

ENFIELD GRAMMAR SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

ENFIELD GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mrs R Collis (resigned 16 October 2019) Mr P Collard Mrs A Williams Mr G Jones-Owen Rev Dr S Griffiths Mr C Hide
Trustees	Mr S Berkkun Rev Dr S Griffiths Mr S Gilmore Mr G Jones-Owen, Chair of Governors Mrs R Collis (resigned 16 October 2019) Mrs S Melandri (resigned 11 September 2019) Mr P Collard Mrs A Williams Ms N Irish (resigned 4 September 2019) Mrs H Ashley-Fraser (resigned 19 October 2020) Mr C Hide, Responsible Officer (resigned 1 November 2020) Mr K Altmann Mrs J Woodward (resigned 9 September 2019) Mr C Lamb, Headteacher Mrs T Holloway Mrs V Thompson Mrs J Gray (appointed 11 November 2019) Mrs E Underwood (appointed 18 December 2019) Mr D Willett (appointed 18 December 2019) Mr A Yilmaz (appointed 18 December 2019)
Company registered number	07697044
Company name	Enfield Grammar School
Registered and principal office	Market Place Enfield Middlesex, EN2 6LN
Company Secretary	Mrs E Murphy (appointed 6 January 2020) Mrs L Culora (appointed 12 September 2019)/(resigned 5 January 2020) Mrs M Pope (appointed 1 November 2018)/(resigned 12 September 2019)
Chief Executive Officer	Mr C Lamb
Leadership Team	Mr C Lamb, Headteacher Mr D Wragg, Assistant Headteacher (Sixth Form) Mrs D Burke, Deputy Headteacher Mr S Purrier, Deputy Headteacher Mrs L Culora, School Business Leader (from 15 March 2020) Mr M Pieri, Assistant Headteacher Mrs C Holmes, School Business Leader (up to 15 March 2020) Miss N Faverjon, Assistant Headteacher Dr V Currie, Assistant Headteacher

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

Independent Auditors Price Bailey LLP
Chartered Accountants
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Bankers Lloyds TSB
Silver Street
Enfield
Middlesex

ENFIELD GRAMMAR SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Enfield Grammar School (the Academy, the Trust, or the Charitable Company) for the year ended 31 August 2020. The Annual Report serves the purposes of both Trustee's Report, and a Directors' Report under company law.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a Charitable Company limited by guarantee and was set up by a Memorandum of Association on 7 July 2011. The Academy converted on 1 August 2011.

The Academy is a Company and under the Academies Act 2010 it became an Exempt Charity on 1 August 2011 when it came into existence. The Academy's Memorandum and Articles of Association are the primary governing documents. The Trustees of the Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Academy was set up to establish, maintain and carry on, for the public benefit, secondary education of boys in Enfield offering a broad curriculum with a strong emphasis on sport.

The Academy is commonly known as Enfield Grammar School (the School).

Members' Liability

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

Trustees' Indemnities

Academy insurers encompass all relevant insurance including Trustee third party indemnity provision.

Methods, policies and procedures for recruitment, appointment, induction and training of new Trustees

Trustees are appointed for a fixed term. The Headteacher is an ex officio member of the Board of Trustees. Parent Trustees and Staff Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. Foundation Trustees are invited to stand by the existing Foundation Trustees. They are selected from persons who have long-standing links and/or association with the School.

New Trustees are required to attend an induction programme which involves a tour of the School, meetings with students and staff and provision of policy and procedures documents that are appropriate to the role they undertake as Trustees with particular emphasis on the committee work that they will undertake. All Trustees undertake statutory child protection.

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

Structure, Governance and Management

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major strategic decisions about the direction of the Academy, capital expenditure and senior staff appointments. The Leadership Team consists of:

Headteacher	: Christopher Lamb
Deputy Headteachers	: Dawn Burke
	: Simon Purrier
Assistant Headteachers	
Head of Lower School	: Verity Currie
KS4 Achievement & Progressions	: Michael Pieri
Teaching and Learning	: Nathalie Faverjon
Sixth Form	: David Wragg (appointed 20/4/20)
School Business Leader	: Clea Holmes (resigned 15/3/20)/Lucy Culora (appointed 15/3/20)

The Leadership Team control the Academy at an executive level implementing policies and reporting to the Board of Trustees. The Leadership Team is responsible for the day to day operation of the Academy, in particular organising staff, resources and pupils. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment process. The Headteacher is the Accounting Officer.

Trustees make up the membership of the following Committees which meet termly:

Resources & Management (including Pay and Performance) Committee
Standards and Achievement Committee
Stakeholders Committee
Admissions Committee

Trustees also have areas of special responsibilities for Equality and Diversity, the School Council, Health and Safety, Child Protection, ICT, SEND, Stakeholder Engagement, Pupil Premium and Vocational Studies.

Individual Trustees are also linked to curriculum areas.

The Trustees undertake annual training, in addition to receiving reports from the Heads of Departments at Committee meetings and undertaking suitable training provided by the Local Authority and the School.

Related Parties and Connected Organisations

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which a Trustee may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procedures.

In furtherance of its stated aims, Enfield Grammar School works in close partnership with various bodies and organisations including, for example, ETSA (Enfield School Teaching Alliance), Middlesex University and other further and higher education institutions, the Youth Sport Trust, Tottenham Hotspur Football Club, Middlesex Cricket Club, Football Foundation, British Council, Trinity College and Nuffield Health.

