

COMPANY NUMBER: 3401010
CHARITY NUMBER: 1063732

**THE PORTSMOUTH GRAMMAR SCHOOL
ANNUAL REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

**THE PORTSMOUTH GRAMMAR SCHOOL
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**THE PORTSMOUTH GRAMMAR SCHOOL
GOVERNORS, OFFICERS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2022**

COMPANY REGISTRATION NUMBER:	3401010
CHARITY REGISTRATION NUMBER:	1063732
REGISTERED OFFICE:	The Portsmouth Grammar School High Street Portsmouth Hampshire PO1 2LN

GOVERNORS

The Trustees of the charity are also the school Governors and Directors of the company. The Governors who served during the year ended 31 August 2022 were as follows:

EX-OFFICIO GOVERNORS

The Right Worshipful, the Lord Mayor of Portsmouth:
Councillor F Jonas (resigned 30 April 2022)
Councillor Canon Dr H Mason (appointed 1 May 2022)

The Dean of Portsmouth:
The Very Rev'd Dr A Cane, BA, MPhil PhD

REPRESENTATIVE GOVERNORS

Nominated by Christ Church, Oxford:
Dr Martin Grossel BSc MA PhD (1)
Professor Brian Young (appointed 16 March 2022)

CO-OPTATIVE GOVERNORS

Mrs S Baker MA	(2)
Mrs K Bishop BA ACA (Vice Chair)	(2)(3)(4)(5)
T Burden MA	(1)
W J B Cha BA (Chair)	(1)(2)(3)(4)
M R Coffin BA (Econ) FCA	(2)(3)(5)
Mrs V Durham	(1)
Ms S Gingell	(1)
N D Latham CBE MSc CEng FIMarEST FIMechE	(2)(3)
His Honour Judge Lodder KC LLB	
J Nicholls BA ACA FCT (resigned 3 December 2021)	
P Parkinson BA	(2)(4)(5)
J Poulton BA (Cantab)	(1)
Dr S Ross	(1)
Mrs M Scott BSc (resigned 3 December 2021)	

- (1) = Member of the Education Committee
- (2) = Member of the Finance and General Purposes Committee
- (3) = Member of the Nominations Committee
- (4) = Member of the Remuneration Sub Committee
- (5) = Member of the Audit and Risk Committee

**THE PORTSMOUTH GRAMMAR SCHOOL
GOVERNORS, OFFICERS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2022**

OFFICERS

Head	D J Wickes MA (appointed 01 September 2022) Dr A K Cotton BA MSt DPhil MA(Ed) (resigned 31 August 2022)
Head of Junior School	Mrs A Wilson-Smith BA
Secretary, Bursar and Clerk to the Governing Body	R J Read BA MA (Appointed 01 September 2022) S R Merriam BSc CDir (resigned 31 August 2022)

The key management personnel within the school, known as the Senior Management Team (SMT) consists of the above officers and the following:

Senior Deputy Head	D M L Payne MA MEd
Deputy Head (Academic & Staff Welfare)	S L Haslam BA MA (Appointed 01 January 2022)
Deputy Head (Academic)	B C T Goad BSc (Resigned 31 December 2021)
Deputy Head (Teaching and Education Development)	H R Wiggins MA
Deputy Head (Innovation)	L F Rees MSc
Assistant Head (Pastoral)	F E A Bush BA
Assistant Head (Head of Sixth Form)	R H Clay BA
Assistant Head (Admissions & Partnerships)	J Jackson BSc
Assistant Head (Co-curriculum)	C Ellis BSc
Assistant Head (Pupil Progress)	M Hill BA Med (Appointed 01 January 2022)
Deputy Head of the Junior School	J Ashcroft BSc

ADVISERS

BANKERS: Lloyds Bank plc
2/4 Palmerston Road
Southsea
Hampshire PO5 3QH

SOLICITORS: Blake Morgan
New Kings Court
Tollgate
Chandler's Ford
Eastleigh
Hampshire SO53 3LG

AUDITORS: Crowe U.K. LLP
Aquis House
49-51 Blagrove Street
Reading
Berkshire RG1 1PL

INVESTMENT ADVISERS: Investec Wealth and Investment
Ltd 30 Gresham Street
London
EC2V 7QN

INSURANCE BROKERS: Hettle Andrews
Eleven Brindley Place
2 Brunswick Square
Birmingham B1 2LP

**THE PORTSMOUTH GRAMMAR SCHOOL
GOVERNORS, OFFICERS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2022**

ADVISERS (continued)

INSURANCE BROKERS (continued)

Marsh Brokers Ltd
Education Practice Capital
House
1 – 5 Perrymount Road
Haywards Heath
West Sussex
RH16 3SY

**THE PORTSMOUTH GRAMMAR SCHOOL
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2022**

The Directors, who are also Governors of the school and charity trustees for the purposes of the Charities Act 2011, present their Annual Report in compliance with both that Act and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year ending 31 August 2022.

DIRECTORS' REPORT

CONSTITUTION AND OBJECTS

The Portsmouth Grammar School is a company limited by guarantee without share capital, governed by its Articles of Association and is a registered charity, with number 1063732. In the event of the company being wound up and unable to meet its liabilities, each member undertakes to contribute a maximum of £1. If, on winding up, there remain after satisfaction of all debts and liabilities any assets, they cannot be paid to or distributed among the members, but will be given to some other charitable institution having similar objects.

On incorporation of the school in September 1997, permanently endowed assets remained the property of The Portsmouth Grammar School Endowment Trust, charity number 307355, of which the school is sole trustee. The Endowment Trust is a subsidiary charity of the school and its investment income is passed directly to the school.

On 20 May 2004, The Charity Commission directed that "The Arthur Darby Nock Trust shall be treated as forming part of the charity called The Portsmouth Grammar School". This Trust is held as an expendable endowment to provide scholarships at The Portsmouth Grammar School.

The school also has one wholly owned subsidiary company, PGS Promotions Limited, company number 2937047.

AIMS AND OBJECTIVES

Aims

A new Strategic Plan covering the period 2020-2025 was agreed with Governors in early 2020.

We wish the members of our school community to be both happy and successful and our purpose as a school is to offer outstanding education that prepares each individual to lead a fulfilled and purposeful life. The Main Archway is symbolic of our inclusivity as a school community and our desire to expand horizons.

In the spirit of our founder, Dr William Smith, we encourage our pupils to think not only about where they will be at 18 but where they aspire to be at 25. Portsmouth is after all, a city concerned with destinations.

Our Aims

As a community we aim to:

- Foster a nurturing environment that enables each individual to grow in confidence and to fulfil their personal potential
- Ignite a love of learning to cultivate academic excellence and to foster individual progress
- Equip each individual to thrive in a changing world
- Prepare each individual to make a positive contribution to their communities, through both leadership and service
- Help each individual understand themselves and develop their unique strengths.

**THE PORTSMOUTH GRAMMAR SCHOOL
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2022**

We wish the members of our community to:

- Be happy and to thrive
- Enjoy learning and pursue success to the best of their ability
- Be prepared for the changing world beyond school
- Make an active contribution and live purposeful lives
- Develop a sense of identity and to be their own person.

In 2032 we will celebrate the 300th anniversary of the founding of the school. Mindful of the evolving global landscape, we want our pupils to have the best possible preparation for their futures. We are determined to strengthen the school even further, and to preserve its character and diversity, while we respond to the world around us. In partnership with parents, we are committed to providing pupils with the care and the support, the environment and the context, to grow and thrive as the best version of themselves.

In order to achieve this, over the five years of the Strategic Plan we will focus on:

1. Maximising individual pupils' learning and progress, through challenge, support and care;
2. Placing personal development at the heart of the school, as a learning community;
3. Working in purposeful partnership with our wider communities;
4. Growing our commitment to fee assistance, so we may offer educational opportunities to talented young people according to need;
5. Operating efficiently and sustainably, to further establish our position at the forefront of education in the South of England

Objectives

The key charitable object of the School is the advancement of education as a day school for boys and girls, or if the Governors think fit, a day and boarding school. Currently boarding facilities are not provided. Religious instruction is provided in accordance with the principles of the Christian faith.

THE PORTSMOUTH GRAMMAR SCHOOL

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 AUGUST 2022

GOVERNANCE AND MANAGEMENT

Governing Body

The charity is governed by its Trust Deed, last amended in 1997 and its Memorandum and Articles. The Governing Body should consist of not more than eighteen men or women. Two of the Governors are Ex-Officio, the Dean and the Lord Mayor.

Two Governors are nominated by Christ Church, Oxford.

The Governors are delighted to welcome David Wickes as the School's Head, alongside John Read as Bursar, effective 1st September and would like to thank Anne Cotton (previous Head) and Simon Merriam (previous Bursar) for their service to the School and its community during their tenure.

Recruitment and Training of Governors

The Governors are also Directors of the company. Those who served during the year are listed on page 1.

Co-optative and nominative governors are appointed for a term of three years. They may be re-elected by resolution of the Governing Body at an Annual General Meeting. Co-optative Governors are elected by the Governing Body. They are volunteers who are able and willing to devote time and energy to the strategic development of the school and they provide support to and oversight of, the leadership of the Head and the Senior Management Team. Co-optative Governors are likely to have significant professional, educational or business experience at a senior level. All Governors are elected at a meeting of the Governing Body and receive a suitable programme of induction from the Clerk, the Head and the Chair of Governors. Additionally, Governors are invited to attend relevant staff professional development days and seminars provided by the Association of Governing Bodies in Independent Schools (AGBIS) and other providers of specialist advice.

The school's 2016 ISI Inspection Report commented favourably on the quality of the school's governance and management awarding an Excellent grading. A compliance inspection was conducted by ISI in February 2019 and the school was confirmed to be compliant with the required standards. More recently, in September 2022, a Focussed Compliance and Educational Quality Inspection was conducted and the School was graded 'Excellent'.

Organisational Management

The Governing Body meets at least three times a year. The work of implementing their policies is carried out by members of the Finance and General Purposes Committee (F&GP), chaired by Mr Latham, and Education Committee (EC), chaired by Mr Burden, both of which meet termly prior to the full Governing Body meeting.

In addition, an Audit and Risk Committee, chaired by Mr Coffin, meets at least three times per year with the specific remit of continuous improvement to the governance and management of the school.

A Remuneration Sub Committee, chaired by Mrs Bishop, meets at least annually to review the school's policy on pay for teaching and support staff and to make recommendations.

The Remuneration Committee's Terms of Reference are reviewed annually. The committee considers published benchmarking data on salaries and makes comparisons with other independent schools to ensure that it remains sensitive to the broader issues of pay and employment conditions elsewhere. Its policy provides for appropriate incentives to encourage enhanced performance and the rewarding fairly and responsibly for individual contributions to the School's success.

THE PORTSMOUTH GRAMMAR SCHOOL
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2022

The school also has a Nominations Committee, chaired by the Chair of Governors or the Vice-Chair if appropriate which normally meets annually or more frequently if required to make recommendations on Governor appointments and to consider succession planning.

Working Groups of Governors with members of the senior management team may be established from time to time by one of the Committees to address specific issues.

The day to day running of the school is delegated to the Head supported by the Senior Management Team (SMT) previously listed as key management personnel. All Governors' meetings are attended by the Head, the Bursar, and the Head of the Junior School.

The Senior Deputy Head, Deputy Head (Academic), Deputy Head (Teaching and Education Development), Deputy Head (Innovation), Assistant Head (Sixth Form), Assistant Head (Pastoral), Assistant Head (Pupil Progress), Assistant Head (Co-Curricular) and the Deputy Head of the Junior School attend as and when necessary. Other members of the School's management including the Development Director and Head of Marketing also attend meetings when their areas of responsibility are discussed.

Delivery of the school's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

Group Structure and Relationships

The Charity has one wholly owned non-charitable subsidiary, PGS Promotions Limited.

The school actively supports the promotion of the highest standards in the Independent School sector through networking with other similar schools. In particular through the Headmasters' and Headmistresses' Conference (HMC) schools within the South Central region and the Trinity Group schools, located in London and on the South Coast. The school is a keen participant in the activities of these highly regarded educational organisations. As well as HMC the school has membership of the IAPS, AGBIS and the ISBA.

The school works closely with the universities of Portsmouth, Chichester and Southampton in the provision of Initial Teacher Training. Our close links with schools in the maintained sector are referred to in the Public Benefit section of this report.

A number of the school's staff continue to engage in voluntary roles as governors and trustees of schools and other educational, cultural and charitable organisations in the local area and wider region.

The school has a close working relationship with the Portsmouth Cathedral and is a full member of the Choir Schools Association (CSA).

The Head is Chair of the Portsmouth Festival.

Employee Engagement

In line with the requirements of the Companies (Miscellaneous Reporting) Regulations 2018, the Board of Governors are pleased to report that they continue to engage with employees throughout the year. Examples of direct engagement include informal meeting time for Governors with staff in the Common room and lesson observations by Governors, prior to Governor Committee or full Board meetings, and presentations to, and discussion with Governors at meetings on the subject or area of responsibility of the staff member. There is also engagement between Governors who are parents of pupils within the school with staff from across the school.

THE PORTSMOUTH GRAMMAR SCHOOL

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 AUGUST 2022

On behalf of the Board, the Head and the Senior Management Team have a strong culture of consultation with staff before introducing significant change and these issues are reported back to the Board at Board and committee meetings. The Head and Bursar also brief staff on the overall performance of the school. This is not only financial reporting but also how the school has performed in public examinations and university offers. It is believed that this culture of openness helps develop a positive culture of mutual trust and commitment by staff in the long term success of the school as a charitable institution.

Employment policy

The school is an equal opportunities employer and this is articulated in The PGS Whole School Recruitment Policy and The PGS Equal Opportunities and Dignity at Work Policy for Staff. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs.

Communication and consultation with employees is a priority at the school. At intervals through the year, usually immediately prior to the start of a term or half-term, Professional Development Days are held during which briefings and staff training takes place. Elements of these days will apply to the whole school staff, both academic and support staff, with other periods being applicable to specific roles, functions or training requirements. Training on these will often include training on safeguarding, data protection, and health and safety, as well as briefings on the school's development and strategy.

