

Company Registration Number: 07638999 (England & Wales)

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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



JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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JOHN HAMPDEN GRAMMAR SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr John Anderson
Mr John Barlow
Dr Anthony Burne (appointed 2 March 2020)
Mr Barry Clarke OBE (appointed 2 March 2020)
Mr Colin Hayfield
Mr Philip Maskell
Mr Mark Phillips QC

Trustees

Mr Alan Armstrong, Chair of Education Committee^{2,4}
Mr Khawar Asif (appointed 29 June 2020)
Mr Faraz Baber, Vice Chair, Chair of Estates Committee, Community Governor^{3,5}
Mrs Kate Box, Parent Governor, Chair of PPR Committee to 24 February 2020
(resigned 24 February 2020)⁴
Mr Adrian Brown^{3,5}
Mr Ian Cooksey^{2,4}
Miss Barbara Harrison, Staff Governor³
Miss Tracey Hartley, Head Teacher and Accounting Officer^{1,2,3,4,5}
Mr Nick Jones^{1,5}
Ms Dominique Kent, Chair of PPR Committee from 19 May 2020 (appointed 9
December 2019)⁴
Mr Philip Maskell, Chair^{1,2,3,4,5}
Mr Mark Phillips QC¹
Mr Peter Phippen, Parent Governor^{3,5}
Mr Nicholas Rogers, Staff Governor (resigned 28 September 2020)²
Mr Carl Rycroft, Community Governor²
Mr Gregory Stevenson, Chair of Finance Committee, Community Governor^{1,5}
Mr Ian Stubbs²
Miss Susanna Venn, Staff Governor^{1,5}

- ¹ Member of the Finance and Audit Committee
- ² Member of the Education Committee
- ³ Member of the Estates Committee
- ⁴ Member of the People, Performance and Remuneration Committee
- ⁵ Member of the New Build Committee

Company registered number

07638999

Company name

John Hampden Grammar School

Principal and registered office

John Hampden Grammar School, Marlow Hill, High Wycombe, Bucks, HP11 1SZ

Company secretary

Mrs Kate Bailey

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
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Senior management team

Miss Tracey Hartley, Headteacher
Mr Neil Hathaway, Deputy Head, appointed 1 September 2019
Mr David Sammels, Assistant Head
Mr Jon Turner, Assistant Head, appointed 1 September 2019
Miss Helen Burrow, Assistant Head, appointed 1 September 2019
Mrs Kate Bailey, Business Manager

Independent auditor

James Cowper Kreston, Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS

Bankers

HSBC Bank Plc, 1 Cornmarket, High Wycombe, Buckinghamshire, HP11 2AY

Lloyds Bank Plc, 27-31 White Hart Street, High Wycombe, Buckinghamshire, HP11 2HL

Nationwide Building Society, Nationwide House, Pipers Way, Swindon, SN38 1NW

Solicitors

Browne Jacobson LLP, Mowbray House, Castle Meadow Road, Nottingham, NG2 1BJ

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the year ended 31 August 2020. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Trust operates an Academy for pupils aged 11 to 18 serving a catchment area in and around High Wycombe. It has a pupil capacity of 1150 as stated in the funding agreement and had a roll of 1156 in the school census in October 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy, which was incorporated on 18 May 2011 and opened as an Academy on 1 June 2011, is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of John Hampden Grammar School are also the directors of the charitable company for the purposes of company law and are the Governors of the school. The charitable company is known as John Hampden Grammar School.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details on page 1.

The Articles of Association and the Funding Agreement were updated by the Academy Trust in 2018, in agreement with the Education and Skills Funding Agency (ESFA), in order to ensure that the constitution is maintained in line with current government guidance.

Members Liability

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

Trustees' Indemnities

The Academy has entered into the Department for Education's Risk Protection Arrangement (RPA) for Academy Trusts. Within the RPA there is indemnity to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of Trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this indemnity in the year is incorporated within the overall charge for the RPA.

Principal Activities

The principal activity of the Academy is to provide a selective secondary education for the public benefit of the community of High Wycombe and the surrounding areas.

Method of Recruitment and Appointment or Election of Trustees

Sections 45 to 93 of the Academy Trust's Articles of Association require the make-up of the Governors/Trustees to be as follows:

- Up to 3 Staff Trustees appointed by staff election
- 2 Parent Trustees elected by parents of registered pupils at the Academy
- Up to 8 Trustees appointed by the Members
- Co-opted Trustees appointed by Trustees who have not themselves been co-opted
- The Principal (Headteacher)

The term of office of any Governor/Trustee is four years in all cases apart from the Headteacher or any post held ex-officio. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

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

Method of Recruitment and Appointment or Election of Trustees (continued)

When appointing new Governors, the Governing body gives consideration to the skills and experience mix in order to ensure that the Governing body has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The induction and training of new Governors is individually tailored to take account of their existing knowledge and experience. An induction checklist is used to identify training required on charity and educational, legal and financial matters. New Governors complete a skills audit which identifies any areas of knowledge that need improvement and existing Governors are also asked to complete this from time to time to identify any remaining gaps in their knowledge. Training sessions are arranged periodically for the Full Governing Body and cover areas such as finance, safeguarding and the role of Governors in respect of stewardship and challenge.

All new Governors are given a tour of the school and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and any other documents that they need to properly undertake their role.

There is an annual Governors' training day to update Governors on relevant developments impacting on their roles and responsibilities. All Governors have the opportunity to complete training provided by the National Governance Association.

Organisational Structure

The management structure consists of four levels, the Governing Body (Directors and Trustees), the Headteacher, the Senior Leadership Team, and middle managers being Heads of Department who are responsible for curriculum delivery and Heads of Year who are responsible for pastoral care. The aim of the structure is to devolve responsibility and encourage involvement in decision-making at all levels.

The Full Governing Body (FGB) meets a minimum of four times each year, at the end of each term, and at the start of the academic year in September. The Governing Body establishes an overall framework for governance and determines the membership, terms of reference and procedures of its sub-committees. It receives reports and minutes of the committees and policies for ratification.

The Governors' sub-committees, each with its own terms of reference, are as follows:

- Education Committee – meets three times each year
- Estates Committee – meets three times each year
- Finance and Audit Committee – meets three times each year
- People, Performance and Remuneration Committee – meets twice each year
- The Governance Group meets as and when required
- Appeals and Disciplinary Committees are convened when required
- New Build Committee – met as required prior to awarding contracts for major building projects

The Full Governing Body is responsible for setting general policy, adopting an annual development plan and budget, approval of the annual report and accounts, monitoring budgets, exam results and other comparative data and making major decisions about the direction and strategy of the Academy, capital expenditure, reserves and senior staff appointments.

The Headteacher has overall executive responsibility for the Academy activities and the appointment of staff with the exception of the Deputy Head, Assistant Heads and the Business Manager which is in consultation with Governors.

The Senior Leadership Team (SLT) consists of the Headteacher, A Deputy Head, three Assistant Heads and the Business Manager. As a group the SLT controls the Academy at an executive level, implementing the policies laid down by the Governing Body and reporting back to them. The SLT are responsible for overall day-to-day operation of the Academy, continuous performance monitoring of both staff and students, and the development and implementation of new guidelines and initiatives.

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TRUSTEES' REPORT (CONTINUED)
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Arrangements for setting pay and remuneration of key management personnel

The People, Performance and Remuneration Committee (PPRC) of the Governing Body meets each autumn term to agree the pay of the members of the SLT. Leadership team pay is set within bandings which are determined by reference to responsibilities and experience, and where possible, we benchmarked against other local grammar schools.

The remuneration of Staff Governors in respect of their role as teachers or support staff is set by reference to that role, and is not influenced by their role as a Staff Governor.

