
**QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY
LIMITED**

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
(A Company Limited by Guarantee)

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QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	S Fry J Goolden (resigned 2 July 2021) K Hamilton M Kheng (resigned 2 July 2021) J Thornalley-Oliver (appointed 21 January 2021)
Trustees	G Thompson, Headteacher and accounting officer J K Barker, Chair (until 19 May 2021), Vice Chair (from 19 May 2021) J Chappelle G Claxton J Gatenby, Chair (from 19 May 2021) (appointed 26 March 2021) M Grayson (resigned 23 October 2020) D Pridgeon J Porter-Robinson K Ratcliffe (appointed 24 March 2021) K Reyes (appointed 25 November 2020) P Rigarfsford J Thornalley Oliver (resigned 21 January 2021) M Woodroffe (appointed 14 July 2021)
Company registered number	07388635
Company name	Queen Elizabeth Grammar School, Alford - A Selective Academy Limited
Principal and registered office	Queen Elizabeth's Grammar Station Road Alford Lincolnshire LN13 9HY
Headteacher	Mr G Thompson
Independent auditors	Streets Audit LLP Chartered Accountants and Statutory Auditors Lucy Tower Street Lincoln Lincolnshire LN1 1XW

QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 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.

Structure, governance and management

a. Constitution

Queen Elizabeth's Grammar, Alford A Selective Academy Limited (the "Academy Trust") is a company limited by guarantee (registration number 07388635) and an exempt charity.

The charitable company's memorandum and articles of association is the primary governing document of the Academy Trust.

The Articles of Association require the members of the Charitable Company to appoint at least three trustees to be responsible for the statutory and constitutional affairs of the Charitable Company and the management of the Academy. The Trustees of Queen Elizabeth Grammar, Alford - A Selective Academy Limited are also the directors of the charitable company for the purposes of company law.

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

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

Subject to the Articles of the Academy Trust Governors shall be appointed as follows:

- a. up to 4 Governors appointed by the Members
- b. up to 1 Local Authority Governor appointed by the Local Authority
- c. up to 4 Parent Governors which if contested shall be elected by secret ballot
- d. up to 2 Staff Governors which if contested shall be elected by secret ballot.
- e. the Headteacher
- f. up to 3 co opted Governors appointed by the Governors
- g. in exceptional circumstances The Secretary of State may appoint 'Additional'/'Further' Governors as s/he thinks fit.

The number of Governors shall be not less than three but shall not be subject to any maximum. The term of office for any Governor shall be 4 years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor may be re appointed or re elected and all vacancies shall be widely advertised.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

d. Policies adopted for the induction and training of Trustees

All Governors are provided with the Academy's development plan, the staff handbook, details of committees, minutes of governors' meetings, accounts, budgets and other documents that they will need to undertake their role as governors. New governors are mentored by the chair and vice chair of governors and attended appropriate training courses.

e. Organisational structure

Mr Glen Thompson was appointed to the post of Headteacher with effect from 1st of September 2019.

The structure of the Academy consists of three main levels: The 4 Members, Governors/Trustees/Directors and the senior leadership team supported by the staff and senior student leadership team. The Governors are responsible for the overall strategic leadership of the Academy, the adoption of the annual development plan and budget and senior leadership team appointments. They are also responsible for monitoring the performance of the Headteacher.

The senior leadership team at Queen Elizabeth's comprises the Headteacher and 3 Assistant Headteachers. This team control the Academy at an executive level implementing the policies and procedures agreed by governors and reporting back to them at their termly meetings (six per year). The Headteacher is responsible for the authorisation of spending within agreed budgets and the appointment of staff.

f. Arrangements for setting pay and remuneration of key management personnel

Our Pay and Staffing Policy outlines details for setting the pay and remuneration of the academy's key management personnel using our Performance Management scheme (Appraisal system). We follow the School Teachers' Pay and Conditions and salaries are reviewed each year. Governors/trustees/directors do not receive pay but are entitled to claim expenses.

QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

g. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	12,000	
Total pay bill	2,449,807	
Percentage of 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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Objectives and activities

a. Objects and aims

The principal object and activity of the Academy is to provide a grammar school education to pupils between the ages of 11 and 19 living in Alford and its surrounding area. The basis for selection at 11 is the 11+ testing procedure, administered through the Lincolnshire Grammar Schools' Consortium.

The strategic intents of the Academy are to:

1. Maintain our reputation as a centre of excellence, raising levels of achievement and opportunity
2. Sustain a high expectation and success culture
3. Retain a wide range of courses post 16 by attracting a high number of students to the sixth form (targeting 90 each year in Y12)
4. Ensure our independent financial sustainability

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

b. Objectives, strategies and activities

Our primary purpose is to provide a high quality service for our pupils and their parents. As a Selective Academy we aim to establish ourselves as a centre of excellence, raising levels of achievement and opportunity for the whole community through a dynamic and creative focus on business and enterprise and effective use of student voice, which will pervade all learning.