Business Relationships

The school continues to engage with a large number of stakeholders (as set out in the Section 172(1) Statement on page 23), the most important of which are the pupils and their parents. The work of our teaching and support staff, as directed by the Board of Governors, the Head and the Senior Management Team, focuses on providing the pupils and parents with a high quality academic education underpinned by excellent pastoral care with an outstanding range of co-curricular opportunities. The success of this is outlined in the Strategic Report below.

The Governors continue to place a significant emphasis on the need for strong and positive relationships with self-employed staff such as peripatetic music teachers and sports coaches. Although the relationship with self-employed staff is necessarily different to that of employed staff (due to the requirements of HMRC and Employment Law), the school is proud that many of these individuals have remained loyal to the school for so many years reflecting the strong and harmonious relationship that the school fosters.

The Governors also value positive relationships with suppliers whose work in support of the school is invaluable. Governors require the Bursar to seek value for money when engaging any supplier and this is tempered with forging strong relationships that are ultimately beneficial to both parties. The Bursar also takes into account environmental credentials, when appropriate, when choosing a new supplier. The school is also keen to place a priority on local businesses where it can, and a Sustainability Forum involving staff and pupils helps seek more ways of improving the school's performance in this important area.

**THE PORTSMOUTH GRAMMAR SCHOOL
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2022**

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

GHG Emissions and Energy use data for period 1 September 2021 to 31st August 2022

		Current Year 2021 - 2022	Comparison Year 2018- 2019	Current Year Change	
Energy Consumption - Gas	kWh/year	1,819,285	1,832,882	-1%	Reduction
Energy Consumption - Diesel	kWh/year	14,270	15,620	-9%	Reduction
Energy Consumption - Electricity	kWh/year	1,267,831	1,356,526	-7%	Reduction
Total Energy	kWh/year	3,101,387	3,205,028	-3%	Reduction
Emissions - Gas	tCO2/year	332.1	337.3	-2%	Reduction
Emissions - Diesel	tCO2/year	3.4	4.0	-13%	Reduction
Emissions - Electricity	tCO2/year	245.2	347.3	-29%	Reduction
Total Emissions	tCO2/year	580.7	688.5	-16%	Reduction
Total Internal Building Area	m2	21,768.8	21,768.8	0%	No Change
Number of Pupils	No.	1,280	1,462	-12%	Reduction
Intensity Ratio 1 Total Emissions	tCO2/m2/year	0.027	0.032	-16%	Reduction
Intensity Ratio 2 Building Energy	kWh/m2/year	142	147	-3%	Reduction
Intensity Ratio 3 Total Energy	kWh/pupil/year	2,423	2,192	11%	Increase
Methodology		GHG Reporting Protocol - Corporate Standard plus findings from ESOS		ESOS Phase 2	

The Base Year for comparison is the financial year 2018/2019. This is the most recent financial year that was unaffected by the Covid Pandemic and is the year for which the ESOS Phase II has been conducted.

The latest financial year 2021/22 shows a 3% reduction in total energy consumption and a 16% reduction in carbon emissions compared to the Base Year. However, there was a 12% reduction in pupil numbers. Detailed analysis can be seen below.

**THE PORTSMOUTH GRAMMAR SCHOOL
REPORT OF THE DIRECTORS
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STREAMLINED ENERGY AND CARBON REPORTING (SECR) (continued)

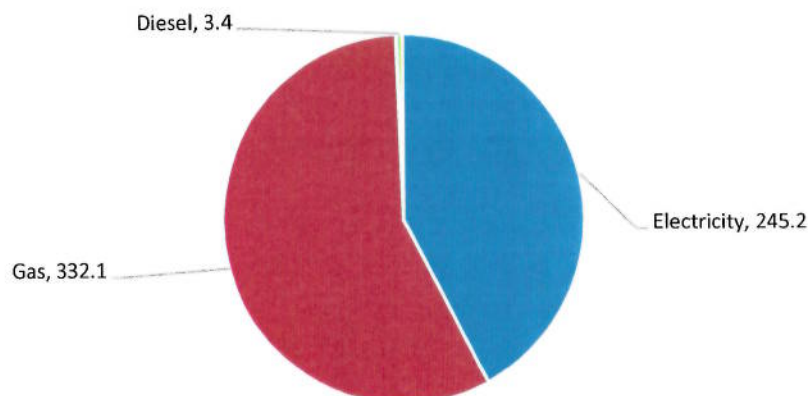
Key Impacts

The key impact of Portsmouth Grammar School is the emission of greenhouse gases from the consumption of fossil fuel on site, electricity, and vehicle fuel.

Utility	Energy Consumption		CO2e	Cost
SECR 2021 - 2022	kWh/yr	%	tonnes/yr	£/year
Electricity	1,267,831	40.9%	245.2	£628,204
Gas	1,819,285	58.7%	332.1	£176,080
Diesel	14,270	0.5%	3.4	£2,220
Totals	3,101,387	100%	580.7	£804,284

Utility	Energy Consumption		CO2e	Cost
SECR 2020 - 2021	kWh/yr	%	tonnes/yr	£/year
Electricity	1,192,113	39.9%	278	£268,526
Gas	1,777,180	59.5%	327	£46,948
Diesel	18,372	0.6%	4	£2,252
Totals	2,987,665	100%	609	£317,726

tonnes CO2e Emissions by Fuel Type 2021 - 2022



**THE PORTSMOUTH GRAMMAR SCHOOL
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FOR THE YEAR ENDED 31 AUGUST 2022**

STREAMLINED ENERGY AND CARBON REPORTING (SECR) (continued)

Measurement

Portsmouth Grammar School records energy consumption in terms of kWh per month for gas and electricity. This is collected from invoices and meter readings. Vehicle fuel is recorded in terms of litres per month. This data is collated in a single spreadsheet (PGS SS1 Utilities 2022).

The above spreadsheet has been used to compile the data required for SECR reporting. This converts the energy consumption in terms of kWh to tCO₂ equivalent (PGS SS2 SECR 2022).

Emissions of CO₂ were calculated using the DEFRA Conversion Factors 2022 (PGS SS3 DEFRA 2022).

Emissions Factor 2018	kgCO ₂ /kWh
Electricity	0.256
Natural Gas	0.184
DERV	0.253

Emissions Factor 2022	kgCO ₂ /kWh
Electricity	0.193
Natural Gas	0.183
Diesel AV Biofuel Blend	0.241

Notes:

Carbon content of grid generated electricity reducing due to the impact of renewables.

Average biofuel blend now adopted for vehicle fuel.

Setting a Target

The school occupies an historic site with many parts of the estate being listed buildings. There are therefore limits to the improvements that can easily be made to improve energy efficiency.

The results of the ESOS Phase II process highlights that upgrading the lighting at the school is the most likely area where savings could be made, together with the installation of Solar PV to the Sports Hall roof. We have now installed LED lighting to our all-weather pitches at Hilsea and upgraded to LED lighting with movement sensors in our Music building, Gymnasium, C block staircase and food tech room.

The total energy savings identified by the ESOS Phase II process is 183,053kWh/year and represents 7.5% of the total consumption by the school. As some of this saving has now been realised, a realistic target of 3% has been adopted to be achieved over the next two years.

Energy Saving Actions

We have installed LED lighting to our all-weather pitches at Hilsea and upgraded to LED lighting with movement sensors in our Music building, Gymnasium, C block staircase and food tech room.

Energy Saving Plans

We have reviewed our utilities contracts and renegotiated these to fixed term contracts to ensure best available market prices and to improve forecast costs. Meter reading analysis is underway to flag any in year larger than average usage that could be curtailed. As a continued long-term programme we will continue to upgrade our existing lighting to modern energy efficient lighting when budget allows.

**THE PORTSMOUTH GRAMMAR SCHOOL
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2022**

PUBLIC BENEFIT

Bursaries

The school remains committed to the aim of providing Public Benefit in accordance with its founding principles and the Governors have given careful regard to the Charity Commission's guidance on Public Benefit and means testing.

The school welcomes pupils from all backgrounds.

It is important to the school that access to the education offered is not restricted simply to those that can afford the fees. It is recognised that pupils benefit from learning within a diverse community and that learning occurs through social interaction and shared experience. In this way we expect our pupils to develop a roundedness of experience and perspective of other people that will be vital in their adult lives.

Entrance interviews and assessments are undertaken to ensure that potential pupils can benefit from the education provided and contribute to the school community.

The provision of means-tested bursary support continues as a key feature of the school's admissions process with bursaries equivalent to 100% of the fees being available and regularly awarded. An individual's gender, ethnicity, race, religion or disability do not form part of our assessment process for bursary support.

The school is committed to offering places to those most able to benefit from its education irrespective of financial means. It is against this core ethos that bursaries are an especially highly valued aspect of the school's admissions process. In addition, the school provides continuing support to all pupils already in receipt of fee assistance through bursaries.

The school does not have a large endowment and in funding bursaries and scholarships, a balance has been struck between maintaining an adequate surplus of funds to maintain the financial viability of the school, as well as continuing to develop appropriately the school's infrastructure and maintain its historic Grade II listed buildings.

The school, in line with other independent schools, also makes some scholarship awards on the basis of an individual's educational potential, academic success in examination or excellence in co-curricular activities. The awards are generally low in financial value but highly regarded by pupils and feeder schools.

In 2021/22 £2,350,615 (2020/21: £1,687,217) was awarded on a predominantly means-tested basis for scholarships and bursaries.

The Breakdown of the Bursary awards (excluding the temporary bursary support) was as follows:

- 179 pupils received bursary support of up to 100% of the fees (Senior School Only) (2021/22:136)
- Detailed breakdown as follows:
 - 87 pupils receiving between 75% and 100% (2020/21:59)
 - 55 pupils receiving between 50% and 74% (2020/21:46)
 - 37 pupils receiving between 10% and 49% (2020/21:31)

The total value of these bursaries was £2,034,414 (2020/21: £1,427,258). This included £99,707 (2020/21: £359,631) of temporary bursaries granted as support during the Covid pandemic.

**THE PORTSMOUTH GRAMMAR SCHOOL
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2022**

PUBLIC BENEFIT (continued)

The Breakdown of the Scholarship awards was as follows:

o Academic	242 (2020/21: 234)
o Music	37 (2020/21: 37)
o Sport	29 (2020/21: 19)
o Drama	22 (2020/21: 20)
o Art	16 (2020/21: 14)

- The total value of these scholarships was £316,201 (2020/21: £259,959)

The William Smith Fund

In July 2015 the school launched a significant bursary initiative called 'The William Smith Fund' with the simple aim of creating a source of non-fee income to help sustain our founder's vision of providing a world-class education for the young people of Portsmouth and the surrounding area, right at the heart of their home city. The initiative evidenced our strong belief in the power of means-tested bursaries, not only to break down the financial barriers to a PGS education, but also to enrich the entire community by enhancing its intellectual and social diversity.

The William Smith Fund is a collective fundraising effort made each year by all members of the PGS family – alumni, former staff, and friends of the school, parents and grandparents of current pupils. Our aim is simple: We wish to raise funds to increase our means-tested bursary provision, allowing us to further open our doors to more bright and promising boys and girls from the local area whose families would not otherwise be able to afford the full fees. Since the launch of the William Smith Fund almost £1.5m has been received and pledged by donors.

In addition to bursaries the school is engaged in many other activities that provide public benefit and are within the school's objectives.

The school is a patron of Shaping Portsmouth, a city-wide initiative between the private and public sectors to improve educational opportunities in Portsmouth and to support the economic success and well-being of the city as a whole. Some of our Sixth Form pupils work within this organisation as part of their enrichment curriculum. The school also supports the educational work of local cultural and heritage centres.

The Portsmouth Festival (Ports Fest)

The school's ongoing commitment to support the Ports Fest is a clear demonstration of its belief in the significance and value of the creative & cultural arts. The events that are scheduled during that time have a strong emphasis towards young people throughout the city and therefore merit a considerable investment from PGS in terms of time, energy, imagination, and funds, ensuring the events are easily accessible to all.

2022 saw Ports Fest going ahead with four days of high-quality events over the period of 30th June -2 July.

The festival's theme for 2022 built on the previous year, our audiences were invited to Remember, Reimagine, Reignite. Over the four days the festival provided 63 events and worked in active partnership with over 40 artistic and cultural organisations, and worked directly with 14 regional schools, engaged with 380 artists and 747 participants. Ports Fest also had additional events outside of the festival dates including a three-month exhibition at the Mary Rose Museum showcasing the creative work of Portsmouth Young Carers.

The live event audience reached 9,264 with a total engagement of 395,111 through participation online, broadcast or in writing.

THE PORTSMOUTH GRAMMAR SCHOOL
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2022

PUBLIC BENEFIT (continued)

Community Partnering & Volunteering

The school strongly believes in the value of PGS pupils being involved in partnerships, charitable events and volunteering in a wide variety of ways. As such, it is committed to working closely with many local charities and like-minded organisations and aims to optimise the educational use of its cultural and sporting facilities and to awaken in its pupils an awareness of the social context of the all-round education they receive.

Collaboration with other schools this year has been made much easier with the gentle lifting of the COVID - 19, local schools have welcomed our Year 12 pupils back onto their sites and we have begun to plan and host events on our site as well. In November 2021 we were able to host over 300 children from local schools in Years 5 & 6 to a special matinee performance of our Whole School musical.

In June we were able to run the Gifted & Talented Summer School in person, as we did in 2019 and 18 Year 5 pupils from 7 local schools joined us for two days. They participated in a range of activities from Design & Technology to Science and Drama, all based around the theme of 'Our City'.

The Sixth Form Community, Action, Workplace (CAW) scheme on Monday afternoons was able to run in the way we had originally envisaged. All of our Year 12 pupils enrolled in some form of community collaboration which included: care homes, local schools, helping local charities, or helping at the nearby Theatre Royal. They finished the year with Social Action Projects organising and running a range of events or projects within the community. These links will continue to grow and strengthen during the next cycle of the scheme.

