



Watford Grammar School for Boys
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2021



Company Registration Number:
07348288 (England and Wales)

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Watford Grammar School for Boys
Reference and Administrative Details

Academy Trust Company

Members

Sir J. S. Holman	(Chair) (Resigned 08 December 2020)
Mr T. Cosgrove	(Chair) (Appointed 08 December 2020)
Mr S. A. Nokes	
Mr A. W. Speirs	
Miss S Tai	

Governors (Trustees):

Governors

Mr I. Cooksey *	(Headmaster & Accounting Officer)
Mr S. A. Nokes *	(Chair of Governors)
Mr M. Bavis	
Dr T. J. Boyd	
Mr R. G. Dawda *	
Mr S. D. Hart *	
Mr. D. P. Holden *	
Ms S. Rashid *	(Appointed 01 December 2020)
Rev A. W. Rindl	(Vicar)
Prof D. A. Ritchie	(University of Cambridge) (Resigned 31 August 2021)
Mrs S. E. Rodgers	
Mr C. F. Rycroft	
Mr S. Shannon *	(Resigned 31 August 2021)
Mr A. W. Speirs *	(Chair of Finance Committee)
Mrs A. Watson	

Staff Governors

Miss J. S. Callow *	(Resigned 31 August 2021)
Mrs S. Riaz	
Dr C. G. D. Sykesud	

* - members of the Finance Committee

Company Secretary

Mrs C Brown

Senior Leadership Team:

Headmaster

Mr I. Cooksey

Deputy Headmaster

Mr J. Macleod

Assistant Head Teachers

Mr R. Carr	
Mr G. Curwen	
Mrs C. Groves	
Mrs K. Messik	
Mr K. Thorold	(Finance Director)

Watford Grammar School for Boys
Reference and Administrative Details

Company Name: Watford Grammar School for Boys

Principal and Registered Office: Rickmansworth Road
Watford
Hertfordshire
WD18 7JF

Company Registration Number: 07348288 (England and Wales)

Independent Auditor: Fortus Audit LLP
31 High View Close
Hamilton Office Park
Leicester
LE4 9LJ

Bankers: Lloyds Bank PLC
Intu Watford Centre
Unit 32 + 32a
Watford
Hertfordshire
WD17 2UB

Solicitors: Stone King
Wellington House
East Road
Cambridge
CB1 1BH

Internal Assurance Officer: Mr J. C. Wilson FCA ATII
Howard Wilson
36 Crown Rise
Watford
Hertfordshire
WD25 0NE

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purpose of both a governors' report and a directors' report under company law.

The academy trust (School) operates a school for pupils aged 11 to 18 serving a catchment area in Watford. It increased its Net Capacity to 1,496 with 376 in the sixth form, following a deed of variation to its funding agreement in 2017. It had a roll of 1,457 in the school census on January 2021.

The governors would like to take this opportunity to thank all the staff, both teaching and non-teaching, for their continued commitment to the excellence of the School.

Structure, Governance and Management

Constitution

The School 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 School. The governors of Watford Grammar School for Boys are also directors of the charitable company for the purposes of company law. The charitable company operates as Watford Grammar School for Boys.

The School is constituted of two parts: the School company members, who ratify all major governance issues, and the governors of the school who make both strategic and operational decisions.

Details of the governors who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 3.

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.

Governors' Indemnities

The governors are indemnified in respect of their duties on behalf of Watford Grammar School for Boys to the extent that they are covered within the specific provisions contained within the School's insurance policy arranged through the government's Risk Protection Arrangement scheme.

Method of Recruitment and Appointment or Election of Governors

1 Foundation Governors

The Watford Grammar Schools Foundation appoints up to 11 governors of whom:

- a) no fewer than 3 are parents of registered pupils attending the School at the date of appointment;
- b) if a recommendation is made, three are appointed on the recommendation of each of the University of Cambridge, the University of Oxford and the University of London; and
- c) one is the vicar for the time being of the Ecclesiastical Parish of Watford (or his/her alternate appointed by the Diocese of St Albans).

2 Ex-Officio

The Headmaster shall be treated for all purposes as being an ex officio Governor.

3 Parent Governors

Parent governors must be parents of pupils at the School at the time when they are elected by parents of registered pupils at the School or, where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age. Any election of a parent governor which is contested shall be held by secret ballot. The arrangements made for the election of a parent governor provides for every person who is entitled to vote in the election to have an opportunity to do so by post or, if they prefer, by having a ballot paper returned to the School trust by a registered pupil at the School.

4 Staff Governors

Staff governors are invited for nomination and if required are elected by a secret ballot of all staff employed under a contract of employment or a contract for services or otherwise engaged to provide services to the School (excluding the Headmaster). All arrangements for the calling and the conduct of the election and resolution of questions as to whether any person is an eligible candidate is determined by the governors. If a staff governor ceases to work at the School then they are deemed to have resigned and shall cease to be a governor automatically on termination of their work at the School.

Policies and Procedures Adopted for the Induction and Training of Governors

Once appointed, new governors are invited to meet the Headmaster and Chair of Governors to discuss the expectations of the role and allocation of committees including any additional training requirements. Address, photo ID and references are obtained and an Enhanced DBS check completed. The Register of Pecuniary Interest form is completed and a School ID badge is issued to all governors.

Governors are given access to the Governor shared google drive which includes all previous minutes and papers, contact details, committee membership and the meetings calendar. Statutory documents such Articles of Association and Funding Agreement and DfE guidance on competency and code of conduct are also posted on the google drive for governor reference.

All governors are required to sign a declaration to say that they have read The Child Protection Policy and Keeping Children Safe in Education documents. They are given access to the School's online training programme and directed to complete Child Protection in Education training and other training relevant to their respective committee roles. Governor training records are kept by the Clerk to the Governors.

Organisational Structure

Subject to provisions of the Companies Act 2006, the articles of association and any directions given by special resolution, the business of the School shall be managed by the governors who may exercise all the powers of the School. All major strategic decisions must, however, be ratified by the academy trust company. No alteration of the articles of association and no such direction shall invalidate any prior act of the governors which would have been valid if that alteration had not been made or that direction had not been given. A meeting of governors at which a quorum is present may exercise all the powers exercisable by the governors.

In addition to all powers hereby expressly conferred upon them, and without detracting from the generality of their powers under the articles of association, the governors shall have the following powers, namely to expend the funds of the School in such manner as they shall consider most beneficial for the achievement of the object and to invest in the name of the School such part of the funds as they may see fit and to direct the sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the object.

The governing body may delegate to any governor, committee, the Headmaster or any other holder of an executive office, subject to the School constitution and legal requirements, such of their powers or functions as they consider desirable to be exercised by them. Any such delegation may be made subject to any conditions the governors may impose and may be revoked or altered. Where any power or function of the governors is exercised by any committee, any governor, Headmaster or any other holder of an executive office, that person or committee shall report to the governors in respect of any action taken or decision made with respect to the exercise of that power or function at the meeting of the governors immediately following the taking of the action or the making of the decision.

The governing body have been working with Stone King to review its organisational structure, and are in the process of drafting new Articles of Association which are based on the Department for Education Model for Single Academy Trusts (February 2016 v5). This will result in the adoption of a new organisational structure for both the members and directors of the School and the signing of a new funding agreement.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel for the school comprises the members, governors and members of the Senior Leadership Team as outlined on pages 3 and 4 of these financial statements. The only individuals within these groups who receive pay and remuneration are the staff governors and the Senior Leadership (Headmaster, Deputy Headmaster and Assistant Headteachers). All staff governors are members of the teaching staff. The Governing Body follows the requirements of the current School Teachers Pay and Conditions Document (STPCD) in implementing the pay policy for teaching staff at the School. The pay policy of Watford Grammar School for Boys mandates that the Governing Body will ensure that every teacher's salary is reviewed with effect from the 1 September each year and no later than the 31 October each year with the exception of the Headmaster where the review must be carried out by the 31 December. Support staff are paid in accordance with the provisions of the School's Pay Policy with an appraisal cycle from the 1 April each year.

Setting Pay Ranges for Senior Leaders

The Personnel Committee has established appropriate pay ranges for each member of the Leadership Group. These individual ranges are reviewed on a regular basis, but not more than once per year. In setting the ranges the Personnel Committee has regard to the following:

The school group size in accordance with the provisions of the STPCD. In spite of an increasing school roll, the school group size is unchanged. By carrying out this exercise, the Personnel Committee provides itself with a 'benchmark' Headteacher's pay range for consideration when setting the Headteacher's pay range, ensuring that there is appropriate scope within the range to allow for performance related progress over time.

In the case of setting a range for any new Headteacher appointment, the Personnel Committee considers the requirements of the post, and the extent to which the preferred candidate meets those requirements are such that it would be appropriate to set the starting point above the minimum outlined in the benchmark range. The Personnel Committee also has discretion to set a pay range in excess of the maximum outlined in the benchmark range where it considers that circumstance specific to the role or candidate warrant this, as long as it doesn't exceed the maximum point on the benchmark range by more than 25%.

In setting the pay ranges for the Deputy Head and Assistant Headteachers, the Personnel Committee ensures that the maximum ranges do not exceed the maximum of the benchmark range above. In addition the Personnel Committee would only set a pay range for the Deputy Head and Assistant Headteachers that overlapped with the Headteacher's pay range in exceptional circumstances.

Pay Progression for Senior Leaders

Members of the Leadership Group are not entitled to receive automatic annual increments. The Governing Body ensures that a review against performance objectives is undertaken annually in accordance with the School's Performance Management Policy. Members of the Leadership group must demonstrate sustained high quality of performance, with particular regard to leadership and management, and pupil progress at the school. The Personnel Committee will consider recommendations made to it following the performance review and will award a maximum progression of one point with the range where there has been sustained high quality of performance taking into account the performance objectives.