The Academy's main aims and values are:

- To develop the full potential of all
- To develop pride in achievements and an atmosphere which encourages respect and understanding for one another and the world in which we live
- To provide appropriate and varied opportunities for everyone
- To provide sensible guidance, support and advice
- To develop a good work ethic and environment

We value:

- Achievement
- Integrity
- Mutual respect
- Self discipline

Our whole school priorities 2021/2022

1. Further development of the pastoral care and holistic support of students.
2. Further development of our approaches to teaching and learning, along with the development of effective methods for the sharing of best practice.
3. Further development of the curriculum across all strata within the school, ranging from individual lessons to the whole school curriculum model.
4. Continue our development of a robust school structure, to ensure that we are well prepared to react to any and all unexpected circumstances.
5. To further develop the leadership and management structures, and practices across the school, allowing for greater autonomy within roles guided by set parameters.
6. Further development of the governance practices and their implementation.
7. Continue to be outward facing as an organisation, working even more closely with local community partners.
8. Continue to monitor the mental health of both students and staff, taking appropriate actions, to support constitutions that are mentally and physically strong and healthy.
9. Review all aspects of school finance, in order to ensure best value for money and the long term financial viability of all aspects of school life.
10. Initiate the required actions that enable us to mitigate and recover from the effects of the Covid 19 pandemic.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

c. Public benefit

In setting our objectives and planning our activities, the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

The catchment area of the Academy is one of rural deprivation and the admissions policy aims to aid social mobility and select those children who have the potential to benefit from a rigorous academic curriculum, regardless of their background. A broad and balanced curriculum is offered to all and extra curricular activities are subsidised where appropriate to allow equal access.

Strategic report

Achievements and performance

a. Key performance indicators

There were 538 pupils on roll in 2020/2021, Queen Elizabeth's tenth year as an Academy. As a result of the national exams situation brought about by COVID 19 it is regrettably impossible to comment on academic outcomes for this academic year. Year on year however the school is one of the higher performing schools in Lincolnshire.

b. Going concern

The Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Financial review

a. Reserves policy

The majority of the Trust's annual income is obtained from the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year ended 31 August 2021 and the associated expenditure are shown as restricted general funds in the Statement of Financial Activities.

During the period ended 31 August 2021, total unrestricted and restricted income (excluding capital funding within the restricted fixed asset fund) were £3,176,558. This compares with expenditure (excluding expenditure within the restricted fixed asset fund and pension reserve expenditure) of £3,106,868 to give a surplus of income over expenditure on revenue funding totalling £69,690. This equates to the change in balance of the restricted general funds (excluding pension reserve) plus unrestricted funds when compared to the equivalent at the previous year end, after a transfer from the restricted fund to the restricted fixed asset fund of £20,817 to fund the addition of fixed assets.

As at 31 August 2021, restricted general funds (excluding pension reserves) were £362,004 and unrestricted funds were £88,304. Giving total free reserves of £450,308.

At the end of the prior financial period (year ended 31 August 2020) the academy had free reserves (restricted general funds excluding pension reserves plus unrestricted funds) of surplus £401,435.

At 31 August 2021 the Local Government pension scheme deficit was £869,000. Although the deficit is material, the academy is taking the advice of the actuary regarding the repayment structure. Advised future contributions have also been included within the annual budget.

b. Principal risks and uncertainties

The most significant risk to the school would be an unexpected event that could damage the reputation of the school which, in turn, could have an impact on pupil numbers and resulted finance.

c. Funds in deficit

The Academy's support staff are entitled to membership of the Local Government Pension Scheme. The Academy's share of the Scheme's assets has been assessed by the Scheme's Actuary (FRS102 valuation) as at 31 August 2021 to be less than its liabilities in the Scheme, and consequently the Academy Balance Sheet shows a net liability of £869,000, compared with a net liability of £750,000 on 1 September 2020. According to the FRS102 valuation this liability will be cleared within 20 years which is the standard actuarial timescale.

No such FRS102 valuation is required for the Teachers' Pension Scheme as it is an unfunded multi employer scheme which means the Academy is unable to identify its share of the underlying assets and liabilities of the Scheme. More information on both schemes is provided in the notes to the financial statements.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Fundraising

School fetes are a means of raising small amounts of money to complement the funding received from the government and in addition we have set up a QEGS Extra Fund to support our ability to maintain a broad and balanced curriculum. Approaches to potential donors are via the head's weekly newsletter and are not personal targeted approaches, so parents and stakeholders are not pressurised.

