

Bristol Grammar School
(A company limited by guarantee)

**DIRECTORS' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS**

for the year ended 31 August 2021

Bristol Grammar School (A company limited by guarantee)

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Bristol Grammar School (A company limited by guarantee)

DIRECTORS' REPORT

for the year ended 31 August 2021

The Board of Directors present their annual report for the year ended 31 August 2021 under the Companies Act 2006 and the Charities Act 2011, together with the audited financial statements for the year, and confirm that they comply with the requirements of the Companies Act, the Company's Memorandum and Articles of Association, the Charities SORP 2019 and FRS102 'The Financial Reporting Standard in UK and the Republic of Ireland'.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Company

Bristol Grammar School ("the Company") is a company limited by guarantee, incorporated in England on 1 June 2004, company registration number 05142007, with the liability of its members limited to £1 each by guarantee. It is registered as a charity under registration number 1104425. It is exempt from the requirement to include the word "Limited" in its name. Its registered office and principal address is at University Road, Bristol BS8 1SR.

Linked Charities

Under the Scheme, the permanent endowment assets of the School are held by the Company as the Trustee of a separate charity called Bristol Grammar School Trust. Under a further Charity Commission Scheme dated 31 August 2004, the Company is also the Trustee of another separate charity called Bristol Grammar School Scholarship, Bursary and Prize Fund.

On 12 August 2005, the Charity Commission made a Uniting Direction under section 96(5) of the Charities Act 1993, directing that these two charities ("the linked charities") should be treated as forming part of the charity called Bristol Grammar School for the purposes of Part II (registration) and Part VI (accounting) of the Charities Act 1993. The main effect of the Uniting Direction is that the linked charities are aggregated into the Statement of Financial Activities and the Balance Sheet of the Company. They remain, however, legally distinct charities, the funds of which are to be applied solely in accordance with their respective trusts.

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DIRECTORS' REPORT (*continued*)

for the year ended 31 August 2021

Directors, Trustees and Governors

The present Directors of the Company, who are also the Charity Trustees and the School Governors, and also any ex-Directors who served during the year are:

Director	Committee Membership
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Co-opted by the Board

Mrs Andrea Arlidge BA	A B
Mr Alan Barr LLB	
Mrs Sharon Boccaccini MEd (Open) BSc (Hons) PGCE MCCT appointed 1 March 2021	B
Ms Maria Crayton BA Hons MCIM	A B D
Ms Hannah Drake MA appointed 6 November 2020	D
Dr Mary Gainsborough MB ChB FRCPCH	E
Mrs Candida Gil BSc Hons ACA	C
Mr Jonathan May BA (Hons) MA FRSA appointed 1 March 2021	D
Mr Patrick Meehan BEd Hons FPFS	C
Dr Jane O'Gallagher MBChB MRCP FRCPCH FHEA (Deputy Chair)	A E
Mr Nigel Pickersgill BSc Hons FCA	A C E F
Dr Michael Ransome BA PhD	B E
Ms Catherine Redshaw BA (Oxon) Hons LLB	E
Mr David W Shelton MSc FCIM (Deputy Chair)	A C D
Mrs Margaret Simmons-Bird BA Hons PGCE MA	B
Mr John Sisman BSc Hons MRICS	D F
Dr Dominique Thompson MBChB MRCP (Dist)	E
Mr Romesh Vaitilingam BA Hons (Oxon) MBE (Chair)	A C
Mr Mark R Wilson BSc Hons MRICS	A C D F

Mr David Pester BA Hons resigned 30 September 2020

The following Committees have been in operation during the year:

- | | |
|---|---------------------------------------|
| A | Chairs' Group & Nominations Committee |
| B | Learning & Achievement Committee |
| C | Finance & General Purposes Committee |
| D | Marketing & Development Committee |
| E | Pupils & Staff Committee |
| F | Estates Committee |

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DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2021

Senior Executives and Professional Advisors

The Headmaster	Mr J Barot MA (Cantab) MSc
The Head of Infant and Junior School	Miss H Hughes BSc Hons MA Ed
The Bursar	Mr JG Mitchell BA FCCA
Clerk to the Governors	Mr OLD Chambers BSc
Bankers	HSBC Bank Plc Cabot Circus Bristol BS1 3BA
Investment Managers	Smith & Williamson Investment Management Portwall Place Portwall Lane Bristol BS1 6NA and Ruffer LLP Investment Management 80 Victoria Street London SW1E 5JL
Property Management	DJ Foley Property Consultants Cavendish House 15 Whiteladies Road Bristol BS8 1PB
Solicitors	Veale Wasbrough Vizard Narrow Quay House Narrow Quay Bristol BS1 4QA
Auditor	RSM UK Audit LLP Hartwell House 55 – 61 Victoria Street Bristol BS1 6AD
Registered Office	University Road Clifton Bristol BS8 1SR

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DIRECTORS' REPORT (*continued*)

for the year ended 31 August 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

The School was established in 1532. The Charity is regulated by a Scheme made by the Charity Commission in May 1978 and was incorporated on 1 June 2004.

Governing Document

The Company is governed by its Memorandum and Articles of Association, issued on 1 June 2004 (amended by Resolutions on 24 August 2004, 26 September 2005, 2 December 2008 and 28 June 2020).

Governing Body

The Directors, who are also required under the Articles to serve as members of the Company, have control of the Charity and its property and funds including, as Corporate trustee, the endowment assets of the Charity. The Governing Body consists of not less than 16 members, one of whom may be nominated by the School's staff. Governors are appointed for a term of five years and may be re-appointed for a further three year term or other period as the Board considers appropriate. Nominations for new Governors are considered by the Chairs' Group and Nominations Committee, which ensures the Governing Board has the breadth of skills to give effective strategic leadership to the School, in conjunction with the Headmaster and to ensure the Governing Board reflects the diversity of our community. The Nominations Committee makes recommendations to the Board for their ratification.

Directors and Key Management Personnel

The Directors meet as a Board four times a year, or more frequently when required, to determine the strategy and general policy of the company and review its overall management and control, for which they are legally responsible. The work of implementing the Board's policies is delegated to the Committees listed on page 2, which meet at least once per term.

The day-to-day running of the School is delegated to the Key Management Personnel (KMP) comprising the Headmaster, the Bursar, the Head of the Infant and Junior School and five Deputy Heads. The KMP meet regularly during each week considering both strategic and operational matters for the whole School.

The remuneration of the KMP is set by the Governors after consultation with the Headmaster and where appropriate the Bursar. The Headmaster and Bursar are not involved in the discussions regarding their own remuneration. Remuneration packages are set at a level to encourage the recruitment and retention of quality senior teachers and executives in order to lead the school, facilitating a happy, supportive and enriching environment in which all pupils and staff can flourish and maximise their potential.

BGS also has a wider Senior Leadership Team (SLT) which includes the KMP plus the Assistant Heads of the School and up to three co-opted members of staff (to aid with their professional development, as well as to lead on specific projects). SLT discusses important issues for the School and includes members of both teaching and support staff. There is communication, with all staff, on the items discussed by SLT and the decisions made.

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DIRECTORS' REPORT (*continued*)

for the year ended 31 August 2021

Trustee Training

New Directors are inducted, through a structured process, into the workings of the School, and also of the Company as a registered charity. Induction is underpinned with the following essential reading:

- the main policies with emphasis upon safeguarding;
- specific policies linked to committee membership; and
- governance and management documents including:
 - “Trustees & Governance: Being a trustee” - a publication by the Charity Commission
 - The Memorandum and Articles of Association
 - Bristol Grammar School Inspection Report from the Independent Schools Inspectorate; and
 - Statutory and Management Accounts.

The main element of induction is a school familiarisation visit of at least half a day which includes meetings with the Headmaster, Bursar, Clerk to the Governors and other senior staff together with classroom observation. Directors are also encouraged to attend regular training seminars organised by AGBIS (Association of Governing Bodies in Independent Schools), other professional firms and organisations including RSM UK Audit LLP, VWV LLP, ISBA (The Independent Schools Bursars' Association) and the Independent Schools' Council (ISC). All Directors confirm they have read the safeguarding and other key policies and national guidance each year.

Directors are also issued with BGS Board details including:

- Current Governors' Details - Skills and Experience Matrix;
- Minutes of recent Board and Committee meetings;
- Current Committee Membership;
- Committee Meetings - Current Schedule; and
- Full Role Description for Governors.

Group Structure and Trading Subsidiary

BGS Enterprises Limited is a wholly owned and active trading company which uses the relevant facilities of Bristol Grammar School under license.

Bristol Grammar School has a Group VAT registration.

