

Company Registration No. 07697158 (England and Wales)

WEST KIRBY GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021

WEST KIRBY GRAMMAR SCHOOL

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WEST KIRBY GRAMMAR SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Ms S McClennon (Chair until 1 October 2021)
Mr N Attwood
Mrs R Beech
Mr M Berry (Resigned 1 October 2021)
Mrs S Bevan
Mrs L Broadbere
Mr S Clarke (Appointed 1 September 2020)
Mrs E Davidson
Mrs D Favager
Mrs L Howe (Appointed 22 March 2021)
Mr A Milne (Resigned 21 May 2021)
Dr A Owen (Appointed 22 March 2021)
Mr M Simmons
Mrs S Talbot
Mr K Vane (Appointed 22 March 2021)
Dr A Waller (Chair from 1 October 2021)
Mrs S Wallis (Resigned 22 February 2021)
Mr J Young

Senior management team

- Headteacher (resigned 31 August 2020)	Mrs E Sargent
- Deputy Headteacher (Headteacher from 31 August 2020)	Mr S Clarke
- Senior Assistant Headteacher	Mrs J L Morrison
- Assistant Headteacher	Mrs K Cliffe
- Assistant Headteacher	Mr M Thomas
- Business Manager	Mrs N McDonald

Company secretary

Mrs N McDonald

Company registration number

07697158 (England and Wales)

Principal and registered office

Graham Road
West Kirby
Wirral
Merseyside
CH48 5DP

Independent auditor

Mitchell Charlesworth LLP
3rd Floor
5 Temple Square
Temple Street
Liverpool
Merseyside
L2 5RH

WEST KIRBY GRAMMAR SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank plc
137 Telegraph Road
Heswall
Wirral
Merseyside
CH60 0AN

Solicitors

Hill Dickinson LLP
No.1 St. Pauls Square
Liverpool
Merseyside
L3 9SJ

WEST KIRBY GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 11 to 18 serving a catchment area in Wirral and North Wales. It has a pupil capacity of 1,300 and had a roll of 1,269 in the school census September 2021.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust herewith referred to as West Kirby Grammar School (WKGS).

The trustees of West Kirby Grammar School are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice, the academy has purchased insurance to protect trustees, local governors and officers from claims arising due to negligent acts, errors or omissions occurring on school business.

Method of recruitment and appointment or election of trustees

There are currently 14 governors representing various local stakeholders, five elected parent governors from the prevailing parent body, three elected staff governors, five appointed governors (reflecting the skills required of a modern academy as determined by the other governors) and the Headteacher.

Policies and procedures adopted for the induction and training of trustees

Governors undertake an induction programme in line with the school's induction policy for governors including meetings with the Chair of Governors and the Headteacher.

Governors are encouraged to attend the training sessions provided by the Local Authority.

WEST KIRBY GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Principal activities

The principal activity of West Kirby Grammar School is to provide an outstanding education for all its students whatever their age, ability or social and economic background by maintaining, operating and developing the school and ensuring a broad curriculum and enhancement opportunities are available to challenge, support and motivate students. In setting the school's objectives and planning its activities, Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

Admission to this single sex (girls) school is by selection at 11 which is co-ordinated by the Local Authority. Priority admission is given to 'Looked After' children, those with siblings at the school and those who live within the local area.

Applications for places are made in accordance with Wirral's co-ordinated admissions arrangements and the school's Admission Policy. Boys are admitted to the Sixth Form, along with girls who have met the admissions requirements.

The school works to promote a safe and healthy environment in which all students can develop their fullest potential academically, socially and personally and as a result achieve well.

Organisational structure

The organisational structure consists of three levels - the Academy Trust Board (the trustees/governors - all governors are trustees), the Governing body and the Senior Management Team.

The Academy Trust Board (the trustees/governors) is responsible for those statutory duties which may not be delegated to the Governing Body.

The key purposes of the Governing Body are:

- monitoring standards to ensure that teaching and learning is first class
- monitoring the school's financial and academic performance
- developing the strategic policies which reflect the school's vision and ethos
- promoting the school and fostering links with the local community
- ensuring the school functions effectively as a learning community upholding British values

In fulfilling the above purposes, the Governing Body discharges the following responsibilities -

- develop and review the School's Development Plan
- review and monitor the School's financial position on a regular basis and consider any significant contractual matters
- monitor the educational performance of the school in line with outcomes and success criteria
- approve and review the implementation and effectiveness of key operational policies
- monitor the effectiveness of staffing policies including performance management and pay reviews
- participate in marketing and communication with parents and the local and wider communities
- monitor the effective management of the School's site and building
- maintain an overview of the School's risk management procedures
- ensure safeguarding policies, including the Prevent strategy, are upheld

The Senior Management team consists of the Headteacher, one Deputy Headteacher, four Assistant Headteachers and the School's Finance Director. These leaders, manage the school at an executive level implementing the policies laid down by the Governing Body.