Trade Union Facility Time

Relevant Union Officials

Number of employees who were relevant union officials during the review period	Full-time equivalent employee number
1	1.0

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	0
Total pay bill	£7,361,405
Percentage of total pay bill spent on facility time	0%

Paid trade union activities

Time spent on paid trade union activities as a % of total paid facility time hours	0%
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Related Parties and other Connected Charities and Organisations

The Watford Fuller Foundation (Charity Number 1062184) is a charitable trust established to advance the education of the pupils of the Watford Grammar School for Boys by providing or assisting in the provision of educational, recreational and other charitable facilities to further the education and advancement in life of the pupils.

Watford Grammar School for Girls is the sister school to Watford Grammar School for Boys. The two schools operate with a shared head of members and with a shared admissions policy. The Trustees of the Watford Grammar Schools are the representatives of the old Foundation of the two Watford Grammar Schools.

The Friends of Watford Grammar School for Boys is a Charity (Charity Number 1073843) set up by the parents of the school to support educational activity.

Last year the School was unable to carry out any NLE/NSS consultancy work as a result of the COVID pandemic.

The School is a teaching school within the Advanced Learning Alliance.

Objectives and Activities

Objects and Aims

The School's object is specifically restricted to the following: 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 partially selective school offering a broad and balanced curriculum.

Watford Grammar School for Boys aims to take every student in our care on a most extraordinary journey, and one which can nurture the talent and provide the skills and experience to last a lifetime. We offer a broad curriculum, a rich programme of extra-curricular activities and excellent facilities. We aim to challenge, encourage and instil a sense of excellence in every boy. Academic success is achieved through a balance of academic rigour, physical development and pastoral care. In addition, we consider particularly important good communications with parents and parental support. We believe that education is a team effort, with home and school journeying together for the benefit of each student.

Objectives, Strategies and Activities

The School Development Plan is determined by the governors and the senior leadership team, and is reviewed annually with regard to the School's strategic objectives. A set of core values have been identified that underpin everything that the School is striving to achieve:

- Endeavour & Excellence
- Integrity & Kindness
- Creativity & Individuality

The School Development Plan for 2020-2021 identifies four key development aims:

- **WELLBEING** - All members of the school community have an understanding of the routes to wellbeing for themselves and others and take steps to prioritise wellbeing for all. This will be evident by:
 - i) An embedded 'wellbeing curriculum' for all students.
 - ii) Survey outcomes illustrating improved and mutually supportive relationships between all community members.
 - iii) All community members can identify actions that they have taken to address the 'Five ways to Wellbeing' identified by the 'New Economics Foundation' viz. Connect, Be active, Take Notice, Learn and Give.
- **ACADEMIC EXCELLENCE IN THE SIXTH FORM** - To foster successful, ambitious and well-rounded individuals who embody and promote our school values during the sixth form and beyond, whilst demonstrating a passion for academic enquiry. This will be evident in three years time as follows:
 - i) Flourishing Academic Societies, with an expectation of full participation from all students in the 6th form.
 - ii) Consistently positive value-added scores with the lower confidence limit over 0.0 for the cohort.
 - iii) In excess of 75% attending Russell Group universities.

- **TEACHING, LEARNING & WBGs LEARNER FOR LIFE** - An awareness of the value of WBGs Learner attributes is evident amongst all members of the school community and all aspire to become WBGs Learners for life. There is a focus on enhancing Teaching and Learning using research-informed strategies to improve student progress. This will be evident in three years time as follows:
 - i) All teachers, students and parents are aware of the attributes we are seeking to develop and it is clear how, when and where we are seeking to promote this development.
 - ii) All students can identify the extent to which they have made progress in developing these attributes.
 - iii) Wider promotion of our approach through engagement with other educational institutions, based on action research and CPD.
 - iv) Teachers become more aware of, and implement in lessons a range of research-informed Teaching and Learning strategies.
- **FINANCIAL SUSTAINABILITY & ESTATE MANAGEMENT** - The school continues to sustain a balanced revenue budget and improve the estate infrastructure in spite of growing cost pressures, by maximising income generation and avoiding the need to cut provision wherever possible. This will be achieved over three years by:
 - i) Increasing WBGs Enterprise Trading Company income by 25%.
 - ii) Increasing donations to the Watford Fuller Foundation to £300K per annum.
 - iii) Improving the site infrastructure and operating practices further to maximise wellbeing and safety as evidenced by securing the SafetyMark Award for Safety Excellence in Schools.

Public Benefit

In setting its objectives and planning our activities, the governors have considered the Charity Commission's general guidance on public benefit and are satisfied that the School has complied with its requirement to have due regard for the public benefit of secondary education for boys in the Watford and surrounding catchment areas in accordance with its charitable purpose.

This can be demonstrated by:

- a. the excellent public examination results achieved by students of the School, who continue to perform well at national level, and the destination of these students, many of whom go on to Russell Group Universities.
- b. the extensive use of the School and its facilities by the local community, prior to the national lockdown. The School is working hard post-lockdown to ensure the successful return of Aviv Dance Studios and the weekend language schools (Al Amanah School and the Watford Chinese School).
- c. the long-term partnership that the School has with West Herts Hockey Club. This partnership, together with other sports partners such as Watford Football Club (mens and ladies teams) has been strengthened since the construction of the Household Pavilion.
- d. its close collaborative links with the Watford School of Music, which operates out of the Clarendon Muse and is held up as a model partnership by Hertfordshire County Council.
- e. the continued expansion of links with the local community.
- f. strong partnerships forged with local businesses over many years.
- g. the findings of the recent OFSTED inspection carried out in October 2021.

Strategic Report

Achievements and Performance

Key Performance Indicators

A Level

Across all A-Level subjects the results have increased again this year, but our results are particularly good when compared with the national averages. The proportion of A or A* grades achieved nationally has gone up to 44.3% from 38.1% in 2020. And the percentage graded C or above nationally increased from 87.5% to 88.2%. The largest increase in attainment at any part of the grade distribution was at A*, which was up nearly five percentage points from 14.3% to 19.1%.

Performance Indicators	2017	2018	2019	2020 CAG	2021 TAG
% A*	14	16	16	20	31
% A*/A	39	43	41	49	62
% A* - B	67	71	70	73	82
% A* - C				89	93

GCSE Level

The grades for GCSE examinations have gone up again this year, although only slightly. Last year, centre assessed grades were used in place of public exams, and there was a spike in the percentage of entries awarded top grades. This year, grades were awarded using a different process based on teacher assessed grades. But this is another exceptional year and the results do look very different to those from before the pandemic. Among 16 year olds in England, Wales and Northern Ireland, the percentage of entries graded 7 or above has increased from 27.7% in 2020 to 30.2%. In 2019 it was 21.9%. At grade 4/C or above, the percentage has increased from 69.9% in 2019 to 79.1% in 2021. Last year, it was 78.9%.

Performance Indicators	2017	2018	2019	2020 CAG	2021 TAG
% Level 9	-	18.9	19.1	21.5	21.7
%A* / A or 9-7	49	60	53	58.3	61.3
%A* - C or 9-4	92	94	91	93.7	94.6
Average Total Attainment 8	63.5	69.6	66.4	68.6	67.7

Key Performance Indicators - Attendance Data

Average attendance rates (%) pre lockdown were as follows:

Average attendance rate - all students in secondary schools Years 7 to 11 (%)	National	Herts	WBGS
Academic year 2016-17	94.6	95.0	92.6
Academic year 2017-18	94.5	Not published	94.8
Academic year 2018-19	94.5	Not published	95.9
Academic year 2019-20 (to 20th March 2020)	Not published	Not published	95.8
Academic year 2020-21	Not published	Not published	96.1

The earlier comparison figures used are from the DfE website and are based on a full academic year (i.e. six half terms, with summer 2 excluded for Year 11 students). Prior to 2017-18, the School allowed Year 11 students to take study leave earlier than some other schools, from when GCSEs commenced part-way through the first half of the summer term, and this has been a contributing factor in the lower attendance rates stated above. From 2017-18 onwards, student attendance includes when they are present in school and sitting a GCSE mock or final exam, and there has been no study leave allowed for mock GCSE exams since January 2019. This has been a significant factor in the improved attendance rate. The last two academic years include attendance data for the covid pandemic and subsequent lockdowns.

Going Concern

After making appropriate enquiries, the governors have a reasonable expectation that Watford Grammar School for Boys 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.

Financial Review

The majority of the School's income is obtained from the Education & Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

COVID-19 Pandemic

The challenge for 2020-2021 was to navigate the school through the on-going Covid pandemic and to manage the re-opening of the school to all students from September 2020. The pandemic continued to have a major impact on the closure of lettings, which generated £43k during 2020-21, compared to £190k in 2018-19 and £103k in 2019-20. The School, however, was better prepared to manage the impact of the pandemic this year, and significant savings in utilities, lettings expenditure, staff travel & training costs, games related expenditure, examination fee refunds and savings in departmental and maintenance costs has meant that the school has increased its reserves to a more sustainable level as set out in its reserves policy.

No school trips or extra-curricular activities were able to go ahead during 2020-21 and this is something that the School is actively looking to reverse for the next academic year as we learn to live with the pandemic.

Pupil Numbers

The School continues to expand its pupil numbers to meet the local need, and the last additional Year 7 form will start in September 2022 when the School will reach its final capacity of 1,496. The School has benefited from the additional premium (£109k in the September 16-19 funding allocation) resulting from the high number of its students studying advanced maths and high value courses. The continued importance of the grant support received from Watford Fuller Foundation cannot be overstated, and the ability to draw on these grants, both for revenue support and capital projects, has significantly helped with the management of cash flow, particularly with regards to the large capital projects.

