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**SPALDING GRAMMAR SCHOOL**  
(A company limited by guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**SPALDING GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Solicitors**

Maples Solicitors LLP  
23 New Road  
Spalding  
Lincolnshire  
PE11 1DH

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**SPALDING GRAMMAR SCHOOL**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Governors</b>	Mr K Bean (resigned 7 July 2020) Mr P Callow (resigned 26 November 2020) Mr A C Cunnington Mr C S Delaney Mr A Faulkner Mrs D Haslam Mrs S A L Hoult Mrs S Y Ely Mr E J Rees (resigned 14 November 2020) Mrs J Lutton Mrs J M Mayne (resigned 12 October 2020) Mr M Findall (resigned 12 October 2020) Mr M J Scott (appointed 8 December 2019) Mr S M Wilkinson, Head Teacher
<b>Company registered number</b>	08357352
<b>Company name</b>	Spalding Grammar School
<b>Registered office</b>	Spalding Grammar School Priory Lane Spalding Lincolnshire PE11 2XH
<b>Head Teacher</b>	Mr S M Wilkinson
<b>Senior management team</b>	Mr S M Wilkinson, Headteacher Mrs S P Ingram, Deputy Head Mr R W Smith, Assistant Head Mrs A Harrison Wild, Director of Resources Mr D M Endersbee, Assistant Head Mr A G Brooks, Assistant Head
<b>Independent auditors</b>	Steets Audit LLP Chartered Accountants Enterprise House, 38 Tyndall Court Commerce Road Lynchwood Peterborough Cambridgeshire PE2 6LR
<b>Bankers</b>	Natwest Bank 501 Silbury Boulevard Milton Keynes MK9 3ER



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**SPALDING GRAMMAR SCHOOL**  
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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

**Structure, governance and management**

**a. Constitution**

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary documents of the Trust

The Governors of Spalding Grammar School are also the directors of the charitable company for the purposes of company law.

Details of the Governors who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

**b. Members' liability**

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

**c. Governors' indemnities**

The School through its Articles has indemnified its Governors to the fullest extent permissible by law. During the period the School also purchased and maintained liability insurance for its Governors.

**d. Method of recruitment and appointment or election of Governors**

Governors are appointed under the rules contained within the memorandum and articles of association. The appointments are made by the governors who delegate powers to the Senior Team.

The membership of the Governing Body is in accordance with the structure contained within its memorandum and articles of association. Governors have a breadth of skills which are are beneficial to the Governing Body as a whole.

Committees have been established that meet regularly to ensure the requirements are being met. Committees include separate Finance and Audit Committees. The Resource Committee meets at least 3 times per annum.

Further Sub-Committees have been formed to ensure compliance with the School Development Plan in the areas of Performance and Education.

All members of the Governing Body are to be directors of the School.

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**SPALDING GRAMMAR SCHOOL**  
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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Structure, governance and management (continued)**

**e. Policies adopted for the induction and training of Governors**

The School was incorporated on 11 January 2013 and commenced operations on 1 February 2013. Access to external Governor training has been provided and operating procedures have been delivered to all members of the Governing Body. All Governors are assigned to a Sub-Committee, reporting to the whole Governing Body. Where Governors have a relevant professional skill, the School seeks to use that skill within a particular Sub-Committee. Within the School, the Governors can access the policies and procedures via the Clerk to Governors. Governors are invited to attend whole school events and where appropriate, staff training and information sessions.

**f. Organisational structure**

The organisational structure consists of a Governor level and the senior Team. The structure is designed to enable all of these personnel to be involved whilst also devolving responsibility appropriately.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the School by use of budgets and making decisions about the direction of the School, capital expenditure and senior staff appointments.

The Senior Team, during the period, consisted of the Headteacher, one Deputy Head, three Assistant Heads and a Director of Resources, with all changes to the structure being shown on page 1 of the financial statements, who are responsible for communicating and implementing the School's strategies.

The Headteacher and Senior Team are responsible for the day to day running of the organisation, oversee the teaching staff and teams of administration and operational support. The structure and operation of the trust follows the guidelines set out in the academies handbook issued by the Department for Education.

The School accesses external agencies to ensure a broader provision of education and learning. The agencies include careers and guidance services.

**g. Trade union facility time**

The total number of employees who were relevant union officials during the period was 1. The total percentage of time spent as facility time by these representatives was 0% and therefore the cost of facility time as a percentage of total pay bill was 0%.

**Objectives and activities**

**a. Objects and aims**

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



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**SPALDING GRAMMAR SCHOOL**  
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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Objectives and activities (continued)**

**b. Objectives, strategies and activities**

The School's principal aim is to ensure that all students have every opportunity to attain their potential - intellectually, socially and personally. The cornerstone of our approach is the strength of the relationship between governors, staff, pupils and parents throughout our community. The friendly and orderly atmosphere combines with a stimulating academic environment to develop the qualities which lead to successful examination results, satisfying personal relationships, the correct blend of individual strengths and co-operation with others, as well as the confidence to face the challenges of the wider world. The School is conscious of the need for continuous improvement of standards.