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

The Foundation

The Enfield Grammar School Foundation is a separate Trust governed by the Charity Commission and owns the land and buildings from which the Academy operates. Additionally, there are limited financial funds which are invested to provide an income which is used in the following ways:

- For the maintenance of those at School or for those going on to higher education.
- To enable travel in this country or abroad.
- For the study of music or other arts and sciences.
- To promote education for pupils and former pupils.

There are 4 Foundation Trustees who are either Members or Trustees of the Academy:

Paul Collard
Ruth Collis (resigned 16 October 2019)
Rev Dr Stephen Griffiths
Chris Hide
Anna Williams

OBJECTIVES AND ACTIVITIES

Objects and aims

As set out in the Articles of Association, the Academy's object is to advance for the public benefit education in the United Kingdom:

- to establish high quality teaching, learning and assessment;
- to provide a full and diverse curriculum and other activities;
- to provide an environment where every child and every member of staff matters; and
- the provision of community facilities.

The main objectives of the Academy during the year ended 31 August 2020 were included in the School year Development Plan, and include enriching the lives of all pupils to make them better individuals by providing:

- a well-rounded, comprehensive education with a commitment to success and achievement for all; and
- a rich and broad experience that prepares students for life in the 21st Century and enables them to make a significant contribution to their local community, the wider society in which they live and to become good citizens.

To this end the priorities were:

- to improve the quality of learning and teaching across the School, to improve pupil progress and outcomes of all boys;
- developing a curriculum for all boys;
- enhancing care, guidance and support; and
- ensuring effective governance.

The aim of the management structure is to devolve responsibility, increase accountability and encourage involvement in decision making at all levels. The Leadership Team is responsible for delivering the approved strategic actions of the plan agreed by the Trustees through the School Development Plan (SDP). Trustees carefully monitor the SDP at each Committee meeting.

The Trustees confirm they have referred to the guidance contained in the Charity Commission's guidance on public benefit.

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

ACHIEVEMENTS AND PERFORMANCE

Achievements and performance

Through the delivery of its vision and priorities the Academy aims to raise standards. The critical success factors for the Academy are pupil progress; quality of teaching, leadership, behaviour of pupils and safeguarding. These are closely aligned to the Ofsted criteria for assessing schools.

The key GCSE measure showed a rate of improvement in excess of the local and national averages. The quality of the teaching staff improved and the qualitative leadership indicators are also improving. In behaviour and safety, attendance, fixed term and permanent exclusions steps have been taken which have seen general overall improvements.

Examination results for the Academic year 2019/20

The GCSE examination results for 2020 were good and continue to be above the national average for attainment. The Academy also achieved a positive progress score. The A Level results for 2020 were consistent with last year and progress remains positive.

Risk Management

The Trustees confirm that the major risks to which the Academy is exposed are reviewed and monitored by the Resources and Management Committee. The Academy has purchased insurance through the Government's RPA scheme to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business.

Equal Opportunities

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Fundraising

The Academy only held small fundraising events during the year in addition to minor events to raise funds for donating to charities. The Academy does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events. All fundraising undertaken during the year was monitored by the Trustees.

Trade Union

Trade union facility time was outsourced to the London Borough of Enfield at a cost of £3,106. There were 4 trade union representatives employed by the Academy however they did not undertake any work relating to trade union activities during the year.

Going Concern

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

In making this statement the Board of Trustees has taken into due consideration the effects upon the Academy of the COVID-19 pandemic, the partial closure of the School during the period and the changes in practices introduced from the 2020 Autumn term. Further consideration on the Academy's ability to continue as a going concern as a result of the COVID-19 pandemic can be found in Note 1.2.

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TRUSTEES' REPORT (CONTINUED)
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FINANCIAL REVIEW

The principle source of funding for the Academy is the General Annual Grant (GAG) funding that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2020 the Academy received £7,953,878 in GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Academy spent £7,948,527 (excluding capital expenditure). The Academy brought forward from 18/19, £nil of restricted funds (excluding pension and restricted fixed assets) and £439,081 unrestricted funding. The carry forward for 20/21 is £nil restricted funding and £723,903 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £1,834,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Principal risks and uncertainty

The Academy maintains a risk register identifying the major risks to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the Resources Committee. The principal risks facing the Academy at a contextual level are outlined below in the principal risks and uncertainties section; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Academy's financial and internal controls conform to guidelines issued by the Education and Skills Funding Agency (ESFA), and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

The Trustees assess the principle risks and uncertainties facing the Academy as follows:

Possibly the biggest single risk to the Academy would lie in its failure to retain/recruit key staff. However, it is not felt that there are any immediate threats in this regard.

Our ability/inability to access additional funding streams and generate additional income outside of GAG. The budget for 20/21 is sound, and the longer-term financial plan shows sufficient contingency against unwelcome future developments. The Academy's budget is monitored rigorously and long-term financial planning will endeavour to maintain the current position.

- The Academy has been oversubscribed for many years, however this trend has started to slow. The Academy monitors student numbers and will plan strategically to ensure that falling rolls do not continue.
- Condition of our school buildings is an ongoing risk due to their age and state of repair. A comprehensive programme of refurbishment, capital projects and CIF bids are managed to mitigate this risk.

Reserves policy

The Trustees review the cash reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of cash reserves. The Trustees have determined that the appropriate level of contingency cash reserves should be equivalent to one month of expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £723,903 which is considered to be adequate to meet the Academy needs over future years.