We are continuing to build on links within the Portsmouth Education Partnership and Shaping Portsmouth in order to join with them in Outreach and Partnerships work for the benefit of the city. In March the Digital Enablement Programme launched. The initiative saw 12 of our Year 12 pupils work in collaboration with Shaping Portsmouth to set up drop-in centres to help isolated adults with technical IT issues.

We have been able to welcome back some of the local organisations that we provide subsidised facilities for. This has included the Solent Guild of Woodcarvers and Sculptures and Hampshire Cricket.

PGS continues its partnership with Mayfield School. They have recently welcomed a new Head who is keen to continue expanding the projects and activities that currently exist. The Wilkie Scholarships exist as an excellent means of offering a tangible link for successful Mayfield pupils to access a PGS education in the Sixth Form. Other partnership activities have included shared training and mentoring of pupils via our CAW scheme.

This year we have also expanded connections with Portsmouth Academy, Castle View Academy and The Island Free School to offer transformational bursaries to several of their Year 11 pupils for Sixth Form Study at PGS. In collaboration with Hovertravel we have been able to offer free hover travel to pupils from the Isle of Wight who receive such bursaries.

Charitable Fundraising

Thanks to the efforts of pupils, staff, parents and other members of our school community fundraising remains a core charitable activity within the school. The school continues to support a variety of local, National and International charities and during the last academic year this included Save the Children, Support for Uganda and the Salvation Army Appeal.

School Houses also support charities of their own choice each year (including PDSA, Hounds for Heroes and Lifehouse) and raise awareness and funds through their own initiatives, that are largely pupil led. The Sixth Form enrichment programme (Ignite!) also includes pupils volunteering in support of several local organisations including the All Saints Church and Second Chance.

Pupils involved in the Uganda and Cambodia groups also work throughout the year in partnership with schools in those countries to raise funds in support of the running of their school.

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Education Partnerships

The school enjoys a close relationship with many of the region's universities, supporting the training of student teachers at Chichester, Portsmouth and Southampton Universities. A number of the school's staff fulfil voluntary roles as governors and trustees of schools and other educational, cultural and charitable organisations in the local area and wider region.

The school also has a range of active partnerships with schools overseas, including the United World School in Chia Thom, Cambodia, which it helped to build; and Kikaaya College School in Uganda, which enjoys significant financial support from PGS for its internet and wifi provision. This is mainly raised by PGS pupils whom also participate in a range of collaborative activities with the Ugandan pupils. In July during our Enrichment day, half of Year 9 learned a Ugandan dance that had been filmed and sent over in advance by Kikaaya and prepared for teaching by a number of PGS staff. Pupils then linked live in the DRT with Kikaaya and performed for and with each other. Year 9 musicians and music staff also joined in the celebrations with drumming. PGS also continues a growing partnership with the Suzhou Science and Language School in China. PGS believes that pupils should be aware of the importance of living in a global community and the many benefits and challenges that this brings and the commitment to such partnerships is an excellent way of ensuring that pupils are offered a tangible insight to the cultural differences of other international communities.

FUNDRAISING

Fundraising achievements in 21/22

There was a significant drop in major gifts this year, resulting from the inability to engage with major donors and prospects via face-to-face meetings for most of a two-year period from spring 2020 to spring 2022. All but one of the five- and six-figure gifts this year came from donors who had already made gifts at that level, the exception being a five-figure legacy gift. The uncertainty following the invasion of Ukraine by Russian forces, and the news of an increase of 54% in the energy price cap in spring 2022, both had an impact on lower-level donors and our online Giving Day in March. There was a marked increase in the number of direct debit gifts being cancelled at this time, but this settled as the financial year drew to a close. The number of regular, direct debit gifts reduced by 6% across the year as a whole. To list some of the achievements:

- Gifts to the value of £399,426 were received from 741 individuals and organisations
- 98.5% of donors were individuals
- Donors represented the following constituencies:
 - 54.5% alumni
 - 35% current and former parents
 - 5% current and former staff
 - 3% friends
 - 1% widows and other relatives of OPs
 - 1.5% organisations
- Bursaries (i.e., means-tested fee assistance) remained by far the most popular cause

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- The full breakdown of causes supported was as follows:

	By number of gifts	By value of gifts
Unrestricted gifts	6%	9.88%
Bursaries	92.5%	89.6%
Academic projects	0.45%	0.12%
Co-curricular activity	0.75%	0.29%
Prize fund	0.3%	0.11%

- The largest gift received in 2021/22 was specifically in support of the school's second online Giving Day for bursaries in March. Over that 36-hour period:
 - £265,000 was donated
 - 509 individuals made gifts
 - 34% of donors were making their first gift to the school
 - While the number of Giving Day donors was more than 20% lower than in 2020/21, the total raised was only 5% lower
 - The proportion of Giving Day donors who were current or former parents increased from 28% in 2020/21 to 39% in 2021/22

Legacy gifts

- Two legacy gifts were received: A five-figure gift from a former member of staff and a four-figure gift from an alumnus
- Another five-figure legacy gift is due from an alumnus once his estate is settled
- The school is aware of a further 87 OPs, parents and former staff who have declared that they have included a gift to the school in their will

Fundraising practice

The Portsmouth Grammar School is registered with the Fundraising Regulator and has adopted the Code of Fundraising Practice. Neither the school nor the Fundraising Regulator has received any complaints about PGS's fundraising activity in the period covered by this report.

Fundraising is undertaken by the Development Director, a full-time employee, with support from two part-time members of Development Office staff (Alumni Relations & Events, and Development Manager), and a Communications & Events Officer who is shared with the Head's Office and the Marketing Team. During 2021/22, the support of these three individuals equated to approximately 1.3 FTE.

The Development Director reports to Governors through the Finance and General Purposes Committee, attending its termly meetings and providing written and verbal reports. She is line-managed by the Head, with whom she has fortnightly meetings during term-time, accompanied by the Deputy Head (Innovation). In 2021/22 she also had separate weekly meetings with the Deputy Head (Innovation) and the Bursar.

PGS takes very seriously its relationship with its alumni, parents, staff, Governors, and other supporters. It has an ethical fundraising and gift acceptance policy which is reviewed every three years. None of the school's fundraising activity should compromise donors' privacy, put anyone under undue pressure or be unreasonably persistent.

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Looking ahead to 2022/23

Face-to-face meetings with major donors and prospects have resumed, though major donor fundraising is likely to take some time to recover. A new Head has joined the school in September 2022, and it will be important for him to meet as many major donors and prospects as possible in his first few months.

A third online Giving Day is planned for March 2023, to be followed by the school's fifth biennial telephone appeal in July. New legacy fundraising literature is also being planned, which will promote the idea of contributing to the school's endowment fund for bursaries.

STRATEGIC REPORT

Strategies to achieve our Vision and Mission

The School's Strategic Plan runs for 5 years and covers the period to 2025, with operational planning annually in support of the longer term strategy.

Our Vision

As a community we aim to:

- Foster a nurturing environment that enables each individual to grow in confidence and to fulfil their personal potential
- Ignite a love of learning to cultivate academic excellence and to foster individual progress
- Equip each individual to thrive in a changing world
- Prepare each individual to make a positive contribution to their communities, through both leadership and service
- Help each individual understand themselves and develop their unique strengths.

We wish the members of our community to:

- Be happy and to thrive
- Enjoy learning and pursue success to the best of their ability
- Be prepared for the changing world beyond school
- Make an active contribution and live purposeful lives
- Develop a sense of identity and to be their own person.

There are 5 main strands to the Strategic Plan 2020-2025 and they are described below firstly by a summary explanation as to the school's target to achieve over the 5 years, and then an explanation (in *italics*) of how the school will achieve this and the work undertaken so far.

1. Maximising individual pupils' learning and progress, through challenge, support and care

Over the period of this Plan the School will focus on building continued excellence in our teaching and learning, investing in individual needs, creating extended opportunities for intellectual challenge and independent learning, and reviewing our curriculum so that we can be responsive to the changing world around us.

We have an excellent reputation for teaching and learning and are keen to develop this further by realising the potential of the Connected Curriculum in the Junior School, and by ensuring that we engage and challenge all pupils effectively. We have a new Learning Support Centre to transform the learning environment for these pupils and enable us to bring together both Junior and Senior School LS staff in one facility. We have taken significant steps forward in our use of educational technology and software in order to facilitate a fully remote curriculum during the pandemic, now retaining the best elements following the lifting of restrictions. The requirement to learn new teaching and learning methodology and the intensive training that has accompanied that process has focused our attention on teaching and learning as a community. Considerable impetus is now being given to a Key Stage 3 curriculum review in years 7 to 9 in all subjects.

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2. Placing personal development at the heart of the School as a learning community

Over the period of this Plan the School will focus on: constantly developing our staff; embedding the "PGS CORE" which supports pupils to reflect on their key qualities and gain insight into their personal development; creating an extensive programme of Sixth Form enrichment; continuing to build excellence in proactive pastoral care; preparing for future lives; celebrating difference through diversity and inclusion; strengthening our broad co-curriculum; and celebrating opportunities for pupils as a through school.

PGS has recently become a founding member of the School's Inclusion Alliance alongside Eton and St Paul's Girls School. We are building on that work with a comprehensive review of our activities and structures, to ensure that we are even better placed to combat discrimination and diversity, promote antiracism, and prepare pupils to make a positive and active contribution in a multicultural society. Issues relating to Black Lives Matter are prominent in this work. Enhancements that can be made to teaching and other aspects of school life following the digitisation of the curriculum over the pandemic have been embedded where appropriate as the 'new normal'.

3. Working in purposeful partnership with our wider communities

Over the period of this Plan the School will focus on: developing international horizons; learning through community activity for all year groups; widening the cultural reach of the Portsmouth Festival; and working in educational partnership both in the local area and through contribution to the broader educational landscape.

In addition to the many ways in which we already engage with the city and local community, we are ambitious to develop further opportunities for volunteering and outreach. We are keen to strengthen our links with schools in the maintained sector, supporting a shared interest in raising the aspirations of all young people in Portsmouth. We will continue to support the Portsmouth Festival in making a significant and positive impact both culturally and economically as a city-wide festival of the arts. A number of staff have volunteered to join subject specialist hubs in the city, which will extend our links with local schools and allow us to contribute to and learn from good practise in teaching and learning in the city.

4. Growing our commitment to fee assistance so we may offer educational opportunities to talented young people according to need

Over the period of the Strategic Plan and beyond, we commit to making significant steps in broadening access, and increasing the proportion of our pupils who receive means-tested assistance and transformational bursary awards.

The school's second online Giving Day took place in March and was again a great success, raising over £14 million for life-changing bursaries. The Giving Day concept has quickly established itself as the school's primary mass fundraising appeal and an annual celebration in the life of PGS, with the next such appeal planned for March 2023. The arrival of a new Head and Bursar in September 2022 will offer a prime opportunity to establish new relationships with existing and prospective major donors where face-to-face meetings and personal attention are the key to success.

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5. Operating efficiently and sustainably, to further establish our position at the forefront of education in the South of England

Over the period of this Plan the School will focus on: offering value for money; transforming our site; improving our environmental impact; and supporting our staff to flourish.

As a school we aim to provide a stronger, more visible lead on the value of living and operating sustainably, making the most of the resources we have for the future health of our planet. We are committed to ensuring affordability for our parents now and in the future, through careful stewardship and cost control. Ongoing efforts to become a more sustainable school have been recognised through gaining the Eco-Schools Bronze Award, supported by the work of the PGS Eco-Councils which meet regularly and communicate with the wider school community. We are currently working with specialist consultants to further develop our sustainability programme.

ACHIEVEMENTS & PERFORMANCE

2021-22 has been a successful year both through academic achievement, our extensive co-curricular programme and the engagement of our pupils with the wider community. Activities were able to revert to the pre-pandemic format for the most part, with pupils able to spend time in placement hubs when volunteering and participate in a larger number of educational day trips and residential stays than had been possible in the 2020-21 academic year. It is pleasing to see that there is great demand for co-curricular trips after several years of pent up demand, and visits to Vietnam, Spain and a ski trip are planned for the next academic year.

PGS CORE continues to flourish at PGS, underpinning everything that we do. PGS core postcards are awarded where colleagues see the school's core values in action and some of the school's prizes, awarded in September at the annual Prizegiving ceremony, are grouped by these core values.

Results in A Level and GCSE exams in the summer were the best ever achieved by PGS pupils in an examination series. At GCSE, over half of all grades were awarded A*, 9 or 8 and three-quarters of all GCSE grades were 9-7. A Level results were even stronger, with 31.9% awarded an A* grade (or the IB equivalent of Grade 7). 70% of all grades were in the range A*-A (or 7-6 for IB) and 86% were A*-B (7-5). 93% of pupils obtained the grades necessary to meet their firm university offer and only 3 pupils needed to enter Clearing on results day, again an unprecedented achievement.

Residential trips continue to be central to the school's co-curricular offering, providing intellectual and cultural development. This year, we began to see a slow, post-pandemic return to travel and pupils managed to travel abroad to the United States and Croatia, with several more planned for the coming months. A more local focus for our outdoor and adventurous provision has also seen large numbers of pupils enjoy the local wilderness as they undertook the John Muir Awards which is now open to pupils in all years. However, the largest increase in interest and participation is the Duke of Edinburgh Awards, with the Gold Award becoming ever more popular and excursions from the New Forest to northern Scotland being more regular as we expand into kayaking, cycling and sailing expeditions to compliment the usual hiking. The CCF also took part in their annual three-day Contingent Camp in October and held their Summer Activity Week at the start of the holiday.

MUSIC

As a Cathedral School, music continues to feature highly at PGS. We continue to develop and strengthen our involvement in the Cathedral's partnership work Cathedral Sing with staff and pupils involved in supporting the delivery of this programme. Across the year the Director of Music and School Organist have been involved in running workshops in schools in Portsmouth and on the Isle of Wight, assisting the Cathedral Sing Director. In May, 12 PGS Choristers travelled to the Isle of Wight to perform in the final concert of one Cathedral Sing project with 300 primary school pupils. We continue to plan collaboratively in order to support each other's work to bring more singing opportunities to our local community. Our Cathedral Choristers performed a hugely successful Messiah with period instruments in March, featuring 2 PGS year 7 boys and 2 PGS year 13 girls singing solo roles.