WEST KIRBY GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Arrangements for setting pay and remuneration of key management personnel

'Key management personnel' is a term used by FRS 102 for those persons having authority and responsibility for planning, directing and controlling the activities of a reporting entity, directly or indirectly, including any director (whether executive or otherwise). This definition for WKGS includes the Headteacher, Deputy Headteacher, four Assistant Headteachers and the School Finance Director. These staff are the senior management personnel to whom the trustees have delegated significant authority or responsibility in the day-to-day running of the academy trust. The setting of pay and remuneration of key personnel is managed by Governors who follow statutory guidance and the School's Pay Policy. This task is delegated to an appointed committee of Governors who carry out the Headteacher's formal appraisal annually. Decisions are then taken to the Full Governing Body to be ratified.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	4
Full-time equivalent employee number	4.00

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	4
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	5,223,000
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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Related parties and other connected charities and organisations

The Governing Body works with Wirral Local Authority, the DfE, the ESFA, local primary and secondary schools. Through the Ogden Trust it works with the Queens School Chester, Woodchurch High School, Weatherhead School, Neston High School and Upton School. The school is a member of the Grammar School Heads' Association.

WEST KIRBY GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

Objects and aims

At West Kirby Grammar School, it is our responsibility to support all students to achieve their potential academically, socially and personally. Our key aims are:

- To ensure that each student is at the centre of all that we do, and to encourage them to develop as thinking, creative and resilient individuals, with a thirst for knowledge and an excitement about the endless possibilities open to them.
- To celebrate the work and achievements of all staff and students, encouraging excellence, effort and citizenship in our supportive community.
- To encourage and assist all students to maximise their potential, ensuring that they feel happy and safe in our vibrant environment, enabling them to achieve, explore, and overcome failure.
- To prepare students for life beyond school, by providing a wealth of opportunities, encouraging them to be thoughtful, confident individuals, able to apply themselves to any situation.
- To ensure that teaching and learning is outstanding, innovative and creative, across the curriculum, where teachers keep abreast of educational pedagogy using the best of new ideas to enhance teaching practice.
- To use the latest technologies to give access to the best teaching and learning resources for all teachers and students and to ensure that the site and resources are continually developed to support first class teaching and learning.
- To be a self-reviewing and reflective school, constantly striving to improve, never complacent and always developing.
- To build upon the productive relationships that we have with parents, carers, other educational establishments, business and the wider community, communicating effectively to enhance the work and life of the School.

In the year the Governors have continued to monitor the work and progress of the school by:

- regularly receiving information on financial performance against the approved budget
- review of the planned initiatives as outlined in the School Development Plan (2020-21) for maintaining and improving the academic provision and achievement of the school and its students
- receiving regular updates on key aspects of school life:
 - Health & Safety
 - Curriculum
 - Finance
 - Staffing

WEST KIRBY GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Our aims for the forthcoming year:

- To be an inclusive community that celebrates success in all forms and ensures excellence for all. We will have the highest expectations of all learners, providing them with an enriching curriculum, utilising the most up to date strategies and technologies to improve inclusion, standards and excellence.
- To be a reflective and self-improving school, developing leadership and management at all levels, with highly skilled, improvement-driven staff who seek to continually develop pedagogy based on evidence informed research.
- To ensure that Sixth Form provision is world class, promoting independence, self-motivation and confidence in all learners. To go beyond the expected, so that learners have access to a wide, rich set of experiences that teach learners why it is important to contribute actively to society and prepare them to become the leaders of tomorrow.
- To maintain a focus on the wellbeing of staff and students alike to create a cohesive and happy community who are respectful of each other and proud to be members of West Kirby Grammar School. To be an inclusive community that celebrates success in all forms and ensures excellence for all.

How will we achieve these aims?

- Engagement with the High Performance Learning philosophy in all aspects of school life to develop an enhanced awareness of how students can be supported to understand 'how to think' and 'how to behave' in order to achieve high performance.
- Make students aware of transferable skills between curriculum areas such as meta-thinking, linking, analysing, creating and realising, alongside raising standards of numeracy and literacy.
- Introduce further bespoke packages of support where needed e.g. Pupil Premium or disadvantaged, underachieving students
- There are clear expectations, rules and procedures. All members of the school community are treated with respect and act respectfully to one another.
- Increase professional dialogue in and between curriculum areas, sharing best practise and new ideas
- Student voice growing and they are encouraged to take more ownership of specific developments within the school
- Quality assurance processes are enhanced to ensure consistency in all aspects of school life, so students receive an exceptional education in all areas
- Students take more ownership and responsibility for their work and achievements - rewards process enhanced and improved
- Different staff and students given opportunities for leadership roles
- Further building a pastoral programme that is meaningful, reflective and promotes the best of British values

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties. The main activities of the school which constitute the entity as a public benefit is the provision of education.

WEST KIRBY GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

The year covered by these financial statements reflects the sixth year for West Kirby Grammar School as an academy. The following paragraphs present a review of the significant achievements during the year in pursuit of furthering its charitable purposes for public benefit.

Systems since converting to an academy are now embedded and working successfully. The finance team, senior management and teachers are all ensuring that high standards of governance are maintained.

The challenges of managing schools during a national pandemic once again lead to the awarding of Teacher Assessed Grades where the school has once again excelled academically with a Progress 8 score of 1.13 (unvalidated) at GCSE representing significantly above average rates of progress from Year 7 to 11. At A-level, the L3VA score was 0.52 and 82% of grades were A*-B, and 95% A*-C.

Key performance indicators

The Academy will sustain appropriate staffing levels to deliver a broad and balanced curriculum that meets the interests and aspirations of its students. The Academy will sustain strong performance in external examinations and will provide a physical environment that is safe and secure for all.