Key Financial Performance Indicators

The KPIs based on the period 1 September 2020 to 31 August 2021 are as follows:

Key Performance Indicators	31 August 2021 (£k)	31 August 2020 (£k)
GAG Income	7,857	7,247
Salary Costs to GAG (%)	91.15%	93.51%
Salary Costs to Total Revenue Income (%)	80.35%	78.45%
Total Revenue Income	8,913	8,639
Staff Costs *	7,162	6,777
Educational Supplies (Learning Resources)	329	317
ICT Resources	141	91
Salary Costs as % Total Expense	80.97%	73.22%
Total Revenue Expenditure	8,845	9,256

* Staff Costs includes Staff Development Costs and excludes LGPS Service Costs

During the 2020-2021 financial year, the School received grants for capital development from the ESFA with a successful CIF bid (£317k) for the replacement of the windows in the English block, although the start date for this project has been put back to June 2022. The School continues to receive grants from the Watford Grammar Schools Foundation and the Watford Fuller Foundation (WFF). In addition to funding for capital projects, the School also benefitted from revenue funding from the WFF, to assist with the ongoing education of its students.

In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Reserves Policy

The School aims to maximise the amount of its unrestricted reserves, which is used towards school enhancements, improvements to the site and the ability of the School to expand its social and wellbeing provision, over and above the educational elements to its pupils and to ensure a high standard of provision for its staff and the wider community. A further function of the unrestricted reserves is to maintain a level that, where there is unexpected educational expenditure, or a loss of income (educational or otherwise) the operation of the School can be maintained. These levels are reviewed periodically by the School. The latest guidance on reserves held by a trust can be found in the government's 'Operating an academy trust as a going concern', which states that it is prudent for an academy to keep at least one-month's salary costs as a revenue reserve. The School continues to work towards obtaining a level of reserves to satisfy the guidance and continues to review its operations, income generation and expenditures in order to improve the reserves of the School.

The total amount of reserves (excluding Fixed Asset Fund) available as at 31 August 2021 was £462,706 (2020: £167,749). This amount is made up of £157,586 restricted funds (excluding pension funds and not available for general purposes of the School) and £305,120 unrestricted funds.

Investment Policy

The School aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. The School has a policy of investing its surplus cash balances in its COIF deposit account, with a view to maximising returns, but where greater weight is assigned to the safety of the investment ensuring that there is no risk to the loss of these surplus cash funds.

Principal Risks and Uncertainties

The principal risks to the School continues to be the uncertainty over future ESFA/DfE policy regarding academy funding grants and the sudden changes in government policy such as the recent increase in National Insurance (this will add £90,000 to the payroll). The School has mitigated some of this risk by increasing student numbers at both key Stage 3 and 5. Failure to achieve this planned increase in pupil numbers, however, would present a further risk to the School, although it continues to be heavily oversubscribed for entry at age eleven.

Financial and Risk Management Objectives and Policies

The School recognises a number of other potential risks and uncertainties to which the School is exposed.

These include the risk that:

- The COVID-19 pandemic continues throughout the next academic year, with the subsequent loss of the revenue income generated by the hiring of its facilities;
- The potential threat to a drop in student numbers in the sixth form, potentially linked to the pandemic, and the loss of significant grant income in subsequent years;
- The School enters into future commitments without having the future funding available to meet them;
- The School is required to increase its employer pension contributions where the pension scheme is in significant deficit;
- A failure of financial control procedures around cash flow forecasting and understanding of the debtor book.

The School maintains a comprehensive risk register, which identifies the principal risks that it faces and attempts to reduce their impact and this is reviewed annually by the Finance Committee.

Fundraising

The School employs a part-time External Relations and Fundraising Coordinator to undertake fundraising initiatives in-line with the School Development Plan. All fundraising is undertaken in-house amongst parties which have given permission to be contacted by the School, including parents and alumni, and every campaign stresses that any donations are made on a purely voluntary basis and have no bearing on a pupil's treatment at the School.

Energy and Carbon Reporting

Although the School is not defined as a large company, and does not therefore have to report on its energy usage, reducing carbon emissions is a key priority of the school and its students. The School has started tracking its gas transmissions and energy usage from September 2020 and will continue to do so as it aims to drive down its emissions:

Total Electricity Consumption kgCO ₂	Total Gas Consumption kgCO ₂	Total Energy Use 1/09/2020 - 31/08/2021 CO ₂ (kg)
132,453	285,759	418,212

Plans for Future Periods

The governors have identified Financial Sustainability and Estates Management as a key development aim in the three year School Development Plan. The aim is for the School to continue to sustain a balanced revenue budget, whilst improving the estate infrastructure in spite of the growing cost pressures, by maximising income generation and avoiding the need to cut provision wherever possible. This will be achieved over three years by:

- Identify opportunities to secure an increased number of lettings of the improved school facilities. The School will work to re-establish lettings income to the levels that they were at pre-Covid closure in March 2020. This will take time, and can only occur when the pandemic is finally under control.
- Improving the site infrastructure and operating practices further to maximise wellbeing and safety.
- Increase the biodiversity and sustainability of the school site by using the student voice and Head Prefect Team to consult on ways to minimise environmental impact, carbon emissions and improvements to sustainability/ biodiversity.
- Continue to successfully manage the increased PAN, agreed with Hertfordshire County Council in response to an urgent need in the local area for more secondary school places. The School increased to eight form entry for Year 7 in 2018, and its final capacity of 1,496 will be reached in September 2022.
- To maintain the excellent facilities at the school site, in order to meet the pursuit of excellence that has been a strong part of the School's tradition.
- To develop the well-being of students and staff, such that all experience good mental health as they develop their potential, work productively and creatively, build strong and positive relationships with others, and contribute to the community.

Events after the Financial Year

The School was inspected by OFSTED under its new framework on the 13th and 14th October 2021, and was judged to be Outstanding in all categories. The report highlighted that the School is a 'remarkably friendly and welcoming school' and pupils behaviour is 'superb'. The quality of education provided for its pupils is described as 'exceptional' and the students make the most of the 'school's exceptional facilities and opportunities on offer'.

Funds Held as Custodian Trustee on Behalf of Others

The School does not hold any assets on behalf of any other charity or organisation.

Auditor

Insofar as the governors are aware:

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

The Governors' Report, incorporating a strategic report, was approved by order of the Governing Body, as the company directors, on 07 December 2021 and signed on the board's behalf by:



[Signed]

[Mr S. A. Nokes]

[Chair of Governors]

Date: 07 December 2021

Scope of Responsibility

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

As governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and Competency Framework for Governance.

The Governing Body has delegated the day-to-day responsibility to the Headmaster, 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 Watford Grammar School for Boys and the Secretary of State for Education. The Headmaster is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body had three formal meetings in school during the year. In addition, due to COVID-19 there were also monthly Governing Body Google meetings held during the lockdown period. Attendance at both the virtual and face to face meetings was as follows:

Governor	Meetings attended	Out of a possible
I Cooksey (Headmaster & Accounting Officer)	4	4
M Bavisi	4	4
T J Boyd	3	4
J S Callow (Staff Governor)	4	4
R Dawda	4	4
S Hart	3	4
D P Holden	4	4
S A Nokes (Chair of Governors)	4	4
S Rashid (Joined 01 December 2020)	2	4
S Riaz (Staff Governor)	4	4
A W Rindl	2	2
D A Ritchie (Resigned 01 January 2021)	4	4
S E Rodgers	3	4
C F Rycroft	3	4
S Shannon (Resigned 01 January 2021)	4	4
A Speirs	4	4
C D G Sykesud (Staff Governor)	3	4
A Watson	4	4

Governance Reviews

The Finance Committee, which also serves as the Audit Committee, is a sub-committee of the main governing body. Its purpose includes reviewing and recommending to the Full Governing Body for approval the recommendations of the annual estimates of the School's budget and annual out-turn budget and the financial returns to be submitted to the ESFA. In addition, the committee also monitors the short and medium term budget plans and projected outturns. Members of the Finance Committee receive copies of the monthly management accounts summary to review, and the committee reports back each term to the governing body.

S. Rashid joined the committee during the year and is a chartered accountant. S. Shannon and J. S. Callow left the finance committee at the end of the academic year. The Finance Committee had three formal meetings held online during the year and attendance at these meetings was as follows:

Governor	Meetings attended	Out of a possible
I Cooksey (Accounting Officer)	3	3
J S Callow (Staff Governor - Resigned 31 August 2021)	1	3
R Dawda	3	3
S Hart	2	3
D Holden	3	3
S Nokes (Chair of Governors)	3	3
S Rashid (Joined 30 November 2020)	1	2
S Shannon (Resigned 31 August 2021)	1	1
A Speirs (Chair of Finance)	3	3

Review of Value for Money

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

The accounting officer considers how the School's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate. The accounting officer for the School has delivered improved value for money during the year by:

- Ensuring that financial procedures are followed for purchasing of goods and services.
- Using Synergy to monitor and value engineer the construction costs of capital projects.
- Operating a system of internal controls that ensures all transactions are properly authorised and recorded and that material errors or irregularities are either prevented or can be detected promptly.
- Regular scrutiny of financial and other performance monitoring data.
- The manner in which the School dealt with the Mercury contamination.
- The way that the School managed the financial pressures arising from COVID-19.

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 ongoing process designed to identify and prioritise the risks to the achievement of Watford Grammar School for Boys 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 controls is reviewed annually and has been in place in Watford Grammar School for Boys for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The governors have reviewed the key risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. In particular it has reviewed those relating to the specific teaching, provision of facilities and other operational areas of the School and its finances. The Governors have implemented a number of systems to assess risks that the School faces, especially in the operational areas (e.g. in relation to teaching, health and safety and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured that there are adequate levels of insurance cover.