All staff in the school, including SLT, undertake annual appraisals, and remuneration is set by reference to national and local payscales and the appraisal process.

Related Parties and other Connected Charities and Organisations

John Hampden Grammar School exists as a single entity and is not part of a wider Federation of Academies. The Academy does however have links with the separate John Hampden Grammar School Fund (JHGS Fund), registered charity number 296155, the Trustees of which are:

Miss Tracey Hartley (Headteacher)
Mr Philip Maskell (JHGS Chair of Governors)
Mrs Kate Box (JHGS Parent Governor, resigned 24 February 2020)
Mr Peter Phippen (JHGS Parent Governor)
Mr Neil Hathaway (Deputy Headteacher, appointed 9 December 2019)

The object of the JHGS Fund is to raise money from parents, guardians and former pupils to provide assistance in the provision of facilities for the education of pupils at the School not normally provided by annual government funding.

Trade Union facility time

The Academy has an agreement with another school which provides union facilities within the local area. The Academy has one member of staff who is a representative of a teaching union. No union facility time has been requested in 2019/20, and the cost to John Hampden Grammar School in 2019/20 was £0 (2018/19: £0).

OBJECTIVES AND ACTIVITIES

Section 4 of the Academy Trust's Articles of Association define the Academy Trust's objects and principal activities as being "to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum".

Objects and Aims

The main aims are as outlined in the School Prospectus:

- The achievement of academic excellence through a broad curriculum, encouragement and experience
- The creation of a passion for learning and development of individual potential
- The provision of outstanding pastoral care in a happy and supportive environment
- The creation of leadership opportunities throughout the School
- The provision of a wide range of sporting opportunities, with teams performing at the highest levels
- The encouragement of creativity through an extensive arts and STEM programme

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

Objectives, Strategies and Activities

The main objectives for the year are outlined in the School Development Plan and are summarised below:

- **Quality of education:** To maintain a broad curriculum covering academic rigour, extensive extra-curricular opportunities and the development of cultural capital in each student.
- **Assessment and outcomes:** to enable students to achieve outstanding outcomes through robust assessment processes and clear signposting of post-JHGS opportunities
- **Behaviour, attitudes, pastoral wellbeing and safeguarding:** To strengthen the sense of community by actively promoting and developing #BeMore at JHGS and creating opportunities for a meaningful student voice
- **Leadership and management:** To identify and promote opportunities for professional development of all staff
- **Sustainability:** to pursue all opportunities to secure the long-term future of JHGS

Public Benefit

The Governors of the Academy Trust have complied with the requirement in the Charities Act 2011 to have due regard to the guidance on public benefit in exercising their powers and duties. During meetings of the Full Governing Body and its sub-committees, the Governors discuss the curriculum, local community and school environment and have taken due regard to the Charity Commission guidance at all times. They can demonstrate that the Academy's aims and activities are purely for the advancement of education, the development of the students and the satisfaction of parents and guardians.

The activities undertaken to further the Academy Trust's purpose for the Public Benefit include its relationships with the wider community in which the staff and students play a key role. This includes the charity ambassadors and various outreach activities. The school hosts the Wycombe District School Games Organiser programme and provides additional sporting programmes for local primary schools. We also collaborate with many other schools in a variety of different ways, notably through GSHA (Grammar School Heads Association) and BASS (Boys Association Selective Schools). Sharing good practice is achieved via continuing professional development and benchmarking with these groups and others.

The school is actively working with five partner primary schools through a developing outreach programme in order to widen the access to grammar school for Pupil Premium children in High Wycombe and the school's catchment area.

The general public has access to the school site outside of school hours to use the Synthetic Turf Pitch (STP) which has been developed in partnership with Buckinghamshire Council, and through the use of school facilities outside of school hours.

STRATEGIC REPORT

Achievements and performance

The school followed Government guidance throughout 2020 and closed to students in March 2020 due to the Coronavirus lockdown. The school reopened in June for two weeks face-to-face teaching in school for Year 12 students, followed by two weeks face-to-face teaching in school for Year 10. The children of keyworkers and vulnerable children were also accommodated in school. All students received a full teaching programme throughout the entire lockdown period. Classwork was set on Google Classroom for a full five period day during term-time, and some lessons were live-streamed to classes. The percentage of lessons live-streamed increased over the closure period. The school timetable was adjusted, and lesson times were reduced to ensure that those studying at home had an opportunity to leave their screens during the day.

The school's pastoral team made regular checks on all vulnerable students, and there was a clear system in place for teachers to notify the pastoral team of those students who were not engaging with the teaching programme.

All year groups above Year 7 had access to devices with which they could study from home.

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TRUSTEES' REPORT (CONTINUED)
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Achievements and performance (continued)

Care packages were delivered to the homes of all Pupil Premium students which provided revision guides, stationery and some fun activities to help through lockdown. Free school meal vouchers were provided to eligible families, or the cash equivalent before the national vouchers became available.

Our students are excellent ambassadors for the school and convey their pride in the school. They confidently interact with each other, the staff and visitors demonstrating their passion for learning, and engaging warmly with confidence and courtesy. Our students have high levels of interest and resilience and their collaboration, co-operation and community spirit can be seen around the school. Students are inspired and through digital learning, for example, acquire knowledge and develop independent learning exceptionally well across the curriculum. Staff/student relationships are extremely strong; academic standards are very high; and the overall development of the student is at the core of our provision and ethos.

Centre-assessed grades (CAGs) were issued to all GCSE and A Level students in 2020 following the cancellation of the external exams. The government is not publishing any school performance data based on tests, assessments or exams for 2020.

The Academy was awarded funding in December 2018 from the Selective Schools Expansion Fund comprising a grant and a loan totalling £3.5 million, with which the school is building a new teaching block. The funding has enabled the school to expand to six forms of entry (180 students) in Year 7 in September 2019, as the start of an ongoing programme to increase the size of the school. The Year 7 intake will continue to be 180 students, and in September 2020 only, an additional 27 students were accepted into Year 9 to take the number on roll in that year group to 186. Pupil numbers will total approximately 1260 by the year 2024. A Fair Access Partnership Plan is in place to provide a structured programme of outreach to five partner primary schools in High Wycombe, with the objective of widening access to grammar school for Pupil Premium children. During the current Covid restrictions visiting our five partner primary schools is not permitted so the school is providing virtual resources to support our Primary colleagues and their students. From 2020, the Admissions Policy includes 12 places in Year 7 ring-fenced for Pupil Premium boys with a lower pass-mark of between 115 and 120.

Construction of the new teaching block is expected to be complete in time for the academic year starting in September 2021. During 2020 there have been other internal refurbishments to improve the school's facilities and accommodate the increased pupil numbers, which have provided two new science laboratories and improved Design and Technology rooms.

We are very proud of the pastoral and special needs support we provide our students. Our reputation for excellent pastoral care is often quoted by parents as one of their reasons for choosing the School. We provide support for boys to access the curriculum led by the Special Educational Needs Coordinator (SENCO) and coordinated by the Learning Support Manager. Regular meetings are held with parents and students and the school has an excellent reputation for the quality of support offered. Every member of staff takes responsibility for the identification of pupils with Special Educational Needs (SEN) to provide strategies for overcoming barriers for learning. If difficulties are more specific then appropriate outside agencies are brought in; these might include dyslexia screening, hearing and visual impairment specialist teachers etc. SEN students perform extremely well academically and participate actively in the full range of opportunities available at the school. The Learning Support Manager liaises with the SEN departments of other local schools to ensure best practice.