The external examination results in 2020 were exceptional

- 100% of students achieved a Standard Pass in English and Maths with 97% achieving a Strong Pass
- 70% of all grades achieved were at grades 9-7
- 82% of Advanced level results were graded A*/A/B
- 54% of all Advanced level results were awarded A - A.

Covid-19

The trustees have considered the impact of the COVID-19 pandemic on the academy in assessing the results for the year, along with the impact on the achievements and plans for the future.

The school closed to all students except those of key workers, in accordance with the national lockdown at the end of March. Since that time trustees have agreed and senior leadership team have carried out risk assessments and implemented strategies to ensure that the school was able to provide a safe environment for its pupils, staff and visitors on its reopening in September. Adapting to a blended learning model has required significant investment and time but has facilitated home and virtual learning.

As working from home became a necessity, financial controls and procedures have been adapted to suit the changes in working methods and the use of technology to facilitate virtual meetings has ensured that the governance of the academy is not undermined.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies. The budget for the 2021/22 financial year has been set and agreed by Governors and is expected to give rise to a slight surplus for the year.

WEST KIRBY GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

The financial position of the school is detailed in the following pages.

Most of the school's income is obtained from the ESFA in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The grants received during the year and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Recurrent grants of £6,053k (2020: £5,469) were received from the GAG funding from ESFA. Expenditure covered by these grants amounted to £5,637k (2020: £5,445k). This grant and expenditure is shown in the restricted general fund in the Statement of Financial Activities. Unrestricted income and expenditure in the year amounted to £20k (2020: £59k) and £nil (2020: £nil) respectively.

At 31 August 2021 the net book value of fixed assets was £11,146k (2020: £11,200k) and movements in fixed assets are shown in Note 12 to the financial statements. The cost of fixed asset additions in the year amounted to £271k of which £130k was for works to the land and buildings, £88k computer equipment and £53k was for fixtures, fittings and equipment.

Financial and risk management objectives and policies

The objective of the Academy's Risk Management procedure is to identify the principal risks facing the academy so that existing controls may be considered and further action taken if required, including external insurance.

The Board of Trustees has a comprehensive risk management process to identify and monitor the risks faced by the Academy.

The financial risks considered include: economic/ financial uncertainty, liquidity and solvency, credit risk, the risk of fraud and compliance with financial/ statutory requirements.

Reserves policy

Governors review the level of reserves annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees will ensure that the reserves policy continues to conform to the requirements laid down in the Academies' Financial Handbook produced by the ESFA.

It is Governors' policy to build up unrestricted reserves which can be used for future education purposes in line with the academy's development plan.

The school's pension liability is £2,383k with sufficient assets to cover this figure.

The Board of Trustees reviews the Academy's Reserve Policy annually as part of the Financial Procedures manual review. In addition the appropriate level of working capital should be a minimum of £450,000 to cover one month's staff costs.

Investment policy

Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Governors have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates.

Governors are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Day to day management of the surplus funds is delegated to the Business & Premises Manager under approvals by the Governing Body.

WEST KIRBY GRAMMAR SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Principal risks and uncertainties

Governors are responsible for the management of the risks to which the school is exposed and are assisted in this task by the Senior Management Group, the school's Health & Safety Officer, Health & Safety consultant and Human Resources advisors from Hill Dickinson LLP and the Local Authority. It has also sought professional advice and support from the Risk Protection Association and Zurich Insurance Group. Operational risks are identified and assessed at school level and these are reviewed by Governors.

The key controls used by Governors include:

- detailed terms of reference for all committees
- formal agendas for all meetings and committee meetings of the Governing Body. Minutes of full Governing Body and committee meetings are reviewed by Governors
- schemes of delegation and formal financial regulations for staff
- formal written policies
- formal review of targets and progress reports clear authorisation and approved levels
- policies and procedures by law to protect the vulnerable.

Risk management procedures have been reviewed during the year and Governors are satisfied that the major risks identified have been reviewed and processes have been established to manage those risks where necessary.

Pupil numbers and forecast numbers are consistent. Sixth Form numbers have been maintained in 2019-20 and are relatively consistent. Admission numbers are annually reviewed and actions are implemented to maintain and extend recruitment out of area.

The completion of a comprehensive risk register is an on-going project.

Fundraising

The school's students undertake numerous fundraising events for various charities. The two school charities for 2020/21 were Wirral Women and Children's Aid and Clatterbridge Cancer Centre.

Plans for future periods

The school's plan for future years is to continue to work towards the aims and objectives on page 5 and 6.

Auditor

In so far as the trustees are aware:

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

A resolution proposing that Mitchell Charlesworth LLP be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 08 December 2021 and signed on its behalf by:



Dr A Waller

Chair (appointed 1 October 2021)

WEST KIRBY GRAMMAR SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met four times during the year. Given the structure of sub-committees in place, the trustees are satisfied that the number of full board meetings is sufficient to discharge their responsibilities. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Ms S McClennon (Chair (resigned 1 October 2021))	3	3
Mr N Attwood	3	3
Mrs R Beech	3	3
Mr M Berry (Resigned 1 October 2021)	3	3
Mrs S Bevan	3	3
Mrs L Broadbere	1	3
Mr S Clarke (Appointed 1 September 2020)	3	3
Mrs E Davidson	3	3
Mrs D Favager	3	3
Mrs L Howe (Appointed 22 March 2021)	1	1
Mr A Milne (Resigned 21 May 2021)	2	2
Dr A Owen (Appointed 22 March 2021)	1	1
Mr M Simmons	3	3
Mrs S Talbot	2	3
Mr K Vane (Appointed 22 March 2021)	1	1
Dr A Waller (Chair (appointed 1 October 2021))	3	3
Mrs S Wallis (Resigned 22 February 2021)	2	2
Mr J Young	3	3