**c. Public benefit**

The School provides educational services to predominantly children from the South Holland district who have met the entry requirements by reaching the standard score of 220 in the 11+ examinations to qualify in the top 25% of the ability range in Lincolnshire. The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

**Strategic report**

**Achievements and performance**

**A Levels:**

In the last two years, the school achieved 100% pass rates with almost 40% of the grades being A\*-A and 67% being A\*-B.

**GCSEs:**

The School had a strong cohort with 46% of grades being 7 or higher.

Notably there were eight students who all secured a total of 11 grades at 7 and above.

**a. Key performance indicators**

The School has been fully staffed during the period to 31 August 2020. The curriculum has met the standards expected. Staffing costs are the School's main expense and the value of the staff is demonstrated throughout the examination results as well as the level of enrichment and commitment demonstrated throughout the School.

In all of the expenditure, the Director of Resources, Finance Team, Senior Team and Governors seek best value and question financial decisions made.

The Audit Committee has undertaken reviews of internal systems and controls during the year and have not identified any significant issues to be reported to the Governors.

**b. Going concern**

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Strategic report (continued)**

**Financial review**

The majority of the School's income derives from central funding via the Education and Skills Funding Agency. The School also receives further monies via Local Authority for special educational needs and pupil premium. In addition, the School raises funds by professional expertise in accessing grants, negotiating contracts and utilisation of the current facilities.

During the period ended 31 August 2020 the operating expenditure (excluding depreciation and pension liabilities) as an Academy of £5.01 million was covered by Education and Skills Funding Agency grants and other incoming resources. The excess of expenditure over income, excluding pension liabilities and depreciation, was £0.24 million.

Net current assets at the period end were £0.79 million. The assets were used exclusively for providing education and the associated support services to the learners of the School.

There is a declared deficit on the defined benefit pension scheme, Local Government Pension Scheme for associated staff. Whilst the value is significant, the Governors do not believe that the liability represents a material risk because the liability has been agreed with the Director of Resources to be spread over a twenty year period and will be planned into subsequent accounts. Payments have been agreed and are in place.

**a. Reserves policy**

The Trust holds funds of £14.8m. Of this sum £0.6m are restricted revenue funds, £16.1m relates to the value of fixed assets and as such, would only become available by the disposal of tangible fixed assets.

It is the Trust's aim to keep the reserves so there is substantially more than one month's salary cost to hand in cash form at any point. A cash forecast is provided, cash is monitored on a daily basis and money is invested on deposit where appropriate.

**b. Investment policy**

The governors took the decision to invest £0.5m as part of a longer term strategy in order to realise the best return. The decision was taken after substantial financial advice and any returns will be utilised to benefit the Academy.

During the period, the investment fell significantly due to the COVID-19 lockdown measures but we are pleased to report the valuation is back on track at the time of writing.

**Plans for future periods**

Until 22/23 when it is currently forecast we will not budget in a deficit, there are no plans for significant expenditure. The investment performance is regularly reviewed. The School will continue to budget prudently and develop the School facilities within the revenue budgets and with any capital funding we are able to access. There are plans in the future for an artificial all weather sports pitch and we will continue to work on the feasibility and potential funding for this.



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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Principal risks and uncertainties**

**a. Financial and risk management objectives and policies**

The majority of the School's income is obtained from the Department for Education via the Education and Skills Funding Agency in the form of recurrent grants; the use of which is restricted to a particular purpose by the Objects of the Trust and also the Academies Financial Handbook. The grants received during the period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

**b. Risk management**

The Governors have assessed the major risks to which the School is exposed, in particular those relating to the specific teaching, provision of facilities and finances. The Governors have implemented a number of systems to assess the risks that the School faces (e.g. health and safety and school trips) and in relation to the control of finance. The Governors have implemented systems such as auditing of the finance area to demonstrate control and to minimise risk.

Risks to the School fall into three categories;

1. Financial - Income to the School is always forecast prudently and expenditure plans are approved by the whole Governing Body. The Headteacher is accountable to the Governors for restricting expenditure within the set budget. Numbers for Year 7 entry have increased to 152, which is 2 students over the PAN (150) and it is promising that we are highly likely to be at PAN(150) for 20/21 entry.
2. Performance - A huge decline in results would damage the reputation of the School and would impact the recruitment and retention of students with a subsequent loss of income. The Headteacher is accountable to the Governing Body for academic results.
3. Health & Safety - A range of risk assessments have been written. The assessments are reviewed annually. A health & safety lead has been established within the site team.

**Employment of disabled persons**

The School is of old construct and purpose built ramps have been put in place to ensure access and egress. The buildings comply with current legislation. There are adequate amounts of lifts and disabled toilet facilities. The School supports special educational needs and does this through training, career development and provision of qualified support personnel.

The Governors recognise that equal opportunities are an integral part of good practice in the workplace. The School aims for the highest standards in opportunity for all and ensures that the working environment allows the contribution needs of all to be understood, known and valued.

**Disclosure of information to auditors**

Insofar as the Governors are aware:

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

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Auditors**

The auditors, Steets Audit LLP, have indicated their willingness to continue in office. The designated Governors will propose a motion reappointing the auditors at a meeting of the Governors.