Bristol Grammar School is a member of HMC (the Headmasters' and Headmistresses' Conference), The Society of Heads, the ISC (Independent Schools Council), AGBIS (Association of Governing Bodies in Independent Schools) and the ISBA (Independent Schools' Bursars Association) all of which provide the School with regular information and advice about changes in legislation, regulations, compliance and best practice.

Bristol Grammar School benefits from the generosity of the Old Bristolians' Society, the “Friends of BGS” (Senior School parents) and “BGS Friends Infants & Juniors” (Infant and Junior School parents) all of which support the School and contribute financially to prize funds, projects and bursaries. The Friends groups significantly add to the community, friendship, character and ethos of the school. Their hard work and support is greatly appreciated by the Board, the Headmaster and other members of the BGS community.

Principal Activity

The principal activity of the Company is to manage and administer the School for girls and boys known as Bristol Grammar School. All the assets, liabilities and contracts of the School were transferred to the Company pursuant to a Charity Commission Scheme dated 17 June 2004 (“the Scheme”), and the Company has carried on the business of the School since that date.

The number of pupils at the School was 1,356 at the year end.

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DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2021

Other Directors' report disclosures

Disclosures required by the Companies Act 2006 to be included in the directors' report about engagement with employees, suppliers, customers and other stakeholders, and energy and carbon reporting have been included below in the Strategic Report section of this report.

STRATEGIC REPORT

OBJECTS, AIMS, OBJECTIVES AND FUTURE PLANS

Objects

The objects of the Charity are:

To advance the education and training, by the provision and conduct, in or near the City of Bristol, of a day school or schools for boys and girls and, in so far as it is incidental or ancillary to the advancement of education, such other purposes for the benefit of the local community as shall be exclusively charitable.

Historical Context

Bristol Grammar School was founded by Royal Charter, issued by Henry VIII on 17 March 1532. Pre-dating the city's other independent schools and its two universities, BGS has played a central part in Bristol life ever since, standing for the best in education and care for its pupils in the city for almost five hundred years. It continues to navigate successfully the educational cross-currents of tradition and progression, and it remains mindful of its past whilst being more aware than ever of the need to keep looking forward. In changing economic and political times, BGS continues to develop young adults of integrity and character, rigorous in their application, compassionate in their outlook, and ready to make a real and lasting difference in the world that awaits them.

Endowed by Nicholas and Robert Thorne, the School was established "for the teaching of literature and good manners" to the sons of merchants and tradesmen of the city. It has evolved considerably since then – most notably, it is now a proudly coeducational school – but the desires to build an education around academic endeavour, supportive pastoral care and the development of good character, and to include those who might not otherwise be afforded such a privilege, remain as central to our Mission now, as when the School was established.

Mission

To provide an exceptional and rounded education to those who might benefit from it, regardless of their background and financial means.

Aims

1. To nurture, challenge, and celebrate each individual.
2. To develop an excitement for learning which goes beyond school.
3. To promote physical and mental wellbeing, and the development of good character.
4. To make a BGS education available to all those who might benefit from it.
5. To be a diverse school and one which serves Bristol and beyond.
6. To ensure that the school continues to flourish for generations to come.

Values

Kindness, Integrity and Rigour.

Bristol Grammar School (A company limited by guarantee)

DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2021

Objectives and Future Plans

The Directors and Headmaster's main objectives are to:

- fill all available places with girls and boys who have demonstrated they have the potential to benefit from attending Bristol Grammar School;
- maintain a community with as broad a socio-economic mix of pupils as possible, from all elements of the Bristol community, by supporting a significant proportion of pupils with the cost of education, on a means-tested basis, from the School's limited endowment funds and other fund raising;
- educate all pupils to the highest possible standard with excellent teaching and learning and extra-curricular opportunities to enable them to develop their full potential and attend the university, further educational course or work training of their choice;
- recruit the highest possible calibre of teaching and support staff and facilitate their continuing professional development;
- approve appropriate improvements to the School's facilities and equipment, within budget constraints, including the best use of technology;
- provide a happy and secure pastoral environment, with safeguarding at the forefront, in which all pupils can flourish with opportunities for leadership, service and an acknowledgement of respect and consideration to others;
- further develop the already strong links with our parents, extended families and alumni community;
- be a recognised force for good beyond the school gates, widening access and carrying out meaningful charitable and community partnership work, both locally and more widely.

Risk Management

Due to further Government imposed COVID – 19 restrictions, the School was locked down for the Spring Term with the exception of the last four weeks of term when the children returned to school remaining within separate year group bubbles. Education provision was made available on the main school site for the children of key workers throughout the Spring Term.

The school's COVID -19 Risk Assessment, was continually updated by KMP as circumstances changed taking into consideration the appropriate central and local government and public health guidance.

For all pupils not on the school site during the Spring Term, teaching, pastoral care and support, and some very creative extracurricular sessions were delivered remotely. The school's ongoing investment in technology ensured that the school was well placed to deliver these sessions.

The School has a comprehensive Risk Register which is reviewed and updated each term, by the Governors' Committees and the KMP and reviewed by the full Board.

The controls used by Bristol Grammar School to minimise risk include:

- Strategic development planning and self-evaluation reviewed annually by the KMP and the Board;
- Comprehensive budgeting and monitoring including the preparation of Income and Expenditure Accounts, Balance Sheets and Cash Flow Forecasts with appropriate financial commentary and sensitivity analysis;
- Capital appraisal and feasibility papers authorised by the appropriate Governors' Committee and Board for major capital projects or expenditure;
- Schedule of condition reports prepared by appropriately qualified professional advisers;
- Terms of reference, together with formal agendas, for Committee and Board business;
- Careful Governor recruitment, with appropriate skills, to ensure all risk areas are comprehensively covered;
- Established organisation structures and lines of reporting;
- Formal written policies;
- Appropriate regulatory vetting, safeguarding procedures and registers as required by law and other safeguarding regulations; and
- Continued professional development and training.

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DIRECTORS' REPORT (*continued*)

for the year ended 31 August 2021

The School contracts the services of an independent Health and Safety Consultant who carries out regular inspections of the school buildings, oversees various departmental risk assessments (with the full involvement of the relevant departmental staff), Health and Safety audits, with the higher risk departments being audited most frequently, and provides other specialist advice, as required, such as Fire Risk Assessments. Regular Building Surveyor Inspections are also undertaken. Action lists are prepared and these are addressed within the time scales approved by the independent advisers. The work of the Health & Safety Consultant and professional advisers is overseen by the Bursar and Facilities Manager.

Other independent professional advisers are contracted by the School where the KMP and Governors consider this appropriate. Training and continual professional development is also seen as an important way to reduce risks. Professional advisers and members of the KMP attend and present, where necessary, to the appropriate Governor Committees and the full Board to support the Directors in their Governance of the School.

Other key areas of risk that are considered and reviewed by the KMP, the Board and its Committees include:

- Robust Child Safeguarding Policies, systems and appropriate regular training for all staff;
- Pupil recruitment including the setting of School fees in relation to affordability;
- Health & Safety, site security and regulatory requirements;
- Human Resource matters including complying with regulations and the retention of key members of staff, both teaching and support, which is critical to the success of the School;
- IT Security, cybercrime controls and data protection matters;
- The safeguarding of the School's Land and Buildings, Equipment and Other Assets including comprehensive insurance;
- Fund Raising Policy and ensuring the Charitable Objects of the School are complied with and advanced;
- Scenario planning and appropriate, prompt responses to any political, economic or public health changes;
- Any Legal Matters; and
- Governance of the School.

ISI Inspection

BGS was inspected, in March 2019, as part of the routine cycle of inspection carried out by Independent Schools Inspectorate "ISI" (our equivalent of Ofsted) who sought to confirm our compliance with The Education (Independent School Standards) Regulations 2014.

These routine inspections rigorously test and demonstrate that the School is meeting the legal requirements in key areas such as quality of education provided, safeguarding and welfare of pupils, recruitment of suitable staff, handling of complaints, and quality of leadership and management. The Governors and Headmaster were delighted that ISI found that Bristol Grammar School was fully compliant in all of these regards.