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Partnership with professional musicians

The partnership with the London Mozart Players (LMP) is a significant part of our work and the opportunity for the school's musicians to work closely with supportive and encouraging professional players and conductors is of huge educational value to our musicians. Our first "live" Remembrance Concert for two years in November was styled as not only Remembrance but also a celebration of being able to make live music again. With Covid rates rising we were unable to invite other schools to perform as part of our intended partnership project, but we were able to involve over 200 pupils from year 7 to 13 and members of the Community Choir in this concert. The concert opened with Fiddler's Hill, conducted by its composer, Jeff Moore, and performed by forty of our string players with the LMP. Based on folk-inspired material this energetic and uplifting performance was hugely well received by the audience. Peter Maxwell Davies' hauntingly beautiful Farewell to Stromness was sensitively played by the PGS Symphonic Strings with the LMP followed by an exciting performance of Jessie Montgomery's Strum by the LMP strings. The first half finished with Dr Shahov's vibrant arrangements of Hampshire Folk Songs sung by the Chamber Choir with our Boys' and Girls' vocal groups. Mozart's momentous Requiem was performed in the second half of the concert with a massed choir of pupils, parents, staff and Old Portmuthians along with fabulous soloists Stefanie Kembell-Read, Aurore Lacabe, Greg Tassell and James Oldfield. This was an exciting and dramatic performance of a demanding work and a fitting end to a Remembrance concert that was both celebratory and solemn.

Our work with professional musicians continued with inspiring workshops for our guitarists with 3 Colours Guitar who also gave a wonderful concert to pupils and the local community in the evening. The Kate Williams Jazz trio came to work with 35 of our jazz musicians on improvisation skills and techniques, culminating in a wonderful evening concert where the first half was performed by our pupils and the second half by the professional trio. As covid rates were high this concert was performed without an audience but was live-streamed and was shared with Portsmouth Music Hub to share with local schools as a free concert. In July we hosted the world famous Black Dyke Band who worked with 60 of our brass players (from juniors to seniors) and then performed a public concert at the Kings Theatre, featuring a number of items with our school bands playing alongside them.

Partnership with Community

As restrictions allowed we were able to resume some of the partnership work we usually enjoy in the wider community. Chamber Choir and Brass Octet performed for Rowan's Hospice's Tree of Lights service in December. We also ran two jazz improvisation workshops, one for pupils from the Prebendal School in year 6-8 and one for pupils in year 4-6 from Bosmere Junior School. These workshops were devised and run by the Director of Music and our jazz ensemble leader but were led by pupils in year 10 – a fantastic example of collaborative learning. PGS Brass were invited to perform in the Guildhall to support the launch of the new Sea Angling Classic Fishing Competition in July.

Work with PGS Juniors

We were delighted to be able to work with our Junior School more closely this year, and Junior Music Week in May provided the opportunity for our jazz musicians, singers, choirs and concert band to perform to and with members of our Junior school.

Pupil Leadership

The return of live House Music after two years of absence was a wonderful celebration of collaborative, pupil-led live music making. The imagination, ingenuity and creativity of all the house entries was wonderful to see and hear and each House Music Captain was able to make the best use of his or her musicians. From Latter and Eastwood's innovative post-modernist quartet (Morton Feldman's Rothko Chapel) to Grant and Barton's exuberant, all-singing-all-dancing Can't take My Eyes Off You, our musicians really demonstrated the whole gamut of musical styles and skills. Adjudicator, Carl Jackson MVO, commented upon the atmosphere of celebration and enjoyment that was evident throughout the evening and also the evident musical talent on display.

Diversity and Inclusion

As part of Black History month pupils in year 7 studied African drumming and during the D&I day in October a massed group of year 7 drummers ran African Drumming sessions in the Quad for pupils to join in.

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Cathedral Organists Conference

In May Portsmouth Cathedral hosted the Cathedral Organists' Association. During this conference the Cathedral and the School Music Department hosted a number of workshops for the visiting organists including one on Boys' Changing Voices and their emotional well-being, looking at how the model we have established at PGS and the Cathedral could be used in other cathedrals. 8 of our singers from PGS Changing Voices group performed and engaged in this workshop.

DRAMA

After a year of further pandemic-related disruption, it was a tremendous relief to get back to far more straightforward routines in 2021-2022. Having said that, our tremendous production of 'Little Shop of Horrors' at the New Theatre Royal in November 2021, showcasing a superb selection of acting, vocal and choreographic talent and performed in front of upwards of 1300 people, narrowly missed closure due to a return of Covid by a matter of days - a huge stroke of luck for both ourselves and the audiences who saw it, not to mention the 500 pupils from local junior schools attending the matinee. House Drama returned in person in February 2022, once again demonstrating the wide breadth of talent and interest across the Senior School. This strength of ability and engagement was clearly shown in our Senior School Play 'Amadeus' in March, a newly-created opportunity for Y9 - Y13 pupils to work together to create mature, high-quality and accessible drama - playing to full houses and great acclaim, it was an absolute triumph, achieving a level of serious performance not often seen in schools. May brought the Middle School's joyful production of 'Matilda', delighting sell-out audiences with the range and energy of a very special cast and a superb band, but also notable for the number and quality of male performers - not always usual for musicals, but a highly welcome indicator for productions to come. The academic year ended with a lovely, pupil-directed production of '100' by a cast of Sixth Formers as part of PortsFest, playing at both the Wedgewood Rooms and Mayfield School's new theatre. 2021-2022 was a wonderful year for Drama at PGS, and we look forward to equally accomplished performances of 'A Christmas Carol', 'Chicago' and 'Emil and the Detectives', alongside the return of our highly popular New York Drama Trip, in 2022-2023.

SPORT

The 2021/22 sporting school year returned to some normality post Covid-19 restrictions:

Rugby

The Rugby season saw some strong performances from the Under 15's and Under 16's, which resulted in the Under 15A Squad winning the Hampshire County Cup, and the U16A Squad winning the Hampshire County Cup 7's respectively. The Under 14's, 16's and 18's also competed at the Rosslyn Park National School 7's Tournament, which was a great experience for all involved. Twelve boys were involved in the Developing Player Programme for either London Irish or Harlequins respectively.

Hockey

There were weekly fixtures as per the norm for all age groups, both girls and boys. The Year 7's were incredibly enthusiastic with good numbers attending training throughout the first two terms. The 1stXI Girls reached the National Quarter Finals of the Independent Schools Plate Competition, which was a first at this age. The Under 15 Girls also enjoyed a strong season with consistent performances. Meanwhile, the Under 16 Boys won the Hampshire Trophy and the Boys 1stXI reached the T4 Regional Finals, losing to Eton College on shuffles. We also played our first ever U18 Mixed Hockey fixture with Lord Wandsworth College. The scheduled hockey tour was postponed and will now take place in October 2022 instead.

Netball

The Netball season got under way with a talk and workshop with London Pulse Super League player and OP Ashleigh Dekker, and a trip to the London Copper Box Arena to watch England vs Jamaica. PGS fielded up to 20 netball teams from U12 to U18 and all had regular fixtures during the season. Three girls were also involved in the London Pulse Development Programmes. The future is looking promising for netball at PGS.

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Athletics

In cross-country, three pupils were selected for Hampshire at English Schools Championships. Our full summer term athletics programme included meets at Millfield and Dauntseys, with an encouraging number of girls and boys involved. The Year 7 Boys made the County Track Knockout Final. Fifteen pupils across the year groups also represented the district at the county championships. We had students achieve the following positions at the County Championships: 3rd place in javelin, 2nd and 3rd in shot put, 2nd and 3rd in 800m, and a 4th in the 100m. The same girl who finished 4th in the 100m also qualified for English Schools Championships and was part of the relay squad that took bronze. We had one Year 7 girl who won the County and Inter-Counties javelin competitions, and she is currently placed 2nd on the all-time U13 national rankings in this discipline.

Cricket

PGS fielded 20 teams across boys' and girls' year groups, with this being the second year of girls cricket as a core sport. The U12 boys made the Hampshire County Final, and the U14 boys won Hampshire County Plate Final. One boy was part of the Hampshire Academy and even played one 2ndXI game for Hampshire Cricket Club. There were two county players, one in Year 10 and the other in Year 11, alongside several district players spread throughout the age groups. The girls' cricket is still developing and we are encouraging girls to join cricket clubs outside of school to help accelerate their development.

Tennis

There were Tennis teams in all age groups for both girls and boys, with good attendance at Saturday morning training sessions alongside the weekly early morning slots during the school year. The U13 boys won the Hampshire League, beating Salesian College in the Grand Final. Two students were involved in the County Squads and above. We are trying to establish strong links with the Portsmouth Tennis Academy and now have a number of pupils playing in their squads.

Dance

PGS Dance entered the Dance Live competition run by the Guild Hall Trust that involved around 60 schools and 4000 young people. 43 PGS pupils were involved in the 7-minute production of our original piece 'The Muse' which told the story of a struggling artist and a woman that reignites his inspiration - pupils danced, choreographed, designed and applied hair and make-up, coordinated lighting and follow-spot operation, and, most importantly, had fun, grew in confidence and gained new skills over the many hours of rehearsals. After winning their heat in February, PGS Dance went on to the finals where they placed second. A massive achievement considering a majority of the schools have taken part in the event before, some of which were 6th form Dance Colleges, while this was a first for PGS.

Outside of the 'core' sports, the 'House' Competitions continued to provide another opportunity for students to participate in a competitive yet fun sports environment during their lunch hours. The breadth of options for the older years within their Games lessons was also well received, and included Sailing, Basketball, Football, Dance and Fitness. The return of a traditional whole school Sports Day in the final week of term was a fitting way to end the school year.

PUPIL VOICE

We continue to make excellent progress towards our goal of ensuring that PGS is a true learning community, where all stakeholders can learn from each other. Pupil voice is a very important part of this process, and we are delighted that our pupil leaders across the school have once again demonstrated admirable commitment and energy to this important aim. Following the external pupil voice audit conducted in 2020 we have a clear set of objectives and strategy to reach our goals.

Oversight of pupil voice at PGS was assumed by Luke Rees (Deputy Head Innovation) in September 2021 and he has been able to make a number of changes to both the processes and culture of pupil voice during the last academic year. This has been in pursuit of the aforementioned aims and in context of the social and political landscape of the last two years.

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Aside from a huge number of pupil leadership roles and societies pupil voice is keenly discussed at Governor Education Committee meetings and in September 2022 there was a program of staff training to support this important work. We are delighted that PGS now plays a leading role in the 'City of Portsmouth Student Council' (CoPS) initiative, where our pupils have been able to work closely with their peers from around the city. PGS hosted the CoPS annual summit in May and it was a huge success.

Section 172(1) Statement

Governor involvement

The Governors act in good faith to make decisions, the outcome of which they consider will be most likely to promote the success of the School for the benefit of its pupils and the wider school community as a whole, both in current periods and in the long term. They regularly attend School events, affording them the opportunity to meet with parents, staff and other members of the community, and also have the regular opportunity to spend time in school attending lessons, speaking with staff and pupils, and observing the day to day activities of the school. In discharging their duties, the Governors carefully consider amongst other matters, the impact on and interests of other stakeholders in the School and factor these into their decision-making process.

Staff members

Governors have regular opportunities to meet with staff and observe their day to day activities. They also receive information on various staff metrics. The Governors are committed to promoting a healthy and productive school environment and positive physical and mental wellbeing among the staff; the school counsellors are available for consultations with staff as well as pupils. The Governors keep staff informed of key issues through structured communication channels, promote diversity and inclusion in school life and also provide training and development opportunities where they are considered of benefit to the school and staff. Using the School's recruitment and development strategies, the Governors seek to attract and retain talented staff.

Pupils and their parents

The Governors commit considerable time, effort and resources into supporting staff in delivering the best educational provision the School can, whilst striving to achieve excellent individual care to enable each pupil to thrive and their parents to be well-informed on the progress of their child. In normal circumstances the Governors meet with groups of pupils on a regular basis to receive feedback and inform decision making to promote these objectives, with the aim of fostering long term mutually beneficial relationships both while the pupil attends the School and into the future. The School has a policy and procedure in place to deal with any complaints and acts to work quickly to resolve any isolated disagreements that may arise from time to time.

Suppliers

The Governors have established procedures to ensure that external suppliers are individually verified to ensure they meet with the health and safety, regulatory and financial security standards required by the School. The School seeks to pay all suppliers any undisputed amounts due and to conform with the billing requirements within agreed terms.

Community and the environment

The School takes its role within the community very seriously and promotes and encourages community and charitable contribution through the numerous activities set out elsewhere in this report. The School also recognises the importance of its environmental responsibilities and has measures in place to monitor and control its impact on the local environment and its compliance with any regulatory environmental standards. The School seeks to implement policies aimed at reducing any potential detrimental environmental impact of its activities.

Standards and conduct

The School has a significant portfolio of policies and codes of practice regarding ethical and professional standards expected of staff in undertaking their duties for the School. These are clearly communicated to every staff member and adherence to which is expected and enforced.

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Financial review and results for the year

This has been a challenging financial year for the school with the impact of high inflation across energy, estate and catering commodities, combined with increasing fee strain experienced by families which has contributed to an increase in temporary bursaries. The parallel fiscal impact across both income and expenditure has resulted in an overall deficit this year for the school.