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 28 January 2021 and signed on its behalf by:

.....  
**Mr A Faulkner**  
Governor

*Alan J Faulkner*

This has been signed electronically whilst the author is working remotely. The Author verifies that he is satisfied with the contents and affirms that this digital signature is appended with his knowledge and consent.

**A J Faulkner MSc**  
**Chairman of Governors**



Spalding Grammar School  
Priory Road, Spalding, Lincolnshire PE11 2XH  
01775 765800





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**SPALDING GRAMMAR SCHOOL**  
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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

As Governors, we acknowledge we have overall responsibility for ensuring that Spalding 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.

As Governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Governors has delegated the day-to-day responsibility to Mr S M Wilkinson, 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 Spalding Grammar School and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

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**SPALDING GRAMMAR SCHOOL**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance**

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The Board of Governors has formally met 9 times during the year.

Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Mr K Bean	5	8
Mr P Callow	8	9
Mr A C Cunningham	9	9
Mr C S Delaney	8	9
Mr A Faulkner	9	9
Mrs D Haslam	7	9
Mrs S A L Hault	9	9
Mrs S Y Ely	5	9
Mr E J Rees	8	9
Mrs J Lutton	9	9
Mrs J M Mayne	8	9
Mr M Findall	7	9
Mr M J Scott	6	6
Mr S M Wilkinson, Head Teacher	9	9

**Governance reviews**

The Governing Body review and respond to any third party review of governance requirements. The Governing Body are aware of their responsibility to consider laws and regulations, finance systems and controls and also community responsibility. There have been no formal requests in the current year for a governance review. The board are aware of the requirement to ensure work of the Governing Body is effective.

The Resources Committee is a sub-committee of the main Board of Governors. Its purpose is to discuss and review any financial, building or other such matters arising.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Mr A C Cunningham	2	2
Mr P Callow	1	2
Mr M Findall	1	2
Mrs D Haslam	2	2
Mr E J Rees	2	2
Mr M Scott	2	2
Mr A Faulkner	2	2

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**SPALDING GRAMMAR SCHOOL**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of value for money**

During the year, the School refurbished some of the classrooms on the rolling programme of refurbishment and including electrical works, which included the refurbishment of a Science lab, PE mobile classroom, PE office and classrooms in Geography. However, the February lockdown and Covid measures were prioritised over non essential refurbishment. The Site Team were invaluable in ensuring the school was prepared for staff and students to return after lockdown, ensuring the site adhered to government guidelines.

As support staff leave or request to reduce their contracted hours, as with teaching staff, the posts are not replaced immediately as a vacancy falls. During lockdown, we appointed a School Technician who will be support the DT, Art and Site department, including the support to DT with Health and Safety requirements. The post was appointed with savings made from vacant hours in the Site Team.

During the financial year, as with other Schools, Spalding Grammar School incurred a financial burden of £49,000 on Covid measures, which included enhanced cleaning, additional purchase of equipment, enforced cessation of lettings and the enforced closure of the canteen. The unprecedented event has impacted on supplies and in particular the cost of IT equipment. We always source at least three quotes and do not hold high stocks. Whilst staff were redeployed where possible after lockdown and still are, there were members of staff unable to carry out their usual duties due to lockdown but still were eligible for 100% pay.

During the financial year, the Government pledged to fund the increase in teacher pay and pension contributions, which without would cause a significant financial impact to the School's five year financial plan. Whilst the Government pledged to fund Covid expenditure, only 10% of costs incurred were funded. The expenses related to Covid measures continue and it is unlikely that the School will receive any funding to subsidise the financial burden.

We are also striving to achieve the best value for money on cover for absent teaching staff, by advertising for a bank of our own flexible cover staff, as opposed to agency costs. We forecast that as the Covid situation deepens into the Autumn term, cover staff will be required as staff are required to self isolate. We feel that there is a good process in place to achieve value for money and provide the continuity of teaching and learning either on site or remote.

We were also pleased to hear that the School had been awarded a CIF bid for flat roofing, to the value of £292k. The total cost of the project is expected to be £322k with £292k from the Government CIF fund and £30k from the School reserves. We were unfortunately unsuccessful in a further bid for pitched roof funding, despite being very close to the scoring threshold for successful projects. We have been working with consultants to secure the best value for money on the contract.

**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 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 Spalding Grammar School for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.



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**SPALDING GRAMMAR SCHOOL**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Capacity to handle risk**

The Board of Governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Resource Committee.

**The risk and control framework**

The Academy'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 Governors
- regular reviews by the Finance 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 Governors has decided to employ School Business Services as internal auditor.

The role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The Audit Committee reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

There were no material control or other issues reported to date.

**Review of effectiveness**

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

- on discharge of the Board of Governors financial decisions to help the committee consider actions and assess year on year progress
- the work of the Principal Finance Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the Accounting Officer and Principal Finance Officer within the Academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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**SPALDING GRAMMAR SCHOOL**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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Approved by order of the members of the Board of Governors on 28 January 2021 and signed on their behalf by:



**Mr S M Wilkinson**  
Headteacher

.....  
**Mr A Faulkner**  
Governor

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**SPALDING GRAMMAR SCHOOL**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of Spalding Grammar School I have considered my responsibility to notify the Academy Board of Governors 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, under the funding agreement in place between the Academy 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 Board of Governors are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy'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 Governors and ESFA.