The report is available to read on our website at:

<https://www.bristolgrammarschool.co.uk/cms-assets/downloads/BGS-Regulatory-Compliance-Inspection-Report-2019.pdf>

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DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2021

Operational Performance of the School

Introduction

Bristol Grammar School aims to encourage all pupils to participate in a variety of activities and opportunities, both curricular and extra-curricular. This helps to maximise their personal development, confidence and team work, and just as importantly, it encourages them to enjoy all aspects of School life whilst forging lifelong friendships. Co-curricular activities are spread across a wide range of sports and the performing arts as well as many other clubs and opportunities. The pandemic has had a significant effect on school activity during the year but a significant number of enriching activities were still possible. Extra-curricular opportunities, together with pastoral support continued online during the spring term lockdown with the focus on pupils' wellbeing. A selection of school wide achievements are detailed below:

A Level Results

BGS Sixth Formers were extremely disappointed that the A level examinations were cancelled due to COVID-19, therefore not allowing them to sit the examinations they had consistently worked so hard to pass. This year's grades have been based on rigorous evidence, obtained across several pieces of work which tested the material which students had been taught, and which were painstakingly checked and cross-checked by expert subject teachers, before going through the external boards' quality control processes. The outcomes reflected the hard work and dedication of the students and the quality of the teaching the school provides with 98% of all results falling within the range A*-C grade and 47% results being awarded A*s. The students' Extended Project Qualification results were extremely good with 89% of all marks being a grade B or above, and 46% gaining an A*.

International Baccalaureate Results

The IB Organisation awarded grades this year based on external examination of all pupils' Internal Assessment work in each of their six subjects, and on the core components of the Theory of Knowledge and the Extended Essay, in addition to evidence-based predicted grades submitted by schools.

Our second cohort of IB students collectively achieved an outstanding mean score of 40 points out of a possible 45. (This score has a UCAS tariff equivalence of around 4 A* grades at A level). One of our students achieved the maximum 45 points, and three others achieved 44 points – usually achieved by around 0.5% and 1.5% of the global cohort, respectively.

Next Steps

An unprecedented number of this year's Upper Sixth have secured their first choice university places – over 44 different destinations – including twelve to Oxbridge. As ever, our students go on to a broad range of future paths; they are supported to choose courses that fit their interests and talents best. They are going on to study over 85 different courses from Medicine, Economics and Geography to Creative Music Technology, Global Health and Social Medicine, Real Estate, and Anthropology. One pupil will study International Hospitality Management at the prestigious EHL – Ecole hôtelière de Lausanne - in Switzerland

GCSE Results

Across the 27 subjects offered, 97% of GCSE entries were awarded a grade at 9 – 4 (or old equivalent A* - C) with 75% graded at 9 – 7 (or the equivalent A* - A). Similar to A Levels, these were awarded in the absence of examinations, but based on rigorous, evidence-based lists of pupils' knowledge and understanding, as mandated by Ofqual.

Extracurricular Activities and Trips

Our pupils enjoy a wide range of extracurricular activities including sport, music, drama and dance as well as a diverse range of other clubs, activities and opportunities. The School offers pupils the opportunity to take part in a number of community outreach projects and charity work which are embedded within the culture of the School. Trips both in the UK and overseas were cancelled due to COVID-19 Government restrictions, although a small number of local day trips did take place towards the end of the Summer term.

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DIRECTORS' REPORT (*continued*)

for the year ended 31 August 2021

While the pandemic limited academic and extracurricular opportunities, many continued online. Performing Arts continued with successes in LAMDA and music grade examinations. While live performance opportunities were limited, online collaborations and filmed productions allowed the show to go despite COVID restrictions.

At the online Exeter College Model United Nations event, BGS delegates were chosen as the Best Delegation overall, winning the shield for the seventh year in a row. Several individual students also received awards at this event and at subsequent MUN events hosted by Cheadle Hulme and Manchester High School for Girls.

A team of 4 Year 8 girls competed in the CyberFirst competition, reaching the national final from a pool of over 6,500 entrants. The competition – run by the National Cyber Security Centre (NCSC), a part of GCHQ – aims to inspire girls to pursue their interests in technology and consider a career in cyber security.

Individual success and achievements included: an Upper-sixth student awarded First Prize in the Gonville and Caius College Schools' Prize Competition in Linguistics; another Upper-sixth student placed third in the Gabblers after dinner speaking competition; a Lower-sixth pupil was invited to represent the UK at the German Bundestag Remembrance service marking 75 years since the end of World War Two, speaking in front of dignitaries from around the world, including Prince Charles, where she met the Duchess of Cornwall, the President of the Federal Republic of Germany, the President of the Bundestag and the President of the Volksbund; a Year 8 pupil was Highly Commended in the Royal Geographical Society's Young Geographer of the Year competition.

Sporting Achievements

Pupils have excelled in a wide range of sports, both individual and team, at regional, national and international levels. A large number have been chosen to play for their counties or nationally in selected sports.

In rugby, four Sixth-formers were selected to play for Bristol U18s, with one also representing England U18s. In younger years, another two players have played for Bristol U16s and one for Bristol U15s.

Three boys had England U16 hockey trials, and one girl had England U18 trials. There were also eighteen pupils selected for the U14 Bristol Academy Centre.

Three netball players were selected for the Team Bath Bristol Academy 2020–21 and two for the U14 regional squad with Bath Cougars.

In cricket, several players from U12 to U15 were selected for Gloucestershire Cricket's County age-group and development summer squads, while two girls played for the Gloucestershire Girls' U15 County performance squad, one of them captaining the side in a day of triangular county fixtures.

BGS Sports Teams and School Fixtures

There were limited inter-school fixtures and competitions owing to COVID restrictions, however, the U14 cricket team won the County Cup.

Infant and Junior School

During the 2020–21 academic year the Infant and Junior children continued to excel in all areas of the arts and sport. There were successes in dance, musical theatre, LAMDA and music exams including ballet, piano, drums and violin. Pupils took part in Young Voices Big Sing, even appearing on BBC's The One Show ahead of the event.

Other significant achievements this year were that of a Year 6 boy gaining a Gold award in the Junior Maths Challenge and being invited to participate in the Junior Maths Olympiad, for pupils up to and including Year 8 and a pupil raising over £2,000 for charity through sponsored challenges.

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DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2021

The BGS Foundation & Old Bristolians Community

The BGS Foundation's aim is to engage a global community of Old Bristolians, parents and other family members and to facilitate friendships, attend social and professional networking events and provide mentoring programmes for pupils and other Old Bristolians. The Governors and Headmaster, with the work of the Foundation Department, are committed to increasing life-changing bursaries for children with talent and promise from all backgrounds, regardless of financial means.

The Foundation Department provides regular communication through our dedicated website, online and social media platforms, promotional literature and a series of events.

Fundraising

Our aim is to double our current bursary provision and enable one in four of our senior school children to receive a significant means tested bursary (at least 50%). A new fundraising drive, the "500 Campaign", in recognition of the school's quinquennial anniversary in 2032, will encourage donors to support children at BGS through means tested bursaries. Opportunities to sponsor senior pupils, in particular, are being marketed together with a wider "little and often" approach through the existing Michael Booker Bursaries programme. We are also encouraging legacy pledges. We plan to raise £12million within the next ten years.

We do not use third party professional fundraisers and we ensure that our fundraising conforms to and exceeds best practice. We do not contact the general public, including vulnerable people and any complaints, if received, would be reported and dealt with promptly and thoroughly. The Headmaster, with the support of the Bursar, oversees and monitors the work of the Development Office and the Director of Development, and reports to a Governor Committee and the full Board.

Donations and legacies have been received from a variety of Trusts, Foundations, Parents, Grandparents, Old Bristolians and other friends of BGS. The Headmaster, Governors and BGS Community express sincere thanks for all of these generous donations and legacies which provide life changing opportunities for the supported pupils and their families.

The Pople Charitable Trust new Scholarship and Bursary Award has worked extremely well, successfully supporting five pupils. Other generous support has facilitated The Michael Booker Memorial Bursary Scheme to fund two pupils; the Bill Brown Charitable Trust to fund two pupils and the John James Foundation supported three pupils. The Denman Charitable Trust offered matched funding for two pupils with similar matched funding for one pupil from the Old Bristolians' Society. There has been other generous support where the donors have wished to remain anonymous.

Our sincere thanks to all donors to Bristol Grammar School; through their continued generosity we have been able to educate a significant number of pupils who might not otherwise have this life-changing opportunity.

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DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2021

Public Benefit

The Charity, in accordance with its Objects, provides education for boys and girls aged 4-18.

The Charity also provides public benefit opportunities through:

- The provision of means-tested bursary assistance (up to 100% of the full fee plus a contribution to other essential items a pupil may require) to families whose children could not, for financial reasons, otherwise attend the School, as explained in the school's mission statement on page 6 ;
- Within the constraints of the pandemic, the provision of facilities to local schools, other charities and community groups (at no or greatly reduced charge);
- Being in partnerships with other schools (state maintained) to provide lessons, advice, support and assistance as appropriate, (including with the Hope Virtual School);
- Raising money for a number of UK and Overseas charities throughout the year; and
- Participation of many Senior School pupils in Community Volunteering activities.