The governors are of the view that there is a formal on-going process for identifying, evaluating and managing the School's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

The governors have assessed the major risks to which the School is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the School, and its finances. The Governors have implemented a number of systems to assess risks that the School faces, especially in the operational areas (e.g. in relation to teaching, health and safety and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The School has an effective system of internal financial controls which are reviewed and renewed annually.

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

The Governing Body has considered the need for a specific internal assurance function and decided:

- to re-appoint Mr J. C. Wilson of Howard Wilson as its internal assurance officer.

The internal assurance role includes giving advice on financial matters and performing a range of checks on the School's financial systems. On a termly basis, the internal assurance officer reports to the Finance committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. In particular the checks carried out in the current period include:

- testing of payroll systems
- testing of purchase systems
- testing of control/bank reconciliations
- monitoring of monthly management accounts

The internal assurance officer reports on a termly basis to the Finance committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. In addition, he prepares a annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusion to help the committee consider actions and assess year on year progress.

The School can confirm that the internal assurance officer has carried out the schedule of work as planned and has not identified any material control issues as a result of these internal checks.

Review of Effectiveness

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

- the work of the internal assurance officer
- the work of the external auditor
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the Finance Director within the School who is responsible 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 Committee and ensure continuous improvements of the system is in place.

Approved by order of the members of the Governing Body on 07 December 2021 and signed on its behalf by:



[Signed]
[Mr S. A. Nokes]
[Chair of Governors]



[Signed]
[Mr I. Cooksey]
[Accounting Officer]

Watford Grammar School for Boys
Statement on Regularity, Propriety and Compliance

Statement on Regularity, Propriety and Compliance

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

I confirm that I and the School's Governing Body are able to identify any material irregular or improper use of all funds by the School; or material non-compliance with the terms and conditions of funding under the School's funding agreement and the Academies Financial Handbook 2020.

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



[Signed]

[Mr I. Cooksey]

[Accounting Officer]

07 December 2021

Statement of Governors' Responsibilities

The governors (who act as trustees of Watford Grammar School for Boys and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report (including the Strategic Report) and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

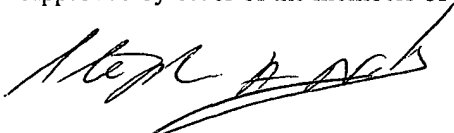
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the Governing Body on 07 December 2021 and signed on its behalf by:



[Signed]

[Mr S. A. Nokes]

[Chair of Governors]

Independent Auditors Report on the Financial Statements to the Members of Watford Grammar School for Boys

Opinion

We have audited the financial statements of Watford Grammar School for Boys (the 'School') and its subsidiaries (the 'Group') for the year ended 31 August 2021, which comprise the Consolidated Statement of Financial Activities including Income and Expenditure Account, Consolidated and School Balance Sheets, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

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

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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to Going Concern

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

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

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

Independent Auditors Report on the Financial Statements to the Members of Watford Grammar School for Boys

Other information (covers the Reference and Administrative Details, the Governors' Report and Strategic Report and the Governance Statement)

The Governors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 Strategic Report and Governor's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Governor's 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 School and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Governors' Report.

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

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

Responsibilities of Governors

As explained more fully in the Statement of Governors' Responsibilities [set out on page 22], the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditors Report on the Financial Statements to the Members of Watford Grammar School for Boys

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.

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and parent School, and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting frameworks.

We understood how the Group and parent School are complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through review of board minutes and discussions with those charged with governance.

We assessed the susceptibility of the Group and parent School's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the Group has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.

Based on our understanding, we designed our audit procedures to identify any non-compliance with laws and regulations identified in the paragraphs above.

We also performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Watford Grammar School for Boys
Independent Auditors Report on the Financial Statements

Independent Auditors Report on the Financial Statements to the Members of Watford Grammar School for Boys

Use of our report

This report is made solely to the charitable parent company's Governors, 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 Group's Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and its Governors as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Buckby FCA (Senior Statutory Auditor)
For and on behalf of Fortus Audit LLP, Statutory Auditor
31 High View Close
Hamilton Office Park
Leicester
LE4 9LJ

Date: 16/12/2021

Watford Grammar School for Boys
Independent Reporting Accountant's Assurance Report on Regularity

Independent Reporting Accountant's Assurance Report on Regularity to Watford Grammar School for Boys and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 9 November 2020 and further to the requirements of the Education & Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Watford Grammar School for Boys during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Watford Grammar School for Boys and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Watford Grammar School for Boys and the 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 Watford Grammar School for Boys and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 30 June 2011 and the Academies Financial Handbook extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

Watford Grammar School for Boys
Independent Reporting Accountant's Assurance Report on Regularity

Independent Reporting Accountant's Assurance Report on Regularity to Watford Grammar School for Boys and the Education & Skills Funding Agency

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the group and parent academy school's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the school are within the group and parent academy school's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the group and parent academy school and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the group and parent academy school's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the group and parent academy school's delegated authorities and that the internal delegations have been approved by the board of Governors, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of Governors and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the group and parent academy school's charitable objects.

Conclusion

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



Richard Buckby FCA

For and on behalf of Fortus Audit LLP, Chartered Accountants

31 High View Close
Hamilton Office Park
Leicester
LE4 9LJ

Date: 16/12/2021

Watford Grammar School for Boys
Statement of Financial Activities

Consolidated Statement of Financial Activities for the year ended 31 August 2021
(including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Other Funds £	Restricted Fixed Asset Funds £	Total 2021 £	Total 2020 £
Income and endowments from:							
Donations and capital grants	2	5,765	51,012	271,344	104,808	432,929	418,788
Charitable activities:							
Funding for the School's educational operations	3	104,515	8,409,690	7,191	-	8,521,396	8,118,338
Other trading activities	4	56,017	-	-	-	56,017	117,269
Investments	5	288	-	573	-	861	1,373
Other incoming resources	6	-	6,614	-	-	6,614	20,702
Total		166,585	8,467,316	279,108	104,808	9,017,817	8,676,470
Expenditure on:							
Raising funds	8	4,036	-	4,450	-	8,486	11,866
Charitable activities:							
School educational operations	9	174,115	8,638,325	24,381	765,719	9,602,540	10,072,240
Total	7	178,151	8,638,325	28,831	765,719	9,611,026	10,084,106
Net income/(expenditure)		(11,566)	(171,009)	250,277	(660,911)	(593,209)	(1,407,636)
Transfers between funds	17	216,446	(98,991)	(184,624)	67,169	-	-
Other recognised gains / (losses):							
Actuarial (losses)/gains on defined benefit pension schemes	17, 26	-	(720,000)	-	-	(720,000)	126,000
Gains/(losses) on investment	14	-	-	4,424	-	4,424	545
Net movement in funds		204,880	(990,000)	70,077	(593,742)	(1,308,785)	(1,281,091)
Reconciliation of funds							
Total funds brought forward	17	100,240	(1,890,000)	67,509	16,384,533	14,662,282	15,943,373
Total funds carried	17	305,120	(2,880,000)	137,586	15,790,791	13,353,497	14,662,282

All of the group's activities derive from continuing operations during the above two financial periods.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Watford Grammar School for Boys
Statement of Financial Activities

Consolidated Statement of Financial Activities for the year ended 31 August 2020
(including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Other Funds £	Restricted Fixed Asset Funds £	Total 2020 £	Total 2019 £
Income and endowments from:							
Donations and capital grants	2	6,568	44,449	330,756	37,015	418,788	1,485,228
Charitable activities:							
Funding for the School's educational operations	3	369,473	7,738,036	10,829	-	8,118,338	7,612,127
Other trading activities	4	117,269	-	-	-	117,269	209,170
Investments	5	621	-	752	-	1,373	2,116
Other incoming resources	6	-	20,702	-	-	20,702	7,419
Total		493,931	7,803,187	342,337	37,015	8,676,470	9,316,060
Expenditure on:							
Raising funds	8	7,799	-	4,067	-	11,866	14,258
Charitable activities:							
School educational operations	9	447,150	8,666,371	130,939	827,780	10,072,240	10,232,984
Total	7	454,949	8,666,371	135,006	827,780	10,084,106	10,247,242
Net income/(expenditure)		38,982	(863,184)	207,331	(790,765)	(1,407,636)	(931,182)
Transfers between funds	17	(117,849)	582,184	(211,176)	(253,159)	-	-
Other recognised gains / (losses):							
Actuarial (losses)/gains on defined benefit pension schemes	17, 26	-	126,000	-	-	126,000	(694,000)
Gains/(losses) on investment	14	-	-	545	-	545	1,451
Net movement in funds		(78,867)	(155,000)	(3,300)	(1,043,924)	(1,281,091)	(1,623,731)
Reconciliation of funds							
Total funds brought forward	17	179,107	(1,735,000)	70,809	17,428,457	15,943,373	17,567,104
Total funds carried	17	100,240	(1,890,000)	67,509	16,384,533	14,662,282	15,943,373

All of the group's activities derive from continuing operations during the above two financial periods.