The cash balance of the Academy has been very healthy all year, ending the year with a balance of £948,675.

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Investment policy

The Academy has a policy of investing its cash balances with a view to maximising returns, but where greater weight is assigned to the safety of the investment. The policy aims to invest cash such that its cash balances and liquid investments at least equal the figure outlined in the reserves policy.

PLANS FOR FUTURE PERIODS

The Academy will continue striving to improve the progress and performance of all its students, both academically and pastorally through quality teaching and learning and extra-curricular activities.

The Trustees intend to improve and update facilities in pursuance of the School's commitment to ensure that all students achieve their potential. It is recognised that students with differing abilities and aptitudes will have differing curriculum requirements and that a greater diversity of learning environments will be required to deliver these.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the Charitable Company's Auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the Charitable Company's Auditors in connection with preparing their report and to establish that the Charitable Company's Auditors are aware of that information.

AUDITORS

The Auditors, Price Bailey LLP, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 10 December 2020 and signed on its behalf by:

Mr G Jones-Owen
Chair of Trustees

ENFIELD GRAMMAR SCHOOL
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Enfield 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 Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Enfield Grammar School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year.

Attendance during the year at meetings of the Board of Trustees (excluding EGMs) was as follows:

Trustee	Meetings attended	Out of a possible
Mr S Berkkun	4	5
Rev Dr S Griffiths	3	5
Mr S Gilmore	4	5
Mr G Jones-Owen, Chair of Governors	4	5
Mrs R Collis, (resigned 16/10/2019)	1	1
Mr P Collard	5	5
Mrs A Williams	5	5
Mrs H Ashley-Fraser	4	5
Mr C Hide, Responsible Officer	4	5
Mr K Altmann	2	5
Mrs J Woodward	0	0
Mr C Lamb, Headteacher	5	5
Mrs T Holloway	5	5
Mrs V Thompson	3	5
Mrs J Gray	5	5
Mrs E Underwood	3	3
Mr D Willett	3	3
Mr A Yilmaz	2	3

There were a number of Trustee appointments and resignations during the 2019/20 academic year and a review of committee memberships and roles has taken place to ensure the effective deployment of Trustees based on their individual skills and areas of expertise.

A full skills audit was due to take place in March 2020, but due to the pandemic, this is now scheduled for January 2021.

The Trustees attended training courses and conferences to ensure that their knowledge is fully up to date.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The key challenges for the academic year 2019/20 were:

- To ensure that the School set and achieved a balanced budget.
- To support the Senior Leadership Team in leading the School during the COVID-19 pandemic. Financial and organisational management changes arising from COVID-19.

Committees

The Resources and Management Committee is a sub-committee of the Board of Trustees that meets 4 times per year. Its purpose is to:

Finance

- Keep under review the scheme of delegation in financial matters including the level of delegation to the Headmaster for the day-to-day financial management of the School and present to the Board of Trustees any recommendations for change.
- Prepare and present to the Board of Trustees for ratification an annual budget reflecting priorities in the School development plan.
- Monitor the budget (and any other devolved funds e.g. General Annual Grant) and ensure a termly report to the Board of Trustees with an evaluation of the use of resources and any appropriate recommendations.
- Ensure that the "Governors' Fund" or other such fund is audited and appropriate records are kept.

Premises, health and safety

- Agree the lettings and charges policy for the use of School premises.
- Keep the health and safety and emergency procedures and policies under review, ensuring that necessary checks and assessments are carried out and prioritised for action.
- Ensuring the Board of Trustees is compliant with all statutory requirements in this respect.

Staffing

- Agree the staffing establishment and structure (teaching and non-teaching) at least annually in relation to the budget and the School Development Plan.
- Keep under review appropriate staffing policies and procedures - to include grievance, discipline, redundancy, capability, sickness absence, performance management, whistle blowing, pay and conditions of employment and ensure staff are consulted and informed appropriately.
- Recommend to the Board of Trustees the procedure for filling vacancies and making staff appointments.
- Monitor the recruitment and retention of staff in relation to equality, diversity and inclusion and take any remedial action.
- Ensure the School complies with the latest requirements in relation to safe recruitment and safeguarding procedures.
- Consider any issues referred by the Headmaster outside any scheme or policy adopted by the Board of Trustees
- Ensure a review of the whole school pay policy to take account of local and national developments and make appropriate recommendations to the Board of Trustees.
- Ensure an annual review of teachers' salaries in line with current arrangements in the School Teachers' Pay and Conditions Document.
- Ensure an annual review of support staff salaries in line with current arrangements in the NJC for Local Government or other appropriate bodies.
- Consider the recommendation of the Headmaster's performance review group in relation to whether to award the head an annual increment.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr G Jones-Owen	4	4
Mr P Collard	4	4
Mr C Hide	2	4
Mrs A Williams	4	4
Mr A Yilmaz	1	1
Mr S Gilmore	4	4
Mrs H Ashley-Fraser	3	4
Mr C Lamb	4	4
Mrs T Holloway	3	4

Review of value for money

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

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer has delivered improved value for money during the year by:

- Carrying out a tender process for the award of the School's MFD contract, achieving significant savings for the School over the next 3 years.
- Robust project management of the CIF projects resulting in both projects being delivered on time and within budget.
- Using site staff to refurbish areas of the School, resulting in a significant cost saving to the School.
- Carrying out a tender process in order to engage new provider for our 3G lettings service.
- Analysis of different insurance providers, resulting in the appointment of a new insurer (RPA scheme).