Plans for future periods

The Academy will strive to maintain high levels of academic performance. We will continue to value all students as individuals and nurture their talents. Students will continue to play a meaningful role in the day to day running of the Academy, and leadership skills developed and encouraged through student leadership opportunities.

Our sports and teaching facilities have been improved during the period 2018-2020 through PSBP 2 funding and the completion of the sports hall is now complete. Following the receipt of CIF funding a perimeter fence, automated gates and CCTV have been installed.

Due to financial cuts we are regularly reviewing our staffing and curriculum to ensure that the service we provide is sustainable.

Funds held as custodian on behalf of others

Included in other creditors are amounts due to students in respect of monies held on their behalf in bank accounts in the Academy's name. This amount is also included in the figure for cash at bank and in hand on the Balance Sheet.

This amount above relates to the Queen Elizabeth's Grammar School Fund, the main objective of the fund is to provide school trips to pupils. The Academy Trust's school fund is run from separate bank accounts and is included within the main accounting system, the transactions are reflected within these accounts with the balance at the year end being included in either deferred income or restricted funds carried forward.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14 December 2021 and signed on its behalf by:



K Ratcliffe
Trustee



G Thompson
Accounting Officer

QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Queen Elizabeth Grammar, Alford - A Selective Academy Limited and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
G Thompson, Headteacher and accounting officer	6	6
J K Barker, Chair (until 19 May 2021), Vice Chair (from 19 May 2021)	4	6
J Chappelle	4	6
G Claxton	6	6
J Gatenby, Chair (from 19 May 2021)	2	3
M Grayson	2	2
D Pridgeon	5	6
J Porter-Robinson	4	6
K Ratcliffe	2	3
K Reyes	5	5
P Rigalsford	6	6
J Thornalley Oliver	2	2
M Woodroffe	1	1

Governance is reviewed on an annual basis and when electing new governors (directors/trustees) account is taken of their skills and experience. The Finance Committee now includes three governors with substantial financial expertise. There has been no external review carried out this year. In 2018 the governors completed the NGA Skills Audit which was reviewed. It was noted that the governors felt they had a broad range of skills that covered the roles required. A further skills audit is planned for the start of the 2021/22 academic year.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- Rationalising staffing whilst ensuring specialist teaching is provided for almost all classes
- Benchmarking with other grammar schools
- Reducing postage costs and paper by emailing most correspondence to parents and governors

The purpose of the system of internal control

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

Capacity to handle risk

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

The risk and control framework

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

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

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees have appointed Mr M Watson as Responsible Officer (RO), to carry out a programme of internal checks.

The reviewer's role includes giving advice on financial and other matters and performing a range of checks on

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

the Academy's financial systems. In particular, the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing control account and bank reconciliations

On a termly basis, the reviewer reports to the Board of Trustees through the finance and general purposes committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Review of effectiveness

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

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

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

Approved by order of the members of the Board of Trustees on 14 December 2021 and signed on their behalf by:



K Ratcliffe
Trustee



G Thompson
Accounting Officer

QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Queen Elizabeth Grammar, Alford - A Selective Academy Limited I have considered my responsibility to notify the Academy 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, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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



G Thompson
Accounting Officer
Date: 14 December 2021

QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 14 December 2021 and signed on its behalf by:



K Ratcliffe
Trustee



G Thompson
Accounting Officer

QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED

Opinion

We have audited the financial statements of Queen Elizabeth Grammar, Alford - A Selective Academy Limited (the 'academy') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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'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.

QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED (CONTINUED)

Responsibilities of trustees

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

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

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the charity and sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, SORP 2015 (FRS 102) taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.
- reviewed Trustee meeting minutes for evidence of appropriate decision-making and management controls.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and

QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED (CONTINUED)

- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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



Linda Lord Bsc FCA BFP TEP (Senior Statutory Auditor)

for and on behalf of
Streets Audit LLP

Chartered Accountants and Statutory Auditors

Lucy Tower Street

Lincoln

Lincolnshire

LN1 1XW

16 December 2021

QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 26 January 2021 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 Queen Elizabeth Grammar, Alford - A Selective Academy Limited during the year 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 Queen Elizabeth Grammar, Alford - A Selective Academy Limited and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Queen Elizabeth Grammar, Alford - A Selective Academy Limited 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 Queen Elizabeth Grammar, Alford - A Selective Academy Limited and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Queen Elizabeth Grammar, Alford - A Selective Academy Limited's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Queen Elizabeth Grammar, Alford - A Selective Academy Limited's funding agreement with the Secretary of State for Education dated 1 October 2010 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 year 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's income and expenditure.

QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO QUEEN
ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED AND THE EDUCATION & SKILLS
FUNDING AGENCY (CONTINUED)

Conclusion

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



Linda Lord Bsc FCA TEP
Streets Audit LLP
Chartered Accountants and Statutory Auditors

Date: 16 December 2021

QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	As restated Total funds 2020 £
Income from:						
Donations and capital grants	3	-	14,967	56,204	71,171	34,764
Other trading activities	5	62,909	16,080	-	78,989	180,182
Investments	6	815	-	-	815	4,572
Charitable activities	4	-	3,081,787	-	3,081,787	3,003,524
Total income		63,724	3,112,834	56,204	3,232,762	3,223,042
Expenditure on:						
Raising funds	7	25,199	-	-	25,199	60,787
Charitable activities	8	24,825	3,182,844	151,448	3,359,117	3,290,494
Total expenditure		50,024	3,182,844	151,448	3,384,316	3,351,281
Net income/ (expenditure)		13,700	(70,010)	(95,244)	(151,554)	(128,239)
Transfers between funds	19	-	(20,817)	20,817	-	-
Net movement in funds before other recognised gains		13,700	(90,827)	(74,427)	(151,554)	(128,239)
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	25	-	7,000	-	7,000	200,000
Net movement in funds		13,700	(83,827)	(74,427)	(144,554)	71,761

QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>As restated</i> <i>Total</i> <i>funds</i> <i>2020</i> <i>£</i>
Reconciliation of funds:					
Total funds brought forward	74,604	(423,169)	7,671,891	7,323,326	7,251,565
Net movement in funds	13,700	(83,827)	(74,427)	(144,554)	71,761
Total funds carried forward	<u>88,304</u>	<u>(506,996)</u>	<u>7,597,464</u>	<u>7,178,772</u>	<u>7,323,326</u>

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

The notes on pages 26 to 53 form part of these financial statements.

QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07388635

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	<i>As restated</i> 2020 £
Fixed assets			
Tangible assets	14	7,593,058	7,624,267
		7,593,058	7,624,267
Current assets			
Stocks	15	30,479	41,434
Debtors	16	66,137	95,257
Cash at bank and in hand		638,258	521,988
		734,874	658,679
Creditors: amounts falling due within one year	17	(280,160)	(209,620)
Net current assets		454,714	449,059
Total assets less current liabilities		8,047,772	8,073,326
Net assets excluding pension liability		8,047,772	8,073,326
Defined benefit pension scheme liability	25	(869,000)	(750,000)
Total net assets		7,178,772	7,323,326

QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07388635

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note	2021 £	<i>As restated</i> 2020 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	7,597,464	7,671,891
Restricted income funds	19	362,004	326,831
		7,959,468	7,998,722
Restricted funds excluding pension asset	19	7,959,468	7,998,722
Pension reserve	19	(869,000)	(750,000)
		7,090,468	7,248,722
Total restricted funds	19	7,090,468	7,248,722
Unrestricted income funds	19	88,304	74,604
		7,178,772	7,323,326
Total funds		7,178,772	7,323,326

The financial statements on pages 21 to 53 were approved by the Trustees, and authorised for issue on 14 December 2021 and are signed on their behalf, by:



K Ratcliffe
Trustee



G Thompson
Accounting Officer

The notes on pages 26 to 53 form part of these financial statements.

QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	<i>As restated</i> 2020 £
Cash flows from operating activities			
Net cash provided by operating activities	21	157,960	65,503
Cash flows from investing activities	22	(41,690)	(1,005,415)
Change in cash and cash equivalents in the year		116,270	(939,912)
Cash and cash equivalents at the beginning of the year		521,988	1,461,900
Cash and cash equivalents at the end of the year	23, 24	638,258	521,988

The notes on pages 26 to 53 form part of these financial statements

QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Government grants

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

1.6 Taxation

The Academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following basis:

Land and buildings	- Not depreciated
Property improvements	- on cost
Furniture and equipment	- on cost
Computer equipment	- on cost

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.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Debtors

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

1.10 Cash at bank and in hand

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

QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.11 Liabilities

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

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

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

QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.13 Pensions

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

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

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

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

1.14 Fund accounting

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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

QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>As restated Total funds 2020 £</i>
Donations	-	14,609	-	14,609	11,481
Grants	-	358	42,200	42,558	8,843
Government grants	-	-	14,004	14,004	14,440
	<u>-</u>	<u>14,967</u>	<u>56,204</u>	<u>71,171</u>	<u>34,764</u>
<i>Total 2020 as restated</i>	<u>10,614</u>	<u>9,710</u>	<u>14,440</u>	<u>34,764</u>	

QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

4. Funding for the Academy's educational operations

	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	2,742,112	2,742,112	2,673,296
Other DfE/ESFA grants			
Pupil Premium	53,517	53,517	48,863
Rates reimbursement	17,757	17,757	18,321
Teachers' Pay and Pension grants	144,526	144,526	157,342
Coronavirus exceptional support	53,529	53,529	19,851
Others	-	-	5,118
	<hr/>	<hr/>	<hr/>
	3,011,441	3,011,441	2,922,791
Other Government grants			
Sen 1-1 Funding	57,618	57,618	61,701
Coronavirus Job Retention Scheme grant	4,947	4,947	19,032
Coronavirus exceptional support	7,170	7,170	-
Looked After Children	611	611	-
	<hr/>	<hr/>	<hr/>
	70,346	70,346	80,733
	<hr/>	<hr/>	<hr/>
	3,081,787	3,081,787	3,003,524
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Catering Income	32,661	-	32,661	57,034
Sale of uniforms	27,906	-	27,906	57,959
Receipts from staff insurance claims	2,342	-	2,342	378
Music tuition, exam fees and other income	-	16,080	16,080	64,713
Lettings income	-	-	-	98
Total 2021	<u>62,909</u>	<u>16,080</u>	<u>78,989</u>	<u>180,182</u>
<i>Total 2020</i>	<u>115,091</u>	<u>65,091</u>	<u>180,182</u>	

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Investment income	815	815	4,572
<i>Total 2020</i>	<u>4,572</u>	<u>4,572</u>	

QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	<i>Total 2020 £</i>
Expenditure on raising voluntary income:					
Direct costs	-	-	25,199	25,199	60,787
Educational Operations:					
Direct costs	2,433,152	-	283,744	2,716,896	2,638,211
Allocated support costs	370,797	166,849	104,575	642,221	652,283
Total 2021	<u>2,803,949</u>	<u>166,849</u>	<u>413,518</u>	<u>3,384,316</u>	<u>3,351,281</u>
<i>Total 2020</i>	<u>2,722,310</u>	<u>162,836</u>	<u>466,135</u>	<u>3,351,281</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Educational Operations	24,825	3,334,292	3,359,117	3,290,494
<i>Total 2020</i>	<u>102,794</u>	<u>3,187,700</u>	<u>3,290,494</u>	

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9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Educational Operations	2,716,896	642,221	3,359,117	3,290,494
<i>Total 2020</i>	<u>2,638,211</u>	<u>652,283</u>	<u>3,290,494</u>	

Analysis of direct costs

	Educational Operations 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	2,433,152	2,433,152	2,341,470
Depreciation	129,918	129,918	112,647
Educational supplies	85,481	85,481	63,771
Examination fees	29,890	29,890	59,825
Staff development	2,889	2,889	11,609
Other direct costs	35,566	35,566	48,889
Total 2021	<u>2,716,896</u>	<u>2,716,896</u>	<u>2,638,211</u>
<i>Total 2020</i>	<u>2,638,211</u>	<u>2,638,211</u>	

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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Pension finance costs	12,000	12,000	16,000
Staff costs	370,797	370,797	380,840
Recruitment and support	741	741	3,764
Maintenance of premises and equipment	74,970	74,970	37,406
Cleaning	4,801	4,801	12,319
Rent and rates	29,653	29,653	19,591
Energy costs	54,630	54,630	47,087
Insurance	12,876	12,876	12,722
Transport	-	-	2,618
Telephone, postage and stationery	17,430	17,430	18,212
Catering	33,873	33,873	49,596
Other costs	11,463	11,463	31,209
Bank interest and charges	704	704	767
Auditors' remuneration	13,831	13,831	14,105
Professional fees	4,452	4,452	6,047
	<u>642,221</u>	<u>642,221</u>	<u>652,283</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	<i>2020 £</i>
Operating lease rentals	1,732	6,929
Depreciation of tangible fixed assets	129,918	112,647
Fees paid to auditors for:		
- audit	7,500	7,500
- other services	6,331	6,605
	<u>7,500</u>	<u>6,605</u>

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11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	2,043,491	1,961,670
Social security costs	202,417	187,756
Pension costs	558,041	542,827
	<u>2,803,949</u>	<u>2,692,253</u>
Agency staff costs	-	30,057
	<u>2,803,949</u>	<u>2,722,310</u>

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	37	40
Management	1	1
Administration and support	34	35
	<u>72</u>	<u>76</u>

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Teachers	33	33
Management	1	1
Administration and support	20	16
	<u>54</u>	<u>50</u>

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11. Staff (continued)

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £70,001 - £80,000	<u>1</u>	<u>1</u>

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £452,106 (2020 - £358,909).