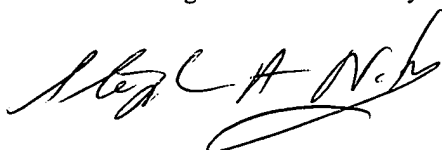
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Watford Grammar School for Boys
Balance Sheet

Consolidated and School Balance Sheets as at 31 August 2021

	Notes	Group 2021 £	School 2021 £	Group 2020 £	School 2020 £
Fixed assets					
Tangible assets	13	15,863,766	15,863,766	16,459,133	16,459,133
Investments	14	29,532	29,533	25,108	25,109
Current assets					
Debtors	15	364,132	348,263	468,047	458,819
Cash at bank and in hand		837,204	785,820	491,275	464,033
		<u>1,201,336</u>	<u>1,134,083</u>	<u>959,322</u>	<u>922,852</u>
Liabilities					
Creditors: Amounts falling due within one year	16	(841,137)	(826,720)	(891,281)	(968,329)
Net current assets		<u>360,199</u>	<u>307,363</u>	<u>68,041</u>	<u>(45,477)</u>
Net assets excluding pension liability		<u>16,253,497</u>	<u>16,200,662</u>	<u>16,552,282</u>	<u>16,438,765</u>
Defined benefit pension scheme liability	26	(2,900,000)	(2,900,000)	(1,890,000)	(1,890,000)
Total net assets		<u>13,353,497</u>	<u>13,300,662</u>	<u>14,662,282</u>	<u>14,548,765</u>
Funds of the School:					
Restricted funds	17				
Fixed asset fund		15,790,791	15,790,791	16,384,533	16,384,533
Restricted income fund		20,000	20,000	-	-
Other restricted fund		122,965	122,965	57,312	57,312
Revaluation reserve		14,621	14,621	10,197	10,197
Pension reserve		(2,900,000)	(2,900,000)	(1,890,000)	(1,890,000)
Total restricted funds		<u>13,048,377</u>	<u>13,048,377</u>	<u>14,562,042</u>	<u>14,562,042</u>
Unrestricted income funds	17	<u>305,120</u>	<u>252,285</u>	<u>100,240</u>	<u>(13,277)</u>
Total funds		<u>13,353,497</u>	<u>13,300,662</u>	<u>14,662,282</u>	<u>14,548,765</u>

The financial statements on pages 29 to 58 were approved by the governors and authorised for issue on 07 December 2021 and are signed on their behalf by:



[Mr S. A. Nokes]
[Chair of Governors]

Company Registration Number: 07348288

Watford Grammar School for Boys
Statement of Cash Flows

Consolidated Statement of Cash Flows for the year ended 31 August 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	21	310,147	(259,766)
Cash flows from investing activities	22	35,782	93,644
Change in cash and cash equivalents in the reporting period		<u>345,929</u>	<u>(166,122)</u>
Cash and cash equivalents at 1 September 2020		491,275	657,397
Cash and cash equivalents at 31 August 2021	23	<u>837,204</u>	<u>491,275</u>

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Statement of accounting policies

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

Company information

Watford Grammar School for Boys is a company limited by guarantee incorporated in England and Wales and as such has no share capital and has exempt charity status.

Watford Grammar School for Boys Enterprises Limited is a private company limited by shares incorporated in England and Wales.

The registered office for both organisations are Rickmansworth Road, Watford, Hertfordshire, WD18 7JF.

Basis of Preparation

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

Watford Grammar School for Boys meets the definition of a public benefit entity under FRS 102.

Going Concern

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

At the time of approving the financial statements, despite the ongoing and potential effects of COVID-19, the governors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. The governors continue to adopt the going concern basis of accounting in preparing the financial statements and no adjustments to the results or the carrying values declared in these financial statements are required, and none have been made.

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Statement of accounting policies

Income

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

Grants

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

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

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

Donations

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

Investment income

Investment income is accounted for on an accrued basis.

Other income

Other income, including the hire of facilities and Trading Company income, is recognised in the period it is receivable and to the extent the School has provided the goods or services.

Expenditure

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

Expenditure of Raising Funds

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

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Statement of accounting policies

Tangible Fixed Assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where the tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Freehold Buildings	16.75 - 50 years
Long leasehold buildings	50 years or period of lease where shorter
Plant and Machinery and Computer Equipment	3 - 10 years
Motor Vehicles	4 years

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

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

Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income (expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the parent company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of 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 School 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.

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Statement of accounting policies

Provisions

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

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

Leased Assets

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

Investments

The School's shareholding in the wholly owned subsidiary, Watford Grammar School for Boys Enterprises Limited, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

Financial Instruments

The School only holds basic financial information as defined in FRS 102. The financial assets and financial liabilities of the School 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 15. Prepayments are not financial instruments. Amounts due to the charity'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 charity's wholly owned subsidiary are held at face value less any impairment.

Taxation - Charitable Company

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

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Statement of accounting policies

Taxation - Trading Subsidiary

The tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

It is the policy of the company to make a corporate donation equivalent to the taxable profits for the period ended to its parent company and registered charity under the applicable regulations. This payment is to be made within 9 months of the end of the accounting period and as such, under corporation tax regulations, the company is eligible to carry back the effect of this payment to the current year. No provision for corporation tax is made within the financial statements.

Pension Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School 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 26, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

16 - 19 Bursary Fund

The School acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the school does not have control over the charitable application of the funds. The School can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 28.

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Statement of accounting policies

Fund Accounting

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

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

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

Restricted other funds comprise all other restricted funds received with restrictions imposed by the funder/donor (non-Education and Skills Funding Agency or Department for Education).

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Watford Grammar School for Boys
Notes to the Financial Statements

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

2 Donations and capital grants	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Capital grants	-	39,165	39,165	37,015
Other Donations	1,039	377,499	378,538	375,227
Donations in Kind	-	10,500	10,500	-
Other Income	4,726	-	4,726	6,546
	<u>5,765</u>	<u>427,164</u>	<u>432,929</u>	<u>418,788</u>
For the year ended 31 August 2020	<u>6,568</u>	<u>412,220</u>	<u>418,788</u>	
3 Funding for the School's educational operations	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total * 2020 £
DfE / ESFA grants				
General Annual Grant (GAG)	-	7,189,521	7,189,521	6,503,336
Other DfE / ESFA grants				
Pupil Premium	-	103,697	103,697	85,563
Others	-	475,813	475,813	658,187
	<u>-</u>	<u>7,769,031</u>	<u>7,769,031</u>	<u>7,247,086</u>
Other Government Grants				
Local authority grants	-	451,394	451,394	429,246
Other income from the School's educational operations	104,515	76,593	181,108	415,792
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	84,800	84,800	-
COVID-19 additional funding (non-DfE/ESFA)				
Coronavirus Job Retention Scheme grant	-	-	-	26,214
Other COVID-19 funding	-	35,063	35,063	-
	<u>104,515</u>	<u>8,416,881</u>	<u>8,521,396</u>	<u>8,118,338</u>
For the year ended 31 August 2020	<u>369,473</u>	<u>7,748,865</u>	<u>8,118,338</u>	

The School has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "COVID-19 additional funding".

- The School received of £84,800 (2020 £0) of funding for catch-up premium and costs incurred in respect of this funding totalled £64,800 (2020: £0), with the remaining £20,000 (2020 £0) to be spent in 2021/2022.
- The School furloughed some of its staff under the government's CJRS. The funding received of £0 (2020: £26,214) relates to the staff costs in respect of 0 (2020: 13) staff which are included within note 10 below as appropriate.

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

Watford Grammar School for Boys
Notes to the Financial Statements

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

4 Other trading activities	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020	
	£	£	£	£	
Hire of Facilities	616	-	616	215	
Income from ancillary trading activities	55,401	-	55,401	117,054	
	<u>56,017</u>	<u>-</u>	<u>56,017</u>	<u>117,269</u>	
For the year ended 31 August 2020	<u>117,269</u>	<u>-</u>	<u>117,269</u>		
5 Investment income	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020	
	£	£	£	£	
Short term deposits	288	573	861	1,373	
	<u>288</u>	<u>573</u>	<u>861</u>	<u>1,373</u>	
For the year ended 31 August 2020	<u>621</u>	<u>752</u>	<u>1,373</u>		
6 Other incoming resources	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020	
	£	£	£	£	
Insurance Claim Income	-	6,614	6,614	20,702	
For the year ended 31 August 2020	<u>-</u>	<u>20,702</u>	<u>20,702</u>		
7 Expenditure	Non Pay Expenditure				
	Staff Costs	Premises	Other	Total 2021	Total 2020
	£	£	£	£	£
Expenditure on raising funds					
Direct costs	-	-	8,486	8,486	11,866
Academy's educational operations:					
Direct costs	6,545,964	640,704	518,537	7,705,205	7,255,213
Allocated support costs	877,077	735,776	284,482	1,897,335	2,817,027
	<u>7,423,041</u>	<u>1,376,480</u>	<u>811,505</u>	<u>9,611,026</u>	<u>10,084,106</u>
For the year ended 31 August 2020	<u>7,024,706</u>	<u>1,962,222</u>	<u>1,097,178</u>	<u>10,084,106</u>	
Net income/(expenditure) for the period includes:			2021	2020	
			£	£	
Depreciation			760,254	804,090	
(Gain)/loss on disposal of assets			-	-	
Operating leases:					
- other			11,289	3,370	
Fees payable to auditor for:					
- current auditor			9,180	8,320	

Watford Grammar School for Boys
Notes to the Financial Statements

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

8 Expenditure on raising funds	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Private Fund expenditure	1,470	4,450	5,920	8,329
Other trading expenditure	2,566	-	2,566	3,537
	<u>4,036</u>	<u>4,450</u>	<u>8,486</u>	<u>11,866</u>
For the year ended 31 August 2020	<u>7,799</u>	<u>4,067</u>	<u>11,866</u>	
 9 Charitable activities			Total 2021	Total 2020
			£	£
Direct costs - educational operations			7,705,205	7,255,213
Support costs - educational operations			1,897,335	2,817,027
			<u>9,602,540</u>	<u>10,072,240</u>
 Direct costs - educational operations				
Teaching and educational support staff costs			6,545,964	6,178,924
Depreciation			640,704	640,704
Technology costs			140,792	91,058
Educational supplies			167,326	142,234
Examination fees			127,717	141,712
Educational consultancy			63,189	40,074
Music Service costs			19,513	20,507
			<u>7,705,205</u>	<u>7,255,213</u>
 Support costs - educational operations				
Support staff costs			877,077	845,782
Depreciation			119,550	163,386
Premises costs			735,776	1,321,518
Legal Costs			42,493	58,237
Other support costs			74,021	380,362
LGPS pension scheme finance costs			34,000	33,000
Governance costs			14,418	14,742
			<u>1,897,335</u>	<u>2,817,027</u>
			<u>9,602,540</u>	<u>10,072,240</u>
 Analysis by fund				
Unrestricted funds			174,115	
Restricted funds			9,428,425	
			<u>9,602,540</u>	
 For the year ended 31 August 2020				
Unrestricted funds				447,150
Restricted funds				9,625,090
				<u>10,072,240</u>