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 Enfield 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.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal 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 Board of Trustees.

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GOVERNANCE STATEMENT (CONTINUED)

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 Trustees;
- regular reviews by the Resources and Management Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks

The Board of Trustees has decided to employ Landau Baker Limited as Internal Auditor.

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

- Bank reconciliations;
- Grant income;
- Catering income and controls;
- Payroll reconciliations;
- Governance procedures; and
- VAT claims.

The Internal Auditor reported to the Board of Trustees, through the Finance Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an Annual Summary Report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The Internal Auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of their work.

Review of effectiveness

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

- the work of the Internal Auditor
- the work of the external Auditors;
- the financial management and governance self-assessment process;
- the work of the members of staff 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.

Approved by order of the members of the Board of Trustees on 10 December 2020 and signed on their behalf by:

Mr G Jones-Owen
Chair of Trustees

Mr C Lamb
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Enfield Grammar School I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, 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 Board of Trustees 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 Trustees and ESFA.

Mr C Lamb
Accounting Officer
Date: 27 January 2021

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 10 December 2020 and signed on its behalf by:

Mr G Jones-Owen
Chair of Trustees

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

Opinion

We have audited the financial statements of Enfield 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, 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy'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.

ENFIELD GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Trustees' Report including the Strategic Report, the Governance Statement and the Accounting Officer's 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

ENFIELD GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy 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. 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.

Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP
Chartered Accountants

Chartered Accountants
Statutory Auditors
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

27 January 2021

ENFIELD GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 7 November 2018 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 Enfield 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 Enfield Grammar School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Enfield 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 Enfield Grammar School and ESFA, for our work, for this Report, or for the conclusion we have formed.

Respective responsibilities of Enfield Grammar School's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Enfield Grammar School's funding agreement with the Secretary of State for Education dated 1 August 2011 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.

ENFIELD GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Academy complies with the framework of authorities.
- Evaluation of the general control environment of the Academy, extending the procedures required for financial statements to include regularity, propriety and compliance
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

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.

Reporting Accountant
Price Bailey LLP
Chartered Accountants
Chartered Accountants

Date: 27 January 2021

ENFIELD 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 £
Income from:						
Donations and capital grants	3	35,797	794,607	(24,471)	805,933	1,423,818
Charitable activities	4	169,156	6,823,258	-	6,992,414	6,691,703
Other trading activities	5	153,373	-	-	153,373	231,433
Investments	6	2,158	-	-	2,158	2,772
Total income		<u>360,484</u>	<u>7,617,865</u>	<u>(24,471)</u>	<u>7,953,878</u>	<u>8,349,726</u>
Expenditure on:						
Charitable activities	7	75,662	7,872,865	576,106	8,524,633	8,142,087
Total expenditure		<u>75,662</u>	<u>7,872,865</u>	<u>576,106</u>	<u>8,524,633</u>	<u>8,142,087</u>
Net movement in funds before other recognised gains/(losses)		<u>284,822</u>	<u>(255,000)</u>	<u>(600,577)</u>	<u>(570,755)</u>	<u>207,639</u>
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(96,000)	-	(96,000)	(498,000)
Net movement in funds		<u>284,822</u>	<u>(351,000)</u>	<u>(600,577)</u>	<u>(666,755)</u>	<u>(290,361)</u>
Reconciliation of funds:						
Total funds brought forward		439,081	(1,483,000)	2,828,392	1,784,473	2,074,834
Net movement in funds		284,822	(351,000)	(600,577)	(666,755)	(290,361)
Total funds carried forward		<u>723,903</u>	<u>(1,834,000)</u>	<u>2,227,815</u>	<u>1,117,718</u>	<u>1,784,473</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 23 to 47 form part of these financial statements.

ENFIELD GRAMMAR SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07697044

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	2,227,815	2,317,395
		2,227,815	2,317,395
Current assets			
Debtors	14	2,437,695	2,665,993
Cash at bank and in hand	22	948,675	918,910
		3,386,370	3,584,903
Creditors: amounts falling due within one year	15	(1,142,467)	(1,234,825)
Net current assets		2,243,903	2,350,078
Total assets less current liabilities		4,471,718	4,667,473
Creditors: amounts falling due after more than one year	16	(1,520,000)	(1,400,000)
Net assets excluding pension liability		2,951,718	3,267,473
Defined benefit pension scheme liability	24	(1,834,000)	(1,483,000)
Total net assets		1,117,718	1,784,473
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	2,227,815	2,828,392
Pension reserve	17	(1,834,000)	(1,483,000)
Total restricted funds	17	393,815	1,345,392
Unrestricted income funds	17	723,903	439,081
Total funds		1,117,718	1,784,473

The financial statements on pages 20 to 47 were approved by the Trustees, and authorised for issue on 10 December 2020 and are signed on their behalf, by:

Mr G Jones-Owen
Chair of Trustees

The notes on pages 23 to 47 form part of these financial statements.

ENFIELD GRAMMAR SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	19	65,705	96,199
Cash flows from investing activities	20	(35,940)	103,764
Change in cash and cash equivalents in the year		29,765	199,963
Cash and cash equivalents at the beginning of the year		918,910	718,947
Cash and cash equivalents at the end of the year	21, 22	<u>948,675</u>	<u>918,910</u>

The notes on pages 23 to 47 form part of these financial statements

ENFIELD GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, 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.