The Governors and Headmaster are exploring a number of other ways in which the school may be able to help with educational – and wider – provision throughout the city. For example, we are founder member of the Bristol Education Partnership, a group of 17 bodies including state schools, independent schools, universities and the city council, with a number of aims including overcoming disadvantage for Bristol's young. We were working with the Hope Virtual School to help raise attainment in core subject GCSEs for a number of looked after children, and a significant number of our Sixth Form and staff were trained to be part of the city's Reading City initiative, before COVID-19 meant that these initiatives had to be suspended.

In furtherance of these objectives the Governors, as charity trustees, have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub sector guidance concerning the operation of the Public Benefit requirement under the Act.

Bursary Grants

171 pupils (2019-20: 141) were awarded fees assistance totalling £973,789 (2019-20: £801,503). This included additional bursaries in both years where families experienced severe financial hardship due to COVID-19.

The Governors and Headmaster share a long-term commitment to significantly increasing these numbers, as explained on page 11, and the Headmaster, Bursar and Fees Manager will be pleased to answer any enquiries regarding fee assistance.

A careful review of a number of factors are taken into consideration in the allocation of financial awards.

Scholarship Policy

The School offers each year a number of academic, sport, music and performing arts scholarships, at various age group entry points including the Sixth Form, which are assessed on ability. Scholarships are awarded as a percentage reduction from the School's full fee. The total scholarship fee remission for the year amounted to £363,712 (2019-20: £338,793).

Teaching Links

BGS continued to provide placement training and mentoring opportunities for students undergoing their initial teacher training such as PGCE training. In addition to this, a number of one day and short placements have been hosted for potential PGCE students, including ex-BGS pupils.

The School encourages BGS teaching staff to act as examiners and assessors for examination boards. A Deputy Head is the Marking Programme Leader for the KS2 Maths National Curriculum Tests. We also have two members of staff who are ISI school inspectors.

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DIRECTORS' REPORT *(continued)*

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The Environment, Sustainability and Recycling

Bristol Grammar School fully acknowledges its responsibility regarding the impact it has on the environment and the importance to lead by example regarding sustainability and recycling. The School does have some constraints, such as the age and construction of some of its older buildings, and the listed status of the main school building, but has already undertaken a significant amount of work to be as environmentally aware and responsible as possible. A number of initiatives – many of which are pupil-led – continue, such as ensuring minimal waste from all food production and consumption, the removal of all single-use plastic water bottles, the provision around the site of recycling points, and encouraging more sustainable modes of transport to and from school with BGS being acknowledged with an award from ModeShift STARS for the school's travel plan. Whilst there is much going on in this area, there are further plans for pupils and staff to increase the scope and reach of our environmental work.

Gender Pay Gap Report and Equal Pay

Bristol Grammar School publishes its Gender Pay Gap Report on its website. The school is keen to encourage all applicants, irrespective of gender, to apply for senior positions when these become available at the school – the KMP body has a ratio of 50:50. BGS offers the same level of pay for a position regardless of gender.

Equal Opportunities

The School has given due consideration to applicants and employees with disability as documented in our policies and procedures. In the Employee Recruitment and Selection policy the aims are as follows:

- To ensure that the best possible staff are recruited on the basis of their skills and experience
- To ensure that all job applicants are considered equitably and consistently
- The system the school uses for applications anonymises candidates during the selection process to ensure fairness in the following areas: age, disability, employment status, gender (including gender reassignment), marital status (including civil partnership), race (national and ethnic origin), religion (and belief) and sexual orientation.
- To ensure compliance with all relevant recommendations and guidance including the recommendations of the Department for Education (DfE) in Keeping Children Safe in Education (2015 as subsequently updated) and the code of practice published by the Disclosure and Barring Service (DBS)
- To ensure that the School meets its commitment to safeguarding and promoting the welfare of children and young people by carrying out all necessary pre-employment checks.
- To continue the employment of, and arranging appropriate training for, employees of the School who have become disabled persons during the period when they were employed by the School, and
- To develop the training, career progression and promotion of disabled persons employed by the School.

Employee Engagement

The School seeks to provide employees with information and increase employee engagement in many ways some of which are as follows:

- Externally set, anonymous staff surveys covering wellbeing and engagement run each half term
- Briefings for all staff which include details of budget reviews and pay rise information when applicable.
- Weekly bulletin and briefing to keep people informed on a full scope of School matters.
- An Information and Consultation of Employees Committee with employee representatives from all areas of the School, meet termly as a minimum
- Specific INSET sessions to engage employees in a variety of topics and professional development including cross departmental working
- Positive staff community promoting engagement within areas of the School outside of their area/department.
- The School has a Joint Negotiating Process with the National Education Union.

Bristol Grammar School (A company limited by guarantee)

DIRECTORS' REPORT (*continued*)

for the year ended 31 August 2021

Community Involvement

BGS encourages its pupils and staff to become involved in community outreach projects and work, including the provision of an INSET time (at least half a day a year) specifically for staff to help with community work. The School also offers the use of its facilities and equipment, where it can, to both local junior and senior state schools and other organisations and clubs, either free of charge or at reduced rates. The school publishes an Outreach Brochure detailing its partnerships and community impact.

Charity Fundraising

Raising money for Charity is a very important part of school life for pupils and other members of the community at BGS, both on a whole school basis within the senior, junior and infant schools, and also by individual House events, encouraging social responsibility. Both pupils and staff sit on the school's Charity Committees. A diverse range of Charities, both in the UK and Overseas, have been supported in 2020-21.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The School's main sources of revenue are from school fees, investment income derived from its permanent endowment, bursary and other funds raised, legacies and receipts from external charitable trusts. Third party revenue is also generated from the commercial and community use of the School's 1532 Performing Arts Centre and Sports Facilities through its trading subsidiary, BGS Enterprises Limited.

The Schools Fees Policy is to set the fees at a level which will be sufficient to meet the running costs plus an appropriate element for capital investment. The investment income will continue to be used to provide means-tested bursary assistance with fees.

Due to the reintroduction of Government restrictions, remote learning was introduced for the Spring Term 2021 with the school reopening to all pupils with just under four weeks of the spring term remaining. During the period of remote tuition, a normal timetable of high quality education lessons was delivered along with pastoral and safeguarding support. Many creative online extra-curricular activities were also made available to our pupils. The Governors took all available opportunities to save costs including utilising the government furlough scheme and were able to provide a reduction in Spring Term fees. The Governors also made available one off hardship bursaries to those families who had been severely hit financially by the pandemic.

All commercial and community lettings were stopped for the lock down period although limited access to the school's outdoors facilities was made available once the Government had deemed this safe and the school's own risk assessment had been carried out.

The trading performance of the School showed a surplus on unrestricted funds (before investment gains) of £87,302 (2020: surplus: £66,165). This is after a depreciation charge in the year of £1,042,538 (2020: £1,074,218) and donations of £28,812 (2020: £15,268).

The School uses Key Performance Indicators to monitor the School's financial performance, examples of which, with further comment below, are the following:

	2020-21	2019-20
Pupil number at year end	1,356	1,357
Staff costs as percentage of income (excluding donations)	72.6%	71.8%
Bursary, scholarship and other fee remissions as percentage of gross fee income	10.3%	9.4%
Year-end cash balance	£5,144,312	£4,609,164
Capital expenditure (including investment property) in year	£134,461	£213,436

The Governors acknowledge that many families were hit financially by the outbreak of COVID – 19 and the school fees were not increased for the 2020/21 academic year with a break even position budgeted.

Bristol Grammar School (A company limited by guarantee)

DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2021

Control over cash flow remained a priority with expenditure focused on the delivery of a quality education and health and safety matters. Expenditure on capital assets has been deferred during the year.

Despite the pandemic the interest from families wishing for their children to join the school remains strong.

Staff salaries are the School's largest expenditure cost but staff are also the School's greatest asset. The school's staff worked tremendously hard to deliver an excellent online learning and support programme. The teaching departments also put in a huge amount of additional work producing the prescribed data required for the Year 11 and Year 13 grade assessments.

The Governors' policy is to reward staff appropriately to ensure the School recruits and retains quality teaching and support staff for the efficient operation of the School and to deliver an exceptional educational experience for all our pupils. The Governors endeavour to consistently keep fees increases as low as possible to help all families and in this context carefully review all staff and other costs.

The number of pupils receiving bursary support has increased over the last five years. It is the Governors' mission to increase bursary support, subject to future funding and other constraints, for pupils who will benefit from an education at BGS and would not otherwise be able to attend the School.