The board of trustees spread its workload by delegating certain functions to committees whose constitution and membership are agreed annually by the board of trustees. Committees are chaired by trustees and have a member of the senior leadership team attached. They meet before full board meetings, or as and when required, to prioritise and focus upon tasks in their areas of Curriculum, Health & Safety/Premises, Pay & Salaries, Staffing, Audit and Finance. Committee meetings have minutes taken to report to the trustees and identify key decisions which have been ratified by the full board of trustees.

WEST KIRBY GRAMMAR SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The board of trustees spread its workload by delegating certain functions to committees whose constitution and membership are agreed annually by the board of trustees. Committees are chaired by trustees and have a member of the senior leadership team attached. They meet before full board meetings, or as and when required, to prioritise and focus upon tasks in their areas of Curriculum, Health & Safety/Premises, Pay & Salaries, Staffing, Audit and Finance. Committee meetings have minutes taken to report to the trustees and identify key decisions which have been ratified by the full board of trustees.

The academy trusts carry out a review of governance on an annual basis.

- In 2020/21 the NGA skills audit was completed by all Governors to assess the breadth and depth of the Board's skills and knowledge across a range of priorities including strategic leadership, accountability and compliance.
- A number of experienced Governors retired this year and two new Parent Governors with educational and legal expertise were appointed after a parental ballot. The audit highlighted that the Board covered the core functions of the Governing Body but that it would be strengthened by the addition of specific financial skills and action was taken to recruit a trustee with professional financial experience. Areas of training and development for the whole board or individuals were also identified.
- The next self-evaluation will be at the end of the 2021/22 year.

The finance committee is a sub-committee of the main board of trustees. Its purpose is to monitor the financial administration of the school to ensure efficient and effective use of funds in accordance with current regulations by discussion, review and challenge at its meetings.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Ms S McClennon (Chair (resigned 1 October 2021))	3	3
Mr M Berry (Resigned 1 October 2021)	3	3
Mr S Clarke (Appointed 1 September 2020)	3	3
Mrs E Davidson	1	3
Mr M Simmons	3	3
Dr A Waller (Chair (appointed 1 October 2021))	3	3

Review of value for money

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

WEST KIRBY GRAMMAR SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Results significantly above national average: In 2020-21 results were as follows:

A level

- The pass rate A*-E was 100%
- 62% of the grades awarded were graded A* - B
- 32% of all results were awarded A*-A

GCSE:

- 100% of students achieved a Standard Pass in English and Maths (previous A* - C grade)
- 71% of all grades achieved were at grades 9-7 (previous A*-A)
- Students with English as an Additional Language achieved 1.2 grades higher than their national expectation

Again another impressive year with some outstanding achievements. A review of all results is undertaken with Department Improvement Plans and School Improvement Plans setting targets for the following year.

Targeted Improvement

Targeted groups of students are being supported to achieve their potential. These are pupil premium, SEN, LAC and G&T. Improvement of progress in the Sixth Form is a key whole school priority.

Financial Governance & Oversight

This includes:-

- Monitoring the work of the Business Manager and the work of the external auditor
- Regular reviews by the Finance Committee check expenditure, capital works, forecasts and so on.
- Delegation of authority for separate duties
- Risk management
- Better purchasing - a review of contracts, leases, etc to ensure value for money
- A clear and comprehensive tendering process
- Scrutiny- Mitchell Charlesworth LLP have been appointed as external auditors
- Review of reserves in the light on budget constraints and the investment of balances
- Curriculum Review

The school reviews the curriculum annually to ensure breadth and balance. Individual learning pathways are supported to ensure students have the opportunity to follow their ambitions in the next phase of their lives. New A level and GCSE syllabi have been implemented along with continuing to implement Assessment Without Levels.

WEST KIRBY GRAMMAR SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in West Kirby Grammar School for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and appointed Langtons LLP as the internal auditor. The trustees have appointed Mitchell Charlesworth LLP, the external auditor, to perform additional checks in accordance with the guidance in the Academies Financial Handbook in support of the Responsible Officer. The audit consisted of a high-level compliance review of the key controls in place in relation to the School's finance function. The consistent application of key controls across the School's main financial processes provides on-going assurance over the financial management of the organisation. The governors appointed Mr A Milne, a governor, as Responsible Officer ('RO'). The RO's role in line with the ESFA's requirement included giving advice on financial matters and performing a range of checks on the school's financial systems. On an annual basis the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. In particular the key control areas tested in the current period included;

- Income and debtors
- General ledger
- Payroll
- Policy and procedures
- Fixed assets
- Expenditure
- Expense claims

On an annual basis, the reviewer reports to the audit committee on the operation of the systems of control and on the discharge of the board of trustees financial responsibilities.

WEST KIRBY GRAMMAR SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The internal auditor has delivered their schedule of work as planned, there were no material control issues arising as a result of the internal auditor's/ reviewer's work, no remedial action is required.