Our ethos is further characterised by the wide choice and exposure students have to an exceptionally high number of sports and sport at the highest levels, striking a balance between sporting excellence and participation. It is this balance that really stands us apart from our local competitors. We are sure that other schools do not offer such breadth whilst still offering access to elite environments. Whilst at school, boys will experience over 21 different sports, ranging from rugby to handball, volleyball, gymnastics and swimming, with the aim of finding sports that they can continue to play after they have left school. We have a comprehensive fixture list against other schools and our teams often feature in final rounds of county and national competitions. This year we competed in well over 300 individual sports fixtures before all fixtures were put on hold due to lockdown.

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TRUSTEES' REPORT (CONTINUED)
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Achievements and performance (continued)

An after-school Sports Club enables wider participation for all in a wide variety of sports and has been a great success. Prior to lockdown there were 425 boys taking part in 21 sports through the week, and this contributed to the breadth of opportunities noted above. The Sports Club reopened at the end of September offering a limited range of sports which can be run with Covid precautions in place, with 395 boys participating in 6 sports filling 18 available sessions. We have specialist coaches in many sports, adding to the expertise within the department and giving boys access to areas that we could not otherwise provide for, such as fencing, personal training, table tennis, climbing and squash.

The school offers a comprehensive programme of sport in the sixth form. For students who have played sport regularly throughout their school years and therefore have a good ability level in their chosen sport, we offer a strong, competitive fixture list in football, hockey, squash and cricket. During September 2019 to March 2020, the 1st XI football team reached the county cup semi-final and the squash U19 and U17 teams and the senior swimming teams all reached the regional finals. These sports have regular training schedules which require commitment. Students are also offered the chance to go on tour as a squad. Recent tours include cricket to Sri Lanka, squash to Spain and hockey to India.

Individual athletes are also given the opportunity to compete for the school under the JHGS name, where there are school events in that sport, for example biathlon, table tennis, tennis, judo and athletics. We are proud to celebrate the achievements of our students and ex-students. JHGS pupils have competed at international level in Hockey at the 2016 Olympics, Swimming at the Youth Commonwealth Games, represented GB at table tennis and represented GB at Rowing. Other individuals have competed at national level in athletics, boxing and cross country running.

We directly support the development of sport in the wider community by assisting with local primary schools, specifically through the School Games Organiser programme. This has been strengthened by the creation of a sports leadership initiative that allows year 12 and 13 students to coach and lead competitions. Some of these students go onto paid roles within the JHGS sports club, and we have strong links with many local clubs, who work with us in providing specialist coaching to our students and the local community.

The school benefits from a Synthetic Turf Pitch (STP) on the school premises which is run in partnership with Buckinghamshire Council. The facility is available to the school until 5.30pm each school day and has greatly enhanced the school's sporting provision to both students and to the wider local community.

Key Performance Indicators

Financial performance is tracked throughout the year against an approved budget. In 2019/20 the budget was severely impacted by the Coronavirus. There were certain savings during the summer term when school was only partially open, but significant costs were incurred in order to make the school safe for partial reopening in June and full reopening in September. In 2019/20 there was a revenue surplus of £52K compared with a budget deficit of £65K. Additional grant income of £61k was received from the continuing Teachers' Pay Grant and extra funding for high needs students. Staff costs in the year were 80.3% of GAG revenue expenditure compared with the budget of 80.1%.

The majority of the Academy's income is based on pupil numbers, which is a key performance indicator. Pupil numbers have increased, from 1103 in October 2019 to 1156 in October 2020, due to the extra form groups in Year 7 and Year 9.

Per pupil funding for key stage 3 and key stage 4 rose in line with the national funding formula from £4,279 in 2018/19 to £4,760 in 2019/20

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TRUSTEES' REPORT (CONTINUED)
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Key Performance Indicators (continued)

Governors benchmark financial performance with that of similar academies in Buckinghamshire and also against similar schools nationwide using the Financial Insights tool provided by the ESFA, and exam performance is benchmarked against data from other local Grammar Schools and boys' selective schools nationwide. The tool showed variances in IT costs, catering costs and education staff costs when compared to similar schools nationwide using data from the 2018/19 accounts return. Teaching and teaching support staff costs were found by the ESFA tool to be £3,382.05 per pupil which was £16.84 beneath the 30th centile, but this is explained by class sizes which are larger than the national average, and the costs were comparable with those of other Buckinghamshire Grammar Schools. IT costs at £95.28 per pupil were high at £45.64 over the 60th centile, but the cost of two full-time out-sourced contractors are included.

Individual performance for teachers and support staff is monitored through the appraisal programme.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason 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.

COVID-19 has led to significant economic uncertainty and disruption to education and daily life. During the pandemic, the Academy has continued to provide a full education to its students in line with the curriculum and taken necessary steps to ensure the safety and wellbeing of staff and students. Opening during COVID-19 has led to additional costs which are being covered by reserves and reductions in capital expenditure in the absence of additional Government funding. Based on financial forecasts prepared for the next 3 years and the reserves position, the Trustees do not believe that COVID-19 affects the going concern position of the Company.

FINANCIAL REVIEW

Revenue funding from the ESFA during the year amounted to £5,384K (2018/19: £4,808K) plus £24K Devolved Formula Capital Grant (2018/19: £83K), and £93K individually assigned resources (2018/19: £86K). Other revenue income totalled £407K (2018/19: £543K), including £204K received in respect of school trips (2018/19: £311K).

Staff costs of £4,719K, including £4,053K directly related to teaching and educational support form the largest item of expenditure. Premises costs amounted to £590K. Other costs included £357K spent on educational equipment and ICT, £95K exam costs, £69K educational consultancy, including the cost of 11+ testing, and £206K spent on school trips and other voluntary-funded expenses. 23% of exam costs were refunded following the cancellation of all public exams in 2020, but the process of Centre Assessed Grades incurred a significant cost in terms of staff and management time.

Insurance claims totalling £47K were made in respect of school trips which were cancelled due to Covid 19, and all monies were refunded to parents. The cost to the school of Covid precautions during 2019/20 was £12K, for which a claim was made to the ESFA.

Net assets at the end of the period totalled £14,502K with the reduction from 31 August 2019 primarily caused by an increase in the pension fund deficit of £841K. The net book value of the long-term leasehold property included is £14,716K, including £312K which is the JHGS share of the Synthetic Turf Pitch. Also included within net assets is a £3,009K deficit relating to the Local Government Pension Scheme for support staff. This is based on the latest actuarial report at 31 August 2020 prepared for the purposes of FRS102 disclosure.

Capital projects

The school received Condition Improvement Fund grants in the year totalling £251K which enabled installation of a new fire alarm and other improvements to fire safety, including new fire doors in corridors. Both projects were complete by 31 August 2020. During 2019/20, LED lighting was installed throughout the school, financed by a Salix loan. These funds were restricted for use on the projects for which they were awarded.

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TRUSTEES' REPORT (CONTINUED)
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Capital projects (continued)

Construction of the new teaching block which is funded primarily by the Selective Schools Expansion Fund (SSEF) was delayed. The Selective Schools Expansion Fund (SSEF) grant totals £3,061K, of which £974k had been received from the ESFA, and a SSEF loan of £450K which is repayable over ten years. At the year-end £165k had been spent on the project and the remaining balance is held in a separate bank account.

The capital cost of the STP was donated by Buckinghamshire Council (BC), and the asset is recorded in the financial statements as a jointly-controlled asset. In accordance with the terms of the agreement with BC, the JHGS share of the asset is 54.4% and the BC share is 45.6%. All rental income outside of school hours benefits BC. Under the agreement, the maintenance costs of the STP and also the shared changing room and office facilities are split between JHGS and BC.

Reserves Policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. Particular regard is given to the likely levels of future income to be received from the Education and Skills Funding Agency and the likelihood that these will reduce in future periods.