The Governors monitor the School's cash position and are content with the change in year-end cash balance reflecting the very strict cost control during the period of the pandemic. A statement of cash flows can be found on page 27 of the Financial Statements.

Registered Charges

Charges have been registered in favour of HSBC Bank Plc over some of the Investment Properties owned by Bristol Grammar School and six houses that BGS owns on Elton Road, Clifton, Bristol, as detailed in note 15 to the Accounts. The charges relate to a loan from HSBC taken out for the construction of the Performing Arts Centre. HSBC granted the school a capital repayment holiday during the months of April to October 2020, inclusive, due to the economic conditions caused by the COVID-19 outbreak. Interest on the loan has been paid in full during the capital repayment holiday period. Capital repayments recommenced in October 2020.

Going Concern

The Governors' review and monitor the School's detailed income and expenditure budget which includes contingencies for the risks of lost income or additional expenditure, especially in relation to the pandemic. Management accounts are prepared regularly and results are monitored closely against budget with any material variances analysed in detail. The School's projections, including sensitivity analysis and cash flow forecasts, are closely reviewed by Governors in order to make prudent financial decisions for the School.

The Directors fully consider the following in their analysis and review of going concern:

- The accounts of both Bristol Grammar School and its trading subsidiary BGS Enterprises Limited.
- Budgets, forecasts and cash flows which extend both twelve months beyond both the Balance Sheet date, 31 August 2021, and the date when these financial statements are signed off.
- The bank balance at the 31 August 2021, which remains strong and reflects the cost control during the period of the pandemic, the deferral of certain capital expenditure, and the cash collection of the autumn term 2021 fees which has been good.
- What expenditure is appropriate for the sustainable future of the School.
- Bristol Grammar School is in compliance with all its banking covenants.

The pupil numbers remain strong with a great deal of interest from prospective parents and pupils wishing to join the school. The Balance Sheet at 31 August 2021 is healthy and both cost control and cash collection have continued as a priority. The Governors, Headmaster and Key Management Team are continuing with their review of the School and business operations to ensure appropriate efficiencies. The Directors are therefore content that the financial statements have been drawn up on a going concern basis.

Bristol Grammar School (A company limited by guarantee)

DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2021

Investment Management

At the year end the School's Investments, combining securities, commercial and residential property, totalled £21,323,651 (2020: £18,864,053). Despite the exceptional circumstances of the pandemic, both the School's investment managers performed well in the challenging market conditions. The Gains due to market movements on the combined securities and property investments totalled £2,521,816 (2020: £838,749) and the Investment Income generated during the year was £521,223 (2020: £510,880).

The Directors' policy is to hold a balanced portfolio of investments which enhance the real value of the capital invested whilst also producing an appropriate level of income to maintain the School's commitment to provide assistance with fees for those pupils who would not otherwise be able to attend BGS and this remains a key goal for the School.

The School's investment portfolio has been split and is managed by Smith and Williamson Investment Management and Ruffer LLP in order to provide the School with balanced and complementary investment portfolios that hedge against economic and political volatility. This policy has been successful during the period of the pandemic.

The Governors receive and review investment summary reports from both Investment Managers regularly throughout the year and either meet with the Investment Managers or speak via a conference call to discuss the portfolios and review strategy at least three times a year.

Reserves Policy

The Governors' reserves policy is to produce sufficient cash surpluses of unrestricted funds each year, so that after the add back of depreciation, the School generates sufficient funds to maintain and develop the School's facilities, equipment and technology, to materially contribute to Bursary funding, to service any capital and interest payments on outstanding loans and to maintain a balance as a contingency.

External borrowing is used, as and when necessary, for any material capital projects after the formal approval of a business plan by the Governors. The Governors have prudently fixed the rate of interest on the current bank loan for its term whilst interest rates remain at a very low level.

The School's unrestricted funds are deployed as part of the School's buildings and equipment in tangible fixed assets. In the absence of free reserves (unrestricted funds not held in tangible fixed assets) the School's Governors ensure day to day working capital requirements are met by careful management of its short term liquid resources.

The Governors consider that liquidity of a term's working capital requirements would be desirable. Taking the School's termly unrestricted operational expenditure and after adding back the depreciation cost gives a target for liquidity of around £6m. The policy is, under normal economic conditions, to continue building up liquid reserves out of annual operating surpluses and unrestricted donations, subject to further necessary capital and planned maintenance expenditure and provision of appropriate bursary support for pupils.

Restricted and Endowment funds are held in cash, property and investments. Capital and income from restricted funds are almost entirely restricted to the funding of bursaries. Income from the Endowment funds is restricted to support bursary funding via the unrestricted fund.

Further detail on the level of reserves held is provided in relevant supporting notes to the Financial Statements. The balances are monitored closely by the Board and are in line with budgeted forecasts. At 31 August 2021 the reserves held by the School were unrestricted funds of £15,619,163, designated funds of £278,933, restricted funds of £1,899,618 and endowment funds of £19,587,966. Unrestricted funds include a tangible fixed asset fund of £17,265,833 (the total book value of unrestricted tangible fixed assets held at that date) plus a general unrestricted fund of £(1,645,890).

Bristol Grammar School (A company limited by guarantee)

DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2021

How the Board complies with its Section 172 Duty

Section 172 (1) of the Companies Act 2006 (Statement of Director's Duties to Stakeholders) requires directors to act in good faith to promote the success of the charity for the benefit of its members, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the charitable company's employees;
- the need to foster the charitable company's business relationships with suppliers, parents and others;
- the impact of the charitable company's operations on the community and the environment;
- the desirability of the charitable company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the charitable company.

As set out on page 12 within "Public Benefit" and on page 14 within "Community Involvement" the School has developed links with a wide range of individuals and organisations to ensure the widest possible access to the excellent education that the School delivers and, within the constraints of safeguarding, the use of its facilities by community groups and other users.

The Governors see the appointment of Director of Development and revised and new fundraising initiatives as an important strategic move in achieving the School's Mission: to provide an exceptional and rounded education to those who might benefit from it, regardless of their background and financial means.

The School is proud to be a founder member the Bristol Education Partnership which was set up in 2019 with the aim of broadening young people's experience of education, opening up new opportunities and overcoming disadvantage. It is a collaborative arrangement involving six state secondary schools, seven independent schools, St Brendan's Sixth Form College, University of Bristol, University of the West of England and Bristol City Council, working together to enrich education and improve outcomes for children and young people in the city.

Projects, events and activities are organised in partnership with a wide range of organisations from across Bristol, giving young people access to the best that our exciting and vibrant city has to offer. A number of teacher networks have been set up to enable collaboration across partner schools so that best practice can be shared.

The School community also undertakes a number other initiatives and volunteering to help with state infant, junior and senior schools in the area including teacher training.

In addition to the excellent online remote academic and support programmes the School ran during the periods of Government restrictions in the pandemic the School also offered onsite education to the families of key workers which were well attended.

Through membership of HMC, IAPS, AGBIS and ISBA and through networking with peer groups we ensure that we are able to attain the highest standards of quality and performance.

The Governors, Headmaster and KMP in addition to the extremely important focus on the wellbeing and mental health of the School's pupils and their families also treated the wellbeing of the teaching and support staff as an absolute priority. Whilst the School had invested wisely in technology, the delivery of remote learning brought additional pressures at a time many staff had concerns about their own families. The pressures continued with the very considerable additional work and support the teaching departments provided for the assessments for GCSE, A level and IB grade awards.

Details of how the School has engaged with employees and had regard to employee interests and employment consultation can be found within "Employee Engagement" on page 13. Communication with staff was increased throughout the pandemic to keep colleagues fully informed and to monitor wellbeing.

Bristol Grammar School (A company limited by guarantee)

DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2021

The Governors can demonstrate the promotion and success of the charity for the benefit of the stakeholders through the "Operational Performance of the School" included within this Strategic Report. The School has continued, despite all of the challenges of the pandemic, to deliver high quality academic education as well as pastoral and wellbeing support, throughout the period of the pandemic.

The Governors are responsible for strategic planning and policymaking for the School and, accordingly, all key decisions, the current performance and future longer-term plans of the charity and stakeholders are referred to and taken by the Board in consultation with the Headmaster. The School is governed by the governing body (Board) which delegates work to a number of committees. Membership of each committee is outlined on page 2. A number of additional online Board meetings were held during the pandemic to ensure all Governors were kept fully informed, with Government guidelines continually changing. There was also considerable input from key members of the Finance and General Purposes Governors Committee together with the Headmaster and Bursar in monitoring the School's finances and cash flow during the period.