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

The functional and presentational currency is Pounds Sterling.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy 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.

Following the year end the Trust has been affected to a limited extent by restrictions imposed by the UK Government in response to the COVID-19 pandemic.

The Trust derives the majority of its income from local and national Government grant funding which is secured for a number of years, under the terms of the Academy Funding Agreement with the Secretary of State for Education. This will ensure that the Trust can continue operating for a period of at least 12 months following the date of this Report. The financial statements do not contain any adjustments that would be required if the Trust were not able to continue as a going concern.

ENFIELD GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

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 period it is receivable and to the extent the Academy has provided the goods or services.

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.

• **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 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

ENFIELD GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.6 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.

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Freehold property	- 50 years straight line
Plant and machinery	- 5 years straight line
Furniture and equipment	- 10 years straight line
Motor vehicles	- 10 years straight line

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.

1.8 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.

1.9 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.

1.10 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.

ENFIELD GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

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 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 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.

ENFIELD GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.13 Pensions (continued)

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.

1.14 Agency arrangements

The Academy acts as an agent in distributing 16-19 Bursary Funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities incorporating Income and Expenditure Account, as the Academy does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account. Where the funds have not been fully applied in the accounting period then an amount will be included as amounts due to the ESFA.

1.15 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 Trustees.

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.

ENFIELD GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The Trustees make 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 24, 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

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	35,797	34,607	-	70,404	151,914
Capital Grants	-	760,000	-	760,000	700,000
Government grants	-	-	(24,471)	(24,471)	571,904
	<u>35,797</u>	<u>794,607</u>	<u>(24,471)</u>	<u>805,933</u>	<u>1,423,818</u>
Total 2019	<u>82,394</u>	<u>769,520</u>	<u>571,904</u>	<u>1,423,818</u>	

In 2019, income from donations was £151,914 of which £82,394 was unrestricted and £69,520 restricted.

In 2019, income from notional rent was £700,000 of which all was restricted.

In 2020, capital grants of £561,904 were in relation to restricted fixed assets.

ENFIELD 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 provision of education

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	6,109,431	6,109,431	6,013,712
Other DfE / ESFA grants	-	620,958	620,958	364,515
	-	6,730,389	6,730,389	6,378,227
Other government grants				
Local Authority grants	-	64,109	64,109	52,113
	-	64,109	64,109	52,113
Other funding				
Catering income	169,156	-	169,156	261,363
	169,156	-	169,156	261,363
Exceptional government funding				
Coronavirus Job Retention Scheme grant	-	28,760	28,760	-
	-	28,760	28,760	-
	169,156	6,823,258	6,992,414	6,691,703
Total 2019	261,363	6,430,340	6,691,703	

In 2019, income from DfE/ESFA grants was £6,378,227 of which all was restricted.

In 2019, income from other government grants was £52,113 of which all was restricted.

In 2019, income from catering was £261,363 of which all was unrestricted.

ENFIELD GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of facilities	87,557	87,557	160,651
Exam fees	9,172	9,172	6,615
Other income	56,644	56,644	64,167
	<u>153,373</u>	<u>153,373</u>	<u>231,433</u>
	<u>231,433</u>	<u>231,433</u>	
Total 2019	<u>231,433</u>	<u>231,433</u>	

In 2019, hire of facilities income was £160,651 of which all was unrestricted.

In 2019, exam fee income was £6,615 of which all was unrestricted.

In 2019, other income was £64,167 of which all was unrestricted.

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	<u>2,158</u>	<u>2,158</u>	<u>2,772</u>
	<u>2,772</u>	<u>2,772</u>	
Total 2019	<u>2,772</u>	<u>2,772</u>	

In 2019, all investment income was in relation to unrestricted funds.

ENFIELD GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Provision of Education:					
Direct costs	5,182,981	-	284,775	5,467,756	5,444,418
Support costs	833,637	1,025,224	1,198,016	3,056,877	2,697,669
	<u>6,016,618</u>	<u>1,025,224</u>	<u>1,482,791</u>	<u>8,524,633</u>	<u>8,142,087</u>
	<u>5,995,735</u>	<u>470,165</u>	<u>1,676,187</u>	<u>8,142,087</u>	
Total 2019					

In 2020, of total expenditure, £75,662 (2019 - £625,911) was to unrestricted funds, £7,872,865 (2019 - £7,389,877) was to restricted funds and £576,106 (2019 - £126,299) was to restricted fixed asset fund.

In 2019, direct expenditure consisted of £5,117,418 staff costs and £327,000 other costs.

In 2019, support expenditure consisted of £878,317 staff costs, £470,165 premises costs and £1,349,187 other costs.