As part of the project planning process, regular forecasts of cash and reserves were prepared covering the next ten years, being the repayment period for the SSEF loan. The costs of the two building projects were value engineered from the tender price to ensure that future reserves are maintained at prudent levels taking into account future forecasts, risk, and the impact of COVID-19. Governors have determined that this will provide sufficient working capital to cover delays between spending and receipts of grants and will provide a cushion to deal with unexpected emergencies or a fall in pupil numbers.

At 31 August 2020 the total funds comprised:

	£'000
Unrestricted	193
Restricted:	
Fixed asset funds	16,564
GAG	435
Pension reserve	(3,009)
Other	318
	<u>14,502</u>

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers' scheme, separate assets are held to fund future liabilities as discussed in note 24. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits, and in addition is supported by a Government guarantee. The GAG and other restricted funds will be spent in accordance with the terms of the particular funds. Restricted general funds are for use on the general purposes of the Academy, at the discretion of the Governors, and the policy is that these reserves should represent a prudent contingency of up to one month of Academy expenditure. The aim of the Governors is to maintain these reserves to meet future working capital requirements, to provide a contingency against funding obligations in relation to the pension reserve, and to defray the impact of unfunded cost pressures, particularly in relation to staffing, COVID-19, and projected expenditure. A portion of the available reserves will be used over the next 24 months for the improvement in facilities associated with the expansion of the school. There is a relatively strong reserves position and this, coupled with the excellent management of the Academy's finances by the SLT, place it in a sustainable position.

Investment Policy

Reserve funds are held in deposit at major UK based banks and building societies with a minimum credit rating of 'Strong/ 'A'. Deposits can be placed for a period of up to 12 months provided that these are long term reserves and there is no reasonably foreseeable use of such funds within 12 months. Whilst government funding is possibly reducing there is unlikely to be any significant build-up of capital.

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TRUSTEES' REPORT (CONTINUED)
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Principal Risks and Uncertainties

The Academy Trust manages risk through its Governing Body and sub-committees. The risk register is reviewed by each of the Governors' sub-committees and is approved annually by the Full Governing Body.

- **Reputational risk** – The Academy is generally oversubscribed and the position is continually monitored and the number of annual applicants is known well in advance. Child protection and safeguarding risks are closely monitored by both Governors and staff, and appropriate procedures are in place and subject to regular review.
- **Performance risk** – Achievement and performance are continually monitored and exam performance, the main indicator, is predicted and updated on an on-going basis and measured against actual results. Assessment is kept under constant review with careful monitoring of grades and predictions throughout the year. Centre Assessed Grades in 2020 highlighted to staff and students the importance of the assessment process.
- **Financial risk** – The Academy is reliant upon per pupil Government funding, and on maintaining pupil numbers. The school has benefited from the impact of the National Funding Formula which was introduced from September 2018 in respect of pupils aged between 11 and 16. Per pupil funding for sixth form students has also increased in 2020 for the first time since 2012. Salaries for teachers and support staff have increased in line with national pay recommendations, and this has a significant impact on expenditure although the increases for teachers are part-funded by the Teachers Pay Grant. The risks presented here are mitigated by the reserves held by the school due to the positive financial performance in previous years. Predicted future increases in pupil numbers mitigate the risk to revenue funding, and the school has launched a marketing strategy to raise the profile of the school and maintain pupil numbers.

The £3,009K deficit relating to the Local Government Pension Scheme (LGPS) for support staff is detailed in the Financial Review above but represents a 38.8% increase on the deficit at 31 August 2019. Employer contributions to this scheme at 22.8% are fixed until March 2022 and the level of contributions is determined by the LGPS Actuary, but the increased deficit may result in higher contributions. Employer contributions to the Teachers' Pension Scheme have increased by 7.2% from September 2019 although this cost is covered by government grants until 2021. Staffing costs will be a challenging financial risk in the next few years.

- **Staffing** – It is becoming increasingly difficult to fill teaching vacancies with subject specialists in all subject areas, and the Academy suffers from being located just beyond the London outer fringe boundary which makes teacher salaries offered less attractive to potential applicants. Recruitment costs have increased as a result of multiple adverts and agency fees. The Governors monitor and review policies and procedures that ensure continued development and training of staff as well as succession planning. Risks associated with Employer's Liability, Professional Liability, Public Liability and Employment Liability are covered by the Risk Protection Arrangement.
- **Risks associated with the new teaching block** – The new teaching block is due to open in September 2021. The process of obtaining planning permission delayed the start of construction, and there is a risk that COVID-19, poor weather or other unforeseen problems could delay the opening date, or lead to cost increases. Formal monitoring takes place each month and mitigating actions will be taken if required.

The Academy Trust practices risk management principles through its Board, namely the Governing Body and the constituted sub-committees. Any major risks highlighted at a sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with the SLT.

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

Fundraising

Fundraising for improvements to the educational facilities and for improved pastoral and educational offerings to students of the school is predominantly by means of requests for parental donations. The Friends of JHGS run social events for parents and students which raise money for the school although Covid restrictions will reduce the opportunities for social events in the near future.

A group of Governors and parents have met during 2019/20 to help develop a marketing strategy for the school with the aim of improving communications. Development of the school's fundraising strategy will follow.

PLANS FOR FUTURE PERIODS

As noted above, it is anticipated that the new teaching block will be open in 2021. The school will continue to admit six forms of entry (180 students) in Year 7 and this will result in pupil numbers of approximately 1260 by the year 2024.

In addition to the new teaching block other internal refurbishments are planned to improve the school's facilities and accommodate the increased pupil numbers.

The Academy will continue striving to improve the levels of performance of the students at all levels and ensure that each student realises his potential, including achievement of the best possible move to further education or career after completion of sixth form learning. The Academy is committed to increasing the number of Pupil Premium students successfully qualifying for a place at the school. The school development plan and Self Evaluation (SEF) set out the school's ambitions for the future in terms of teaching and learning.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy has links with the separate John Hampden Grammar School Fund (JHGS Fund) the object of which is to raise money from parents, guardians and former pupils of JHGS to provide assistance in the provision of facilities for the education of pupils at the school not normally provided by annual government funding. Money is raised mainly from one-off or regular scheduled payments from parents and all expenditure is controlled and agreed by the Trustees. Donations from previous years of £180K have been used to contribute towards the cost of the new science laboratories and improved Design and Technology facilities. The Trustees meet once a year to decide which projects to support. The Head Boy attends this meeting to present the views of the student body.

Income from the JHGS Fund during the year amounted to £91K (2018/19: £69K) and expenditure totalled £199K, of which £180K was donated to the school in respect of the refurbishment of the Design and Technology block. Funds of £35K were carried forward at 31 August 2020. Donations to the Academy of £18K by the JHGS Fund contributed towards the cost of employing an additional school counsellor to support the welfare of the students. These figures are all consolidated in the financial statements.

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

AUDITOR

James Cowper Kreston were appointed as auditor of the Academy Trust for the 2019/2020 financial year.

In so far as the Trustees are aware:

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

James Cowper Kreston are deemed to be reappointed under section 487(2) of the Companies Act 2006.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 7TH DECEMBER 2020 and signed on its behalf by:



.....
Mr Philip Maskell
Chair of Trustees

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

The majority of the Members of the Academy Trust are independent of the Governing Body.

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

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

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

Governance

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

The Academy has active sub committees with clear terms of reference and carry out detailed oversight of the operations of the Academy reporting back to the Board. The Trustees believe that this is the most effective governance structure.