.....  
**Mr S M Wilkinson**

Accounting Officer

Date: 28 January 2021

*Alan J Faulkner*

This has been signed electronically whilst the author is working remotely. The Author verifies that he is satisfied with the contents and affirms that this digital signature is appended with his knowledge and consent.

**A J Faulkner** MSc  
**Chairman of Governors**



Spalding Grammar School  
Priory Road, Spalding, Lincolnshire PE11 2XH  
01775 765800





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**SPALDING GRAMMAR SCHOOL**  
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**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Governors on 28 January 2021 and signed on its behalf by:

.....  
**Mr A Faulkner**  
Governor

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

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### **Opinion**

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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



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

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**Other information**

The Governors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Governors' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 financial statements 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.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

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**SPALDING GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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

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**Responsibilities of trustees**

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

In preparing the financial statements, the Governors are responsible for assessing the Academy'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 Governors either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

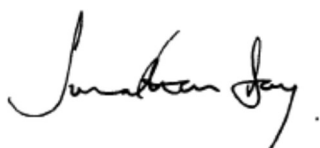
**Auditors' responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**Use of our report**

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



**Jonathon Day (Senior statutory auditor)**

for and on behalf of

**Steets Audit LLP**

Chartered Accountants

Statutory Auditors

Enterprise House, 38 Tyndall Court

Commerce Road

Lynchwood

Peterborough

Cambridgeshire

PE2 6LR

29 January 2021

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**SPALDING GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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

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In accordance with the terms of our engagement letter dated 11 June 2020 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 Spalding Grammar School during the year 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 Spalding Grammar School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Spalding 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 Spalding Grammar School and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Spalding Grammar School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Spalding Grammar School's funding agreement with the Secretary of State for Education dated 30 January 2013 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 year 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's income and expenditure.

The work undertaken to draw our conclusions included:

- Review of the Academy's systems and controls to ensure effective design;
- Confirmation of satisfactory operation of controls during the year, including the authorisation of invoices, payments and salary adjustments;
- Review of a sample of expenses focusing on those nominal codes considered to include transactions of a greater risk;
- Discussions with the finance team.

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**SPALDING GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

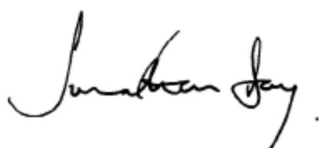
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SPALDING  
GRAMMAR SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

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**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 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.



Jonathan Day (Reporting Accountant)

**Steets Audit LLP**

Chartered Accountants

Statutory Auditors

Enterprise House, 38 Tyndall Court

Commerce Road

Lynchwood

Peterborough

Cambridgeshire

PE2 6LR

Date: 29 January 2021



**SPALDING GRAMMAR SCHOOL**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>						
Donations and capital grants	3	-	14,184	-	14,184	20,826
Charitable activities		-	4,395,269	19,941	4,415,210	4,252,891
Other trading activities		9,223	180,571	-	189,794	329,118
Investments	6	630	-	-	630	7,053
School fund income	7	-	200,198	-	200,198	249,017
		<u>9,853</u>	<u>4,790,222</u>	<u>19,941</u>	<u>4,820,016</u>	<u>4,858,905</u>
<b>Total income</b>						
<b>Expenditure on:</b>						
Raising funds		-	-	-	-	48,034
Charitable activities		-	5,059,252	234,781	5,294,033	5,081,741
School fund		-	155,011	-	155,011	337,482
		<u>-</u>	<u>5,214,263</u>	<u>234,781</u>	<u>5,449,044</u>	<u>5,467,257</u>
<b>Total expenditure</b>						
<b>Net income/(expenditure)</b>		<u>9,853</u>	<u>(424,041)</u>	<u>(214,840)</u>	<u>(629,028)</u>	<u>(608,352)</u>
Transfers between funds	18	-	(30,034)	30,034	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<u>9,853</u>	<u>(454,075)</u>	<u>(184,806)</u>	<u>(629,028)</u>	<u>(608,352)</u>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	25	-	(28,000)	-	(28,000)	(558,000)
<b>Net movement in funds</b>		<u>9,853</u>	<u>(482,075)</u>	<u>(184,806)</u>	<u>(657,028)</u>	<u>(1,166,352)</u>

**SPALDING GRAMMAR SCHOOL**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
(CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020

	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Restricted fixed asset funds 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
<b>Note</b>					
<b>Reconciliation of funds:</b>					
Total funds brought forward	197,569	(1,085,779)	16,316,175	15,427,965	16,594,317
Net movement in funds	9,853	(482,075)	(184,806)	(657,028)	(1,166,352)
<b>Total funds carried forward</b>	<b>207,422</b>	<b>(1,567,854)</b>	<b>16,131,369</b>	<b>14,770,937</b>	<b>15,427,965</b>