Further information can be found in the "Operational Performance of the School" and "Financial Review and Results for the Year" within this Strategic Report.

Streamlined Energy and Carbon Reporting (SECR)

The School is pleased to report its UK greenhouse gas (GHG) emissions and energy usage data for the year 1 September 2020 to 31 August 2021 together with comparative figures.

	2021	2020
Energy consumption used to calculate emissions (kWh)	4,549,636	4,037,768
Scope 1: Emissions in metric tonnes CO ₂ e		
Gas consumption	595.56	504.32
Owned transport - mini-buses and vans	2.62	5.62
Total Scope 1	598.18	509.94
Scope 2: Emissions in metric tonnes CO ₂ e		
Purchased electricity	271.7	291.02
Scope 3: Emissions in metric tonnes CO ₂ e		
Fuel reimbursed for travel in employee owned vehicles	1.16	4.75
Total gross emission in metric tonnes CO ₂ e	871.04	805.72
Intensity Ratio: tonnes CO ₂ e per pupil based on Autumn roll	0.64	0.59

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard were followed to ensure the SECR requirements were met.

The energy data has been consistently collected from energy metering, supplier invoices, employee repayment claims and minibus and van vehicle usage records.

The energy data was converted to carbon emissions using the UK Government Conversion Factors for Company Reporting. The associated emissions are divided into the combustion of fuels and the operation of facilities (Scope 1), purchased electricity, heating and cooling (Scope 2) and in-direct emissions that occur as a consequence of School activities (Scope 3).

Throughout the period of the pandemic the use of energy has been particularly challenging as the Government COVID guidance stresses the importance of rooms being well ventilated but at the same time there is a requirement for heating to keep rooms at appropriate temperatures. There has also been a substantial rise in electricity prices during the year.

Bristol Grammar School (A company limited by guarantee)

DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2021

Measures taken to improve energy efficiency

- The School has installed smart meters across the majority of its premises.
- Professional advice is sought for any capital works or major refurbishment projects to ensure environment regulations are taken into consideration and appropriate sustainable materials are used.
- Within the constraint of the School's site and the age of the buildings, including the listed status of material parts of the site, careful environmental consideration is given for the replacement of items such as boilers and heating systems. Improved insulation is carried out where possible.
- The School has endeavoured to use LED lighting systems where possible and has undertaken a rolling programme of replacement across the School's estate.
- The great diversity of our School, and the provision of co-education for 4-18 year olds, means that children travel from all across the city to attend BGS and whilst we are very focused on minimising travel by car whenever that is possible (for example, last year we were awarded the Modeshift STARS Regional Schools Travel Award) it is inevitable that for some, given the difficulty of using public transport to traverse the city at a young age, there is no alternative.
- The School runs Eco Clubs both for the younger and senior pupils and also lessons are part of the curriculum to ensure all children in the school have a good knowledge of detrimental impacts on the environment.
- The School is reviewing information provided through the Bristol Education Partnership and Bristol City Council to assess whether more solar panels can be fitted on the various buildings making up the School's site.
- Staff have been encouraged to maximise their use of technology and remote training opportunities to reduce distances travelled.

Bristol Grammar School (A company limited by guarantee)

DIRECTORS' REPORT *(continued)*

for the year ended 31 August 2021

STATEMENT OF DIRECTORS RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year which 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 those financial statements, the Directors are required to:

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable Company and the Group and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on Public Benefit. The Directors have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing the School's aims and objectives and in planning the School's future activities. In particular, the Directors have considered how planned activities will contribute to the aims and objectives they have set.

Statement as to Disclosure of Information to the Auditor

The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Directors have confirmed that they have taken all of the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office and will be reappointed at the annual general meeting.

The Directors Report (and incorporated Strategic Report) was approved by the Board on 10 December 2021 and signed on its behalf by:



Romesh Vaitilingam
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRISTOL GRAMMAR SCHOOL (A COMPANY LIMITED BY GUARANTEE)

Opinion

We have audited the financial statements of Bristol Grammar School (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and School Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 parent charitable company's affairs as at 31 August 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRISTOL GRAMMAR SCHOOL (A COMPANY LIMITED BY GUARANTEE)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 20, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent 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 trustees either intend to liquidate the group or parent 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRISTOL GRAMMAR SCHOOL (A COMPANY LIMITED BY GUARANTEE)

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are The Education (Independent School Standards) Regulations 2014, Keeping Children Safe in Education under section 175 of the Education Act 2002, and the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and performing substantive test of details over a sample of donations and legacies.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BRISTOL GRAMMAR SCHOOL (A COMPANY LIMITED BY GUARANTEE)

Use of our report

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

Kerry Gallagher

KERRY GALLAGHER (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Hartwell House

55-61 Victoria Street

Bristol

BS1 6AD

Date 15 December 2021

Bristol Grammar School (A company limited by guarantee)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 August 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 £	2020 £
INCOME						
Donations and legacies	5	28,812	411,795	-	440,607	279,721
Charitable activities						
School fees	6	16,636,778	(326,635)	-	16,310,143	16,011,289
Other educational income	7	65,286	-	-	65,286	82,773
		16,702,064	(326,635)	-	16,375,429	16,094,062
Other Trading Activities						
Ancillary trading income		3,192	-	-	3,192	18,162
Rents and lettings		94,742	-	-	94,742	196,955
		97,934	-	-	97,934	215,117
Investment income	8	485,635	35,588	-	521,223	510,880
Other income	9	160,381	-	-	160,381	326,142
TOTAL INCOME		17,474,826	120,748	-	17,595,574	17,425,922
EXPENDITURE						
Cost of generating funds	10	327,309	-	97,874	425,183	429,800
Charitable activities	10	17,060,215	2,239	125,529	17,187,983	17,177,282
TOTAL EXPENDITURE	10	17,387,524	2,239	223,403	17,613,166	17,607,082
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS		87,302	118,509	(223,403)	(17,592)	(181,160)
Net gains on investments		75,487	182,960	1,862,902	2,121,349	845,239
NET INCOME (Losses)/gains on investment properties		162,789 (7,417)	301,469 -	1,639,499 407,884	2,103,757 400,467	664,079 (6,490)
NET MOVEMENT IN FUNDS		155,372	301,469	2,047,383	2,504,224	657,589
Fund balances brought forward		15,743,726	1,598,149	17,540,583	34,882,458	34,224,869
FUND BALANCES CARRIED FORWARD	21	15,899,098	1,899,618	19,587,966	37,386,682	34,882,458

The notes on pages 28 to 47 form part of these financial statements.
All of the Group's operations are classed as continuing.

Bristol Grammar School (A company limited by guarantee)

CONSOLIDATED AND SCHOOL BALANCE SHEETS

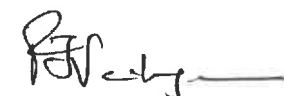
as at 31 August 2021

	Notes	Group		School	
		2021 £	2020 £	2021 £	2020 £
FIXED ASSETS					
Tangible assets	11	18,469,437	19,529,488	18,469,215	19,529,044
Investments	12	21,323,651	18,864,053	21,323,651	18,864,053
		<u>39,793,088</u>	<u>38,393,541</u>	<u>39,792,866</u>	<u>38,393,097</u>
CURRENT ASSETS					
Stock		618	805	-	-
Debtors	13	452,536	521,373	464,836	537,674
Cash at bank		5,144,312	4,609,164	5,075,928	4,563,992
		<u>5,597,466</u>	<u>5,131,342</u>	<u>5,540,764</u>	<u>5,101,666</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	<u>(4,204,713)</u>	<u>(4,365,241)</u>	<u>(4,148,791)</u>	<u>(4,336,123)</u>
NET CURRENT ASSETS		<u>1,392,753</u>	<u>766,101</u>	<u>1,391,973</u>	<u>765,543</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>41,185,841</u>	<u>39,159,642</u>	<u>41,184,839</u>	<u>39,158,640</u>
LONG TERM LIABILITIES					
Creditors payable after one year	15	<u>(3,799,159)</u>	<u>(4,277,184)</u>	<u>(3,799,159)</u>	<u>(4,277,184)</u>
NET ASSETS		<u>37,386,682</u>	<u>34,882,458</u>	<u>37,385,680</u>	<u>34,881,456</u>
CAPITAL FUNDS					
Endowments	18	19,587,966	17,540,583	19,587,966	17,540,583
INCOME FUNDS					
Restricted funds	19	1,899,618	1,598,149	1,899,618	1,598,149
Unrestricted funds	20	15,899,098	15,743,726	15,898,096	15,742,724
TOTAL FUNDS	22	<u>37,386,682</u>	<u>34,882,458</u>	<u>37,385,680</u>	<u>34,881,456</u>

The net income for the School for the year was £2,103,757 (2020: £664,079)

The notes on pages 28 to 47 form part of these financial statements.