In order to ensure effective oversight outside of these meetings, all Governors have secure access to documents relating to each sub-committee, including those of which they are not a member. The only exception is that Staff Governors do not have access to the papers of the People, Performance and Remuneration Committee. Attendance during the year at meetings of the Full Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mr Alan Armstrong, Chair of Education Committee	3	5
Mr Khawar Asif	1	1
Mr Faraz Baber, Vice Chair, Chair of Estates Committee, Community Governor	4	5
Mrs Kate Box, Parent Governor, Chair of PPR Committee to 24 February 2020	1	2
Mr Adrian Brown	5	5
Mr Ian Cooksey	4	5
Miss Barbara Harrison, Staff Governor	5	5
Miss Tracey Hartley, Head Teacher and Accounting Officer	5	5
Mr Nick Jones	3	5
Ms Dominique Kent, Chair of PPR Committee from 19 May 2020	3	4
Mr Philip Maskell, Chair	5	5
Mr Mark Phillips QC	4	5
Mr Peter Phippen, Parent Governor	4	5
Mr Nicholas Rogers, Staff Governor	5	5
Mr Carl Rycroft, Community Governor	2	5
Mr Gregory Stevenson, Chair of Finance Committee, Community Governor	4	5
Mr Ian Stubbs	5	5
Miss Susanna Venn, Staff Governor	5	5

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Since 20 March 2020, all Governor meetings have been conducted online.

During 2019/20 a review of Governor Committees and Governor skill set was undertaken, to ensure both are focused on the School's development needs.

In his role as Chair of Governors during 2019/20, Mr Philip Maskell was entitled to attend all Committee meetings. The Full Governing Body has approved a formal scheme of delegation.

The Finance and Audit Committee is a sub-committee of the main Governing Body. Its purpose is to oversee all aspects of the finances of the School, including medium and long-term financial planning. During the year, the committee reviewed the budgets for the year September 2019 to August 2020 and continually monitored actual expenditure in comparison with budgeted amounts. The committee reviewed the capital expenditure proposals put forward by the Estates Committee to ensure that adequate finance was available. Particular emphasis in 2019/20 has been placed on the tenders and costs predicted in respect of the new teaching block and the refurbishment of the Design and Technology block, including ten-year forecasts of cash and reserves.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr G Stevenson (Chair)	3	3
Miss T Hartley (Headteacher)	3	3
Mr N Jones	3	3
Mr P Maskell	3	3
Mr M Phillips QC	1	3
Miss S Venn	3	3

Ms Anna Bulmer attended all three meetings of the Finance and Audit Committee as an independent member. She is not a Governor of the school.

The Education Committee is a sub-committee of the main Governing Body. Its purpose is to oversee the educational provision of the Academy, including the curriculum, and to monitor and evaluate the Academy's academic targets. The school regularly reviews its curriculum and ensures it matches the needs of its students. The curriculum is broad, balanced and offers opportunities for personalisation and extension. This breadth and depth has a positive impact on the spiritual, moral, social and cultural development of all pupils.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr A Armstrong (Chair)	2	3
Miss T Hartley (Headteacher)	3	3
Mr I Cooksey	3	3
Mr P Maskell	3	3
Mr N Rogers	3	3
Mr C Rycroft	2	3
Mr I Stubbs	3	3

The Estates Committee is a sub-committee of the main Governing Body. Its purpose is to continually review the condition of the school buildings and grounds, ensure proper maintenance thereof, oversee health and safety, and review and implement any repair or expansion projects. The committee continued to monitor the Health and Safety requirements of the school.

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance at the meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr F Baber (Chair)	2	3
Miss T Hartley (Headteacher)	3	3
Mr A Brown	3	3
Ms B Harrison	2	3
Mr P Maskell	2	3
Mr P Phippen	3	3

The People, Performance and Remuneration Committee is a sub-committee of the main Governing Body. Its purpose is to oversee the HR, remuneration and well-being of all members of staff. Mrs Kate Box was Chair of the committee but was replaced on 19 May 2020 by Ms Dominique Kent.

Attendance at the meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs K Box (Chair, to 24 February 2020)	1	1
Ms D Kent (Chair, from 19 May 2020)	1	1
Miss T Hartley (Headteacher)	2	2
Mr A Armstrong	2	2
Mr I Cooksey	2	2
Mr P Maskell	2	2

The New Build Committee is a sub-committee of the main Governing Body which was formed in 2019. Its purpose is to oversee and continually review the progress of construction of the new teaching block. The committee interviewed the short-listed contractors as part of the tender process and made recommendations to the Governing Body.

Attendance at the meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Maskell (Chair)	3	3
Miss T Hartley (Headteacher)	3	3
Mr F Baber	2	3
Mr A Brown	2	3
Mr N Jones	1	3
Mr P Phippen	2	3
Mr G Stevenson	1	3

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.

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year and reports to the Governors where value for money can be improved, including the use of benchmarking data where available. During the 2019/20 academic year value for money can be evidenced by the following:

- The contract for telephone services was re-tendered.
- A full tender process, overseen by professional consultants, was undertaken in respect of the main contractors for new teaching block. A design and build contract was sought in order to minimise the cost risk exposure to the school
- The selection of the main contractor for the DT block refurbishment was also subject to a full tender process. The same contractor was chosen for both major projects which offered a saving of £50,000 on the combined cost.
- The site team were able to use the school closure period to undertake substantial redecoration works in-house

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in John Hampden Grammar School for the year from 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year from 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. The Governing Body, individual committees and the Senior Leadership Team reviewed the risk register during 2019/20 and identified those areas of both financial and non-financial risk which require closer inspection. The Committees work with the appropriate member of the Senior Leadership Team to ensure that the risk is managed correctly.

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 Governing Body;
- regular reviews by the Finance and Audit Committee of reports which indicate financial performance against the forecasts, and of major purchase plans, capital works and expenditure programmes;
- the establishment of a new sub-committee to oversee the capital investment in facilities;
- monthly review of the management accounts by the Headteacher;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees have appointed James Cowper Kreston, the external auditor, to perform additional checks.

With effect from 1 September 2020 an alternative reviewer will be sought, as required by the Academies Financial Handbook.

The Finance and Audit Committee reviewed the findings of the external auditor in their internal assurance dated June 2020 and recommendations regarding identified areas of weakness were reported back to the Full Governing Body. There were no material control issues arising as a result of the findings.

The Governing Body and each committee make a formal review of the risk register at least once a year.

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:

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the external auditor;
- the regular maintenance and review of the Self Evaluation Form and School Development Plan;
- 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 Audit committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 7th December 2020 and signed on their behalf by:



.....
Mr Philip Maskell
Chair of Governors


.....
Miss Tracey Hartley
Accounting Officer

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of John Hampden Grammar School I have considered my responsibility to notify the Academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the 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 2019.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA.

.....
T Hartley
Accounting Officer
Date:

7/12/20

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

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

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

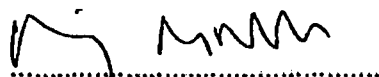
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and 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 their conduct and operation the Group and the charitable company apply 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 group'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 and signed on its behalf by:



.....
P Maskell
Chair of Governors
Date:

7/12/20

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF JOHN HAMPDEN GRAMMAR SCHOOL

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF JOHN HAMPDEN GRAMMAR SCHOOL (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 Group and the parent 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:

- the parent Academy has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Academy 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.

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF JOHN HAMPDEN GRAMMAR SCHOOL (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 Group's and the parent 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 Group or the parent Academy or to cease operations, or have no realistic alternative but to do so.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's 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 Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Darren O'Connor BSc (Hons) FCCA ACA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

Reading Bridge House

George Street

Reading

Berkshire

Date: 7/1/21

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 13 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by John Hampden Grammar School during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to John Hampden Grammar School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to John Hampden Grammar School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than John Hampden Grammar School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of John Hampden Grammar School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of John Hampden Grammar School's funding agreement with the Secretary of State for Education dated 27 May 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the Governors to assess the internal controls throughout the year.