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

10 Staff

a Staff costs

Staff costs during the period were:

	2021	2020
	£	£
Wages and salaries	5,372,124	5,033,394
Social security costs	514,445	479,384
Pension costs	1,474,836	1,419,401
Apprenticeship levy	11,728	10,156
	<u>7,373,133</u>	<u>6,942,335</u>
Agency staff costs	-	17,815
	<u>7,373,133</u>	<u>6,960,150</u>

b Staff numbers

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

	2021	2020
	No.	No.
Teachers	117	116
Administration and support	84	84
Management	7	7
	<u>208</u>	<u>207</u>

c Higher paid staff

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

	2021	2020
	No.	No.
£60,001 - £70,000	2	5
£70,001 - £80,000	4	1
£110,001 - £120,000	1	1

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2021, employer's pension contributions for these staff amounted to £127,976 (2020 £123,020). No higher paid employees participated in the Local Government Pension Scheme.

d Key management personnel

The key management personnel of the School comprise the Governors and the Senior Leadership Team as listed on page 3. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the School was £734,115 (2020 £705,624).

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

11 Related Party Transactions - Governors' remuneration & expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the School. The Headmaster and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Headmaster and staff members under their contracts of employment.

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

Mr I. Cooksey	Headmaster and trustee
Remuneration	£115k - £120k (2020: £110k - £115k)
Employer's pension contributions paid	£25k - £30k (2020: £25k - £30k)
Miss J. S. Callow	Staff Governor and trustee
Remuneration	£50k - £55k (2020: £50k - £55k)
Employer's pension contributions paid	£10k - £15k (2020: £10k - £15k)
Mrs S. Riaz	Staff Governor and trustee
Remuneration	£20k - £25k (2020: £20k - £25k)
Employer's pension contributions paid	£5k - £10k (2020: £5k - £10k)
Dr C. Sykesud	Staff Governor and trustee
Remuneration	£50k - £55k (2020: £50k - £55k)
Employer's pension contributions paid	£10k - £15k (2020: £10k - £15k)

None of the governors received any reimbursement of expenses from the School during the year (2020: £nil).

Other related party transactions involving the Governors are set out in note 27.

12 Governors' and officers' insurance

The school 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 governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on school business, and provides cover up to £10,000,000. The cost of this insurance is included in the total insurance cost. It is not possible to quantify the governors' and officers' indemnity element from the overall cost of the RPA scheme membership.

13 Tangible fixed assets

	Freehold Land and Buildings £	Leasehold Land and Buildings £	Assets under construction £	Plant, Machinery and Computer Equipment £	Motor Vehicles £	Total £
Group and School Cost						
At 1 September 2020	16,300,852	5,107,765	-	837,801	47,543	22,293,961
Additions	-	-	135,679	29,208	-	164,887
At 31 August 2021	16,300,852	5,107,765	135,679	867,009	47,543	22,458,848
Depreciation						
At 1 September 2020	4,136,779	1,021,552	-	628,954	47,543	5,834,828
Charged in year	538,549	102,155	-	119,550	-	760,254
At 31 August 2021	4,675,328	1,123,707	-	748,504	47,543	6,595,082
Net Book Values						
At 31 August 2021	11,625,524	3,984,058	135,679	118,505	-	15,863,766
At 31 August 2020	12,164,073	4,086,213	-	208,847	-	16,459,133

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

The freehold land and buildings were valued using the depreciated replacement cost method as at 31 August 2012 by DTZ.

14 Investments		2021	2020
Group		£	£
Market value at 1 September 2020		25,108	24,563
Net investment gains/(losses)		4,424	545
Market value at 31 August 2021		29,532	25,108
UK listed investments are represented by:	Historical Cost	Market	Market
	£	£	£
Investment trusts and unit trusts	14,911	29,532	25,108
School		£	£
Market value at 1 September 2020		25,109	24,564
Net investment gains/(losses)		4,424	545
Market value at 31 August 2021		29,533	25,109
UK listed investments are represented by:	Historical Cost	Market	Market
	£	£	£
Equity shares	1	1	1
Investment trusts and unit trusts	14,911	29,532	25,108
Total	14,912	29,533	25,109

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

Investments (continued)

Holdings of more than 20%

The School holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	%
		Class	
Subsidiary undertakings			
Watford Grammar School for Boys Enterprises Limited	United Kingdom	Ordinary	100

The company was incorporated on 30 May 2017 and commenced to trade from 01 January 2018.

15 Debtors

	Group		School	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	41,029	27,163	25,831	20,064
VAT recoverable	35,946	86,855	37,275	87,126
Other debtors	180,663	232,609	178,663	230,209
Prepayments and accrued income	106,494	121,420	106,494	121,420
	364,132	468,047	348,263	458,819
Debtors: greater than one year				
Prepayments and accrued income	5,237	4,447	5,237	4,447

16 Creditors: amounts falling due within one year

	Group		School	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	123,466	424,991	123,466	424,895
Other taxation and social security	126,911	116,773	126,911	116,773
Other creditors	74,694	54,643	73,204	144,650
Accruals and deferred income	516,066	294,874	503,139	282,011
	841,137	891,281	826,720	968,329
Deferred income				
Resources deferred in the year	£	£	£	£
Deferred income at 1 September 2020	186,112	285,206	174,819	273,387
Resources deferred in the year	253,872	186,112	242,525	174,819
Released from previous years	(186,112)	(285,206)	(174,819)	(273,387)
Deferred income at 31 August 2021	253,872	186,112	242,525	174,819

At the balance sheet date the Group and School were holding funds received in advance for trip income, lettings booked, educational funding and music fees for the autumn term 2021.

Watford Grammar School for Boys
Notes to the Financial Statements

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

17 Funds	Balance at 1 September 2020 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2021 £
Group					
Restricted general funds					
General Annual Grant (GAG)	-	7,189,521	(7,090,530)	(98,991)	-
Pupil Premium	-	103,697	(103,697)	-	-
Catch-up Premium	-	84,800	(64,800)	-	20,000
Other COVID-19 funding	-	35,063	(35,063)	-	-
Other grants	-	1,054,235	(1,054,235)	-	-
Pension reserve	(1,890,000)	-	(290,000)	(720,000)	(2,900,000)
	<u>(1,890,000)</u>	<u>8,467,316</u>	<u>(8,638,325)</u>	<u>(818,991)</u>	<u>(2,880,000)</u>
Restricted other funds					
SAPG - Climbing Wall	11,763	-	-	-	11,763
Dragons Den Project	2,202	-	-	-	2,202
James Theatre Trust Fund	18,603	573	-	-	19,176
Watford Fuller Foundation	-	212,753	(24,718)	(133,303)	54,732
Watford Grammar Schools	-	42,321	-	(42,321)	-
Games Fundraising Fund	3,228	500	-	-	3,728
Prizes Fund	15,116	4,738	(3,640)	-	16,214
Other restricted funds	6,400	9,223	(473)	-	15,150
Revaluation reserve	10,197	-	-	4,424	14,621
	<u>67,509</u>	<u>279,108</u>	<u>(28,831)</u>	<u>(180,200)</u>	<u>137,586</u>
Restricted fixed asset funds					
Transfer on conversion	11,502,442	-	(538,211)	-	10,964,231
DfE capital grants	3,488,787	39,165	(122,725)	(5,268)	3,399,959
Local Authority	618,423	-	(18,985)	5,071	604,509
Capital expenditure from GAG	158,421	-	(17,104)	-	141,317
Private sector capital sponsorship	616,460	65,643	(68,694)	67,366	680,775
	<u>16,384,533</u>	<u>104,808</u>	<u>(765,719)</u>	<u>67,169</u>	<u>15,790,791</u>
Total restricted funds	<u>14,562,042</u>	<u>8,851,232</u>	<u>(9,432,875)</u>	<u>(932,022)</u>	<u>13,048,377</u>
Total unrestricted funds	<u>100,240</u>	<u>166,585</u>	<u>(178,151)</u>	<u>216,446</u>	<u>305,120</u>
Total funds	<u>14,662,282</u>	<u>9,017,817</u>	<u>(9,611,026)</u>	<u>(715,576)</u>	<u>13,353,497</u>