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

8. Charitable activities

	2020 £	2019 £
Direct costs	5,467,756	5,444,418
Support costs	3,056,877	2,697,669
	8,524,633	8,142,087
	8,524,633	8,142,087

	2020 £	2019 £
Support staff costs	833,637	878,317
Depreciation	92,498	80,401
Technology costs	82,476	110,721
Premises costs (excluding depreciation)	459,827	350,586
Other support costs	282,982	516,706
Capital project costs	472,899	39,178
Governance costs	12,300	21,760
Legal	60,258	-
Notional rent	760,000	700,000
	3,056,877	2,697,669
	3,056,877	2,697,669

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	14,823	15,396
Depreciation of tangible fixed assets	90,419	80,401
Fees paid to Auditors for:		
- Audit	7,500	7,100
- Other services	4,800	4,530
	7,500	7,100
	7,500	7,100

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	4,380,810	4,583,925
Social security costs	453,470	458,056
Pension costs	1,127,949	920,533
	<u>5,962,229</u>	<u>5,962,514</u>
Agency staff costs	45,900	22,662
Staff restructuring costs	8,489	10,559
	<u>6,016,618</u>	<u>5,995,735</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory severance payments totalling £8,489 (2019 - £10,559) to 1 individual.

c. Staff numbers

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

	2020 No.	2019 No.
Management	7	7
Teachers	60	72
Administration and support	63	66
	<u>130</u>	<u>145</u>

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

10. Staff (continued)

d. 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	3	4
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
	1	-

e. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £804,068 (2019 £667,118).

11. Trustees' remuneration and expenses

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

		2020 £	2019 £
C Lamb	Remuneration	90,000 - 95,000	85,000 - 90,000
	Pension contributions paid	20,000 - 25,000	10,000 - 15,000
S Berkun	Remuneration	45,000 - 50,000	40,000 - 45,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000
J Grey	Remuneration	25,000 - 30,000	NIL
	Pension contributions paid	5,000 - 10,000	NIL

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

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2020 was included in the total insurance cost.

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

13. Tangible fixed assets

	Land and Buildings £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2019	2,272,908	316,633	293,804	27,205	2,910,550
Additions	-	3,231	10,396	-	13,627
Disposals	-	-	(46,463)	-	(46,463)
At 31 August 2020	<u>2,272,908</u>	<u>319,864</u>	<u>257,737</u>	<u>27,205</u>	<u>2,877,714</u>
Depreciation					
At 1 September 2019	167,554	238,156	160,240	27,205	593,155
Charge for the year	44,020	12,918	35,560	-	92,498
On disposals	-	-	(35,754)	-	(35,754)
At 31 August 2020	<u>211,574</u>	<u>251,074</u>	<u>160,046</u>	<u>27,205</u>	<u>649,899</u>
Net book value					
At 31 August 2020	<u><u>2,061,334</u></u>	<u><u>68,790</u></u>	<u><u>97,691</u></u>	<u><u>-</u></u>	<u><u>2,227,815</u></u>
At 31 August 2019	<u><u>2,105,354</u></u>	<u><u>78,477</u></u>	<u><u>133,564</u></u>	<u><u>-</u></u>	<u><u>2,317,395</u></u>

14. Debtors

	2020 £	2019 £
Due after more than one year		
Other debtors	1,520,000	1,400,000
	<u>1,520,000</u>	<u>1,400,000</u>
Due within one year		
Trade debtors	-	4,644
Other debtors	766,078	752,992
Prepayments and accrued income	151,617	508,357
	<u>2,437,695</u>	<u>2,665,993</u>

Included within other debtors is VAT repayable of £6,078 (2019 - £50,992).

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FOR THE YEAR ENDED 31 AUGUST 2020

15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	40,980	143,642
Other taxation and social security	116,890	120,594
Other creditors	866,644	789,731
Accruals and deferred income	117,953	180,858
	1,142,467	1,234,825
	1,142,467	1,234,825

	2020 £	2019 £
Deferred income at 1 September 2019	93,588	38,895
Resources deferred during the year	51,924	93,588
Amounts released from previous periods	(93,588)	(38,895)
	51,924	93,588
	51,924	93,588

Resources deferred at the year end relate mainly to unearned school trip income.

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

	2020 £	2019 £
Other creditors	1,520,000	1,400,000
	1,520,000	1,400,000

ENFIELD GRAMMAR SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted funds	361,809	360,484	(75,662)	(27,318)	-	619,313
Sinking fund for 3G pitch	77,272	-	-	27,318	-	104,590
	<u>439,081</u>	<u>360,484</u>	<u>(75,662)</u>	<u>-</u>	<u>-</u>	<u>723,903</u>
Restricted general funds						
General Annual Grant (GAG)	-	6,109,431	(6,109,431)	-	-	-
Other DfE/ESFA grants	-	371,151	(371,151)	-	-	-
Pupil Premium	-	249,807	(249,807)	-	-	-
Other Government grants	-	92,869	(92,869)	-	-	-
Educational visits	-	34,607	(34,607)	-	-	-
Donation in kind (see note 27)	-	760,000	(760,000)	-	-	-
Pension reserve	(1,483,000)	-	(255,000)	-	(96,000)	(1,834,000)
	<u>(1,483,000)</u>	<u>7,617,865</u>	<u>(7,872,865)</u>	<u>-</u>	<u>(96,000)</u>	<u>(1,834,000)</u>
Restricted fixed asset funds						
Fixed asset fund	2,317,395	-	(103,207)	13,627	-	2,227,815
DFC	47,972	23,558	(57,903)	(13,627)	-	-
CIF Grant	463,025	(48,029)	(414,996)	-	-	-
	<u>2,828,392</u>	<u>(24,471)</u>	<u>(576,106)</u>	<u>-</u>	<u>-</u>	<u>2,227,815</u>
Total Restricted funds	<u>1,345,392</u>	<u>7,593,394</u>	<u>(8,448,971)</u>	<u>-</u>	<u>(96,000)</u>	<u>393,815</u>
Total funds	<u><u>1,784,473</u></u>	<u><u>7,953,878</u></u>	<u><u>(8,524,633)</u></u>	<u><u>-</u></u>	<u><u>(96,000)</u></u>	<u><u>1,117,718</u></u>

ENFIELD GRAMMAR SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. Statement of funds (continued)

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

Unrestricted funds

This represents income received that does not have restrictions. Included within unrestricted funds, the Trustees have designated amounts in respect of anticipated expenditure for the 3G pitch in accordance with the funding agreement.