Approved by the Directors and authorised for issue on 10 December 2021 and signed on their behalf by:



Romesh Vaitilingam
Director

Bristol Grammar School (A company limited by guarantee)
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 August 2021

	Notes	2021 £	2020 £
CASH INFLOW FROM OPERATING ACTIVITIES	23	605,990	609,837
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Investment income		521,223	510,880
Payments to acquire investments		(203,653)	(207,839)
Receipts from sales of investments		167,997	195,482
Payment to acquire tangible fixed assets		(115,997)	(309,504)
NET CASH ARISING FROM INVESTING ACTIVITIES		369,570	189,019
FINANCING ACTIVITIES			
Payments to repay bank loan		(364,017)	(226,631)
Interest paid		(76,395)	(83,198)
NET CASH USED IN FINANCING ACTIVITIES		(440,412)	(309,829)
INCREASE IN CASH		535,148	489,027
CASH AT BEGINNING OF YEAR		4,609,164	4,120,137
CASH AT END OF YEAR		5,144,312	4,609,164

ANALYSIS OF NET DEBT

	As at 1 Sept 20 £	Cash-flows £	Other non- cash changes £	As at 31 Aug 21 £
Cash at bank	4,609,164	535,148	-	5,144,312
	4,609,164	535,148	-	5,144,312
Bank Loan falling due within one year	(363,944)	(43,807)	-	(407,751)
Bank Loan falling due after more than one year	(2,508,699)	407,824	-	(2,100,875)
	(2,872,643)	364,017	-	(2,508,626)
Total net cash	1,736,521	899,165	-	2,635,686

Bristol Grammar School (A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (*continued*)

for the year ended 31 August 2021

1 GENERAL INFORMATION

Details of the School's incorporation and place of business are given in the Director's Report.
The group consists of Bristol Grammar School (including "linked charities") and BGS Enterprises Limited.

2 BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with Accounting and Reporting by Charities Recommended Practice applicable to charities preparing their accounts in accordance with FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS102') and the requirements of the Companies Act 2006, and under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value.

Going Concern

Due to the reintroduction of Government COVID – 19 restrictions for the majority of 2021 Spring term and a switch to remote learning for pupils a discount was granted from the fees for the term that matched the cost reduction during the period.

Pupil recruitment in 2020-21 was good with strong interest from families for the academic year 2021-22. Fees collection for the year has also been good. Emphasis on efficiencies and cost savings continues, whilst maintaining the priority of delivering a first –class education and pastoral support for all pupils.

Budgets for 2021-22 and 2022-23 including Income and Expenditure Accounts, Balance Sheets and projected Cash Flows have been drawn up prudently and sympathetically to the financial impact of COVID – 19 on many of the School's families. The Cash Flows contain a contingency amount as a buffer against any fall in pupil numbers or unforeseen expenditure and the School's Balance Sheet remains strong.

The bank balance at 31 August 2021 was strong and the cash position of the School continues in line with projections. The covenants on the Bank Loan were passed at 31 August 2021.

The Directors are therefore content that it is appropriate to produce the Financial Statements on a Going Concern Basis.

3 REDUCED DISCLOSURES

In accordance with FRS 102, the School has taken advantage of the exemption from the following disclosure requirements;

Section 7 'Statement of Cash Flows' – School only statement.

Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues'.

Section 33 'Related Party Disclosures' – key management personnel remuneration.

4 PRINCIPAL ACCOUNTING POLICIES

(a) Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided.

(b) Advance Fee Scheme

The School operates an Advance Fee Scheme for parents. Each arrangement is in respect of an agreed amount to be credited against future fee bills for an agreed number of terms. The unused balance of the advance is repayable upon request. Figures for advanced fee payments are detailed in note 16.

Bristol Grammar School (A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2021

4 **PRINCIPAL ACCOUNTING POLICIES** (continued)

(c) Acceptance deposits

Acceptance deposits are paid to the school to secure a place for the child at the School. Deposits held form part of the general funds of the School until the child leaves the School at which point they are credited without interest to the final payment of the fees or other sums due to the School.

Deposits are held as creditors on the balance sheet and are classified as owing within one year and over one year based on when they are expected to be credited against income.

(d) Donations and fund accounting

Income from donations and legacies are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Donations received for the general purposes of the School are included as unrestricted funds. Donations restricted by the wishes of the donor or the terms of an appeal are taken to restricted funds. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as endowments – permanent or expendable according to the nature of the restriction.

(e) Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

(f) Expenditure

Expenditure is accounted for on an accruals basis. Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year either by reference to staff time or space occupied, as appropriate. The irrecoverable element of VAT is included with the item of expense to which it relates.

Support costs comprise the costs of running the charity excluding costs directly related to education, including overheads and maintenance of buildings. It also includes external audit, legal advice, insurance and all the costs of complying with constitutional and statutory requirements, such as the costs of preparing statutory accounts and satisfying public accountability.

(g) Tangible fixed assets

Fixed assets are included in the financial statements at their original cost less depreciation.

New buildings, major improvements and extensions are capitalised at their original cost. Furniture and equipment acquired for new buildings, major improvements and extensions are capitalised at their original cost. Assets below £500 are not capitalised unless forming part of a larger capital project.

Depreciation is provided on freehold buildings, except for investment properties, so as to write off the cost less estimated residual value over the useful life. Depreciation periods range from 5 to 80 years. Land is not depreciated. The useful economic lives of each asset is regularly reviewed by the Bursar and Directors and adjusted where appropriate. Costs of repairs and maintenance are charged against revenue in the year in which they are incurred. Assets under construction are depreciated once they are brought into operational use.

Depreciation on other tangible fixed assets has been calculated so as to write off the cost of these assets over their estimated useful life as follows:

Fixtures, fittings and equipment	– 3 to 20 years
----------------------------------	-----------------

Bristol Grammar School (A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 August 2021

4 PRINCIPAL ACCOUNTING POLICIES (continued)

(h) **Investments and investment income**

Investment properties are initially measured at cost and subsequently measured at open market value as estimated by the Governors.

Fixed Asset Investments are included at their mid-market value at the balance sheet date. Any surplus or deficit on revaluation is taken to the Statement of Financial Activities (SOFA). Investment income is accounted for in the period in which the charity is entitled to receipt.

The School has elected to hold its investments in subsidiaries at cost less any impairment losses.

(i) **Finance and operating leases**

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred. Assets purchased under finance lease are capitalised as fixed assets. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charges. Finance charges are written-off to the SOFA over the period of the lease so as to produce a constant periodic rate of charge.

(j) **Financial Instruments**

The School has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the School becomes a party to the contractual provisions of the instrument, and are offset only when the School currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Debtors receivable within one year do not constitute a financing transaction. They are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Financial liabilities

Creditors, trade and other, payable within one year, that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

(k) **Pension schemes**

Retirement benefits to employees of the School are provided by the Teachers' Pension Scheme ('TPS') and The People's Pension.

The TPS is a defined benefit scheme, and the assets are held separately from those of the School. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 25, the TPS is a multi-employer scheme and the School is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

Bristol Grammar School (A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 August 2021

4 PRINCIPAL ACCOUNTING POLICIES (continued)

(k) Pension Schemes (continued)

The School provides retirement benefits for support staff with The People's Pension. It is a defined contribution Master Trust multi-employer Scheme.

For the defined contribution schemes the amount charged to the SOFA in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either other creditors or prepayments in the balance sheet.

(l) Basis of consolidation

These financial statements consolidate the results of the School and its subsidiary BGS Enterprises Limited on a line by line basis using acquisition accounting. The School has taken exemption from presenting its unconsolidated profit and loss account under section 408 of Companies Act 2006. The School's own income for the year was £17,531,793 (2020: £17,282,865) and net income for the year was £2,103,757 (2020: £664,079 surplus).

These financial statements also include the assets, liabilities and results of the Bristol Grammar School Trust, a registered charity which holds permanently endowed assets on behalf of the School. Under a Charity Commission Scheme dated 31 August 2004, the Company is also the Trustee of another separate charity called Bristol Grammar School Scholarship, Bursary and Prize Fund which holds permanently endowed funds received for scholarships, bursaries and prizes.