Watford Grammar School for Boys
Notes to the Financial Statements

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

17 Funds (continued)	Balance at 1 September 2019 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2020 £
Group					
Restricted general funds					
General Annual Grant (GAG)	-	6,503,336	(7,085,520)	582,184	-
Pupil Premium	-	85,563	(85,563)	-	-
Other grants	-	1,214,288	(1,214,288)	-	-
Pension reserve	(1,735,000)	-	(281,000)	126,000	(1,890,000)
	<u>(1,735,000)</u>	<u>7,803,187</u>	<u>(8,666,371)</u>	<u>708,184</u>	<u>(1,890,000)</u>
Restricted other funds					
SAPG - Climbing Wall	11,763	-	-	-	11,763
Dragons Den Project	2,202	-	-	-	2,202
James Theatre Trust Fund	18,349	752	(498)	-	18,603
Watford Fuller Foundation	-	313,829	(119,020)	(194,809)	-
Watford Grammar Schools	-	16,367	-	(16,367)	-
Games Fundraising Fund	3,711	3,584	(4,067)	-	3,228
Prizes Fund	14,732	4,645	(4,261)	-	15,116
Other restricted funds	10,400	3,160	(7,160)	-	6,400
Revaluation reserve	9,652	-	-	545	10,197
	<u>70,809</u>	<u>342,337</u>	<u>(135,006)</u>	<u>(210,631)</u>	<u>67,509</u>
Restricted fixed asset funds					
Transfer on conversion	12,040,653	-	(538,211)	-	11,502,442
DfE/ESFA capital grants	3,587,144	37,015	(135,372)	-	3,488,787
Local Authority	674,636	-	(56,213)	-	618,423
Capital expenditure from GAG	167,231	-	(16,052)	7,241	158,420
Private sector capital sponsorship	958,793	-	(81,932)	(260,400)	616,461
	<u>17,428,457</u>	<u>37,015</u>	<u>(827,780)</u>	<u>(253,159)</u>	<u>16,384,533</u>
Total restricted funds	<u>15,764,266</u>	<u>8,182,539</u>	<u>(9,629,157)</u>	<u>244,394</u>	<u>14,562,042</u>
Total unrestricted funds	<u>179,107</u>	<u>493,931</u>	<u>(454,949)</u>	<u>(117,849)</u>	<u>100,240</u>
Total funds	<u>15,943,373</u>	<u>8,676,470</u>	<u>(10,084,106)</u>	<u>126,545</u>	<u>14,662,282</u>

Watford Grammar School for Boys
Notes to the Financial Statements

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

17 Funds (continued)	Balance at 1 September 2020 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2021 £
School					
Restricted general funds					
General Annual Grant (GAG)	-	7,189,521	(7,090,530)	(98,991)	-
Pupil Premium	-	103,697	(103,697)	-	-
Catch-up Premium	-	84,800	(64,800)	-	20,000
Other COVID-19 funding	-	35,063	(35,063)	-	-
Other grants	-	1,054,235	(1,054,235)	-	-
Pension reserve	(1,890,000)	-	(290,000)	(720,000)	(2,900,000)
	<u>(1,890,000)</u>	<u>8,467,316</u>	<u>(8,638,325)</u>	<u>(818,991)</u>	<u>(2,880,000)</u>
Restricted other funds					
SAPG - Climbing Wall	11,763	-	-	-	11,763
Dragons Den Project	2,202	-	-	-	2,202
James Theatre Trust Fund	18,603	573	-	-	19,176
Ogden Lancaster Partnership	-	-	-	-	-
Watford Fuller Foundation	-	212,753	(24,718)	(133,303)	54,732
Watford Grammar Schools	-	42,321	-	(42,321)	-
Friends of the School	-	9,000	-	(9,000)	-
Games Fundraising Fund	3,228	500	-	-	3,728
Prizes Fund	15,116	4,738	(3,640)	-	16,214
Other restricted funds	6,400	9,223	(473)	-	15,150
Revaluation reserve	10,197	-	-	4,424	14,621
	<u>67,509</u>	<u>279,108</u>	<u>(28,831)</u>	<u>(180,200)</u>	<u>137,586</u>
Restricted fixed asset funds					
Transfer on conversion	11,502,442	-	(538,211)	-	10,964,231
DfE/ESFA capital grants	3,488,787	39,165	(122,725)	(5,268)	3,399,959
Local Authority	618,423	-	(18,985)	5,071	604,509
Capital expenditure from GAG	158,420	-	(17,104)	-	141,316
Private sector capital sponsorship	616,461	65,643	(68,694)	67,366	680,776
	<u>16,384,533</u>	<u>104,808</u>	<u>(765,719)</u>	<u>67,169</u>	<u>15,790,791</u>
Total restricted funds	<u>14,562,042</u>	<u>8,851,232</u>	<u>(9,432,875)</u>	<u>(932,022)</u>	<u>13,048,377</u>
Total unrestricted funds	<u>(13,276)</u>	<u>224,700</u>	<u>(175,585)</u>	<u>216,446</u>	<u>252,285</u>
Total funds	<u>14,548,766</u>	<u>9,075,932</u>	<u>(9,608,460)</u>	<u>(715,576)</u>	<u>13,300,662</u>

Watford Grammar School for Boys
Notes to the Financial Statements

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

17 Funds (continued)	Balance at 1 September 2019 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2020 £
School					
Restricted general funds					
General Annual Grant (GAG)	-	6,503,336	(7,085,520)	582,184	-
Pupil Premium	-	85,563	(85,563)	-	-
Other grants	-	1,214,288	(1,214,288)	-	-
Pension reserve	(1,735,000)	-	(281,000)	126,000	(1,890,000)
	<u>(1,735,000)</u>	<u>7,803,187</u>	<u>(8,666,371)</u>	<u>708,184</u>	<u>(1,890,000)</u>
Restricted other funds					
SAPG - Climbing Wall	11,763	-	-	-	11,763
Dragons Den Project	2,202	-	-	-	2,202
James Theatre Trust Fund	18,349	752	(498)	-	18,603
Watford Fuller Foundation	-	313,829	(119,020)	(194,809)	-
Watford Grammar Schools	-	16,367	-	(16,367)	-
Games Fundraising Fund	3,711	3,584	(4,067)	-	3,228
Prizes Fund	14,732	4,645	(4,261)	-	15,116
Other restricted funds	10,400	3,160	(7,160)	-	6,400
Revaluation reserve	9,652	-	-	545	10,197
	<u>70,809</u>	<u>342,337</u>	<u>(135,006)</u>	<u>(210,631)</u>	<u>67,509</u>
Restricted fixed asset funds					
Transfer on conversion	12,040,653	-	(538,211)	-	11,502,442
DfE/ESFA capital grants	3,587,144	37,015	(135,372)	-	3,488,787
Local Authority	674,636	-	(56,213)	-	618,423
Capital expenditure from GAG	167,231	-	(16,052)	7,241	158,420
Private sector capital sponsorship	958,793	-	(81,932)	(260,400)	616,461
	<u>17,428,457</u>	<u>37,015</u>	<u>(827,780)</u>	<u>(253,159)</u>	<u>16,384,533</u>
Total restricted funds	<u>15,764,266</u>	<u>8,182,539</u>	<u>(9,629,157)</u>	<u>244,394</u>	<u>14,562,042</u>
Total unrestricted funds	<u>(23,639)</u>	<u>579,623</u>	<u>(451,412)</u>	<u>(117,849)</u>	<u>(13,277)</u>
Total funds	<u>15,740,627</u>	<u>8,762,162</u>	<u>(10,080,569)</u>	<u>126,545</u>	<u>14,548,765</u>

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

17 Funds (continued)

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

Restricted general funds

This fund represents grants received from ESFA/DfE and other Government Bodies for the School's operational activities and development.

The transfer between funds for Pupil Premium and National College represent a transfer of costs associated with the various funds for which the fulfilment of the conditions of the funding have been met but where the individual costs have been allocated against General Annual Grant and where such costs are not easily identifiable as separately reported items.

General Annual Grant (GAG)

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

Restricted other funds

These funds represent grants received from other organisations for the School's operational activities and development.

Restricted fixed asset funds

These grants relate to the funding received from the DfE, ESFA and private sponsors to carry out works of a capital nature.

Unrestricted funds

Included within these funds and balances that the Governors have earmarked for particular purposes.

18 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

Group	Unrestricted Funds £	Restricted general Funds £	Restricted other Funds £	Restricted fixed asset Funds £	Total Funds £
Tangible fixed assets	76,122	-	-	15,787,644	15,863,766
Investments	-	-	29,532	-	29,532
Current assets	245,098	845,038	108,054	3,147	1,201,336
Debtors	34,369	178,592	151,171	-	364,132
Cash at bank and in hand	210,729	666,446	(43,117)	3,147	837,204
Current liabilities	(16,100)	(825,038)	-	-	(841,137)
Pension scheme liability	-	(2,900,000)	-	-	(2,900,000)
	<u>305,120</u>	<u>(2,880,000)</u>	<u>137,586</u>	<u>15,790,791</u>	<u>13,353,497</u>
Unrealised gains included above:					
On investments	-	-	14,621	-	14,621
	<u>-</u>	<u>-</u>	<u>14,621</u>	<u>-</u>	<u>14,621</u>
Reconciliation of movements in unrealised gains					
Unrealised gains at 1 September 2020	-	-	10,197	-	10,197
Net gains on revaluations in year	-	-	4,424	-	4,424
Unrealised gains at 31 August 2021	<u>-</u>	<u>-</u>	<u>14,621</u>	<u>-</u>	<u>14,621</u>

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

18 Analysis of net assets between funds (continued)

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

Group	Unrestricted Funds £	Restricted general Funds £	Restricted other Funds £	Restricted fixed asset Funds £	Total Funds £
Tangible fixed assets	74,600	-	-	16,384,533	16,459,133
Investments	-	-	25,108	-	25,108
Current assets	138,824	778,096	42,401	-	959,322
Current liabilities	(113,184)	(778,096)	-	-	(891,281)
Pension scheme liability	-	(1,890,000)	-	-	(1,890,000)
	<u>100,240</u>	<u>(1,890,000)</u>	<u>67,509</u>	<u>16,384,533</u>	<u>14,662,282</u>
Unrealised gains included above:					
On investments	-	-	10,197	-	10,197
	<u>-</u>	<u>-</u>	<u>10,197</u>	<u>-</u>	<u>10,197</u>
Reconciliation of movements in unrealised gains					
Unrealised gains at 1 September 2019	-	-	9,652	-	9,652
Net gains on revaluations in year	-	-	545	-	545
Unrealised gains at 31 August 2020	<u>-</u>	<u>-</u>	<u>10,197</u>	<u>-</u>	<u>10,197</u>