**SPALDING GRAMMAR SCHOOL**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08357352**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	14	16,131,369	16,316,075
		<u>16,131,369</u>	<u>16,316,075</u>
<b>Current assets</b>			
Debtors	15	123,576	127,351
Investments		502,649	510,042
Cash at bank and in hand		440,022	671,422
		<u>1,066,247</u>	<u>1,308,815</u>
Creditors: amounts falling due within one year	16	(278,054)	(262,550)
<b>Net current assets</b>		<u>788,193</u>	<u>1,046,265</u>
<b>Total assets less current liabilities</b>		<u>16,919,562</u>	<u>17,362,340</u>
Creditors: amounts falling due after more than one year	17	(30,625)	(39,375)
<b>Net assets excluding pension liability</b>		<u>16,888,937</u>	<u>17,322,965</u>
Defined benefit pension scheme liability	25	(2,118,000)	(1,895,000)
<b>Total net assets</b>		<u><u>14,770,937</u></u>	<u><u>15,427,965</u></u>
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	16,131,369	16,316,175
Restricted income funds	18	550,146	798,221
		<u>16,681,515</u>	<u>17,114,396</u>
Restricted funds excluding pension asset	18	16,681,515	(1,884,000)
Pension reserve	18	(2,118,000)	
		<u>14,563,515</u>	<u>15,230,396</u>
<b>Total restricted funds</b>	18	14,563,515	15,230,396
<b>Unrestricted income funds</b>	18	207,422	197,569
		<u>14,770,937</u>	<u>15,427,965</u>
<b>Total funds</b>		<u><u>14,770,937</u></u>	<u><u>15,427,965</u></u>

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**SPALDING GRAMMAR SCHOOL**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08357352**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2020**

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The financial statements on pages 21 to 48 were approved by the Governors, and authorised for issue on 28 January 2021 and are signed on their behalf, by:

**Mr A C Cunningham**  
Governor

**Mr A Faulkner**  
Governor

The notes on pages 26 to 48 form part of these financial statements.

*Alan J Faulkner*

This has been signed electronically whilst the author is working remotely. The Author verifies that he is satisfied with the contents and affirms that this digital signature is appended with his knowledge and consent.

**A J Faulkner <sup>MSc</sup>**  
**Chairman of Governors**



Spalding Grammar School  
Priory Road, Spalding, Lincolnshire PE11 2XH  
01775 765800

A handwritten signature in black ink, appearing to read 'Adrian Cunnington', with a stylized flourish at the end.

Adrian Cunnington  
Foundation Governor  
Spalding Grammar School



**SPALDING GRAMMAR SCHOOL**  
(A company limited by guarantee)

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

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	20	(181,955)	(137,036)
<b>Cash flows from investing activities</b>	22	(50,075)	(115,778)
<b>Cash flows from financing activities</b>	21	630	1,769
<b>Change in cash and cash equivalents in the year</b>		(231,400)	(251,045)
Cash and cash equivalents at the beginning of the year		671,422	922,467
<b>Cash and cash equivalents at the end of the year</b>	23, 24	<u>440,022</u>	<u>671,422</u>

The notes on pages 26 to 48 form part of these financial statements

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**SPALDING GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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**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), judgments and key sources of estimation uncertainty, is set out below.

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Spalding Grammar School meets the definition of a public benefit entity under FRS 102.

**1.2 Going concern**

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



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**SPALDING GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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

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**1. Accounting policies (continued)**

**1.3 Income**

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

- **Grants**

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

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

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

- **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 year it is receivable and to the extent the Academy has provided the goods or services.

- **Donated goods, facilities and services**

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

**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 allocated on the portion of the asset's use.

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**SPALDING GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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

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**1. Accounting policies (continued)**

**1.4 Expenditure (continued)**

- **Expenditure on raising funds**

This includes all expenditure incurred by the Academy 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's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**1.5 Interest receivable**

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

**1.6 Tangible fixed assets**

Assets costing £1,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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



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**SPALDING GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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

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**1. Accounting policies (continued)**

**1.6 Tangible fixed assets (continued)**

The estimated useful lives are as follows:

Land and buildings	- 125 years
Furniture and equipment	- 5 years
Computer equipment	- 3 years
Motor vehicles	- 4 years
Integral features	- 20 years

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

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

**1.7 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.8 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.9 Liabilities**

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

**1.10 Provisions**

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

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

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**SPALDING GRAMMAR SCHOOL**  
**(A company limited by guarantee)**

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

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**1. Accounting policies (continued)**

**1.11 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

Investments are held at fair value.

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.12 Operating leases**

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

**1.13 Pensions**

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

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

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

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



**SPALDING GRAMMAR SCHOOL**  
(A company limited by guarantee)

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

**1. Accounting policies (continued)**

**1.14 Fund accounting**

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

**2. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**3. Income from donations and capital grants**

	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Donations	14,184	<b>14,184</b>	20,826
<i>Total 2019</i>	<i>20,826</i>	<i>20,826</i>	

**SPALDING GRAMMAR SCHOOL**  
(A company limited by guarantee)

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

**4. Funding for the Academy's educational operations**

	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	3,996,238	<b>3,996,238</b>	3,995,585
Other DfE Income	418,972	<b>418,972</b>	256,506
	<u>4,415,210</u>	<u><b>4,415,210</b></u>	<u>4,252,091</u>
<b>Local Authority grants</b>			
Local Authority Grants	-	-	800
	<u>4,415,210</u>	<u><b>4,415,210</b></u>	<u>4,252,891</u>
<b>Total 2020</b>	<u><u>4,415,210</u></u>	<u><u><b>4,415,210</b></u></u>	<u><u>4,252,891</u></u>
<i>Total 2019</i>	<u><u>4,252,891</u></u>	<u><u>4,252,891</u></u>	