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure.

Other DfE/ESFA grants

This represents funding from the DfE/ESFA grants for specific projects.

Pupil Premium

This funding is to be used to raise achievement and improve outcomes for pupils from low-income families who are eligible for free school meals.

Special Educational Needs (SEN)

This represents allocated funding for special educational needs pupils.

Educational visits

This represents contributions made by parents to the running of educational visits for the pupils of the Academy and the associated costs of running the trips.

Donation in kind

This fund represents the rent free occupation of the land and buildings from the Enfield Grammar School Foundation Trust.

Pension reserve

This fund represents the Academy's share of the deficit of the Local Government Pension Scheme (LGPS) transferred to the Academy on conversion from being a state controlled school.

Fixed assets fund

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

Devolved formula capital (DFC) fund

This represents funding received from ESFA specifically for the maintenance and improvement of the Academy's buildings and facilities.

Condition Improvement Fund (CIF) Grant

This represents funding received from the ESFA specifically for repairs on the Art and Science block roofing to improve the Academy's buildings and facilities.

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

Transfers

The transfers represent contributions to the CIF grant from the General Annual Grant and a transfer from the General Annual Grant to the sinking fund for the 3G pitch in line with the funding agreement on completion of the project.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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 £
Unrestricted funds						
Unrestricted funds	461,280	577,962	(625,911)	(51,522)	-	361,809
Sinking fund for 3G pitch	25,750	-	-	51,522	-	77,272
	<u>487,030</u>	<u>577,962</u>	<u>(625,911)</u>	<u>-</u>	<u>-</u>	<u>439,081</u>
Restricted general funds						
General Annual Grant (GAG)	1,390	6,013,712	(5,976,729)	(38,373)	-	-
Other DfE/ESFA grants	-	102,844	(102,844)	-	-	-
Pupil Premium	-	261,671	(261,671)	-	-	-
Other Government grants	-	52,113	(52,113)	-	-	-
Educational visits	-	69,520	(69,520)	-	-	-
Donation in kind (see note 27)	-	700,000	(700,000)	-	-	-
Pension reserve	(758,000)	-	(227,000)	-	(498,000)	(1,483,000)
	<u>(756,610)</u>	<u>7,199,860</u>	<u>(7,389,877)</u>	<u>(38,373)</u>	<u>(498,000)</u>	<u>(1,483,000)</u>

ENFIELD GRAMMAR SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Restricted fixed asset funds						
Fixed asset fund	2,286,837	-	(87,121)	117,679	-	2,317,395
DFC	57,577	83,546	-	(93,151)	-	47,972
CIF Grant	-	488,358	(39,178)	13,845	-	463,025
	<u>2,344,414</u>	<u>571,904</u>	<u>(126,299)</u>	<u>38,373</u>	<u>-</u>	<u>2,828,392</u>
Total Restricted funds	<u>1,587,804</u>	<u>7,771,764</u>	<u>(7,516,176)</u>	<u>-</u>	<u>(498,000)</u>	<u>1,345,392</u>
Total funds	<u><u>2,074,834</u></u>	<u><u>8,349,726</u></u>	<u><u>(8,142,087)</u></u>	<u><u>-</u></u>	<u><u>(498,000)</u></u>	<u><u>1,784,473</u></u>

18. 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	-	-	2,227,815	2,227,815
Debtors due after more than one year	-	1,520,000	-	1,520,000
Current assets	723,903	1,142,467	-	1,866,370
Creditors due within one year	-	(1,142,467)	-	(1,142,467)
Creditors due in more than one year	-	(1,520,000)	-	(1,520,000)
Provisions for liabilities and charges	-	(1,834,000)	-	(1,834,000)
Total	<u><u>723,903</u></u>	<u><u>(1,834,000)</u></u>	<u><u>2,227,815</u></u>	<u><u>1,117,718</u></u>

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

18. Analysis of net assets between funds (continued)

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	-	-	2,317,395	2,317,395
Debtors due after more than one year	-	1,400,000	-	1,400,000
Current assets	439,081	1,234,825	510,997	2,184,903
Creditors due within one year	-	(1,234,825)	-	(1,234,825)
Creditors due in more than one year	-	(1,400,000)	-	(1,400,000)
Provisions for liabilities and charges	-	(1,483,000)	-	(1,483,000)
Total	<u>439,081</u>	<u>(1,483,000)</u>	<u>2,828,392</u>	<u>1,784,473</u>

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

	2020 £	2019 £
Net (expenditure)/income for the period (as per Statement of Financial Activities)	(570,755)	207,639
Adjustments for:		
Depreciation and loss on disposal	103,207	87,121
Capital grants from DfE and other capital income	24,471	(571,904)
Interest receivable	(2,158)	(2,772)
Defined benefit pension scheme finance cost	255,000	227,000
Decrease/(increase) in debtors	214,636	(56,738)
Increase in creditors	41,304	205,853
Net cash provided by operating activities	<u>65,705</u>	<u>96,199</u>

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

20. Cash flows from investing activities

	2020 £	2019 £
Interest	2,158	2,772
Purchase of tangible fixed assets	(13,627)	(117,679)
Capital grants from DfE Group	(24,471)	218,671
Net cash (used in)/provided by investing activities	(35,940)	103,764

21. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	948,675	918,910

22. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	918,910	29,765	948,675
	918,910	29,765	948,675

23. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements		
Repairs, maintenance or enhancements to tangible fixed assets	-	463,025

ENFIELD GRAMMAR SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. 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 the London Borough of Enfield. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £105,338 were payable to the schemes at 31 August 2020 (2019 - £89,375) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- 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 £679,682 (2019 - £508,134).

