs	63,554	7,892
Governance costs	5,900	5,900
	<u>1,866,663</u>	<u>1,648,351</u>

# TORQUAY GIRLS' GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	3,096,681	3,028,292
Social security costs	283,583	277,157
Pension costs	794,982	662,084
	<u>4,175,246</u>	<u>3,967,533</u>
Amounts paid to employees	4,175,246	3,967,533
Staff development and other staff costs	16,349	15,148
	<u>4,191,595</u>	<u>3,982,681</u>

#### Staff numbers

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

	2020 Number	2019 Number
Teachers	72	65
Administration and support	51	68
Management	3	3
	<u>126</u>	<u>136</u>

#### Higher paid staff

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

	2020 Number	2019 Number
£60,001 - 70,000	1	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	<u>1</u>	<u>1</u>

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £360,567 (2019: £290,022).



# TORQUAY GIRLS' GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 11 Trustees' remuneration and expenses

One or more of the 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, and not in respect of their services as trustees.

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

Mr N Smith (Principal and Trustee)

Remuneration: £100,000- £105,000 (2019: £95,000-£100,000)

Employers' pension contributions paid: £20,000-£25,000 (2019: £15,000-£20,000)

Mrs E Brown (Staff Trustee) appointed 6 September 2019

Remuneration: £50,000- £55,000

Employers' pension contributions paid: £10,000-£15,000

Mr J Castillo (Staff Trustee) appointed 6 September 2019

Remuneration: £40,000- £45,000

Employers' pension contributions paid: £5,000-£10,000

During the year ended 31 August 2020, travel and subsistence expenses totalling £nil were paid to 0 trustees (2019: £nil to 0 trustees)

### 12 Insurance for trustees and officers

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 trust business. The insurance provides cover up to £5 million on any one claim and the cost for the year ended 31 August 2020 was not separately identifiable within the school's advantage policy premium.

### 13 Tangible fixed assets

	Land	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2019	12,140,625	487,889	50,140	12,678,654
Additions	295,315	78,456	-	373,771
At 31 August 2020	12,435,940	566,345	50,140	13,052,425
<b>Depreciation</b>				
At 1 September 2019	1,317,578	145,919	39,103	1,502,600
Charge for the year	160,451	76,507	5,128	242,086
At 31 August 2020	1,478,029	222,426	44,231	1,744,686
<b>Net book value</b>				
At 31 August 2020	10,957,911	343,919	5,909	11,307,739
At 31 August 2019	10,823,047	341,970	11,037	11,176,054

# TORQUAY GIRLS' GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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### 14 Debtors

	<b>2020</b>	<b>2019</b>
	£	£
Trade debtors	12,699	19,003
VAT recoverable	49,573	52,116
Prepayments and accrued income	365,804	132,470
	<u>428,076</u>	<u>203,589</u>
	<u><u>428,076</u></u>	<u><u>203,589</u></u>

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

	<b>2020</b>	<b>2019</b>
	£	£
Trade creditors	9,746	34,613
Other taxation and social security	66,566	70,261
Other creditors	129,365	72,477
Accruals and deferred income	242,895	145,125
	<u>448,572</u>	<u>322,476</u>
	<u><u>448,572</u></u>	<u><u>322,476</u></u>

# TORQUAY GIRLS' GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 16 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	10,111	4,342,473	(4,296,221)	(56,363)	-
GAG - Bursary Grant	51,875	-	-	(51,875)	-
Other DfE / ESFA grants	-	55,299	(55,299)	-	-
Other government grants	-	328,712	(328,712)	-	-
Exam Fee Income	-	11,347	(11,347)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Funds excluding pensions	61,986	4,737,831	(4,691,579)	(108,238)	-
Pension reserve	(1,906,000)	-	(199,000)	(279,000)	(2,384,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(1,844,014)	4,737,831	(4,890,579)	(387,238)	(2,384,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Restricted fixed asset funds</b>					
Assets on conversion	8,877,229	-	(127,801)	-	8,749,428
Sports Hall	1,721,091	-	(28,751)	-	1,692,340
Physics Laboratory	22,946	-	(393)	-	22,553
DfE/ESFA capital grants	113,817	282,927	(1,929)	-	394,815
Wolfson Foundation	37,200	-	(600)	-	36,600
Funded from GAG	249,099	-	(73,175)	90,844	266,768
Astro Fund	154,672	-	(9,437)	-	145,235
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	11,176,054	282,927	(242,086)	90,844	11,307,739
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total restricted funds</b>	<u>9,332,040</u>	<u>5,020,758</u>	<u>(5,132,665)</u>	<u>(296,394)</u>	<u>8,923,739</u>
<b>Unrestricted funds</b>					
General funds	<u>832,781</u>	<u>534,684</u>	<u>(361,836)</u>	<u>(34,481)</u>	<u>971,148</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total funds</b>	<u><u>10,164,821</u></u>	<u><u>5,555,442</u></u>	<u><u>(5,494,501)</u></u>	<u><u>(330,875)</u></u>	<u><u>9,894,887</u></u>

# TORQUAY GIRLS' GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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### 16 Funds

(Continued)

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

#### **Restricted general funds**

- The General Annual Grant (GAG) is the Academy Trust's principal source of income and is expended on educational activities.
- Other DfE/EFA and government grants represent specific additional amounts received alongside the GAG funding.
- The pension reserve represents the School's share of the deficit on the LGPS pension fund and is described in more detail in Note 17.