**5. Income from other trading activities**

	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Hire of facilities	9,223	-	<b>9,223</b>	22,819
Catering income	-	106,645	<b>106,645</b>	197,879
Recharges and reimbursements	-	39,190	<b>39,190</b>	68,950
Other sales	-	34,736	<b>34,736</b>	34,924
School shop sales	-	-	-	4,546
	<u>9,223</u>	<u>180,571</u>	<u><b>189,794</b></u>	<u>329,118</u>
<b>Total 2020</b>	<u><u>9,223</u></u>	<u><u>180,571</u></u>	<u><u><b>189,794</b></u></u>	<u><u>329,118</u></u>
<i>Total 2019</i>	<u><u>22,819</u></u>	<u><u>306,299</u></u>	<u><u>329,118</u></u>	



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**6. Investment income**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Short term deposits	630	-	630	1,771
Gain on current asset investments	-	-	-	5,282
	<u>630</u>	<u>-</u>	<u>630</u>	<u>7,053</u>
<i>Total 2019</i>	<u>1,771</u>	<u>5,282</u>	<u>7,053</u>	

**7. Other charitable activities**

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
School fund income	<u>200,198</u>	<u>200,198</u>	<u>249,017</u>
<i>Total 2019</i>	<u>249,017</u>	<u>249,017</u>	

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**8. Expenditure**

	<b>Staff Costs 2020 £</b>	<b>Premises 2020 £</b>	<b>Other 2020 £</b>	<b>Total 2020 £</b>	<i>Total 2019 £</i>
Expenditure on fundraising trading activities:					
Direct costs	-	-	-	-	48,034
Academy's educational operations					
Direct costs	3,187,028	-	208,549	<b>3,395,577</b>	3,166,831
Allocated support costs	1,188,723	410,218	299,515	<b>1,898,456</b>	1,914,910
School Fund	-	-	155,011	<b>155,011</b>	337,482
	<u>4,375,751</u>	<u>410,218</u>	<u>663,075</u>	<u><b>5,449,044</b></u>	<u>5,467,257</u>
<i>Total 2019</i>	<u><i>3,947,245</i></u>	<u><i>466,325</i></u>	<u><i>1,053,687</i></u>	<u><i>5,467,257</i></u>	

**9. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2020 £</b>	<b>Support costs 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Academy's educational operations	<u>3,395,577</u>	<u>1,898,456</u>	<u><b>5,294,033</b></u>	<u>5,081,741</u>
<i>Total 2019</i>	<u><i>3,166,831</i></u>	<u><i>1,914,910</i></u>	<u><i>5,081,741</i></u>	

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**9. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	educational operations 2020 £	Total funds 2020 £	Total funds 2019 £
Pension finance costs	36,000	36,000	34,000
Staff costs	1,188,723	1,188,723	1,062,838
Depreciation	234,781	234,781	240,591
Maintenance of premises and equipment	39,739	39,739	75,058
Cleaning	7,962	7,962	10,576
Rent, rates and utilities	96,796	96,796	104,760
Insurance	30,940	30,940	35,340
Recruitment and support	3,100	3,100	13,683
Security and transport	13,968	13,968	13,770
Catering	60,112	60,112	102,290
Bank interest and charges	1,764	1,764	1,913
Professional fees	645	645	279
Other support costs	176,056	176,056	211,162
Governance costs	7,870	7,870	8,650
	<u>1,898,456</u>	<u>1,898,456</u>	<u>1,914,910</u>
<i>Total 2019</i>	<u>1,914,910</u>	<u>1,914,910</u>	

**10. Auditors' remuneration**

	2020 £	2019 £
Fees payable to the Academy's auditor in respect of:		
Audit	3,500	3,500
Non-audit services	4,370	5,000

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**11. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	3,109,137	2,764,077
Social security costs	305,394	289,131
Pension costs	853,471	753,671
	<u>4,268,002</u>	<u>3,806,879</u>
Agency staff costs	107,749	129,366
Movement attributable to pension deficit valuation	-	11,000
	<u><u>4,375,751</u></u>	<u><u>3,947,245</u></u>

**b. Staff numbers**

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

	2020 No.	2019 No.
Teachers	59	53
Management	44	52
Administration and support	7	6
	<u><u>110</u></u>	<u><u>111</u></u>



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**11. Staff (continued)**

**c. Higher paid staff**

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	1

**d. Key management personnel**

The key management personnel of the Academy comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £487,072 (2019 £524,540).

**12. Governors' remuneration and expenses**

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2020 £	2019 £
Mr S M Wilkinson, Head Teacher	Remuneration	75,000 - 80,000	75,000 - 80,000
	Pension contributions paid	15,000 - 20,000	10,000 - 15,000
Mrs D Haslam, Staff Governor	Remuneration	30,000 - 35,000	30,000 - 35,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
Mrs J M Mayne, Staff Governor	Remuneration	15,000 - 20,000	20,000 - 25,000
	Pension contributions paid	0 - 5,000	0 - 5,000
Mrs J Lutton, Staff Governor	Remuneration	45,000 - 50,000	45,000 - 50,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000

During the year ended 31 August 2020, no Governor expenses have been incurred (2019 - £NIL).