Specific work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Board of Trustees and other evidence made available to us, relevant to our consideration of regularity;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and noncompliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

Conclusion

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



James Cowper Kreston
Chartered Accountants and Statutory Auditor

Reading Bridge House
George Street
Reading
Berkshire

Date: 7/1/21

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

		Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
	Note					
Income from:						
Donations and capital grants	3	90,757	774,991	-	865,748	733,659
Charitable activities	4	5,705,786	-	-	5,705,786	5,243,463
Other trading activities	5	157,891	-	9,179	167,070	180,849
Investments	6	81	-	11,793	11,874	12,441
Total income		5,954,515	774,991	20,972	6,750,478	6,170,412
Expenditure on:						
Charitable activities	7,8	5,993,032	455,443	565	6,449,040	6,198,220
Total expenditure		5,993,032	455,443	565	6,449,040	6,198,220
Net income/(expenditure)		(38,517)	319,548	20,407	301,438	(27,808)
Transfers between funds	17	(433,682)	425,682	8,000	-	-
Net movement in funds before other recognised gains/(losses)		(472,199)	745,230	28,407	301,438	(27,808)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	(584,000)	-	-	(584,000)	(354,000)
Net movement in funds		(1,056,199)	745,230	28,407	(282,562)	(381,808)
Reconciliation of funds:						
Total funds brought forward		(1,199,424)	15,819,023	164,755	14,784,354	15,166,162
Net movement in funds		(1,056,199)	745,230	28,407	(282,562)	(381,808)
Total funds carried forward		(2,255,623)	16,564,253	193,162	14,501,792	14,784,354

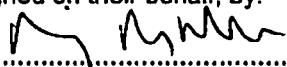
The notes on pages 30 to 54 form part of these financial statements.

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07638999

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	15,938,186	15,437,970
Current assets			
Debtors	14	293,024	246,755
Investments	15	720,866	713,001
Cash at bank and in hand		1,298,991	1,194,874
		<u>2,312,881</u>	<u>2,154,630</u>
Creditors: amounts falling due within one year	16	(740,275)	(640,246)
Net current assets		<u>1,572,606</u>	<u>1,514,384</u>
Total assets less current liabilities		<u>17,510,792</u>	<u>16,952,354</u>
Net assets excluding pension liability		<u>17,510,792</u>	<u>16,952,354</u>
Defined benefit pension scheme liability	24	(3,009,000)	(2,168,000)
Total net assets		<u><u>14,501,792</u></u>	<u><u>14,784,354</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	16,564,253	15,819,023
Restricted income funds	17	753,377	968,576
		<u>17,317,630</u>	<u>16,787,599</u>
Restricted funds excluding pension liability	17	17,317,630	16,787,599
Pension reserve	17	(3,009,000)	(2,168,000)
Total restricted funds	17	<u>14,308,630</u>	<u>14,619,599</u>
Unrestricted income funds	17	193,162	164,755
Total funds		<u><u>14,501,792</u></u>	<u><u>14,784,354</u></u>

The financial statements on pages 26 to 54 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



P Maskell

Chair of Trustees

Date: 7TH DECEMBER 2020

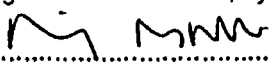
The notes on pages 30 to 54 form part of these financial statements.

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07638999

ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	15,938,186	15,437,970
Current assets			
Debtors	14	293,330	233,684
Investments	15	720,866	713,001
Cash at bank and in hand		1,261,552	1,063,650
		<u>2,275,748</u>	<u>2,010,335</u>
Creditors: amounts falling due within one year	16	(737,875)	(638,646)
Net current assets		<u>1,537,873</u>	<u>1,371,689</u>
Total assets less current liabilities		<u>17,476,059</u>	<u>16,809,659</u>
Net assets excluding pension liability		<u>17,476,059</u>	<u>16,809,659</u>
Defined benefit pension scheme liability	24	(3,009,000)	(2,168,000)
Total net assets		<u><u>14,467,059</u></u>	<u><u>14,641,659</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	16,188,450	15,819,023
Restricted income funds	17	1,094,447	825,881
		<u>17,282,897</u>	<u>16,644,904</u>
Restricted funds excluding pension liability	17	17,282,897	16,644,904
Pension reserve	17	(3,009,000)	(2,168,000)
Total restricted funds	17	<u>14,273,897</u>	<u>14,476,904</u>
Unrestricted income funds	17	<u>193,162</u>	<u>164,755</u>
Total funds		<u><u>14,467,059</u></u>	<u><u>14,641,659</u></u>

The financial statements on pages 26 to 54 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


.....
P Maskell
Chair of Trustees
Date: 27th DECEMBER 2020

The notes on pages 30 to 54 form part of these financial statements.

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	19	280,776	81,150
Cash flows from investing activities	20	(176,659)	391,474
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		104,117	472,624
Cash and cash equivalents at the beginning of the year		1,194,874	722,250
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	21, 22	<u>1,298,991</u>	<u>1,194,874</u>

The cash and cash equivalents balance does not include investments in a fixed term account of £720,866 (2019: £713,001).

The notes on pages 30 to 54 form part of these financial statements

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

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

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Academy alone as permitted by section 408 of 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 Basis of consolidation

The financial statements consolidate the accounts of John Hampden Grammar School and all of its subsidiary undertakings ('subsidiaries').

The Academy has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The income and expenditure account for the year dealt with in the accounts of the Academy was a surplus of £409,400 (2019: deficit of £72,516) before the actuarial gain/loss on the defined benefit pension scheme.

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.4 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

1.5 Income

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

• **Grants**

Grants are included in the Consolidated 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 period is deducted from income and recognised as a liability.

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

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.6 Expenditure

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

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.7 Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Consolidated 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 Consolidated 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 at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold land	- over the life of the lease
Leasehold buildings	- 50 years straight line
Equipment	- 5-20 years straight line
Computer Equipment	- 3 years straight line

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

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.8 Investments

Current asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

1.9 Jointly controlled assets

Where assets are jointly controlled by the Academy Trust and third parties, the Academy accounts for its share of assets, liabilities, income, expenditure and cash flows in accordance with the terms of the joint agreement.

1.10 Operating leases

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

1.11 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.

1.12 Cash at bank and in hand

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

1.13 Liabilities and provisions

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 Group 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.

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

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.14 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 basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. 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 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.15 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.

1.16 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.16 Pensions (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to 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 Consolidated 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.

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

3. Income from donations and capital grants

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	-	-	-	10,040
Capital grants	-	774,991	774,991	655,163
School fund income	90,757	-	90,757	68,456
Total 2020	90,757	774,991	865,748	733,659
Total 2019	78,496	655,163	733,659	

4. Funding for the academy's educational operations

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant (GAG)	5,049,365	5,049,365	4,691,809
Pupil premium	39,376	39,376	42,369
Other DfE group grants	295,213	295,213	73,515
	5,383,954	5,383,954	4,807,693
Other Government grants			
SEN income	93,472	93,472	86,111
Other local authority grants	-	-	9,847
	93,472	93,472	95,958
Trip and other income	228,360	228,360	339,812
Total 2020	5,705,786	5,705,786	5,243,463
Total 2019	5,243,463	5,243,463	

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

5. Income from other trading activities

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Rental income	-	9,179	9,179	11,432
Examination fees	7,700	-	7,700	8,441
Other income	142,412	-	142,412	150,087
Reimbursements re. synthetic turf pitch	7,779	-	7,779	10,889
Total 2020	157,891	9,179	167,070	180,849
Total 2019	169,417	11,432	180,849	

6. Investment income

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Interest receivable	81	11,793	11,874	12,441
Total 2020	81	11,793	11,874	12,441
Total 2019	52	12,389	12,441	