#### **Restricted fixed asset funds**

- The funds holding land and buildings on conversion represent the book value of assets transferred to the Academy on conversion.
- The Sports Hall Fund represents amounts received for the construction of the School's sports hall.
- The Wolfson Foundation provided a fund to refurbish the Technology Suite during 2008.
- The Astroturf Fund represents amounts donated by the Torquay Grammar School for Girls Trust Fund.
- Other funds represent the net book value of other assets acquired since conversion and are funded primarily by transfers from the GAG or by specific DfE/ESFA capital grants received.

#### **Transfers between funds**

The GAG Bursary grant representing funds received specifically for the purpose of making bursary awards to pupils of £51,875 has been transferred to Other creditors, as the academy trust acts as agent and not principal for these funds and the income and expenditure should not therefore be shown in the Statement of Financial Activities.

A transfer of £90,844 has been made from the General Annual Grant fund to the Restricted fixed asset funds to reflect the fixed asset movements funded from the GAG.

The deficit on the General Annual Grant fund of £34,481 which has been funded from the #cy3's Unrestricted funds, has been transferred to Unrestricted funds.

# TORQUAY GIRLS' GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 16 Funds

(Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	156,338	4,114,713	(4,089,633)	(171,307)	10,111
GAG - Bursary Grant	54,299	24,190	(26,614)	-	51,875
Other DfE / ESFA grants	-	57,499	(57,499)	-	-
Other government grants	-	183,707	(183,707)	-	-
Exam Fee Income	-	7,667	(7,667)	-	-
	<u>210,637</u>	<u>4,387,776</u>	<u>(4,365,120)</u>	<u>(171,307)</u>	<u>61,986</u>
Funds excluding pensions					
Pension reserve	(1,365,000)	-	(192,000)	(349,000)	(1,906,000)
	<u>(1,154,363)</u>	<u>4,387,776</u>	<u>(4,557,120)</u>	<u>(520,307)</u>	<u>(1,844,014)</u>
<b>Restricted fixed asset funds</b>					
Assets on conversion	9,005,030	-	(127,801)	-	8,877,229
Sports Hall	1,749,842	-	(28,751)	-	1,721,091
Physics Laboratory	23,339	-	(393)	-	22,946
DfE/ESFA capital grants	102,886	12,860	(1,929)	-	113,817
Funded from GAG	92,531	-	(14,739)	171,307	249,099
Wolfson Foundation	37,800	-	(600)	-	37,200
Astro Turf Pitch Fund	162,813	-	(8,141)	-	154,672
	<u>11,174,241</u>	<u>12,860</u>	<u>(182,354)</u>	<u>171,307</u>	<u>11,176,054</u>
<b>Total restricted funds</b>	<u>10,019,878</u>	<u>4,400,636</u>	<u>(4,739,474)</u>	<u>(349,000)</u>	<u>9,332,040</u>
<b>Unrestricted funds</b>					
General funds	<u>672,658</u>	<u>484,601</u>	<u>(324,478)</u>	<u>-</u>	<u>832,781</u>
<b>Total funds</b>	<u>10,692,536</u>	<u>4,885,237</u>	<u>(5,063,952)</u>	<u>(349,000)</u>	<u>10,164,821</u>

### 17 Deferred income

	2020 £	2019 £
Deferred income is included within:		
Creditors due within one year	<u>32,595</u>	<u>127,511</u>

# TORQUAY GIRLS' GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

<b>17</b>	<b>Deferred income</b>	<b>(Continued)</b>	
	Deferred income at 1 September 2019	127,511	130,968
	Released from previous years	(127,511)	(130,968)
	Resources deferred in the year	32,595	127,511
	<b>Deferred income at 31 August 2020</b>	<u>32,595</u>	<u>127,511</u>

Deferred income reflects amounts received in advance in respect of lettings booked and school trips arranged for the 2019/20 academic year.

### 18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	-	11,307,739	-	11,307,739
Current assets	1,419,720	-	-	1,419,720
Creditors falling due within one year	(448,572)	-	-	(448,572)
Defined benefit pension liability	-	(2,384,000)	-	(2,384,000)
<b>Total net assets</b>	<u>971,148</u>	<u>8,923,739</u>	<u>-</u>	<u>9,894,887</u>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	11,176,054	11,176,054
Current assets	1,155,257	61,986	-	1,217,243
Creditors falling due within one year	(322,476)	-	-	(322,476)
Defined benefit pension liability	-	(1,906,000)	-	(1,906,000)
<b>Total net assets</b>	<u>832,781</u>	<u>(1,844,014)</u>	<u>11,176,054</u>	<u>10,164,821</u>

### 19 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

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

# TORQUAY GIRLS' GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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### 19 Pension and similar obligations

(Continued)

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 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% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to the TPS in the period amounted to £510,454 (2019: £352,050).