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**13. Governors' and Officers' insurance**

In accordance with normal commercial practice, the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was £500 (2019 - £500). The cost of this insurance is included in the total insurance cost.

**14. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Integral features £	Total £
<b>Cost or valuation</b>						
At 1 September 2019	16,650,000	391,441	323,748	53,700	546,298	17,965,187
Additions	-	19,308	30,767	-	-	50,075
At 31 August 2020	16,650,000	410,749	354,515	53,700	546,298	18,015,262
<b>Depreciation</b>						
At 1 September 2019	876,900	358,608	243,320	47,089	123,195	1,649,112
Charge for the year	133,200	15,541	52,114	6,611	27,315	234,781
At 31 August 2020	1,010,100	374,149	295,434	53,700	150,510	1,883,893
<b>Net book value</b>						
At 31 August 2020	15,639,900	36,600	59,081	-	395,788	16,131,369
At 31 August 2019	15,773,100	32,833	80,428	6,611	423,103	16,316,075

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Debtors**

	2020 £	2019 £
Trade debtors	28,926	10,384
VAT recoverable	34,619	54,245
Prepayments and accrued income	60,031	62,722
	<u>123,576</u>	<u>127,351</u>

**16. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	13,066	46,811
Other taxation and social security	157,339	137,762
Other creditors	75,147	45,017
Accruals	32,502	32,960
	<u>278,054</u>	<u>262,550</u>

**17. Creditors: Amounts falling due after more than one year**

	2020 £	2019 £
Other creditors - loan	<u>30,625</u>	<u>39,375</u>

The loan is to be repaid via repayments every six months of £4,375 which started in the 16/17 academic year. There is no interest charged on this loan.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Statement of funds**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
Unrestricted general funds	197,569	9,853	-	-	-	207,422
<b>Restricted general funds</b>						
Restricted General Fund	798,221	4,790,222	(5,008,263)	(30,034)	-	550,146
Pension reserve	(1,884,000)	-	(206,000)	-	(28,000)	(2,118,000)
	<u>(1,085,779)</u>	<u>4,790,222</u>	<u>(5,214,263)</u>	<u>(30,034)</u>	<u>(28,000)</u>	<u>(1,567,854)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Fund	16,316,175	19,941	(234,781)	30,034	-	16,131,369
<b>Total Restricted funds</b>	<u>15,230,396</u>	<u>4,810,163</u>	<u>(5,449,044)</u>	<u>-</u>	<u>(28,000)</u>	<u>14,563,515</u>
<b>Total funds</b>	<u>15,427,965</u>	<u>4,820,016</u>	<u>(5,449,044)</u>	<u>-</u>	<u>(28,000)</u>	<u>14,770,937</u>

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

The restricted general fund relates to all income and expenditure related to providing the provision of educational services to children in the local area.

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total resources expended within this fund include the depreciation charge for the year. The transfers figure is the amount of other funds used to acquire fixed assets.

The pension reserve arises from the actuarial measurement of the Trust's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the Trust in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from the actuarial calculations of service cost rather than employer contributions paid, and amounts to £206,000. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £28,000 actuarial decrease in the net pension fund deficit.



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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Statement of funds (continued)**

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
Unrestricted general funds	172,977	24,592	-	-	-	197,569
<b>Restricted general funds</b>						
Restricted General Fund	1,160,453	4,825,533	(5,071,886)	(115,879)	-	798,221
Pension reserve	(1,180,000)	-	-	-	(704,000)	(1,884,000)
	<u>(19,547)</u>	<u>4,825,533</u>	<u>(5,071,886)</u>	<u>(115,879)</u>	<u>(704,000)</u>	<u>(1,085,779)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Fund	16,440,887	-	(240,591)	115,879	-	16,316,175
<b>Total Restricted funds</b>	<u>16,421,340</u>	<u>4,825,533</u>	<u>(5,312,477)</u>	<u>-</u>	<u>(704,000)</u>	<u>15,230,396</u>
<b>Total funds</b>	<u>16,594,317</u>	<u>4,850,125</u>	<u>(5,312,477)</u>	<u>-</u>	<u>(704,000)</u>	<u>15,427,965</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	16,131,369	16,131,369
Current assets	207,422	858,825	-	1,066,247
Creditors due within one year	-	(278,054)	-	(278,054)
Creditors due in more than one year	-	(30,625)	-	(30,625)
Provisions for liabilities and charges	-	(2,118,000)	-	(2,118,000)
<b>Total</b>	<b>207,422</b>	<b>(1,567,854)</b>	<b>16,131,369</b>	<b>14,770,937</b>