Fund balances at 31 August 2021 are represented by:

School	Unrestricted Funds £	Restricted general Funds £	Restricted other Funds £	Restricted fixed asset Funds £	Total Funds £
Tangible fixed assets	76,122	-	-	15,787,644	15,863,766
Investments	1	-	29,532	-	29,533
Current assets	177,845	845,038	108,054	3,147	1,134,083
Current liabilities	(1,683)	(825,038)	-	-	(826,720)
Pension scheme liability	-	(2,900,000)	-	-	(2,900,000)
	<u>252,285</u>	<u>(2,880,000)</u>	<u>137,586</u>	<u>15,790,791</u>	<u>13,300,662</u>
Unrealised gains included above:					
On investments	-	-	14,621	-	14,621
	<u>-</u>	<u>-</u>	<u>14,621</u>	<u>-</u>	<u>14,621</u>
Reconciliation of movements in unrealised gains					
Unrealised gains at 1 September 2020	-	-	10,197	-	10,197
Net gains on revaluations in year	-	-	4,424	-	4,424
Unrealised gains at 31 August 2021	<u>-</u>	<u>-</u>	<u>14,621</u>	<u>-</u>	<u>14,621</u>

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

18 Analysis of net assets between funds (continued)

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

School	Unrestricted Funds £	Restricted general Funds £	Restricted other Funds £	Restricted fixed asset Funds £	Total Funds £
Tangible fixed assets	74,600	-	-	16,384,533	16,459,133
Investments	1	-	25,108	-	25,109
Current assets	102,355	778,095	42,401	-	922,852
Debtors	41,700	396,107	21,012	-	458,819
Cash at bank and in hand	60,655	381,988	21,389	-	464,033
Current liabilities	(190,233)	(778,095)	-	-	(968,329)
Pension scheme liability	-	(1,890,000)	-	-	(1,890,000)
	<u>(13,277)</u>	<u>(1,890,000)</u>	<u>67,509</u>	<u>16,384,533</u>	<u>14,548,765</u>
Unrealised gains included above:					
On investments	-	-	10,197	-	10,197
	<u>-</u>	<u>-</u>	<u>10,197</u>	<u>-</u>	<u>10,197</u>
Reconciliation of movements in unrealised gains					
Unrealised gains at 1 September 2019	-	-	9,652	-	9,652
Net gains on revaluations in year	-	-	545	-	545
Unrealised gains at 31 August 2020	<u>-</u>	<u>-</u>	<u>10,197</u>	<u>-</u>	<u>10,197</u>

19 Capital commitments

	2021 £	2020 £
Contracted for, but not provided in the financial statements	<u>340,247</u>	<u>-</u>

20 Commitments under operating leases

Operating leases

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

Other

	2021 £	2020 £
Amounts due within one year	9,709	9,692
Amounts due within one and five years	10,199	17,027
	<u>19,907</u>	<u>26,719</u>

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

21 Reconciliation of net income/(expenditure) to net cash flow from operating activities	2021	2020			
	£	£			
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(593,209)	(1,407,636)			
Adjusted for:					
Depreciation (note 13)	760,254	804,090			
Capital grants from DfE and other capital income (notes 2 and 3)	(199,808)	(37,015)			
Interest receivable (note 5)	(861)	(1,373)			
Defined benefit pension scheme cost less contributions payable (note 26)	290,000	281,000			
Decrease in debtors	103,915	441,856			
(Decrease) in creditors	(50,144)	(340,688)			
Net cash provided by/(used in) operating activities	310,147	(259,766)			
22 Cash flows from investing activities	2021	2020			
	£	£			
Dividends, interest and rents from investments (note 5)	861	1,373			
Purchase of tangible fixed assets (note 13)	(164,887)	(245,435)			
Tangible fixed asset transfer upon completion (note 13)	-	300,691			
Capital grants from DfE Group	39,165	37,015			
Capital funding received from sponsors and others	160,643	-			
Net cash provided by /(used in) investing activities	35,782	93,644			
23 Analysis of cash and cash equivalents	2021	2020			
	£	£			
Cash in hand and at bank	837,204	491,275			
Total cash and cash equivalents	837,204	491,275			
24 Analysis of changes in net debt	Balance at 1 September 2020	Cash flows	New finance leases	Other non-cash changes	Balance at 31 August 2021
	£	£	£	£	£
Cash	491,275	345,929	-	-	837,204
Total	491,275	345,929	-	-	837,204

25 Members liability

The members of the charitable company are named on page 3.

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.

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

26 Pension and similar obligations

The School'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 Hertfordshire County Council Pension Fund. 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 £27,240 were payable to the schemes at 31 August 2021 (2020: £24,609) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pensions Scheme (TPS) is a statutory, contributory, defined benefit scheme governed by the Teachers' Pensions Regulations 2014. Membership is automatic for 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 05 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% employer 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 £968,701 (2020: £927,984).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £315,000 (2020: £302,000), of which employer's contributions totalled £250,000 (2020: £242,000) and employees' contributions totalled £65,000 (2020: £60,000). The agreed contribution rates for future years are 22.65 per cent for employers and 5.5 per cent to 12.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of school 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

	At 31 August 2021	At 31 August 2020
Rate of increase in salaries	3.30%	2.60%
Rate of increase for pensions in payment / inflation	2.90%	2.20%
Discount rate for scheme liabilities	1.65%	1.70%
Commutation of pensions to lump sums	50.00%	50.00%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement age 65 are:

	At 31 August 2021	At 31 August 2020
<i>Retiring today</i>		
Males	22.1	21.9
Females	24.5	24.1
<i>Retiring in 20 years</i>		
Males	23.2	22.8
Females	26.2	25.5

Sensitivity analysis

	2021		2020	
	% increase to Defined Benefit Obligation	Monetary amount (£)	% increase to Defined Benefit Obligation	Monetary amount (£)
Real discount rate -0.1% (2020: -0.5%).	2%	£ 183,000	12%	£ 729,000
Salary increase rate +0.1% (2020: +0.5%).	0%	£ 15,000	2%	£ 62,000
Pension increase rate (CPI) +0.1% (2020: +0.5%).	2%	£ 166,000	10%	£ 655,000
Mortality assumption - 1 year increase	4%	£ 326,000	3-5%	

The School's share of the assets in the scheme were:

	2021 £	2020 £
UK Equities	2,786,740	2,334,650
Corporate Bonds	1,524,820	1,541,750
Property	578,380	396,450
Cash and other liquid assets	368,060	132,150
Total market value of assets	5,258,000	4,405,000

The actual return on scheme assets was £596,000 (2020: £87,000).

Watford Grammar School for Boys
Notes to the Financial Statements

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2021	2020
	£	£
Current service cost	506,000	490,000
Interest income	(77,000)	(76,000)
Interest costs	111,000	109,000
Employer contributions	(250,000)	(242,000)
Total amount recognised in the SOFA	290,000	281,000

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

	2021	2020
	£	£
At 1 September	6,295,000	5,801,000
Current service cost	506,000	490,000
Interest cost	111,000	109,000
Employee contributions	65,000	60,000
Actuarial loss/(gain)	1,239,000	(115,000)
Estimated benefits paid	(58,000)	(50,000)
At 31 August	8,158,000	6,295,000

Changes in the fair value of the School's share of scheme assets:

	2021	2020
	£	£
At 1 September	4,405,000	4,066,000
Interest income	77,000	76,000
Actuarial gain	519,000	11,000
Employer contributions	250,000	242,000
Employee contributions	65,000	60,000
Estimated benefits paid	(58,000)	(50,000)
At 31 August	5,258,000	4,405,000

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

27 Related party transactions

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

The following related party transaction took place in the period of account.

Watford Fuller Foundation (charity number: 1062184)	2021	2020
	£	£
Amounts received by Watford Grammar School for Boys	212,753	313,829
Amounts owed to the school at year end and included in Other Debtors (Note 15)	70,000	-

Two of the School's governors, Mr A Speirs and Miss J Callow (Resigned as Staff Governor 31 August 2021) act as Trustees for the charity.

Watford Grammar School for Girls	2021	2020
	£	£
Amounts invoiced by Watford Grammar School for Boys for a variety of services provided	43,725	30,747
Amounts invoiced to Watford Grammar School for Boys for a variety of services provided	3,960	10,698
Amounts owed by the school at year end and included in Trade Creditors (Note 16)	-	9,138

One of the School's governors, Rev A. W. Rindl, is also a governor of Watford Grammar School for Girls.

28 Agency arrangements

The School distributes 16-19 bursary funds to students as an agent for ESFA.

	2021	2020
	£	£
Amounts received by Watford Grammar School for Boys in the year	9,801	13,067
Amounts disbursed by Watford Grammar School for Boys in the year	6,839	9,222
Amounts held by Watford Grammar School for Boys at the year end and included in Other Creditors (Note 16) that remains to be distributed or repaid to ESFA.	17,177	14,215

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

29 Trading Subsidiary

The wholly owned subsidiary, Watford Grammar School for Boys Enterprises Limited, is incorporated in the United Kingdom (company number: 10793241) and pays all of its taxable surpluses to the parent organisation as a donation.

The summary financial performance of the subsidiary alone is:

	2021	2020
	£	£
Turnover	55,251	114,322
Cost of sales	388	1,482
Gross Profit	54,863	112,840
Administrative expenses	(115,694)	(204,801)
Other operating income	150	2,731
Profit on ordinary activities before taxation	(60,681)	(89,230)
Tax on profit	-	-
Profit on ordinary activities after taxation	(60,681)	(89,230)
Distributions to parent organisation under gift aid	113,516	202,746

The assets and liabilities of the subsidiary were:

	2021	2020
	£	£
Current assets	69,863	128,016
Current liabilities	(17,027)	(14,499)
Total net assets	52,836	113,517