Incoming resources of £18,351,510 (2020/21- £18,875,227) decreased compared with the prior year. This reflects:

- A reduction in net fee income of 0.2%, the result of fewer students and increased fee remission in the form of bursaries and scholarships
- Pupil numbers were 20 lower than the previous year totalling 1,258 as at 1st September 2021. The number of pupils at 1st September 2020 was 1,278
- Bursary provision increased by a factor of 42.5% (£607,156) compared to last year, with 525 students receiving fee remission across means tested bursaries and scholarships (compared to 460 in the previous year)
- Ancillary trading income increased to £786,840, compared to £422,074 in the prior year, reflecting an increase in lunch receipts and school trips to post pandemic levels.
- Non charitable trading which represents the income generated by PGS Promotions increased to £140,442 compared with £122,184 in the previous year
- Grants and donations totalled £399,426 compared with £1,367,786 in the previous year, and included £Nil in grants from the Coronavirus Job Retention Scheme compared with £51,074 in the prior period.
- Investment income increased to £81,544 compared with £55,761 in the previous year

Operating costs totalled £19,374,028, an increase of 10.6% on last year's total of £17,520,308. Operating costs were primarily attributable to:

- Total staffing costs of £13,490,715 representing an increase of 3.4% over the prior year (£13,046,872), and reflects no general pay award to teaching and support staff together with a number of teaching staff awarded incremental increases as they move up the seniority scale.
- The average number of employees has increased by 0.6% to 326 (2020/21 – 324)
- An increase in energy costs in comparison to previous years, where utilities have increased by 96.6% (£585,384) compared to last year
- An increase in historic site maintenance costs of £152,824, and catering costs of £435,082 as a result of higher inflation
- An increase in the number and cost of overseas school trips, following a return to pre-pandemic normal levels
- Total financing costs increased to £270,088 (2020/21 - £246,416), largely representing an increase in bad debt provision and increase in bank loan interest of £6,964.

Overall, there was a net operating deficit for the year of £1,935,239 compared with an operating surplus of £1,102,339 in the previous year. This also reflects a £279,963 loss on investment portfolio compared with a £380,291 surplus in the prior year as a result of adverse market conditions.

Overall interest rate costs have increased by £6,964. Interest rate risk exposure is managed by fixing interest rates on a proportion of the loan portfolio within parameters that are agreed and regularly reviewed by the Finance and General Purposes Committee. Further details of the loans and current interest rates are included in note 17.

Net debt has increased by £1,004,836 to £2,960,394, largely reflecting the operating losses for the year. Cash balances amounting to £4,380,638 at the year-end reflect prudent cash management in previous periods.

The School operated outside the covenants set by the bank for its loan facilities during this period (with the agreement of the bank), recognising the temporary nature of combined fiscal pressure on both income and expenditure and high school liquidity.

**THE PORTSMOUTH GRAMMAR SCHOOL
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2021**

The School achieves its liquidity objectives by the careful management of working capital and regular forecasting of short and long term cash requirements.

The school's exposure to credit risk is mitigated by fees being due and collected at the beginning of each term.

The operating performance of PGS Promotions Limited is set out in note 7.

Reserves Policy

The School's consolidated unrestricted funds stood at £14,508,860 at the year-end (2021: £16,662,974).

After adjusting for designated funds, functional fixed assets for the charity's own use and borrowings against those assets, the school has free reserves of £1.3m (2021: £6.11m) (as defined by the Charity Commission) against a planned level of broadly equivalent to three months' operating costs which equates to £5.00m (2021: £4.54m).

The Governors regularly review the reserves policy in the light of the future plans for the school, the projected budgets and cash flow forecasts. This policy reflects the risks and uncertainties of operating as an independent educational establishment and the significant on-going demands of the school to maintain up to date facilities and invest for both the present and the future. In addition the policy also recognises the specific financing structure of the school where future external debt re-payments are required to be funded from operational cash flows and the school is required to operate within its banking covenants on existing debt.

In light of these considerations, the Governors believe the current level of Free Reserves to be appropriate to the needs of the school at the present time.

Investment policy and objectives

Investec Wealth and Investment Ltd continue to be the school's investment advisers and the delegated authority given to them to act within a framework set by the Governing Body has been reviewed during the year remains appropriate in the current economic climate. Following advice received from Investec on the management of Charitable Funds the School has opened a 'Discretionary Account' in which eight previous funds have been consolidated for the purposes of administrative ease and simplicity of investment management. This consolidated fund with a market value of £2.3m represents in the order of 10% of the School's net assets and is operated within the framework detailed below:

1. The overall objectives are to create sufficient income and capital growth to enable the School to carry out its purposes consistently year by year with due and proper consideration for future needs, and the maintenance or enhancement of the value of the invested funds. These objectives are to be achieved by investing prudently in a broad range of quoted fixed interest securities, equities and collective vehicles which are appropriately authorised and compliant with current legislation.
2. The investment portfolio is allocated between various asset classes set out below and performance benchmarked against comparative indices appropriate to the following different asset classes, performance of which is measured against the indices shown in brackets:
 - a) 10 – 30% high quality fixed interest securities (FTSE Government All Stocks Index);
 - b) 30 - 52% UK equities (FTSE All Share Index);
 - c) 15 – 35% Overseas Equities (FTSE World [ex-UK] Index £);
 - d) 0 – 12% Commercial property (Investment Property Databank monthly Index);

**THE PORTSMOUTH GRAMMAR SCHOOL
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2021**

Investment policy and objectives (continued)

- e) 2.5 – 10% Infrastructure alternatives (Bank of England base rate +2%);
 - f) 0 – 15% Cash (Bank of England base rate -0.5%).
3. There will be no investment in unquoted securities or in direct derivatives, and the maximum equity exposure is 75% of the value of the portfolio.
 4. The Governors reserve the right to exclude companies that carry out activities contrary to their aims or from holding particular investments which could damage the School's reputation. The Governors expect the fund manager to have considered the suitability of investments of the same kind as any particular investment proposed to be made or retained.
 5. The investment managers may exercise voting rights on behalf of the trustees taking into account the general nature of the investment portfolio of the School.
 6. Investment decisions should be based upon long-term considerations and the Governors will assess the performance of the investment advisors on the basis of the total return including both capital growth and income.
 7. The investment managers should take into account the general nature of the school and not knowingly make investments that may compromise the position of the school, its reputation or charitable objectives.

Investment Performance

Investment Performance has been unsatisfactory in what has been a further year of national financial uncertainty. The investment fund experienced a decrease of 11.3% over the year.

Charity Funds

A description of the various funds and the restrictions on their use is set out at note 2h) on page 39.

Future Plans

The Governors review the School Strategic Plan annually and this report covers the period of the Strategic Plan for 2020-2025 which together with an associated Operational Plan, underpins all the school's activity. Our Governors and Staff are fully committed to maintaining the momentum of the school's development to ensure that we continue to provide young people with an outstanding educational experience.

RISK MANAGEMENT

Day to day management of risk is undertaken by the school's Senior Management Team (SMT) which meets formally twice a week. The SMT consists of the Head, the Head of the Junior School, the Bursar, four Deputy Heads, and three Assistant Heads. Additional staff are co-opted as necessary for specific matters.

The Governing Body undertakes a formal review of the school's Risk Management arrangements at least once every year and the Audit and Risk Committee provides focus to this important area. This committee has specifically targeted the top risks of the organisation giving direction not only on the important aspects of risk mitigation but also the opportunities that certain types of risk might present.

**THE PORTSMOUTH GRAMMAR SCHOOL
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2021**

RISK MANAGEMENT (continued)

The top risks identified by the Audit and Risk Committee also feature as standing agenda items in the agendas of termly Governing Committee meetings. During the year these top risks and their constituent elements as identified below have been discussed in detail and the threats and opportunities associated with them have been allocated to specific committees and monitored for action as necessary.

The key risks identified and allocated to committees for discussion and where appropriate mitigation are as detailed below. The committees have a standing agenda item to discuss the components making up the key risk areas.

Education Committee

- Maintaining academic reputation and performance
- Recruiting, developing and retaining high quality staff
- Educational risks resulting from the pandemic

Finance and General Purposes Committee

- Affordability, financial sustainability and pupil recruitment
- Financial risks resulting from the pandemic
- Charitable status and moral justification of independent education
- GDPR and Cyber security data breaches

Audit and Risk Committee

- Excellent welfare, health and safety
- Health and safety issues resulting from the pandemic
- Succession planning for governance and staff
- Sustainability review and compliance

Safeguarding Committee

- Inappropriate employee relationship with a pupil
- Major incident (serious accident such as fatality on a school trip)
- Pupils' mental health (serious incident such as self-harm)

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

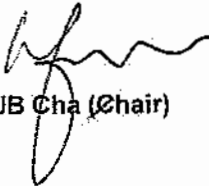
- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing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

**THE PORTSMOUTH GRAMMAR SCHOOL
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2021**

AUDITORS

In accordance with Section 485 of the Companies Act 2006, a resolution proposing the reappointment of Crowe U.K. LLP as auditors of the company will be put to the Annual General Meeting.

This Report of the Directors, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Governing Body on 9 December 2022 including in its capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



WJB Cha (Chair)

THE PORTSMOUTH GRAMMAR SCHOOL

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Governors (who are also directors of The Portsmouth Grammar School for the purposes of company law) are responsible for preparing the Report of the Directors, Strategic Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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;
- make judgments and 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, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PORTSMOUTH GRAMMAR SCHOOL

Opinion

We have audited the financial statements of The Portsmouth Grammar School for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Summary Income and Expenditure Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2022 and of the group's incoming resources and application of resources 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

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

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

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

Other information

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 matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Governors' Annual Report.

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

- adequate accounting records have not been kept; or
- 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 the Governors

As explained more fully in the Governors' Responsibilities Statement set out on page 28, 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.

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

Responsibilities of the Governors (continued)

In preparing the financial statements, the Governors are responsible for assessing the group's or the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the charity were The Education (Independent Schools Standards) Regulation 2014, Health and Safety, Safeguarding, Food Standards, Charity Commission regulations and General Data Protection Regulation (GDPR). Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of certain income streams, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance. Our audit procedures to respond to revenue recognition risks include testing a sample of income across the year to supporting documentation, and reviewing income received either side of the year end to ensure this has been recognised correctly.



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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of our report

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

A handwritten signature in black ink, appearing to read "J. Joyce".

Janette Joyce

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Reading

Date: 13 December 2022

THE PORTSMOUTH GRAMMAR SCHOOL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Expendable Endowment Fund £	Permanent Endowment Funds £	Total 2022 £	Total 2021 £
INCOME AND ENDOWMENTS							
Charitable activities							
School fees receivable	4	16,833,306	-	-	-	16,833,306	16,862,848
Ancillary trading income	5	786,840	-	-	-	786,840	422,074
Other trading activities							
Activities for generating funds:							
Non-charitable trading	7	140,442	-	-	-	140,442	122,184
Other incoming resources		109,952	-	-	-	109,952	44,574
Investments							
Investment Income	6	23,477	30,365	5,878	21,824	81,544	55,761
Voluntary sources							
Donations		12,406	387,020	-	-	399,426	1,316,712
Coronavirus Job Retention scheme income		-	-	-	-	-	51,074
Total income		<u>17,906,423</u>	<u>417,385</u>	<u>5,878</u>	<u>21,824</u>	<u>18,351,510</u>	<u>18,875,227</u>
EXPENDITURE ON:							
Raising Funds							
Non-charitable trading	7	161,196	-	-	-	161,196	146,611
Financing costs	10	258,447	-	2,470	9,171	270,088	246,416
Fund-raising costs		201,474	-	-	-	201,474	239,844
Charitable activities:							
School operating costs and grant making		<u>19,331,200</u>	<u>30,629</u>	<u>12,199</u>	<u>-</u>	<u>19,374,028</u>	<u>17,520,308</u>
Total expenditure	8	19,952,317	30,629	14,669	9,171	20,006,786	18,153,179
Net investment gains/(losses)	12	<u>(108,220)</u>	<u>-</u>	<u>(36,439)</u>	<u>(135,304)</u>	<u>(279,963)</u>	<u>380,291</u>
NET INCOME/(EXPENDITURE)		<u>(2,154,114)</u>	<u>386,756</u>	<u>(45,230)</u>	<u>(122,651)</u>	<u>(1,935,239)</u>	<u>1,102,339</u>
Transfer between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS		<u>(2,154,114)</u>	<u>386,756</u>	<u>(45,230)</u>	<u>(122,651)</u>	<u>(1,935,239)</u>	<u>1,102,339</u>
Fund balances at 1 September 2021		<u>16,662,974</u>	<u>1,212,866</u>	<u>269,724</u>	<u>5,501,579</u>	<u>23,647,143</u>	<u>22,544,804</u>
Fund balances at 31 August 2022		<u><u>14,508,860</u></u>	<u><u>1,599,622</u></u>	<u><u>224,494</u></u>	<u><u>5,378,928</u></u>	<u><u>21,711,904</u></u>	<u><u>23,647,143</u></u>

The notes on pages 37 to 57 form part of these financial statements

COMPANY NUMBER: 03401010
THE PORTSMOUTH GRAMMAR SCHOOL
CONSOLIDATED BALANCE SHEET
31 AUGUST 2022

	Notes	£	2022 £	2021 £
FIXED ASSETS				
Tangible assets	11		22,370,270	22,746,211
Investments	12a		2,340,046	2,638,731
Investment property	12b		<u>750,000</u>	<u>750,000</u>
			25,460,316	26,134,942
CURRENT ASSETS				
Stock		99,893		111,571
Debtors	14	980,846		890,546
Cash at bank and in hand	13	<u>4,380,638</u>		<u>8,700,572</u>
		5,461,377		9,702,689
CREDITORS: Amounts falling due within one year	15	<u>(3,145,405)</u>		<u>(3,209,043)</u>
NET CURRENT ASSETS			<u>2,315,972</u>	<u>6,493,646</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			27,776,288	32,628,588
CREDITORS: Amounts falling due in more than one year	15	<u>(6,064,384)</u>		<u>(8,981,445)</u>
TOTAL NET ASSETS			<u>£21,711,904</u>	<u>£ 23,647,143</u>
FUNDS				
Permanent Endowment funds	21a		5,378,928	5,501,579
Expendable Endowment fund	21b		224,494	269,724
Restricted funds	19		1,599,622	1,212,866
Unrestricted funds - General	20		<u>14,508,860</u>	<u>16,662,974</u>
TOTAL FUNDS	22		<u>£21,711,904</u>	<u>£ 23,647,143</u>

The deficit for the year in relation to the School only was £1,791,280 (2021: £854,250 surplus). The financial statements were approved and authorised for issue by the Board on 9 December 2022.