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 Langton's LLP in support of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of trustees on 08 December 2021 and signed on its behalf by:



Dr A Waller

Chair (appointed 1 October 2021)

WEST KIRBY GRAMMAR SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of West Kirby Grammar School, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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 S Clarke
Accounting Officer

08 December 2021

WEST KIRBY GRAMMAR SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who are also the directors of West Kirby Grammar School for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 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 accounts for each financial year. Under company law, the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 08 December 2021 and signed on its behalf by:



Dr A Waller

Chair (appointed 1 October 2021)

WEST KIRBY GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST KIRBY GRAMMAR SCHOOL FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of West Kirby Grammar School for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

WEST KIRBY GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST KIRBY GRAMMAR SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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

WEST KIRBY GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST KIRBY GRAMMAR SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

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

- the nature of the industry and sector, control environment and business performance;
- the academy's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and members of the board of governors of their own identification and assessment of the risks of irregularities;
- any matters identified having obtained and reviewed the academy's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the academy's Statement of Financial Activities, (ii) the academy's accounting policy for revenue recognition (iii) the overstatement of salary and other costs (iv) the assumptions used in the calculation of the valuation of the surplus or deficit on the defined benefit pension scheme and the movements for the year. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued by the joint SORP making body, along with the Academies Financial Handbook and Accounts direction.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the academy's ability to operate or to avoid a material penalty. This includes regulations concerning Data Protection and Safeguarding.

WEST KIRBY GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST KIRBY GRAMMAR SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Audit response to risks identified

As a result of performing the above, we identified the presentation of the academy's Statement of Financial Activities, revenue recognition and overstatement of wages and other costs as the key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and members of the board concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

Use of our report

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



Philip Griffiths (Senior Statutory Auditor)
for and on behalf of Mitchell Charlesworth LLP

8 December 2021

Chartered Accountants
Statutory Auditor

3rd Floor
5 Temple Square
Temple Street
Liverpool
Merseyside
L2 5RH

WEST KIRBY GRAMMAR SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 26 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by West Kirby Grammar School during the period 1 September 2020 to 31 August 2021 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 West Kirby Grammar School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the West Kirby 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 West Kirby Grammar School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of West Kirby Grammar School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of West Kirby Grammar School's funding agreement with the Secretary of State for Education dated 11 March 2013 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewing the activities to ensure they are in keeping with the charitable objectives and framework.
- Reviewing declarations of interest and seeking further representations.
- Reviewing the control environment and considering potential weaknesses.
- Reviewing minutes of various committees, management accounts and holding discussions with key personnel.

WEST KIRBY GRAMMAR SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

Mitchell Charlesworth LLP

3rd Floor

5 Temple Square

Temple Street

Liverpool

Merseyside

L2 5RH

Dated: 08 December 2021

WEST KIRBY GRAMMAR SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £'000	General £'000	Restricted funds: Fixed asset £'000	Total 2021 £'000	Total 2020 £'000
Income and endowments from:						
Donations and capital grants	3	-	-	306	306	26
Charitable activities:						
- Funding for educational operations	4	-	6,665	-	6,665	5,942
Other trading activities	5	13	-	-	13	11
Investments	6	7	-	-	7	6
Total		<u>20</u>	<u>6,665</u>	<u>306</u>	<u>6,991</u>	<u>5,985</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	-	6,373	325	6,698	6,327
Total	7	<u>-</u>	<u>6,373</u>	<u>325</u>	<u>6,698</u>	<u>6,327</u>
Net income/(expenditure)		20	292	(19)	293	(342)
Transfers between funds	16	-	(112)	112	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	134	-	134	(19)
Net movement in funds		20	314	93	427	(361)
Reconciliation of funds						
Total funds brought forward		704	(2,099)	11,209	9,814	10,175
Total funds carried forward		<u>724</u>	<u>(1,785)</u>	<u>11,302</u>	<u>10,241</u>	<u>9,814</u>

WEST KIRBY GRAMMAR SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2020		funds	General	Fixed asset	2020
	Notes	£'000	£'000	£'000	£'000
Income and endowments from:					
Donations and capital grants	3	-	-	26	26
Charitable activities:					
- Funding for educational operations	4	23	5,919	-	5,942
Other trading activities	5	11	-	-	11
Investments	6	6	-	-	6
Total		40	5,919	26	5,985
Expenditure on:					
Charitable activities:					
- Educational operations	8	-	6,007	320	6,327
Total	7	-	6,007	320	6,327
Net income/(expenditure)		40	(88)	(294)	(342)
Transfers between funds	16	-	(29)	29	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	18	-	(19)	-	(19)
Net movement in funds		40	(136)	(265)	(361)
Reconciliation of funds					
Total funds brought forward		664	(1,963)	11,474	10,175
Total funds carried forward		704	(2,099)	11,209	9,814

WEST KIRBY GRAMMAR SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2021

		2021		2020	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12		11,146		11,200
Current assets					
Debtors	13	450		135	
Cash at bank and in hand		1,384		1,247	
		<u>1,834</u>		<u>1,382</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(356)		(388)	
Net current assets			1,478		994
Net assets excluding pension liability			12,624		12,194
Defined benefit pension scheme liability	18		(2,383)		(2,380)
Total net assets			<u>10,241</u>		<u>9,814</u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			11,302		11,209
- Restricted income funds			598		281
- Pension reserve			(2,383)		(2,380)
Total restricted funds			<u>9,517</u>		<u>9,110</u>
Unrestricted income funds	16		724		704
Total funds			<u>10,241</u>		<u>9,814</u>