12. Trustees' remuneration and expenses

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

		2021 £	2020 £
M Grayson (resigned 23 October 2020)	Remuneration	5,000 - 10,000	45,000 - 50,000
	Pension contributions paid	0 - 5,000	10,000 - 15,000
G Thompson, Headteacher and accounting officer	Remuneration	70,000 - 75,000	70,000 - 75,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000
G Claxton	Remuneration	45,000 - 50,000	45,000 - 50,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
K Reyes (appointed 25 November 2020)	Remuneration	35,000 - 40,000	
	Pension contributions paid	5,000 - 10,000	

During the year, retirement benefits were accruing to 4 Trustees (2020 - 4) in respect of defined benefit pension schemes.

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £55).

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13. Trustees' and Officers' insurance

The Academy has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2020	7,427,771	428,438	137,688	7,993,897
Additions	74,167	18,911	5,631	98,709
At 31 August 2021	<u>7,501,938</u>	<u>447,349</u>	<u>143,319</u>	<u>8,092,606</u>
Depreciation				
At 1 September 2020	41,661	217,630	110,339	369,630
Charge for the year	50,128	61,051	18,739	129,918
At 31 August 2021	<u>91,789</u>	<u>278,681</u>	<u>129,078</u>	<u>499,548</u>
Net book value				
At 31 August 2021	<u><u>7,410,149</u></u>	<u><u>168,668</u></u>	<u><u>14,241</u></u>	<u><u>7,593,058</u></u>
At 31 August 2020	<u><u>7,386,110</u></u>	<u><u>210,808</u></u>	<u><u>27,349</u></u>	<u><u>7,624,267</u></u>

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14. Tangible fixed assets (continued)

The playing fields were transferred to the Academy from the predecessor school at the point of conversion on 1 October 2010.

The remaining land and buildings are held by "Foundation Trustees" who granted a 125 year lease to the Academy Trust on 30 July 2019 at a peppercorn rent. Prior to this point the land and buildings had been occupied under a tenancy at will.

The land and buildings are included in the accounts at the valuation from the ESFA. The academy has benefited from the ESFA's Priority Schools Building Programme and the completed asset has been transferred from Assets Under Construction to Leasehold Property during the year.

The original leasehold property is subject to regular maintenance and repair such that in the trustees' opinion the residual value is not materially different from the value in the financial statements and has a long useful economic life. The trustees consider the need for impairment at each year end.

15. Stocks

	2021 £	2020 £
Finished goods and goods for resale	30,479	41,434

16. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	2,288	6,047
Other debtors	5,687	7,350
Prepayments and accrued income	49,082	79,566
VAT recoverable	9,080	2,294
	66,137	95,257

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17. Creditors: Amounts falling due within one year

	2021	<i>As restated</i>
	£	2020 £
Trade creditors	28,855	33,359
Other taxation and social security	48,523	46,109
Other creditors	53,315	68,047
Accruals and deferred income	149,467	62,105
	280,160	209,620
	280,160	209,620
		<i>As restated</i>
	2021	2020
	£	£
Deferred income at 1 September 2020	31,730	51,708
Resources deferred during the year	92,217	31,730
Amounts released from previous periods	(31,730)	(51,708)
	92,217	31,730
	92,217	31,730

18. Prior year adjustments

At 31 August 2020 a balance of £225,478 was included within deferred income. This relates to a combination of parent donations initially intended for the sports hall redevelopment as well as gift aid claimed on donations. This income has been reviewed and met the income recognition criteria under SORP. As a result this income should have been recognised in resources rather than deferred in the financial statements.

A series of adjustments have taken place in order to transfer the original balance from deferred income into restricted funds, as such changes to the brought forward funds, statement of financial activities and statement of financial position are as follows;

An increase in funds at 31 August 2019 of £290,105 and a resultant increase in funds at 31 August 2020 from those previously stated of £225,309.

A decrease in income in the prior year restricted fixed asset fund of £64,796.

A decrease in deferred income at 31 August 2020 of £225,309.

The fund is being maintained under restricted funds as "Sports Hall and Equipment" as a separate line.