W J B CHA
CHAIR

The notes on pages 37 to 57 form part of these financial statements

COMPANY NUMBER: 03401010
THE PORTSMOUTH GRAMMAR SCHOOL
COMPANY BALANCE SHEET
31 AUGUST 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	11	18,742,749	19,118,031
Investments	12a	2,340,048	2,638,733
Investment property	12b	<u>750,000</u>	<u>750,000</u>
		21,832,797	22,506,764
CURRENT ASSETS			
Stock		14,865	16,506
Debtors	14	1,266,879	1,190,214
Cash at bank and in hand	13	<u>4,112,784</u>	<u>8,481,242</u>
		5,394,528	9,687,962
CREDITORS: Amounts falling due within one year	15	<u>(4,324,629)</u>	<u>(4,583,689)</u>
NET CURRENT ASSETS		<u>1,069,899</u>	<u>5,104,273</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		22,902,696	27,611,037
CREDITORS: Amounts due in more than one year	16	<u>(6,064,384)</u>	<u>(8,981,445)</u>
TOTAL NET ASSETS		<u>£16,838,312</u>	<u>£ 18,629,592</u>
FUNDS			
Permanent endowment fund	21a	750,000	750,000
Restricted funds	19	1,599,622	1,212,866
Unrestricted funds - General	20	<u>14,488,690</u>	<u>16,666,726</u>
TOTAL FUNDS	22	<u>£16,838,312</u>	<u>£ 18,629,592</u>

The financial statements were approved and authorised for issue by the Board on 9 December 2022.


W J BCHA
CHAIR

The notes on pages 37 to 57 form part of these financial statements

**THE PORTSMOUTH GRAMMAR SCHOOL
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022**

		2022 £	2021 £
Cash flows from operating activities			
Net movement in funds per SOFA		(1,935,239)	1,102,339
Depreciation		920,851	934,965
Loss on disposal of fixed assets		-	17,578
Investment income		(81,544)	(55,761)
Interest paid		137,869	130,905
Loss/(gain) on investments		279,963	(380,291)
Decrease/(increase) in stock		11,678	28,378
(Increase)/decrease in debtors		(90,300)	218,423
(Decrease)/increase in creditors		<u>253,121</u>	<u>(264,394)</u>
Cash provided by operating activities		(503,601)	1,732,142
Cash flows from investing activities			
Payments to acquire tangible fixed assets		(544,905)	(622,674)
Payments to acquire fixed asset investments		(312,969)	(335,960)
Payments to acquire fixed asset investment property		-	(750,000)
Proceeds on disposal of fixed asset investments		412,964	346,803
Interest paid		(137,869)	(130,905)
Investment income		<u>81,544</u>	<u>55,761</u>
Cash used in investing activities		(501,235)	(1,436,975)
Cash flows from financing activities			
Bank loans repaid		(3,000,592)	(672,771)
New bank loan		<u>-</u>	<u>2,500,000</u>
Cash used in financing activities		(3,000,592)	1,827,229
Advance fees scheme			
Payments on account utilised	18	(1,306,369)	(1,090,129)
Receipts from new contracts		<u>1,073,136</u>	<u>1,466,116</u>
Cash (used in) / provided by advance fees		(233,233)	375,987
(Decrease)/increase in cash and cash equivalents in the year	23	(4,238,661)	2,498,383
Cash and cash equivalents at the beginning of the year		<u>8,716,816</u>	<u>6,218,433</u>
Total cash and cash equivalents at the end of the year		<u>£ 4,478,155</u>	<u>£ 8,716,816</u>
Analysis of cash and cash equivalents:			
Cash at bank and in hand	13	4,380,638	8,700,572
Cash held with investment manager	12	<u>97,517</u>	<u>16,244</u>
		<u>£ 4,478,155</u>	<u>£ 8,716,816</u>

The notes on pages 37 to 57 form part of these financial statements

**THE PORTSMOUTH GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. CHARITY INFORMATION

The school principally provides education in Portsmouth and the surrounding areas to boys and girls from 2 years 6 months to 18 years old. The incorporated charity (charity number 1063732, company number 3401010), is domiciled in the UK. The address of the registered office is The Portsmouth Grammar School, High Street, Portsmouth, Hampshire, PO1 2LN.

2. ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements present the consolidated statement of financial activities (SOFA) and the charity and consolidated balance sheets comprising the consolidation of the School, its wholly owned subsidiary PGS Promotions Limited, the Endowment Trust and the Arthur Darby Nock Trust.

The financial statements have been prepared in accordance with 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) (effective 1 January 2015) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Portsmouth Grammar School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). No separate SOFA or Income and Expenditure Account have been presented for the School alone as permitted by section 408 of the Companies Act 2006.

Going concern

At the time of approval of the Annual Report, the financial environment in which the School operates is significantly impacted by cost and wage inflation and higher interest rates than experienced in the recent past. Whilst the long term impact on the School, in common with other businesses, is uncertain, the Governors have reviewed the position carefully with a view to ensuring the ongoing provision of schooling for the pupils as well as employment of staff. The School currently holds sufficient and appropriate cash balances supplemented, if needed, by an overdraft facility. Given the current circumstances the pupil numbers for current academic year 2022/23 have remained relatively stable. Conservative cash flow modelling with sensitivity analysis indicates that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due. Accordingly, the Governors believe the School's financial resources are sufficient to ensure the School will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

b) Income

Fees receivable and similar income

Fees receivable and other incoming resources are accounted for on a receivable basis. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school, but include contributions received from restricted funds for scholarships, bursaries and other grants.

Ancillary trading income

Ancillary trading income is included in the statement of financial activities when the charitable company is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy.

Donations

Donations and legacies are credited to revenue on a receivable basis. No amounts are included in the financial statements for services donated by volunteers.

THE PORTSMOUTH GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

ACCOUNTING POLICIES (continued)

Government Grants

Grants are accounted for under the performance model as permitted by the Charity SORP. CJRS grant income is therefore recognised on a straight line basis over the furlough period for each relevant employee.

c) Resources expended

Resources expended are accounted for on an accruals basis. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to that activity in the year. The irrecoverable element of VAT is included with the item of expense to which it relates. Governance costs comprise the cost of running the charity, including external audit, Governors legal advice and constitutional and statutory compliance costs.

Redundancy and termination payments are included within the accounts on an accruals basis, in line with expenditure and measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

d) Investments

Listed investments are valued at their market value at the balance sheet date from the appropriate Stock Exchange or from the relevant fund manager. Dividends, other investment income and interest are accounted for on a receivable basis. Investment gains and losses are recognised in the Statement of Financial Activities in the period in which they arise.

In order to optimise future investment performance, the Trustees have adopted a policy of investment pooling with affect from 26 April 2018. The investment pooling arrangement includes the School, together with The PGS Endowment Trust and Arthur Darby Nock Trust.

Unlisted investments are carried at historic cost.

e) Investment Properties

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Financial Activities.

Where investment properties are held to be sold, the assets are reclassified as being current assets and included in the Balance Sheet at their open market values.

f) Tangible fixed assets

Expenditure on improvements and modernisation which enhances the long-term capability of the School is capitalised and depreciated in line with the policy for freehold buildings. Expenditure on repairs and general maintenance incurred on a regular basis is charged to the statement of financial activities on the accruals basis.

THE PORTSMOUTH GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

ACCOUNTING POLICIES (continued)

g) Depreciation

Depreciation is provided on tangible fixed assets to write off their cost, less estimated residual value, over their estimated useful economic life, by instalments, as follows: -

Freehold buildings	-	2% per annum on cost
Library Improvements	-	10% per annum on cost
Furniture, fittings and equipment	-	20% per annum, reducing balance
Motor vehicles	-	20% per annum, reducing balance
Computer equipment	-	33% per annum on cost
Gym Equipment	-	33% per annum on cost

Individual items costing less than £500 are written off as an expense on acquisition.

h) Fund accounting

Unrestricted funds

Unrestricted funds relate to the School's general operational funds.

Restricted funds

Restricted funds are those which must be applied in accordance with the purpose specified by the donor. Expenditure relating to these purposes is charged directly to the fund.

Permanent Endowment Funds

Endowed funds consist of investments and part of the freehold land and buildings used by The Portsmouth Grammar School. The purpose to which the investments may be applied is restricted in accordance with the terms of The Portsmouth Grammar School Endowment Trust.

The fund also includes a property endowment fund consisting of an investment property held by the school. The rental income generated will fund the Wilkie Scholarship in restricted funds.

Expendable Endowment Fund

The expendable endowment fund relates to the Arthur Darby Nock Trust, a linked charity. In accordance with the instructions of the Charity Commission, the assets, liabilities and transactions of the Trust remain separately identifiable within the consolidated accounts, being maintained in an Expendable Endowment Fund within the SOFA and shown on the face of the Balance Sheet.

i) Pension schemes

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set out by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme.

The School also operates defined contribution schemes for non-teaching staff, including an auto enrolment arrangement. Contributions to the schemes are charged in the SOFA as they become payable, in accordance with the rules of the schemes.

j) Stocks

Stocks are stated at the lower of cost and net realisable value.

THE PORTSMOUTH GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

ACCOUNTING POLICIES (continued)

k) Leased Assets – Lessee and Lessor

Operating lease expenses/rental income are charged/credited to the statement of financial activities on a straight-line basis over the relevant lease term.

l) Financial instruments

Basic financial instruments include debtors and creditors. Debtors and creditors are initially recognised at transaction value and subsequently measured at amortised cost. Note 28 provides more information on financial instruments where future cash flows are anticipated, with financial assets referring to fixed asset investments and debtor balances excluding prepayments and deferred expenditure, and financial liabilities referring to all creditor balances excluding advance fees, deposits in advance and other taxes and social security.

m) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

n) Deferred income (Advance fees)

Amounts received under the school's Advance Fee Scheme contracts for education not utilised to settle school fees are recorded as deferred income and allocated as current liabilities where the education will be provided within 12 months from the reporting date as long-term liabilities where the education will be provided in subsequent years.

o) Parents' deposits

The Governors have reviewed the contract terms under which Pupil fee deposits are held by the School. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the school, pupils can leave at earlier dates. The School does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 August 2022 have been included within current liabilities.

p) Bad debt provisions

When the school instructs lawyers to assist in the recovery of a parent debt, a full provision will be made. All other ongoing debts are individually considered and either a full or partial provision may be made as deemed appropriate by the Bursar, on the particular circumstances concerned, to ensure that an appropriate level of provision is maintained.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, which are described in note 2, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

THE PORTSMOUTH GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods. In the opinion of the Governors the most significant accounting estimate is in relation to the provision for non-collection of parental debt.

4. SCHOOL FEES RECEIVABLE

	2022 £	2021 £
School fees receivable consist of:-		
Gross fees	19,828,941	19,463,525
Less:		
Foundation bursaries	(2,034,414)	(1,427,258)
Scholarships, prizes, discounts and allowances	<u>(961,221)</u>	<u>(1,173,419)</u>
	<u>£16,833,306</u>	<u>£16,862,848</u>

The above educational awards were made to 525 individuals (2021: 460).

Gross fees are shown net of the standard 3% direct debit discount which is taken up by the majority of parents.

5. ANCILLARY TRADING INCOME

	2022 £	2021 £
Lunches	443,904	251,623
School trips	188,174	74,328
Registration fees	23,630	18,150
Fee protection insurance	19,964	19,960
Sale of goods	17,761	6,478
Other ancillary income	<u>93,407</u>	<u>51,535</u>
	<u>£ 786,840</u>	<u>£ 422,074</u>

6. INVESTMENT INCOME

	2022 £	2021 £
Rental income	30,365	7,896
Dividend income	46,349	44,772
Bank interest	<u>4,830</u>	<u>3,093</u>
	<u>£ 81,544</u>	<u>£ 55,761</u>

THE PORTSMOUTH GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

7. TRADING SUBSIDIARY

PGS PROMOTIONS LIMITED	2022 £	2021 £
Turnover	190,200	171,875
Cost of sales	<u>(115,576)</u>	<u>(109,191)</u>
Gross profit	74,624	62,684
Administrative expenses	<u>(50,702)</u>	<u>(42,502)</u>
Net profit/(loss)	£ 23,922	£ 20,182
Retained earnings at the beginning of the year	(3,754)	(23,936)
Profit / (loss) for the year	23,922	20,182
Gift aid donation	-	-
Retained earnings at the end of the year	£ 20,168	£ (3,754)

PGS Promotions Limited had net assets totalling £20,170 (2021: £3,752 net liabilities) at the year-end.

Aggregate non-charitable trading income of £49,758 (2021: £49,692) and expenditure of £5,082 (2021: £5,083) was eliminated on consolidation.

8. TOTAL RESOURCES EXPENDED

	Staff costs £	Depreciation £	Other £	2022 £	2021 £
Charitable activities					
Teaching costs	10,462,896	422,822	1,297,645	12,183,363	11,942,541
Welfare costs	673,759	-	627,385	1,301,144	840,089
Premises costs	712,248	497,369	2,049,237	3,258,854	2,472,519
Support costs	<u>1,455,821</u>	<u>-</u>	<u>1,162,824</u>	<u>2,618,468</u>	<u>2,248,142</u>
School's operating costs	<u>13,304,724</u>	<u>920,191</u>	<u>5,137,091</u>	<u>19,361,829</u>	<u>17,503,291</u>
Raising Funds					
Financing costs	-	-	258,447	258,447	234,975
Fund-raising costs	<u>162,181</u>	<u>-</u>	<u>39,293</u>	<u>201,474</u>	<u>239,844</u>
	<u>162,181</u>	<u>-</u>	<u>297,740</u>	<u>459,921</u>	<u>474,819</u>
TOTAL FOR SCHOOL	<u>13,466,905</u>	<u>920,191</u>	<u>5,434,831</u>	<u>19,821,750</u>	<u>17,978,110</u>
Subsidiary trading and finance costs	23,810	660	136,726	161,196	146,611
Endowment fund	-	-	9,171	9,171	9,013
The Arthur Darby Nock Trust	-	-	14,669	14,669	19,445
TOTAL FOR GROUP	£13,490,715	£ 920,851	£ 5,595,397	£20,006,786	£18,153,179

Included in support costs are governance costs of £28,800 (2021: £28,000).