The accounts on pages 24 to 46 were approved by the trustees and authorised for issue on 08 December 2021 and are signed on their behalf by:



Dr A Waller

Chair (appointed 1 October 2021)

Company Number 07697158

WEST KIRBY GRAMMAR SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

		2021		2020	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	19		381		(93)
Cash flows from investing activities					
Dividends, interest and rents from investments		7		6	
Capital grants from DfE Group		20		193	
Purchase of tangible fixed assets		(271)		(116)	
Net cash (used in)/provided by investing activities			(244)		83
Net increase/(decrease) in cash and cash equivalents in the reporting period			137		(10)
Cash and cash equivalents at beginning of the year			1,247		1,257
Cash and cash equivalents at end of the year			1,384		1,247

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

West Kirby Grammar School is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

The financial statements are presented in sterling which is also the functional currency of the academy trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

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 charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts, along with the impact of Covid-19, and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

At the balance sheet date the Academy had net assets of £10.2m after providing for long term pension scheme commitments of £2,383k in respect of the support staff defined benefit pension scheme and had net current assets of £1,474k.

The trustees have reviewed and approved budgets and cashflow forecasts for 2021/22 and future years and consider in the light of this review that it is appropriate to prepare the financial statements on a going concern basis.

1.3 Income

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

Grants

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.

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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

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 trust 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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

Freehold land and buildings	Nil depreciation on land, 2% straight line on buildings
Computer equipment / IT infrastructure	4% - 50% straight line
Fixtures, fittings & equipment	20% - 50% straight line

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

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

1.6 Liabilities

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

1.7 Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

1.8 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Financial assets and financial liabilities are recognised when the academy becomes a party to the contractual provisions of the instrument.

Financial liabilities

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.9 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Pensions benefits

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

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

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

1.11 Fund accounting

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

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

Where fixed assets are purchased out of unrestricted or general restricted funds then an amount equivalent to the additions are transferred to the restricted fixed asset fund in the year incurred and shown separately within the SOFA.

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].

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.12 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust 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. The funds received and paid and any balances held are disclosed in note 27.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The trustees believe that critical areas of judgement do not have a significant risk of causing a material difference to the carrying amounts of assets and liabilities within the next financial year.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Capital grants	-	306	306	26
	=====	=====	=====	=====

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	6,053	6,053	5,469
Other DfE / ESFA grants:				
Pupil premium	-	56	56	61
Others	-	370	370	337
	<u>-</u>	<u>6,479</u>	<u>6,479</u>	<u>5,867</u>
Covid-19 additional funding (DfE/ ESFA)				
Catch-up premium	-	73	73	-
Other DfE/ ESFA Covid-19 funding	-	49	49	-
	<u>-</u>	<u>122</u>	<u>122</u>	<u>-</u>
Other incoming resources	-	64	64	75
	<u>-</u>	<u>64</u>	<u>64</u>	<u>75</u>
Total funding	<u>-</u>	<u>6,665</u>	<u>6,665</u>	<u>5,942</u>

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Hire of facilities	3	-	3	3
Other income	10	-	10	8
	<u>13</u>	<u>-</u>	<u>13</u>	<u>11</u>

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Short term deposits	7	-	7	6
	<u>7</u>	<u>-</u>	<u>7</u>	<u>6</u>

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

7 Expenditure

	Staff costs	Non-pay expenditure		Total	Total
	£'000	Premises £'000	Other £'000	2021 £'000	2020 £'000
Academy's educational operations					
- Direct costs	4,352	325	360	5,037	4,842
- Allocated support costs	948	367	346	1,661	1,486
	<u>5,300</u>	<u>692</u>	<u>706</u>	<u>6,698</u>	<u>6,328</u>

Net income/(expenditure) for the year includes:

	2021 £'000	2020 £'000
Fees payable to auditor for:		
- Audit	9	8
- Other services	5	6
Operating lease rentals	33	33
Depreciation of tangible fixed assets	325	321
Net interest on defined benefit pension liability	42	39
	<u></u>	<u></u>

8 Charitable activities

	2021 £'000	2020 £'000
All from restricted funds:		
Direct costs		
Educational operations	5,037	4,842
Support costs		
Educational operations	1,661	1,486
	<u>6,698</u>	<u>6,328</u>
	<u></u>	<u></u>
	2021 £'000	2020 £'000
Analysis of support costs		
Support staff costs	948	855
Technology costs	98	40
Premises costs	367	365
Other support costs	234	213
Governance costs	14	13
	<u>1,661</u>	<u>1,486</u>
	<u></u>	<u></u>

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff

Staff costs

Staff costs during the year were:

	2021 £'000	2020 £'000
Wages and salaries	3,825	3,693
Social security costs	388	381
Pension costs	1,010	975
Staff costs - employees	5,223	5,049
Agency staff costs	77	80
Total staff expenditure	5,300	5,129

Staff numbers

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

	2021 Number	2020 Number
Teachers	79	79
Administration and support	37	26
Management	6	6
	122	111

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	3	3
£70,001 - £80,000	-	1
£90,001 - £100,000	1	1

All of the above participated in the Teachers' Pension Scheme. During the year ended 31 August 2021, pension contributions for the above amounted to £67,525 (2020 £83,490).