7. Expenditure

	Staff costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Direct costs	4,053,116	-	854,550	4,907,666	4,615,600
Support costs	665,408	589,764	286,202	1,541,374	1,582,620
Total 2020	4,718,524	589,764	1,140,752	6,449,040	6,198,220
Total 2019	4,303,949	626,161	1,268,110	6,198,220	

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

8. Analysis of expenditure by activities

	Direct costs 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Charitable activities	4,907,666	1,541,374	6,449,040	6,198,220
Total 2020	4,907,666	1,541,374	6,449,040	6,198,220
Total 2019	4,615,600	1,582,620	6,198,220	

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
Staff costs	627,391	575,073
Depreciation	410,490	419,467
Maintenance of premises and equipment	58,041	98,239
Cleaning	121,234	108,455
Energy	75,688	92,323
Rates	39,503	41,633
Catering supplies	12,091	14,657
Professional services	11,715	51,135
Non staff related insurance	19,458	22,383
Bank charges	1,477	2,647
Other support costs	104,405	102,050
Governance costs	59,881	54,558
	1,541,374	1,582,620

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

Included in the staff cost balance of £627,391 (2019: £575,073) is the following:

	2020 £	2019 £
Salaries	409,046	374,020
National insurance	32,338	29,917
Pension	92,007	83,287
FRS 102 pension costs	94,000	87,849
	<u>627,391</u>	<u>575,073</u>

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2020 £	2019 £
Operating lease rentals	34,993	34,987
Depreciation of tangible fixed assets	455,443	457,221
Fees paid to auditor for:		
- audit	7,475	7,250
- other services	3,900	3,800
	<u>7,475</u>	<u>7,250</u>

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	Group 2020 £	Group 2019 £	Academy 2020 £	Academy 2019 £
Wages and salaries	3,325,355	3,130,986	3,325,355	3,130,986
Social security costs	304,544	293,925	304,544	293,925
Pension costs	949,255	766,187	949,255	766,187
	<u>4,579,154</u>	<u>4,191,098</u>	<u>4,579,154</u>	<u>4,191,098</u>
Agency staff costs	101,353	74,094	101,353	74,094
Staff governance costs	38,017	38,757	38,017	38,757
	<u><u>4,718,524</u></u>	<u><u>4,303,949</u></u>	<u><u>4,718,524</u></u>	<u><u>4,303,949</u></u>

b. Staff numbers

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

	Group 2020 No.	Group 2019 No.	Academy 2020 No.	Academy 2019 No.
Teachers	61	58	61	58
Administration and support	54	53	54	53
Management	6	5	6	5
	<u>121</u>	<u>116</u>	<u>121</u>	<u>116</u>

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

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

10. Staff (continued)

c. Higher paid staff

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

	Group 2020 No.	Group 2019 No.
In the band £70,001 - £80,000	1	1
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2020, pension contributions for these staff amounted to £43,767 (2019: £29,911)

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 2. 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 £546,340 (2019: £443,762).

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The 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:

		2020 £	2019 £
T Hartley	Remuneration	110,000 - 115,000	105,000 - 110,000
	Pension contributions paid	25,000 - 30,000	15,000 - 20,000
R Aylett (resigned 10 December 2018)	Remuneration	nil	15,000 - 20,000
	Pension contributions paid	nil	0 - 5,000
B Harrison	Remuneration	25,000 - 30,000	25,000 - 30,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
N Rogers	Remuneration	50,000 - 55,000	45,000 - 50,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000
S Venn (appointed 17 December 2018)	Remuneration	45,000 - 50,000	25,000 - 30,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000

During the year ended 31 August 2020, expenses totalling £115 were reimbursed or paid directly to 1 Trustee (2019 - £404 to 3 Trustees) in relation to expenses incurred in performing their duties as a member of staff.

Staff Governor remuneration reflects the pro-rata salary in respect of time spent in office.

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12. Trustees' and Officers' insurance

The Academy Trust 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 Governors and officers indemnity element from the overall cost of the RPA scheme.

13. Tangible fixed assets

Group and Academy

	Long-term leasehold property £	Assets under construction £	Equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2019	17,501,497	83,768	844,865	354,829	54,857	18,839,816
Additions	-	485,638	407,107	62,914	-	955,659
At 31 August 2020	17,501,497	569,406	1,251,972	417,743	54,857	19,795,475
Depreciation						
At 1 September 2019	2,454,302	-	654,265	275,956	17,323	3,401,846
Charge for the year	330,916	-	70,622	42,933	10,972	455,443
At 31 August 2020	2,785,218	-	724,887	318,889	28,295	3,857,289
Net book value						
At 31 August 2020	14,716,279	569,406	527,085	98,854	26,562	15,938,186
At 31 August 2019	15,047,195	83,768	190,600	78,873	37,534	15,437,970

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14. Debtors

	Group 2020 £	Group 2019 £	Academy 2020 £	Academy 2019 £
Other debtors	2,575	29,760	2,575	29,760
Prepayments and accrued income	208,908	151,920	209,214	138,849
Tax recoverable	81,541	65,075	81,541	65,075
	<u>293,024</u>	<u>246,755</u>	<u>293,330</u>	<u>233,684</u>

15. Current asset investments

	Group 2020 £	Group 2019 £	Academy 2020 £	Academy 2019 £
Fixed term account	<u>720,866</u>	<u>713,001</u>	<u>720,866</u>	<u>713,001</u>

16. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Academy 2020 £	Academy 2019 £
Trade creditors	242,847	205,162	242,847	205,162
Other taxation and social security	81,982	74,570	81,982	74,570
Other creditors	138,805	127,442	136,405	125,842
Accruals and deferred income	276,641	233,072	276,641	233,072
	<u>740,275</u>	<u>640,246</u>	<u>737,875</u>	<u>638,646</u>

	Group 2020 £	Group 2019 £	Academy 2020 £	Academy 2019 £
Deferred income at 1 September 2019	41,285	40,370	41,285	40,370
Resources deferred during the year	49,139	41,285	49,139	41,285
Amounts released from previous periods	(41,285)	(40,370)	(41,285)	(40,370)
Deferred income at 31 August 2020	<u>49,139</u>	<u>41,285</u>	<u>49,139</u>	<u>41,285</u>

Deferred income relates to School Games Organisation funding, 16-19 Bursary fund income and income received from parents in advance of delayed Chromebook deliveries.

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17. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Designated funds						
Sinking fund	45,333	-	-	8,000	-	53,333
General funds						
General unrestricted funds	119,422	20,972	(565)	-	-	139,829
Total Unrestricted funds	164,755	20,972	(565)	8,000	-	193,162
Restricted general funds						
General Annual Grant	380,898	5,049,365	(4,902,920)	(92,120)	-	435,223
LA surplus on conversion	444,983	-	-	(161,562)	-	283,421
Pupil premium	-	39,376	(39,376)	-	-	-
SEN Income	-	93,472	(93,472)	-	-	-
School fund	142,695	90,838	(800)	(198,000)	-	34,733
Trip and other income	-	228,360	(228,360)	-	-	-
Other restricted funds	-	453,104	(471,104)	18,000	-	-
Pension reserve	(2,168,000)	-	(257,000)	-	(584,000)	(3,009,000)
	(1,199,424)	5,954,515	(5,993,032)	(433,682)	(584,000)	(2,255,623)

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17. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted fixed asset funds						
Restricted fixed asset funds	15,819,023	774,991	(455,443)	425,682	-	16,564,253
Total Restricted funds	14,619,599	6,729,506	(6,448,475)	(8,000)	(584,000)	14,308,630
Total funds	14,784,354	6,750,478	(6,449,040)	-	(584,000)	14,501,792

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

Designated funds

The sinking fund represents the Academy's share of amounts set aside for major repairs to a Synthetic Turf Pitch held as a jointly controlled asset with Wycombe District Council.