THE PORTSMOUTH GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

8. TOTAL RESOURCES EXPENDED (continued)

	2022 £	2021 £
Total staff costs comprised:		
Wages and salaries	10,500,928	10,276,850
Social security costs	1,028,998	937,695
Pension contributions	1,744,275	1,736,254
Other	<u>216,514</u>	<u>96,073</u>
	<u>£13,490,715</u>	<u>£13,046,872</u>

Included within the wages figure above is £514,959 (2021: £374,745) in relation to the School's catering contract. Also included within the wages figure above are severance payments of £31,206 (2021: £86,852).

The average number of employees in the period was 326 broken down as follows:

	2022	2021
Average number of teaching staff:		
Full Time	113	113
Part Time	<u>63</u>	<u>65</u>
Total	<u>176</u>	<u>178</u>
Average number of support staff:		
Full Time	77	70
Part Time	<u>73</u>	<u>76</u>
Total	<u>150</u>	<u>146</u>
Total all staff	<u>326</u>	<u>324</u>

The number of employees whose emoluments exceeded £60,000 were:

	2022 No.	2021 No.
£60,000 - £70,000	7	8
£70,000 - £80,000	3	3
£80,000 - £90,000	1	2
£100,000 - £110,000	1	1
£130,000 - £140,000	-	1
£150,000 - £160,000	<u>1</u>	<u>-</u>

In connection with these higher paid employees, retirement benefits are accruing under money purchase schemes for 2 (2021: 3) and under multi-employer defined benefit schemes for 11 employees (2021: 12). The total employer contributions in the year to the schemes were £207,057 (2021: £218,018).

Key management personnel comprise the Governors and Senior Management Team listed on page 2. Key management personnel received aggregate remuneration (including employers NI and employers Pension) of £1,311,132 (2021: £1,133,437).

None of the Governors or any persons connected with them have received any remuneration in the year. Four trustees were reimbursed expenses during the year totalling £1,256 (2021: £35).

THE PORTSMOUTH GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

9. NET INCOME

	2022 £	2021 £
Net income is stated after charging:		
Auditors' remuneration - Audit – School	22,400	21,800
- Audit – Subsidiary	5,350	5,200
- Other services	1,050	1,000
- Corporation tax compliance	850	850
Operating leases	76,256	85,479
Depreciation	<u>920,851</u>	<u>934,965</u>

10. FINANCING COSTS

	2022 £	2021 £
Bank loan and overdraft interest	137,869	130,905
Bank charges	12,194	9,841
Bad debts	71,079	53,615
Other financing costs	<u>48,946</u>	<u>52,055</u>
	<u>£ 270,088</u>	<u>£ 246,416</u>

THE PORTSMOUTH GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

11. TANGIBLE FIXED ASSETS

GROUP	Freehold land and buildings	Fixtures, fittings, computer equipment & plant	Motor vehicles	Total
	£	£	£	£
COST				
At 1 September 2021	27,136,765	6,017,105	65,012	33,218,882
Additions	174,212	370,693	-	544,905
Disposals	-	-	-	-
At 31 August 2022	<u>27,310,977</u>	<u>6,387,798</u>	<u>65,012</u>	<u>33,763,787</u>
DEPRECIATION				
At 1 September 2021	5,719,920	4,690,540	62,206	10,472,666
Charge for the year	461,198	459,091	562	920,851
Disposals	-	-	-	-
At 31 August 2022	<u>6,181,118</u>	<u>5,149,631</u>	<u>62,768</u>	<u>11,393,517</u>
NET BOOK VALUE				
At 31 August 2022	<u>£21,129,859</u>	<u>£1,238,167</u>	<u>£ 2,244</u>	<u>£ 22,370,270</u>
At 31 August 2021	<u>£21,416,843</u>	<u>£1,326,562</u>	<u>£ 2,806</u>	<u>£ 22,746,211</u>
SCHOOL				
COST				
At 1 September 2021	23,511,881	5,993,330	53,787	29,558,998
Additions	174,212	370,693	-	544,905
Disposals	-	-	-	-
At 31 August 2022	<u>23,686,093</u>	<u>6,364,023</u>	<u>53,787</u>	<u>30,103,903</u>
DEPRECIATION				
At 1 September 2021	5,719,922	4,668,181	52,864	10,440,967
Charge for the year	461,196	458,806	185	920,187
Disposals	-	-	-	-
At 31 August 2022	<u>6,181,118</u>	<u>5,126,987</u>	<u>53,049</u>	<u>11,361,154</u>
NET BOOK VALUE				
At 31 August 2022	<u>£17,504,975</u>	<u>£1,237,036</u>	<u>£738</u>	<u>£18,742,749</u>
At 31 August 2021	<u>£17,791,959</u>	<u>£1,325,149</u>	<u>£923</u>	<u>£19,118,031</u>

THE PORTSMOUTH GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

12a. FIXED ASSET INVESTMENTS

GROUP

	2022 £	2021 £
UK Listed investments		
At 1 September 2021	2,622,487	2,253,039
Additions	312,969	335,960
Disposals	(412,964)	(346,803)
Investment gains/(losses)	<u>(279,963)</u>	<u>380,291</u>
Market value of investments	2,242,529	2,622,487
Cash held for investment	<u>97,517</u>	<u>16,244</u>
Total investment at 31 August 2022	£ 2,340,046	£ 2,638,731
Historical Cost	<u>£ 1,971,137</u>	<u>£ 2,035,203</u>

SCHOOL

	Listed 2022 £	Unlisted 2022 £	Total 2022 £	Total 2021 £
At 1 September 2021	2,622,487	2	2,622,489	2,253,041
Additions	312,969	-	312,969	335,960
Disposals	(412,964)	-	(412,964)	(346,803)
Investment gains/(losses)	<u>(279,963)</u>	<u>-</u>	<u>(279,963)</u>	<u>380,291</u>
Market value of investments	2,242,529	2	2,242,531	2,622,489
Cash held for investment	<u>97,517</u>	<u>-</u>	<u>97,517</u>	<u>16,244</u>
At 31 August 2022	£ 2,340,046	£ 2	£ 2,340,048	£ 2,638,733
Historical cost	<u>£ 1,971,137</u>	<u>£ 2</u>	<u>£ 1,971,139</u>	<u>£ 2,035,205</u>

The School owns 100% of the ordinary share capital and voting rights of PGS Promotions Limited, whose principal activity is to operate the School's sports centre, transport and uniform shop. The company's registered office is: The Portsmouth Grammar School, High Street, Old Portsmouth, Hampshire, PO1 2LN.

The results of the subsidiary are included in these consolidated accounts on a line-by-line basis, as required by the Charities SORP.

12b. FIXED ASSET INVESTMENT PROPERTY

GROUP AND SCHOOL

	2022 £	2021 £
At 1 September 2021	750,000	-
Additions	<u>-</u>	<u>750,000</u>
Market Value at 31 August 2022	£ 750,000	£ 750,000
Historical Cost	<u>£ 750,000</u>	<u>£ 750,000</u>

THE PORTSMOUTH GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

13. CASH AND CASH EQUIVALENTS

	Group		School	
	2022 £	2021 £	2022 £	2021 £
Cash at bank and in hand	<u>4,380,638</u>	<u>8,700,572</u>	<u>4,112,784</u>	<u>8,481,242</u>
	<u>£ 4,380,638</u>	<u>£8,700,572</u>	<u>£ 4,112,784</u>	<u>£ 8,481,242</u>

14. DEBTORS

	Group		School	
	2022 £	2021 £	2022 £	2021 £
Trade and parental debt	388,585	336,141	388,585	253,524
Amounts due from group undertakings	-	-	290,850	387,641
Prepayments and other debtors	494,044	495,197	489,227	489,841
Deferred expenditure	<u>98,217</u>	<u>59,208</u>	<u>98,217</u>	<u>59,208</u>
	<u>£ 980,846</u>	<u>£ 890,546</u>	<u>£ 1,266,879</u>	<u>£ 1,190,214</u>

15. CREDITORS: Amounts falling due within one year

	Group		School	
	2022 £	2021 £	2022 £	2021 £
Bank loan (note 17)	409,724	584,822	409,724	584,822
Trade creditors	435,231	500,858	391,552	500,858
Amounts owed to group undertakings	-	-	1,228,540	1,396,421
Deposits in advance	203,878	123,781	203,878	123,781
Other creditors	269,925	188,597	269,925	188,597
Accruals	618,353	468,088	614,576	447,426
Deferred income (note 18)	964,441	1,106,107	964,441	1,106,107
Other taxes and social security	<u>243,853</u>	<u>236,790</u>	<u>241,993</u>	<u>235,677</u>
	<u>£3,145,405</u>	<u>£3,209,043</u>	<u>£4,324,629</u>	<u>£4,583,689</u>

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

	Group		School	
	2022 £	2021 £	2022 £	2021 £
Bank loans (note 17)	5,155,444	7,980,938	5,155,444	7,980,938
Deferred income (note 18)	<u>908,940</u>	<u>1,000,507</u>	<u>908,940</u>	<u>1,000,507</u>
	<u>£6,064,384</u>	<u>£8,981,445</u>	<u>£6,064,384</u>	<u>£8,981,445</u>

THE PORTSMOUTH GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

17. BANK LOANS – GROUP AND SCHOOL

The bank loans are repayable as follows:-

	2022 £	2021 £
Within one year	409,724	584,822
Between one and two years	416,279	916,594
Between two and five years	1,290,136	2,765,074
Over five years	<u>3,449,029</u>	<u>4,299,270</u>
	<u>£ 5,565,168</u>	<u>£ 8,565,760</u>

The school has the following loans:

- A bank loan of £3.1m was taken out in 2005 to finance development and construction of the new theatre facility and the dining hall at the school. This is repayable over fifteen years by termly instalments. On 29 January 2014 the balance of £1,854,934 was changed to a fixed rate of 2.56%. The balance outstanding at the year-end was £nil (2021: £87,370).
- A bank loan of £4.8m was agreed during 2010 to finance the construction of a new science centre. The loan is repayable over 25 years by termly instalments. For the first 10 years of the loan arrangement £2.4m will be paid at a fixed rate of 5.03%. In May 2020, the 10 year fixed agreement transferred to a floating rate. The remaining £2.4m was repayable at 1.6% above the bank base rate. This loan has been transferred to a new loan in January 2020 at a fixed rate of 2.65%. The balance outstanding at the end of the year on these loans was £2,744,193 (2021: £3,024,295).
- A bank loan of £3.8m was agreed to finance the construction of the new Sixth form Centre. The loan is repayable over 25 years at a rate of 1.85% above base. The school made a first drawing on the loan of £1,969,076 on 29 April 2014. The balance outstanding at the year-end was £2,820,975 (2021: £2,954,095).
- A bank loan of £2.5m was received under the corona virus business interruption scheme. The loan is repayable over 5 years at a rate of 1.45% above base. The school received the loan of £2.5mn into their current account on 16 July 2021. The balance outstanding at the year-end was £nil (2021: £2,500,000).

The above loans are secured by first legal charges dated 29 February 2000 and 23 March 1999 in favour of Lloyds TSB Bank Plc over the freehold land and buildings at Portsmouth Grammar School, High Street, Portsmouth and 8 Penny Street, Portsmouth respectively.

THE PORTSMOUTH GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

18. DEFERRED INCOME (ADVANCE FEES) – GROUP AND SCHOOL

Parents may enter into a contract to pay to the school up to the equivalent of seven years' tuition fees in advance. The money may be returned subject to specific conditions and on the receipt of one term's notice. Assuming pupils will remain in the school, advance fees will be applied as follows:-

	2022 £	2021 £
Within one year	964,441	1,106,107
Within 1 to 2 years	352,111	352,764
Within 2 to 5 years	463,895	510,273
Over five years	<u>92,934</u>	<u>137,470</u>
	<u>£ 1,873,381</u>	<u>£ 2,106,614</u>

The balance represents the accrued liability under the contracts. The movements during the year were:-

Balance at 1 September 2021	2,106,614	1,730,627
New contracts	<u>1,073,136</u>	<u>1,466,116</u>
Amounts accrued to contracts	3,179,750	3,196,743
Amounts utilised in payment of fees to the school	<u>(1,306,369)</u>	<u>(1,090,129)</u>
Balance at 31 August 2022	<u>£ 1,873,381</u>	<u>£ 2,106,614</u>

THE PORTSMOUTH GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

19. RESTRICTED FUNDS

GROUP AND SCHOOL

Fund name	<i>At 1 September 2021 £</i>	Incoming Resources £	Resources expended £	Transfers between funds £	At 31 August 2022 £
William Smith Fund	1,128,999	381,392	-	-	1,510,391
Geoff Foley Innovation and Creativity	14,860	-	(6,296)	-	8,564
Wilkie Scholarship Fund	-	30,365	(24,333)	-	6,032
Other	69,007	5,628	-	-	74,635
Total	<u>£1,212,866</u>	<u>£ 417,385</u>	<u>£ (30,629)</u>	<u>£ -</u>	<u>£1,599,622</u>

GROUP AND SCHOOL (2021 comparative)

<i>Fund name</i>	<i>At 1 September 2020 £</i>	<i>Incoming Resources £</i>	<i>Resources expended £</i>	<i>Transfers between funds £</i>	<i>At 31 August 2021 £</i>
William Smith Fund	732,240	396,759	-	-	1,128,999
Geoff Foley Innovation and Creativity	14,860	-	-	-	14,860
Wilkie Scholarship Fund	-	7,896	(7,896)	-	-
Other	70,406	601	(2,000)	-	69,007
Total	<u>£ 817,506</u>	<u>£ 405,256</u>	<u>£ (9,896)</u>	<u>£ -</u>	<u>£1,212,866</u>

William Smith Fund

This fund was launched in July 2015 and exists primarily to provide funds for means tested bursary support to pupils.