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £436,854 (2020: £489,411).

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The 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, and not in respect of their services as trustees.

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

S Clarke (Headteacher and trustee):

Remuneration - £90,001 - £95,000 (2020: N/A)

Employer's pension contributions paid - £20,001 - £25,000 (2020: N/A)

N D Attwood (staff governor and trustee):

Remuneration - £30,001 - £35,000 (2020: £30,001 - £35,000)

Employer's pension contributions paid - £5,001 - £10,000 (2020: £5,001 - £10,000)

J P Young (staff governor and trustee):

Remuneration - £45,001 - £50,000 (2020: £45,001 - £50,000)

Employer's pension contributions paid - £10,001 - £15,000 (2020: £10,001 - £15,000)

K Vane (staff governor and trustee):

Remuneration - £45,001 - £50,000 (2020: N/A)

Employer's pension contributions paid - £10,001 - £15,000 (2020: N/A)

11 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £10,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

12 Tangible fixed assets

	Freehold land and buildings	Computer equipment / IT infrastructure	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 September 2020	12,938	685	372	13,995
Additions	130	88	53	271
Disposals	-	(32)	-	(32)
At 31 August 2021	13,068	741	425	14,234
Depreciation				
At 1 September 2020	1,924	548	323	2,795
On disposals	-	(32)	-	(32)
Charge for the year	258	46	21	325
At 31 August 2021	2,182	562	344	3,088
Net book value				
At 31 August 2021	10,886	179	81	11,146
At 31 August 2020	11,014	137	49	11,200

The land and buildings transferred on conversion were independently professionally valued as at 1 August 2011 by Mason Owen Chartered Surveyors and were included in the financial statements at this valuation on conversion to academy status.

Included within freehold land and buildings is land valued at £1,000,000.

13 Debtors

	2021 £'000	2020 £'000
Trade debtors	-	28
VAT recoverable	62	24
Other debtors	1	-
Prepayments and accrued income	387	83
	450	135

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

14 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	-	47
Other taxation and social security	136	123
Other creditors	84	99
Accruals and deferred income	136	119
	<u>356</u>	<u>388</u>

15 Deferred income

	2021 £'000	2020 £'000
Deferred income is included within:		
Creditors due within one year	98	77
	<u>98</u>	<u>77</u>
Deferred income at 1 September 2020	77	130
Released from previous years	(6)	(66)
Resources deferred in the year	27	13
	<u>98</u>	<u>77</u>
Deferred income at 31 August 2021	98	77

At the balance sheet date the academy trust was holding funds received in advance for rates relief of £13k (2020: £12k), school trips £15k (2020: £-3k), Arts Fund £5k (2020: £8k), Prizes fund £10k (2020: £10k), STEMNET income £6k (2020: £7k), teachers direct income £nil (2020: £2k), income for astroturf rejuvenation £30k (2020: £30k), Staffing areas £14k (2020: £13k) and departmental bids £5k (2020: £nil).

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Funds

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General Annual Grant (GAG)	76	6,053	(5,637)	(112)	380
Pupil premium	-	56	(56)	-	-
Other DfE / ESFA grants	-	370	(349)	-	21
Catch-up premium	-	73	(61)	-	12
Other DfE/ESFA Covid-19 funding	-	49	(49)	-	-
Other restricted funds	205	64	(84)	-	185
Pension reserve	(2,380)	-	(137)	134	(2,383)
	<u>(2,099)</u>	<u>6,665</u>	<u>(6,373)</u>	<u>22</u>	<u>(1,785)</u>
Restricted fixed asset funds					
Inherited on conversion	8,371	-	(178)	(76)	8,117
DfE group capital grants	1,890	306	(83)	181	2,294
Capital expenditure from GAG	948	-	(64)	7	891
	<u>11,209</u>	<u>306</u>	<u>(325)</u>	<u>112</u>	<u>11,302</u>
Total restricted funds	<u>9,110</u>	<u>6,971</u>	<u>(6,698)</u>	<u>134</u>	<u>9,517</u>
Unrestricted funds					
General funds	704	20	-	-	724
Total funds	<u>9,814</u>	<u>6,991</u>	<u>(6,698)</u>	<u>134</u>	<u>10,241</u>

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward.

A total of £112k of restricted funds have been transferred to the restricted fixed asset fund, relating to assets purchased during the year from general GAG funding. A correction to the bought forward fixed asset split has also been made to reconcile the carried forward amounts.

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Funds

(Continued)

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

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	57	5,469	(5,421)	(29)	76
Pupil premium	-	61	-	-	61
Other DfE / ESFA grants	-	337	(398)	-	(61)
Other restricted funds	204	52	(51)	-	205
Pension reserve	(2,224)	-	(137)	(19)	(2,380)
	<u>(1,963)</u>	<u>5,919</u>	<u>(6,007)</u>	<u>(48)</u>	<u>(2,099)</u>
Restricted fixed asset funds					
Transfer on conversion	8,549	-	(178)	-	8,371
DfE group capital grants	1,949	26	(85)	-	1,890
Capital expenditure from GAG	976	-	(57)	29	948
	<u>11,474</u>	<u>26</u>	<u>(320)</u>	<u>29</u>	<u>11,209</u>
Total restricted funds	<u>9,511</u>	<u>5,945</u>	<u>(6,327)</u>	<u>(19)</u>	<u>9,110</u>
Unrestricted funds					
General funds	664	40	-	-	704
	<u>664</u>	<u>40</u>	<u>-</u>	<u>-</u>	<u>704</u>
Total funds	<u>10,175</u>	<u>5,985</u>	<u>(6,327)</u>	<u>(19)</u>	<u>9,814</u>