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19. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	74,604	63,724	(50,024)	-	-	88,304
Restricted general funds						
General Annual Grant (GAG)	75,393	2,759,869	(2,706,000)	(20,817)	-	108,445
Other DFE/ESFA Grants	12,225	251,572	(263,797)	-	-	-
Other Government Revenue Grants	7,946	70,346	(78,292)	-	-	-
School Fund	3,326	-	-	-	-	3,326
Other Income	2,632	30,878	(8,755)	-	-	24,755
Sports Hall and Equipment	225,309	169	-	-	-	225,478
Pension reserve	(750,000)	-	(126,000)	-	7,000	(869,000)
	<u>(423,169)</u>	<u>3,112,834</u>	<u>(3,182,844)</u>	<u>(20,817)</u>	<u>7,000</u>	<u>(506,996)</u>
Restricted fixed asset funds						
Fixed Assets	7,624,267	-	(129,918)	98,709	-	7,593,058
Capital Grants	47,624	56,204	(21,530)	(77,892)	-	4,406
	<u>7,671,891</u>	<u>56,204</u>	<u>(151,448)</u>	<u>20,817</u>	<u>-</u>	<u>7,597,464</u>
Total Restricted funds	<u>7,248,722</u>	<u>3,169,038</u>	<u>(3,334,292)</u>	<u>-</u>	<u>7,000</u>	<u>7,090,468</u>
Total funds	<u><u>7,323,326</u></u>	<u><u>3,232,762</u></u>	<u><u>(3,384,316)</u></u>	<u><u>-</u></u>	<u><u>7,000</u></u>	<u><u>7,178,772</u></u>

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19. Statement of funds (continued)

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

Unrestricted funds:

General funds - those resources which may be used towards meeting any of the objects of the academy at the discretion of the governors. These have not been designated for particular purposes.

Restricted funds:

General Annual Grant (GAG) - made up of a number of different funding streams from the ESFA, all of which are to be used to cover the running costs of the academy.

Other ESFA grants - represent ESFA grants received for specific purposes. Included in other ESFA grants is, pupil premium income and grants received for PE & Sports.

Other Government Revenue Grants - includes funding provided for pupils with Statements of Special Educational Needs and is used by the academy to assist with the pupils education.

School Fund - income received for specific trips and other curriculum related monies.

Other Income - comprises various other receipts including school meals.

Sports Hall and Equipment - a combination of parent donations initially intended for the sports hall redevelopment, as well as gift aid claimed on donations. This balance is not related to the capital grant received from the DfE.

Pension reserve - represents the current deficit balance of the Local Government Pension Scheme (LGPS).

Restricted Fixed Asset Funds:

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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19. Statement of funds (continued)

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

	<i>As restated Balance at 1 September 2019 £</i>	<i>As restated Income £</i>	<i>Expenditure £</i>	<i>As restated Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>As restated Balance at 31 August 2020 £</i>
Unrestricted funds						
General Funds - all funds	42,233	194,990	(123,952)	(38,667)	-	74,604
Restricted general funds						
General Annual Grant (GAG)	(31,320)	2,691,617	(2,643,219)	58,315	-	75,393
Other DfE/ESFA Grants	7,107	211,323	(208,729)	2,524	-	12,225
Other Government Revenue Grants	28,438	100,584	(106,192)	(14,884)	-	7,946
School Fund	4,181	8,843	(8,843)	(855)	-	3,326
Other Income	(8,406)	1,245	(10,699)	20,492	-	2,632
Sports Hall and Equipment	290,105	-	-	(64,796)	-	225,309
Pension reserve	(813,000)	-	(137,000)	-	200,000	(750,000)
	<u>(522,895)</u>	<u>3,013,612</u>	<u>(3,114,682)</u>	<u>796</u>	<u>200,000</u>	<u>(423,169)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	2,771,376	14,440	(42,891)	(190,114)	-	2,552,811
Capital expenditure from GAG	29,364	-	(12,973)	10,704	-	27,095
Capital expenditure from other funds	4,931,487	-	(56,783)	217,281	-	5,091,985

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19. Statement of funds (continued)

	<i>As restated Balance at 1 September 2019 £</i>	<i>As restated Income £</i>	<i>Expenditure £</i>	<i>As restated Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
	7,732,227	14,440	(112,647)	37,871	-	7,671,891
Total Restricted funds	7,209,332	3,028,052	(3,227,329)	38,667	200,000	7,248,722
Total funds	7,251,565	3,223,042	(3,351,281)	-	200,000	7,323,326

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	7,593,058	7,593,058
Current assets	112,160	618,308	4,406	734,874
Creditors due within one year	(23,856)	(256,304)	-	(280,160)
Provisions for liabilities and charges	-	(869,000)	-	(869,000)
Total	88,304	(506,996)	7,597,464	7,178,772

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

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(151,554)	(128,239)
Adjustments for:		
Depreciation	129,918	112,647
Capital grants from DfE and other capital income	(56,204)	(79,236)
Interest receivable	(815)	(4,572)
Defined benefit pension scheme cost less contributions payable	114,000	121,000
Defined benefit pension scheme finance cost	12,000	16,000
Decrease in stocks	10,955	742
Decrease in debtors	29,120	148,632
Increase/(decrease) in creditors	70,540	(121,471)
Net cash provided by operating activities	157,960	65,503

22. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	815	4,572
Purchase of tangible fixed assets	(98,709)	(1,089,223)
Capital grants from DfE Group	14,004	14,440
Capital funding received from sponsors and others	42,200	64,796
Net cash used in investing activities	(41,690)	(1,005,415)

23. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	638,258	521,988
Total cash and cash equivalents	638,258	521,988

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24. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	521,988	116,270	638,258
	<hr/> 521,988 <hr/>	<hr/> 116,270 <hr/>	<hr/> 638,258 <hr/>

25. Pension commitments

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

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

Contributions amounting to £53,315 were payable to the schemes at 31 August 2021 (2020 - £51,502) and are included within creditors.

Teachers' Pension Scheme

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

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £444,041 (2020 - £341,572).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £114,000 (2020 - £111,000), of which employer's contributions totalled £87,000 (2020 - £77,000) and employees' contributions totalled £ 27,000 (2020 - £34,000). The agreed contribution rates for future years are 21.20 per cent for employers and 5.50 - 12.50 per cent for employees.

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

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

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25. Pension commitments (continued)

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.20	2.50
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme liabilities	1.65	1.70

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	21.2	21.4
Females	23.6	23.7
<i>Retiring in 20 years</i>		
Males	22.0	22.4
Females	25.1	25.2

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate -0.1%	82	64
Salary increase +0.1%	12	8
Pension increase +0.1%	68	56

Share of scheme assets

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

	2021	2020
	£	£
Equities	1,931,000	1,481,000
Corporate bonds	383,000	429,000
Property	279,000	215,000
Cash and other liquid assets	103,000	21,000
Total market value of assets	2,696,000	2,146,000

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25. Pension commitments (continued)

The actual return on scheme assets was £37,000 (2020 - £40,000).

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

	2021 £	2020 £
Current service cost	(200,000)	(198,000)
Interest income	37,000	40,000
Interest cost	(49,000)	(56,000)
Total amount recognised in the Statement of Financial Activities	(212,000)	(214,000)

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

	2021 £	2020 £
At 1 September	2,896,000	2,980,000
Current service cost	200,000	198,000
Interest cost	49,000	56,000
Employee contributions	27,000	34,000
Actuarial losses/(gains)	414,000	(341,000)
Benefits paid	(21,000)	(31,000)
At 31 August	3,565,000	2,896,000

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

	2021 £	2020 £
At 1 September	2,146,000	2,167,000
Interest income	37,000	40,000
Actuarial gains/(losses)	421,000	(141,000)
Employer contributions	87,000	77,000
Employee contributions	27,000	34,000
Benefits paid	(21,000)	(31,000)
Effects of non-routine settlements	(1,000)	-
At 31 August	2,696,000	2,146,000

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26. Operating lease commitments

At 31 August 2021 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	1,732	8,084
Later than 1 year and not later than 5 years	-	1,732
	<u>1,732</u>	<u>9,816</u>

27. Members' liability

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

28. Related party transactions

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

The Trustees are aware of the relationship between the staff governor G Claxton and B Allen (Assistant Headteacher) and are also aware of no issues giving rise to any conflict of interest or anything detracting from the individual professionalism of the two members of staff. The appointment was made following ordinary procedures and Mr Claxton was not involved. Ms Allen's remuneration and benefits including both employer's pension contributions and employer's national insurance contributions for the relevant period fall within a range of £80,001 - £85,000.

Income related party transactions

Individual trustees made the following voluntary donations to the academy trust, for which they received nothing in return: J Barker - £300 (2020- £300).

The Academy sold ICT services to Huttoft Primary School (Academy) of £3,264 (2020- £3,120) of which £Nil (£Nil) was outstanding at the year end. J Porter-Robinson is a trustee of the Academy and a governor of Huttoft Primary School (Academy).

The Academy sold ICT services to St Helena's Church of England Primary School of £3,834 (2020: £Nil) of which £1,638 (2020: £Nil) was outstanding at the year end. K Hamilton is a member of the Academy and is a trustee of St Helena's Church of England Primary School.

QUEEN ELIZABETH GRAMMAR, ALFORD - A SELECTIVE ACADEMY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

29. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2021 the trust received £23,235 (2020: £18,588) and disbursed £8,000 (2020: £12,513). £1,162 (2020: £929) was spent on administration fees. An amount of £23,856 (2021: £9,783) represents accumulated undistributed funds that are held on behalf of ESFA and is included in creditors.