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

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

##### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 15.8% for employers and 5.5% for employees. In addition, the Academy is required to pay contributions in respect of a Past Deficit Recovery Rate which is set at 2.75%, thereby resulting in aggregate employer contributions being set at 24.05%.

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.

# TORQUAY GIRLS' GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 19 Pension and similar obligations (Continued)

Total contributions made	2020 £	2019 £
Employer's contributions	183,000	120,000
Employees' contributions	47,000	45,000
Total contributions	<u>230,000</u>	<u>165,000</u>

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.3	3.7
Rate of increase for pensions in payment/inflation	2.3	2.2
Discount rate for scheme liabilities	<u>1.6</u>	<u>1.85</u>

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

	2020 Years	2019 Years
Retiring today		
- Males	22.9	22.5
- Females	24.1	24.4
Retiring in 20 years		
- Males	24.3	24.2
- Females	<u>25.5</u>	<u>26.2</u>

The academy trust's share of the assets in the scheme	2020 Fair value £	2019 Fair value £
Equities	1,156,000	1,047,000
Other bonds	91,000	33,000
Target return portfolio	244,000	245,000
Gilts	68,000	63,000
Property	232,000	219,000
Other assets	145,000	147,000
Total market value of assets	<u>1,936,000</u>	<u>1,754,000</u>

The actual return on scheme assets was £8,000 (2019: £76,000).



# TORQUAY GIRLS' GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 19 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2020 £	2019 £
Current service cost	321,000	271,000
Past service cost	-	36,000
Interest income	(7,000)	(75,000)
Interest cost	68,000	77,000
Benefit changes, curtailments and settlements gains or losses	-	3,000
Total operating charge	<u>382,000</u>	<u>312,000</u>

Changes in the present value of defined benefit obligations	2020 £	2019 £
At 1 September 2019	3,660,000	2,859,000
Current service cost	321,000	271,000
Interest cost	68,000	77,000
Employee contributions	47,000	45,000
Actuarial loss	191,000	349,000
Benefits paid	(22,000)	(23,000)
(Gains)/losses on curtailment	-	46,000
Past service cost	-	36,000
Experience loss on defined benefit obligation	55,000	-
At 31 August 2020	<u>4,320,000</u>	<u>3,660,000</u>

Changes in the fair value of the academy trust's share of scheme assets	2020 £	2019 £
At 1 September 2019	1,754,000	1,494,000
Interest income	7,000	75,000
Actuarial loss	(33,000)	-
Employer contributions	183,000	120,000
Employee contributions	47,000	45,000
Benefits paid	(22,000)	(23,000)
Effect of non-routine settlements	-	43,000
At 31 August 2020	<u>1,936,000</u>	<u>1,754,000</u>

# TORQUAY GIRLS' GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020	2019
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	60,941	(178,715)
Adjusted for:		
Capital grants from DfE and other capital income	(282,927)	(12,860)
Investment income receivable	(1,950)	(3,520)
Defined benefit pension costs less contributions payable	138,000	190,000
Defined benefit pension scheme finance cost	61,000	2,000
Depreciation of tangible fixed assets	242,086	182,521
(Loss)/profit on disposal of fixed assets	-	(167)
(Increase) in debtors	(224,487)	(55,243)
Increase in creditors	74,221	40,553
<b>Net cash provided by operating activities</b>	<u>66,884</u>	<u>164,569</u>

### 21 Analysis of changes in net funds

	1 September 2019	Cash flows	31 August 2020
	£	£	£
Cash	1,013,654	(22,010)	991,644

### 22 Related party transactions

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

The Academy has one connected charity, Torquay Grammar School for Girls Trust Fund (registered charity number 295992). The principal purpose of this Trust Fund is the advancement of the education, both academic and physical, of the pupils of Torquay Grammar School for Girls by providing and assisting the pupils of the School with facilities not normally provided by the local education authority. The Trustees of the Trust Fund are Dr N Smith (Principal), Mrs S Timmins (Chair of Governors), Mrs S Wright (Vice Chair of Governors) and Mr TJ Gregory (Deputy Head).

The Trust Fund holds certain historic donations made by parents and other donors. The Academy also has also contributed in the past to a Sinking Fund operated by the Trust Fund for the eventual replacement of the playing surface of the astropitch owned by the Academy. In 2018/19 the amount returned by way of donation to the Academy from the Trust fund was £nil (2019: £nil).

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

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 trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

# TORQUAY GIRLS' GRAMMAR SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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### **23 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he or she ceases to be a member.