17 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	11,146	11,146
Current assets	724	954	156	1,834
Creditors falling due within one year	-	(356)	-	(356)
Defined benefit pension liability	-	(2,383)	-	(2,383)
Total net assets	<u>724</u>	<u>(1,785)</u>	<u>11,302</u>	<u>10,241</u>

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £'000	General £'000	Restricted funds: Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	11,200	11,200
Current assets	704	669	9	1,382
Creditors falling due within one year	-	(388)	-	(388)
Defined benefit pension liability	-	(2,380)	-	(2,380)
Total net assets	704	(2,099)	11,209	9,814

18 Pension and similar obligations

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

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

Contributions amounting to £98,698 (TPS £87,564 and LGPS £11,134) were payable to the schemes at 31 August 2021 (2020: £78,775 (TPS £64,886 and LGPS £13,889)) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and, from 1 January 2007, automatic too for teachers in part-time employment following appointment or a change of contract. Teachers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

The employer's pension costs paid to the TPS in the period amounted to £742,076 (2020: £494,103).

A copy of the latest valuation report can be found by following the link to the Teachers' Pension Scheme website.

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

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations

(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 contributions are as noted below. The employer contribution rate was 14.8% as at 1 September 2018 which increased to 15.5% on 1 April 2019. The employee contribution rates start at 5.5% increasing to 12.5% depending on earnings.

As the scheme is in deficit the academy trust has entered into an agreement with the scheme trustees to make additional contributions of £47,000 per year in addition to normal funding levels. These additional contributions are expected to continue for the foreseeable future.

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.

Total contributions made	2021 £'000	2020 £'000
Employer's contributions	155	132
Employees' contributions	37	33
Total contributions	192	165

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	4.2	3.9
Rate of increase for pensions in payment/inflation	2.8	2.5
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.7	2.4

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

	2021 Years	2020 Years
Retiring today		
- Males	21.0	20.9
- Females	24.1	24.0
Retiring in 20 years		
- Males	22.6	22.5
- Females	26.0	25.9

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

18 Pension and similar obligations

(Continued)

Scheme liabilities would have been affected by changes in assumptions as follows:

	2021 £'000	2020 £'000
Discount rate + 0.1%	-88	-79
Discount rate - 0.1%	+90	+80
Mortality assumption + 1 year	+174	+142
Mortality assumption - 1 year	-168	-138
CPI rate + 0.1%	+91	+81
CPI rate - 0.1%	-89	-80
Pay growth + 0.1%	+10	+10

The academy trust's share of the assets in the scheme

	2021 Fair value £'000	2020 Fair value £'000
Equities	1,451	1,110
Government bonds	40	57
Other bonds	333	315
Cash	51	123
Property	268	205
Other assets	681	470
Total market value of assets	2,824	2,280

The actual return on scheme assets was £436,000 (2020: £139,000).

Amount recognised in the Statement of Financial Activities

	2021 £'000	2020 £'000
Current service cost	247	227
Interest income	(42)	(38)
Interest cost	84	77
Administration expenses	3	3
Total operating charge	292	269

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18	Pension and similar obligations	(Continued)	
	Changes in the present value of defined benefit obligations	2021	
		£'000	
	At 1 September 2020	4,660	
	Current service cost	247	
	Interest cost	84	
	Employee contributions	37	
	Actuarial loss	260	
	Benefits paid	(81)	
	At 31 August 2021	5,207	
	Changes in the fair value of the academy trust's share of scheme assets	2021	
		£'000	
	At 1 September 2020	2,280	
	Interest income	42	
	Actuarial gain	394	
	Employer contributions	155	
	Employee contributions	37	
	Benefits paid	(81)	
	Administration expenses	(3)	
	At 31 August 2021	2,824	
19	Reconciliation of net income/(expenditure) to net cash flow from operating activities	2021	2020
		£'000	£'000
	Net income/(expenditure) for the reporting period (as per the statement of financial activities)	293	(342)
	Adjusted for:		
	Capital grants from DfE and other capital income	(306)	(26)
	Investment income receivable	(7)	(6)
	Defined benefit pension costs less contributions payable	95	98
	Defined benefit pension scheme finance cost	42	39
	Depreciation of tangible fixed assets	325	320
	(Increase)/decrease in debtors	(29)	111
	(Decrease) in creditors	(32)	(287)
	Net cash provided by/(used in) operating activities	381	(93)

WEST KIRBY GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Analysis of changes in net funds

	1 September 2020 £'000	Cash flows 31 August 2021 £'000	
Cash	1,247	137	1,384

21 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £'000	2020 £'000
Amounts due within one year	6	9

22 Related party transactions

The following related party transaction took place in the period of account. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

During the year a Community Governor received an amount of £680 (2020: £520) for services undertaken for the presentation of appeals for the school and consultancy services.

- The trust made this transaction at arms' length.
- In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2020.

23 Members' liability

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

24 Agency arrangements

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year the Academy received £15,302 (2020: £21,603) and disbursed £16,675 (2020: £16,949) with an amount of £7,755 (2020: £9,128) included within other creditors as at 31 August 2021.