Restricted funds

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy via the Education Skills and Funding Agency by the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other Local Authority and DfE/ESFA grants represents grants from the respective bodies.

The pension reserve fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to Academy status, and through which all the pension scheme movements are recognised.

Restricted fixed asset funds

The Restricted fixed asset fund represents the net book value of capitalised fixed assets plus any unspent capital funds.

Transfers

The transfer between the restricted and restricted fixed asset funds represents amounts capitalised during the period.

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17. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Designated funds						
Sinking fund	37,333	-	-	8,000	-	45,333
General funds						
General unrestricted funds	97,263	23,821	(1,662)	-	-	119,422
Total Unrestricted funds	<u>134,596</u>	<u>23,821</u>	<u>(1,662)</u>	<u>8,000</u>	<u>-</u>	<u>164,755</u>
Restricted general funds						
General Annual Grant	418,741	4,691,809	(4,693,184)	(36,468)	-	380,898
LA surplus on conversion	444,983	-	-	-	-	444,983
Pupil premium	-	42,369	(42,369)	-	-	-
SEN income	-	95,958	(95,958)	-	-	-
Other restricted funds	-	281,547	(281,547)	-	-	-
School fund	97,987	68,508	(23,800)	-	-	142,695
Trip and other income	-	311,237	(311,237)	-	-	-
Pension reserve	(1,557,000)	-	(257,000)	-	(354,000)	(2,168,000)
	<u>(595,289)</u>	<u>5,491,428</u>	<u>(5,705,095)</u>	<u>(36,468)</u>	<u>(354,000)</u>	<u>(1,199,424)</u>

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17. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Restricted fixed asset funds						
Restricted fixed asset funds	15,626,855	655,163	(491,463)	28,468	-	15,819,023
Total Restricted funds	15,031,566	6,146,591	(6,196,558)	(8,000)	(354,000)	14,619,599
Total funds	15,166,162	6,170,412	(6,198,220)	-	(354,000)	14,784,354

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	15,938,186	-	15,938,186
Current assets	1,493,652	626,067	193,162	2,312,881
Creditors due within one year	(740,275)	-	-	(740,275)
Provisions for liabilities and charges	(3,009,000)	-	-	(3,009,000)
Total	(2,255,623)	16,564,253	193,162	14,501,792

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	15,437,970	-	15,437,970
Current assets	1,608,822	381,053	164,755	2,154,630
Creditors due within one year	(640,246)	-	-	(640,246)
Provisions for liabilities and charges	(2,168,000)	-	-	(2,168,000)
Total	(1,199,424)	15,819,023	164,755	14,784,354

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

	2020 £	2019 £
Net income/(expenditure) for the period (as per Statement of Financial Activities)	301,438	(27,808)
Adjustments for:		
Depreciation	455,443	457,221
Capital grants from DfE and other capital income	(774,991)	(655,163)
Interest receivable	(11,874)	(12,441)
Defined benefit pension scheme cost less contributions payable	217,000	216,000
Defined benefit pension scheme finance cost	40,000	41,000
(Increase)/decrease in debtors	(46,269)	(48,663)
Increase/(decrease) in creditors	100,029	111,004
Net cash provided by operating activities	280,776	81,150

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20. Cash flows from investing activities

	Group 2020 £	Group 2019 £
Interest receivable	11,874	12,441
Purchase of tangible fixed assets	(955,659)	(268,336)
Capital grants from DfE Group	774,991	655,163
Fixed term account	(7,865)	(7,794)
Net cash (used in)/provided by investing activities	(176,659)	391,474

21. Analysis of cash and cash equivalents

	Group 2020 £	Group 2019 £
Cash in hand	1,298,991	1,194,874
Total cash and cash equivalents	1,298,991	1,194,874

22. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,194,874	104,117	1,298,991
Liquid investments	713,001	7,865	720,866
	1,907,875	111,982	2,019,857

23. Capital commitments

	Group 2020 £	Group 2019 £	Academy 2020 £	Academy 2019 £
Contracted for but not provided in these financial statements				
Acquisition of tangible fixed assets	3,669,840	-	3,669,840	-

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24. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Buckinghamshire 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 £83,072 were payable to the schemes at 31 August 2020 (2019 - £65,509) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- 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 £519,862 (2019 - £345,404).

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 Group has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Group has set out above the information available on the scheme.

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24. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £269,000 (2019 - £258,000), of which employer's contributions totalled £213,000 (2019 - £204,000) and employees' contributions totalled £56,000 (2019 - £54,000). The agreed contribution rates for future years are 22.8% for employers and between 5.5% and 8.5% for employees

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

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	3.30	3.70
Rate of increase for pensions in payment/inflation	2.30	2.20
Discount rate for scheme liabilities	1.60	1.85
Inflation assumption (CPI)	2.30	2.20

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	21.8	22.9
Females	25.1	24.8
<i>Retiring in 20 years</i>		
Males	23.2	24.6
Females	26.6	26.7

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	5,872	4,474
Discount rate -0.1%	6,156	4,690
Mortality assumption - 1 year increase	6,248	4,744
Mortality assumption - 1 year decrease	5,785	4,424
CPI rate +0.1%	6,142	4,677
CPI rate -0.1%	5,885	4,488

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24. Pension commitments (continued)

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

	2020 £	2019 £
Equities	1,646,000	1,296,000
Gilts	316,000	282,000
Bonds	471,000	343,000
Property	188,000	165,000
Cash and other liquid assets	79,000	78,000
Alternative assets	303,000	249,000
Total market value of assets	3,003,000	2,413,000

The actual return on scheme assets was £79,000 (2019 - £184,000).

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

	2020 £	2019 £
Current service cost	(430,000)	(365,000)
Past service cost	-	(55,000)
Interest income	47,000	54,000
Interest cost	(85,000)	(95,000)
Administrative expenses	(2,000)	-
Total amount recognised in the Consolidated Statement of Financial Activities	(470,000)	(461,000)

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

	2020 £	2019 £
At 1 September	4,581,000	3,552,000
Current service cost	430,000	365,000
Interest cost	85,000	95,000
Employee contributions	56,000	54,000
Actuarial losses	869,000	482,000
Benefits paid	(9,000)	(22,000)
Past service costs	-	55,000
At 31 August	6,012,000	4,581,000

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24. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	2,413,000	1,995,000
Return on plan assets (excluding net interest on the net defined pension liability)	47,000	56,000
Actuarial gains	285,000	128,000
Employer contributions	213,000	204,000
Employee contributions	56,000	54,000
Benefits paid	(9,000)	(22,000)
Administration expenses	(2,000)	(2,000)
At 31 August	3,003,000	2,413,000

Actuarial losses recognised during the year are comprised of actuarial losses on obligations and actuarial gains on assets noted above.

25. Operating lease commitments

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

	Group 2020 £	Group 2019 £
Amounts payable:		
Within 1 year	12,462	24,163
Between 1 and 5 years	4,864	12,966
	17,326	37,129

26. Members' liability

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

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27. Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustees has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

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

28. Agency arrangements

The academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the trust received £11,074 (2019: £10,807) and disbursed £5,641 (2019: £10,807). An amount of £6,376 (2019: £943) is included in other creditors relating to undistributed funds that will be carried forward to support students in the 2020/21 academic year.

29. Principal subsidiaries

Subsidiary name	John Hampden Grammar School Fund
Charity registration number	296155
Basis of control	
Equity shareholding %	100%
Total assets as at 31 August 2020	£55,133
Total liabilities as at 31 August 2020	£(20,400)
Total funds as at 31 August 2020	£34,733
Gross income for the year ended 31 August 2020	£90,838
Expenditure for the year ended 31 August 2020	£(198,800)
Deficit for the year ended 31 August 2020	£(107,962)