**Analysis of net assets between funds - prior period**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	(100)	16,316,175	16,316,075
Current assets	197,569	1,111,246	-	1,308,815
Creditors due within one year	-	(262,550)	-	(262,550)
Creditors due in more than one year	-	(39,375)	-	(39,375)
Provisions for liabilities and charges	-	(1,895,000)	-	(1,895,000)
<b>Total</b>	<b>197,569</b>	<b>(1,085,779)</b>	<b>16,316,175</b>	<b>15,427,965</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. Reconciliation of net expenditure to net cash flow from operating activities**

	2020 £	2019 £
Net expenditure for the period (as per Statement of financial activities)	(629,028)	(608,352)
<b>Adjustments for:</b>		
Depreciation	234,781	240,591
Interest receivable	(630)	(1,771)
Defined benefit pension scheme finance cost	195,000	157,000
(Gain)/loss on current asset investments	7,393	(5,282)
Decrease in debtors	3,774	62,660
Increase/(decrease) in creditors	6,755	(35,882)
Withdrawal from prudential investment	-	54,000
<b>Net cash used in operating activities</b>	<b>(181,955)</b>	<b>(137,036)</b>

**21. Cash flows from financing activities**

	2020 £	2019 £
Interest received	630	1,769
<b>Net cash provided by financing activities</b>	<b>630</b>	<b>1,769</b>

**22. Cash flows from investing activities**

	2020 £	2019 £
Purchase of intangible assets	(50,075)	(115,878)
Proceeds from the sale of intangible assets	-	100
<b>Net cash used in investing activities</b>	<b>(50,075)</b>	<b>(115,778)</b>

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**23. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	440,022	671,422
<b>Total cash and cash equivalents</b>	<b>440,022</b>	<b>671,422</b>

**24. Analysis of changes in net debt**

	At 1 September 2019 £	Cash flows £	Changes in market value and exchange rate movements £	At 31 August 2020 £
Cash at bank and in hand	671,422	(231,400)	-	440,022
Liquid investments	510,042	-	(7,393)	502,649
	<b>1,181,464</b>	<b>(231,400)</b>	<b>(7,393)</b>	<b>942,671</b>

**25. Pension commitments**

The Academy'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 Hymans Robertson LLP. Both are multi-employer defined benefit schemes.

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

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

**Teachers' Pension Scheme**

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

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



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £478,902 (2019 - £373,087).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £203,000 (2019 - £196,000), of which employer's contributions totalled £162,000 (2019 - £156,000) and employees' contributions totalled £ 41,000 (2019 - £40,000).

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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**25. Pension commitments (continued)**

**Principal actuarial assumptions**

	2020	2019
	%	%
Rate of increase in salaries	2.2	2.7
Rate of increase for pensions in payment/inflation	2.5	2.3
Discount rate for scheme liabilities	1.7	1.8

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.40	21.20
Females	23.70	23.50
<i>Retiring in 20 years</i>		
Males	22.40	22.50
Females	25.20	25.20

**Share of scheme assets**

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

	2020	2019
	£	£
Equities	1,879,560	1,779,010
Other bonds	544,800	389,920
Property	272,400	243,700
Cash and other liquid assets	27,240	24,370
<b>Total market value of assets</b>	<b>2,724,000</b>	<b>2,437,000</b>

The actual return on scheme assets was £118,000 (2019 - £135,000).

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**25. Pension commitments (continued)**

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

	2020 £	2019 £
Current service cost	321,000	256,000
Past service cost	-	23,000
Interest income	(45,000)	(62,000)
Interest cost	81,000	96,000
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>357,000</b>	<b>313,000</b>

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

	2020 £	2019 £
<b>At 1 September</b>	<b>4,332,000</b>	<b>3,312,000</b>
Current service cost	321,000	256,000
Interest cost	81,000	96,000
Employee contributions	41,000	40,000
Actuarial losses	101,000	631,000
Benefits paid	(34,000)	(26,000)
Past service costs	-	23,000
<b>At 31 August</b>	<b>4,842,000</b>	<b>4,332,000</b>

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

	2020 £	2019 £
<b>At 1 September</b>	<b>2,437,000</b>	<b>2,132,000</b>
Interest income	45,000	62,000
Actuarial gains	73,000	73,000
Employer contributions	162,000	156,000
Employee contributions	41,000	40,000
Benefits paid	(34,000)	(26,000)
<b>At 31 August</b>	<b>2,724,000</b>	<b>2,437,000</b>



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**26. Operating lease commitments**

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	11,480	11,480
Later than 1 year and not later than 5 years	4,209	15,684
	<u>15,689</u>	<u>27,164</u>

**27. Members' liability**

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

**28. Related party transactions**

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

During the year the academy made the following related party transactions:

**Ark ICT**

(Director (Governor) in common - Mr P Callow)

During the year, Ark ICT provided services to Spalding Grammar School totalling £62,452 (2019 - £93,673). In entering into transactions the academy trust has complied with the requirements of the Academies Financial Handbook 2019. At the balance sheet date the amount due to Ark ICT was £532 (2019 - £3,374).

**Mr A Wild**

(Husband of Director of Resources)

During the year, Mr A Wild provided services to Spalding Grammar School totalling £450 (2019 - £525). In entering into transactions the academy trust has complied with the requirements of the Academies Financial Handbook 2019. At the balance sheet date the amount due to Mr A Wild was £Nil (2019 - £Nil).