Geoff Foley Innovation and Creativity

This fund was set up to promote group work and problem solving outside of normal school work and funds an annual prize.

Wilkie Scholarship Fund

This fund was set up to provide 50% bursaries annually for two pupils entering Year 12 under the Wilkie Scholarship.

Other

Other consists of Graduate Leader Grant and remaining funds raised for the schools in Cambodia and Uganda and through participation by staff and pupils in The Great South Run and other donations.

THE PORTSMOUTH GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

20. UNRESTRICTED FUNDS

GROUP

Fund name	At 1 September 2021	Incoming resources	Resources expended	Gains/ (losses)	Transfer between funds	At 31 August 2022
	£	£	£	£	£	£
General	<u>16,662,974</u>	<u>17,906,423</u>	<u>(19,952,317)</u>	<u>(108,220)</u>	-	<u>14,508,860</u>
Total	<u>£ 16,662,974</u>	<u>£ 17,906,423</u>	<u>£ (19,952,317)</u>	<u>£ (108,220)</u>	<u>£ -</u>	<u>£ 14,508,860</u>
SCHOOL						
General	<u>16,666,726</u>	<u>17,771,063</u>	<u>(19,840,879)</u>	<u>(108,220)</u>	-	<u>14,488,690</u>
Total	<u>£ 16,666,726</u>	<u>£ 17,771,063</u>	<u>£ (19,840,879)</u>	<u>£ (108,220)</u>	<u>£ -</u>	<u>£ 14,488,690</u>

21a. PERMANENT ENDOWMENT FUNDS

GROUP

Fund name	At 1 September 2021	Incoming resources	Resources expended	Gains/ (losses)	Transfer between funds	At 31 August 2022
	£	£	£	£	£	£
Investment Property Fund	<u>750,000</u>	-	-	-	-	<u>750,000</u>
Trust	<u>4,751,579</u>	<u>21,824</u>	<u>(9,171)</u>	<u>(135,304)</u>	-	<u>4,628,928</u>
Total	<u>£ 5,501,579</u>	<u>£ 21,824</u>	<u>£ (9,171)</u>	<u>£ (135,304)</u>	<u>£ -</u>	<u>£ 5,378,928</u>

SCHOOL

Investment Property Fund	<u>750,000</u>	-	-	-	-	<u>750,000</u>
Total	<u>£ 750,000</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 750,000</u>

The Portsmouth Grammar School Endowment Trust is a subsidiary charity of the school and its investment income is passed directly to the school.

The Investment Property Fund is accounted for as a Permanent Endowment until such time as the lease is terminated in accordance with the agreement. On reversion of the lease, the School is able to sell the property and apply any or part of the capital and income of the Funds to support the Wilkie Scholarship Fund. At this point the Fund meets the definition of an Expendable Endowment.

THE PORTSMOUTH GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

21b. EXPENDABLE ENDOWMENT FUNDS

GROUP

Fund name	At 1 September 2021	Incoming resources	Resources expended	Gains/ (losses)	Transfer between funds	At 31 August 2022
	£	£	£	£	£	£
AD Nock	<u>269,724</u>	<u>5,878</u>	<u>(14,669)</u>	<u>(36,439)</u>	<u>-</u>	<u>224,494</u>
Total	<u>£ 269,724</u>	<u>£ 5,878</u>	<u>£ (14,669)</u>	<u>£ (36,439)</u>	<u>£ -</u>	<u>£ 224,494</u>

The Arthur Darby Nock Trust is held as an expendable endowment to provide scholarships at The Portsmouth Grammar School.

22. ALLOCATION OF NET ASSETS BETWEEN FUNDS

**2022
GROUP**

Fund name	Fixed assets £	Investments £	Current assets £	Current liabilities £	Long term liabilities £	Total £
Permanent endowment	3,624,884	750,000	1,067,114	(63,070)	-	5,378,928
Restricted	-	-	1,599,622	-	-	1,599,622
Expendable endowment	-	-	362,483	(137,989)	-	224,494
Unrestricted	<u>18,745,386</u>	<u>2,340,046</u>	<u>2,432,158</u>	<u>(2,944,346)</u>	<u>(6,064,384)</u>	<u>14,508,860</u>
Total	<u>£ 22,370,270</u>	<u>£ 3,090,046</u>	<u>£ 5,461,377</u>	<u>£ (3,145,405)</u>	<u>£ (6,064,384)</u>	<u>£ 21,711,904</u>

SCHOOL

Permanent endowment	-	750,000	-	-	-	750,000
Restricted	-	-	1,599,622	-	-	1,599,622
Unrestricted	<u>18,742,749</u>	<u>2,340,048</u>	<u>3,794,906</u>	<u>(4,324,629)</u>	<u>(6,064,384)</u>	<u>14,488,690</u>
Total	<u>£ 18,742,749</u>	<u>£ 3,090,048</u>	<u>£ 5,394,528</u>	<u>£ (4,324,629)</u>	<u>£ (6,064,384)</u>	<u>£ 16,838,312</u>

**2021
GROUP**

Fund name	Fixed assets £	Investments £	Current assets £	Current liabilities £	Long term liabilities £	Total £
Permanent endowment	3,624,884	750,000	1,211,590	(84,895)	-	5,501,579
Restricted	-	-	1,212,866	-	-	1,212,866
Expendable endowment	-	-	401,393	(131,669)	-	269,724
Unrestricted	<u>19,121,327</u>	<u>2,638,731</u>	<u>6,876,840</u>	<u>(2,992,479)</u>	<u>(8,981,445)</u>	<u>16,662,974</u>
Total	<u>£ 22,746,211</u>	<u>£ 3,388,731</u>	<u>£ 9,702,689</u>	<u>£ (3,209,043)</u>	<u>£ (8,981,445)</u>	<u>£ 23,647,143</u>

SCHOOL

Permanent endowment	-	750,000	-	-	-	750,000
Restricted	-	-	1,212,866	-	-	1,212,866
Unrestricted	<u>19,118,031</u>	<u>2,638,733</u>	<u>8,475,096</u>	<u>(4,583,689)</u>	<u>(8,981,445)</u>	<u>16,666,726</u>
Total	<u>£ 19,118,031</u>	<u>£ 3,388,733</u>	<u>£ 9,687,962</u>	<u>£ (4,583,689)</u>	<u>£ (8,981,445)</u>	<u>£ 18,629,592</u>

THE PORTSMOUTH GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

23. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2022 £	2021 £
(Decrease) / Increase in cash in the year	(4,238,661)	2,498,383
Net loan repayments	3,000,592	(1,827,229)
Net advance fees movements	<u>233,233</u>	<u>(375,987)</u>
Change in net debt	(1,004,836)	295,167
Net debt at 1 September 2021	<u>(1,955,558)</u>	<u>(2,250,725)</u>
NET DEBT AT 31 AUGUST 2022	£ (2,960,394)	£ (1,955,558)

24. ANALYSIS OF CHANGE IN NET DEBT

	Net debt as at 31 August 2021 £	Cash Change £	Net debt as at 31 August 2022 £
Cash at bank and in hand	8,700,572	(4,319,934)	4,380,638
Cash at investment manager	16,244	81,273	97,517
Loans	(8,565,760)	3,000,592	(5,565,168)
Advance fees scheme	<u>(2,106,614)</u>	<u>233,233</u>	<u>(1,873,381)</u>
	<u>£(1,955,558)</u>	<u>£(1,004,836)</u>	<u>£(2,960,394)</u>

25a. OTHER FINANCIAL COMMITMENTS

At 31 August 2022 the School had future minimum lease payments under non-cancellable operating leases as follows:

	Other operating leases	
	2022 £	2021 £
GROUP		
Within one year	133,023	75,218
Between one and five years	119,408	13,617
Over 5 years	<u>9,002</u>	<u>-</u>
	<u>£ 261,433</u>	<u>£ 88,835</u>
SCHOOL		
Within one year	10,318	57,096
Between one and five years	25,341	13,433
Over 5 years	<u>5,038</u>	<u>-</u>
	<u>£ 40,697</u>	<u>£ 70,529</u>

THE PORTSMOUTH GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

25b. OTHER FINANCIAL COMMITMENTS: LESSOR

At 31 August 2022 the School had future minimum lease receipts under non-cancellable operating leases as follows:

	Investment property	
	2022	2021
	£	£
GROUP AND SCHOOL		
Within one year	21,600	21,600
Between one and five years	86,400	86,400
Over 5 years	21,600	37,800
	<u>£ 129,600</u>	<u>£ 145,800</u>

26. PENSION COSTS

Defined Benefit Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,578,144 (2021: £1,579,768) and at the year-end £Nil (2021: £Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

THE PORTSMOUTH GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

26. PENSION COSTS (continued)

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June 2021 on proposed changes to the cost control mechanism following a review by the Government Actuary. Following the public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Other Pensions

In addition to the above the School also makes contributions for non-teaching staff. This is a separately administered defined contribution scheme or an auto enrolment arrangement with NEST. Employers contributions totalling £95,569 (2021: £96,773) were payable to the defined contribution fund for the year and £63,925 (2021: £59,713) payable to NEST for the year.

Total outstanding contributions for all schemes at the year-end were £Nil (2021: £32,309).

27. RELATED PARTY TRANSACTIONS

The Head is Chair of The PortsFest and one of the Governors is a trustee. At the year-end PortsFest owed the School £61,288 (2021: £9,963). The School contributed £35,000 (2021: £15,000) to PortsFest during the financial year. Further details of PortsFest are described in the Report of the Directors.

The previous Head's remuneration package included an interest free loan of £100,000 in respect of accommodation in prior years. The loan has now been settled in full (2021: £50,000).

Close Members of Key Management Personnel Family, who are employed by the School, are paid a total salary of £75,156 (2021 : £86,233), in accordance with the terms and conditions associated with their roles.

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

28. FINANCIAL INSTRUMENTS

	2022 £	2021 £
Group		
Financial assets measured at amortised cost	5,053,344	9,278,779
Financial liabilities measured at amortised cost	6,888,677	8,409,933
Financial assets measured at fair value	<u>2,895,009</u>	<u>3,388,729</u>

The group's income, expense, gains and losses in respect of financial instruments are summarised below:

	2022 £	2021 £
Interest income and expense:		
Total interest income for financial assets held at amortised cost	81,544	55,761
Total income for financial assets held at fair value	44,971	43,547
Total interest expense for financial liabilities held at amortised cost	<u>137,869</u>	<u>130,905</u>

	2022 £	2021 £
School		
Financial assets measured at amortised cost	5,259,706	9,359,117
Financial liabilities measured at amortised cost	8,069,761	9,827,016
Financial assets measured at fair value	<u>2,895,011</u>	<u>3,388,731</u>

The school's income, expense, gains and losses in respect of financial instruments are summarised below:

	2022 £	2021 £
Interest income and expense:		
Interest income	81,544	55,761
Total income for financial assets held at fair value	17,269	16,722
Interest expense	<u>137,869</u>	<u>130,905</u>

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors and cash and cash equivalents. Included within this figure for the group and school is a parental debt provision totalling £257,816 (2021: £200,551).

Financial assets are measured at fair value comprise listed investments.

Financial liabilities measured at amortised costs comprise bank loans, amounts owed to group undertakings, net obligations under finance lease and hire purchase contracts, other creditors and accruals.

THE PORTSMOUTH GRAMMAR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

29. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	<i>Unrestricted Funds £</i>	<i>Restricted Funds £</i>	<i>Expendable Endowment Fund £</i>	<i>Permanent Endowment Funds £</i>	<i>Total 2021 £</i>
INCOME AND ENDOWMENTS					
<i>Charitable activities</i>					
<i>School fees receivable</i>	16,862,848	-	-	-	16,862,848
<i>Ancillary trading income</i>	422,074	-	-	-	422,074
<i>Other trading activities</i>					
<i>Activities for generating funds:</i>					
<i>Non-charitable trading</i>	122,184	-	-	-	122,184
<i>Other incoming resources</i>	44,574	-	-	-	44,574
<i>Investments</i>					
<i>Investment income</i>	21,040	7,896	5,692	21,333	55,761
<i>Voluntary sources</i>					
<i>Donations</i>	169,352	397,360	-	750,000	1,316,712
<i>Coronavirus Job Retention scheme income</i>	<u>51,074</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,074</u>
Total income	<u>17,693,146</u>	<u>405,256</u>	<u>5,692</u>	<u>771,133</u>	<u>18,875,227</u>
EXPENDITURE ON:					
<i>Raising Funds</i>					
<i>Non-charitable trading</i>	146,611	-	-	-	146,611
<i>Financing costs</i>	234,975	-	2,428	9,013	246,416
<i>Fund-raising costs</i>	239,844	-	-	-	239,844
<i>Charitable activities:</i>					
<i>School operating costs and grant making before exceptional write-off costs</i>	17,493,395	9,896	17,017	-	17,520,308
<i>Exceptional write-off of fixed assets</i>					
Total charitable activities	<u>17,493,395</u>	<u>9,896</u>	<u>17,017</u>	<u>-</u>	<u>17,520,308</u>
Total expenditure	<u>18,114,825</u>	<u>9,896</u>	<u>19,445</u>	<u>9,013</u>	<u>18,153,179</u>
Net investment gains/(losses)	<u>150,752</u>	<u>-</u>	<u>48,702</u>	<u>180,837</u>	<u>380,291</u>
NET INCOME/(EXPENDITURE)	<u>(270,927)</u>	<u>395,360</u>	<u>34,949</u>	<u>942,957</u>	<u>1,102,339</u>
<i>Transfer between funds</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS	<u>(270,927)</u>	<u>395,360</u>	<u>34,949</u>	<u>942,957</u>	<u>1,102,339</u>
<i>Fund balances at 1 September 2019</i>	<u>16,933,901</u>	<u>817,506</u>	<u>234,775</u>	<u>4,558,622</u>	<u>22,544,804</u>
<i>Fund balances at 31 August 2020</i>	<u>16,662,974</u>	<u>1,212,866</u>	<u>269,724</u>	<u>5,501,579</u>	<u>23,647,143</u>