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.

ENFIELD GRAMMAR SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. Pension commitments (continued)

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 £272,000 (2019 - £254,000), of which employer's contributions totalled £211,000 (2019 - £197,000) and employees' contributions totalled £ 61,000 (2019 - £57,000). The agreed contribution rates for future years are 17.8% per cent for employers and 5.5 - 7.5 per cent for employees.

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

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.8	3.6
Rate of increase for pensions in payment/inflation	2.3	2.1
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.3	2.1
Inflation assumption (RPI)	3.3	3.1

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
Retiring today		
Males	22.4	23.4
Females	24.3	25.8
Retiring in 20 years		
Males	23	25
Females	25	27.6

As at the 31 August 2020 the Trust had a pension liability £1,834,000 (2019 - £1,483,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way:

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24. Pension commitments (continued)

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	(160,000)	(105,000)
Discount rate -0.1%	160,000	107,000
Mortality assumption - 1 year increase	46,000	177,000
Mortality assumption - 1 year decrease	(46,000)	(175,000)
CPI rate +0.1%	137,000	74,000
CPI rate -0.1%	(137,000)	(73,000)
	<u><u> </u></u>	<u><u> </u></u>

Share of scheme assets

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

	2020 £	2019 £
Equities	1,797,000	1,700,000
Gilts	292,000	493,000
Corporate bonds	564,000	537,000
Property	229,000	267,000
Cash and other liquid assets	171,000	156,000
Other	836,000	552,000
	<u><u> </u></u>	<u><u> </u></u>
Total market value of assets	<u><u>3,889,000</u></u>	<u><u>3,705,000</u></u>

The actual return on scheme assets was £69,000 (2019 - £277,000).

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

	2020 £	2019 £
Current service cost	(442,000)	(313,000)
Past service cost	-	(93,000)
Interest income	69,000	(18,000)
Interest cost	(93,000)	-
	<u><u> </u></u>	<u><u> </u></u>
Total amount recognised in the Statement of Financial Activities	<u><u>(466,000)</u></u>	<u><u>(424,000)</u></u>

ENFIELD GRAMMAR SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	5,188,000	3,969,000
Current service cost	442,000	313,000
Interest cost	93,000	111,000
Employee contributions	61,000	57,000
Actuarial (gains)/losses	(6,000)	682,000
Benefits paid	(55,000)	(37,000)
Past service costs	-	93,000
At 31 August	<u>5,723,000</u>	<u>5,188,000</u>

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

	2020 £	2019 £
At 1 September	3,705,000	3,211,000
Interest income	69,000	93,000
Actuarial (losses)/gains	(102,000)	184,000
Employer contributions	211,000	197,000
Employee contributions	61,000	57,000
Benefits paid	(55,000)	(37,000)
At 31 August	<u>3,889,000</u>	<u>3,705,000</u>

25. Operating lease commitments

At 31 August 2020 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts payable:		
Within 1 year	13,555	12,115
Between 1 and 5 years	62,820	21,815
	<u>76,375</u>	<u>33,930</u>

ENFIELD GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

26. 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.

27. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the 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.

Any transactions where the Trustee has a pecuniary interest is only undertaken in accordance with the 'at cost' principle stated in the Academies Financial Handbook.

Some Members and Trustees of the Academy are also Trustees of the Enfield Grammar School Foundation Trust, a separate charity registered with the Charity Commission. The Academy operates from land and buildings provided rent free by the Enfield Grammar School Foundation Trust. In accordance with the Academies Accounts Direction 2019 to 2020 the Academy Trustees have concluded that, on the basis of the circumstances existing at the year end, and based upon the probable course of subsequent events, the Academy does have an asset representing the future value of occupying the property free of rent. The Academy Trustees consider that the appropriate period for which to recognise this asset is the length of the notice period detailed in the Supplemental Funding Agreement with the Secretary of State, i.e. 3 years. The Academy Trustees estimate that the cost of renting equivalent buildings would be £760,000 per annum (2019: £700,000), on this basis a donation from the Enfield Grammar School Foundation Trust of £760,000 is shown in the accounts together with a notional expense of the same amount. In addition, included within creditors is a donation in kind receivable of £2,280,000 representing the commitment by the Enfield Grammar School Foundation Trust to provide the land and buildings rent free for a minimum of a further 3 years.

During the year, the Trustees of the Enfield Foundation made donations of £NIL (2019 - £13,845) as a contribution towards the CIF project for the roofing works. At year end amounts due from the Trustees were £NIL (2019 - £12,000).

There were no other related party transactions.

28. Agency arrangements

The Academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2019 the Academy received £8,680 (2019 - £11,630) and disbursed £8,680 (2019 - £11,630) from the fund. An amount of £NIL (2019 - £NIL) is included in the carry forward at year end relating to undistributed funds that are repayable to the ESFA.