On 12 August 2005, the Charity Commission made a Uniting Direction under section S.96(5) of the Charities Act 1993, directing that these charities ("the linked charities") should be treated as forming part of the charity called Bristol Grammar School for the purposes of Part II (registration) and Part VI (accounting) of the Charities Act 1993. The main effect of the Uniting Direction is that the linked charities are aggregated into the Statement of Financial Activities and the Balance Sheet of the Company. They remain, however, legally distinct charities, the funds of which are to be applied solely in accordance with their respective trusts.

BGS Enterprises Limited hires the facilities of the Sports Hall, 3G Pitch, Great Hall and Performing Arts Centre for community use and other room lettings. BGS Enterprises Limited is controlled by the School as it is the sole shareholder.

The results of BGS Enterprises Limited (company number 2630377) were as follows:-

	2021	2020
	£	£
Turnover	94,748	197,157
Expenditure	(91,985)	(192,871)
	<hr/>	<hr/>
Profit for the year	2,763	4,286
	<hr/>	<hr/>
	2021	2020
	£	£
Fixed Assets	222	444
Stock, debtors and cash at bank	91,600	52,125
Creditors	(90,820)	(51,567)
	<hr/>	<hr/>
Net assets	1,002	1,002
	<hr/>	<hr/>

Bristol Grammar School (A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (*continued*)

for the year ended 31 August 2021

4 PRINCIPAL ACCOUNTING POLICIES (*continued*)

(m) Critical Accounting Estimates and Judgements

The Group makes estimates and assumptions based on historical experience and what is reasonable under the circumstances regarding the expectation of future events. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Examples of accounting estimates include assessing the useful economic lives of land and buildings and other assets taking into consideration all matters which may affect this and the provision for doubtful debts. The Directors estimate the market value of investment property using appropriate assumptions and an assessment of the local market for similar property.

Investment property valuation

The outbreak of COVID-19, declared by the World Health Organisation as a “Global Pandemic” on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity (retail and offices) and liquidity whilst others most notably the industrial and logistics sectors have experienced unprecedented activity and investment demand. Hybrid working will undoubtedly continue to impact on markets as an element of normality returns although the risk of further outbreaks cannot be ignored.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. As at the valuation date the property markets have started to function again, but with transaction volumes still relatively low, there is limited market evidence upon which to base opinions of value and a continuing level of inertia in both occupational and investment real estate decision making. Accordingly, and for the avoidance of doubt, the valuation should still be viewed with caution although no longer reported as being subject to ‘material valuation uncertainty’ as defined by VPS 3 and VPGA 10 of the RICS Valuation- Global Standards.

This Explanatory Note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the further control of COVID-19 we highlight the importance of the valuation date.

5 DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total £	2020 Total £
Donations	18,802	411,795	-	430,597	248,721
Legacies	10,010	-	-	10,010	31,000
	<u>28,812</u>	<u>411,795</u>	<u>-</u>	<u>440,607</u>	<u>279,721</u>

Bristol Grammar School (A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2021

6 SCHOOL FEES RECEIVABLE

	2021 £	2020 £
Fees receivable	18,702,877	18,782,006
COVID-19 discount	(523,439)	(1,104,811)
	<u>18,179,438</u>	<u>17,677,195</u>
Less: Scholarships	(363,712)	(338,793)
School assisted places – bursary funding	(973,789)	(801,503)
Staff fee discounts	(314,528)	(302,883)
Sibling discounts	(217,266)	(222,727)
	<u>(1,869,295)</u>	<u>(1,665,906)</u>
	<u>16,310,143</u>	<u>16,011,289</u>

Scholarships are awarded on merit and assisted places are assessed by reference to parents' income amongst other criteria.

7 OTHER EDUCATIONAL INCOME

	2021 £	2020 £
Sundry income	35,549	41,236
Catering income	29,737	41,537
	<u>65,286</u>	<u>82,773</u>

8 INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Endowment rental income	312,339	-	312,339	282,935
Endowment investment income	165,611	19,395	185,006	190,205
Other Funds Investment Income	6,900	16,193	23,093	37,497
Endowment interest	785	-	785	243
	<u>485,635</u>	<u>35,588</u>	<u>521,223</u>	<u>510,880</u>

Bristol Grammar School (A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2021

9 OTHER INCOME

	2021 £	2020 £
Government grant income – COVID-19 furlough scheme	160,381	326,142

10 ANALYSIS OF EXPENDITURE

	Staff Costs	Depreciation	Other	Total 2021	Total 2020
	£	£	£	£	£
Costs of generating funds					
Fundraising costs	115,133	-	22,152	137,285	63,463
Fundraising – trading	49,076	-	14,708	63,784	143,058
Finance costs	-	-	126,240	126,240	138,764
Investment management	-	-	97,874	97,874	84,515
	164,209	-	260,974	425,183	429,800
Charitable activities					
Teaching	10,437,327	-	654,181	11,091,508	11,102,979
Welfare	465,566	-	286,214	751,780	722,882
Premises	544,062	1,168,067	1,793,275	3,505,404	3,400,531
Support costs of schooling	1,170,799	-	668,492	1,839,291	1,950,890
	12,617,754	1,168,067	3,402,162	17,187,983	17,177,282
Total expenditure	12,781,963	1,168,067	3,663,136	17,613,166	17,607,082

Support costs of schooling comprise:

	2021 £	2020 £
Governance costs	193,602	186,888
ICT costs	332,624	413,263
Marketing and admissions	254,299	265,475
Admin, finance and PAC salaries	971,245	912,615
Stationery, postage and telephone	33,850	38,317
Other	53,671	134,332
	1,839,291	1,950,890

Bristol Grammar School (A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 August 2021

10	ANALYSIS OF EXPENDITURE (continued)	2021	2020
		£	£
	Staff costs comprise:		
	Wages and salaries	9,966,748	9,723,429
	Social security costs	992,593	964,465
	Pension costs	1,822,622	1,755,974
		<u>12,781,963</u>	<u>12,443,868</u>
	Included above are staff costs relating to the subsidiary of £49,076 (2020 £95,691)		
		2021	2020
	Aggregate employee-benefits of key management personnel	930,071	934,251
		<u></u>	<u></u>
		2021	2020
	Staff with emoluments in the range:		
	£60,001 to £70,000	4	5
	£70,001 to £80,000	4	3
	£80,001 to £90,000	1	2
	£140,001 to £150,000	1	1
	£150,001 to £160,000	1	1
		<u></u>	<u></u>
	The average number of staff employed during the year:		
	Teaching	201	198
	Premises	18	19
	Support	47	47
	Welfare	34	35
		<u>300</u>	<u>299</u>
	Included in the number of support staff is one employee of the subsidiary.		
	The Governors did not receive any remuneration from the School during the period (2020: nil).		
	No Governors claimed travel expenses during the year (2020: £472 for two Governors).		
	Administration costs include:	2021	2020
		£	£
	Auditor's remuneration		
	- for the audit of the financial statements	21,060	20,400
	- for the audit of the subsidiary financial statements	5,250	4,950
	- for tax compliance and advisory	7,380	4,510
	Operating lease costs: other	185,756	315,514
	Financing costs comprise:		
	Bank interest and other charges	80,420	87,490
	Fee deposit discount	45,821	51,274
		<u>126,241</u>	<u>138,764</u>

Bristol Grammar School (A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 August 2021

11 TANGIBLE FIXED ASSETS

GROUP	Assets in the Course of Construction £	Freehold Land and Buildings £	Fixtures and Fittings £	Equipment £	Total £
COST					
At 1 September 2020	-	29,510,754	1,892,124	2,493,979	33,896,857
Additions	-	4,200	97,635	32,626	134,461
Disposals	-	-	(26,445)	(42,216)	(68,661)
At 31 August 2021		29,514,954	1,963,314	2,484,389	33,962,657
DEPRECIATION					
At 1 September 2020	-	11,931,036	1,220,873	1,215,460	14,367,369
Charge for the year	-	770,410	171,990	225,667	1,168,067
Disposals	-	-	-	(42,216)	(42,216)
At 31 August 2021		12,701,446	1,392,863	1,398,911	15,493,220
NET BOOK VALUE					
At 31 August 2021	-	16,813,508	570,451	1,085,478	18,469,437
At 1 September 2020	-	17,579,718	671,251	1,278,519	19,529,488
SCHOOL ONLY					
	Assets in the Course of Construction £	Freehold Land and Buildings £	Fixtures and Fittings £	Equipment £	Total £
COST					
At 1 September 2020	-	29,510,754	1,891,014	2,493,979	33,895,747
Additions	-	4,200	97,635	32,626	134,461
Disposals	-	-	(26,445)	(42,216)	(68,661)
At 31 August 2021	-	29,514,954	1,962,204	2,484,389	33,961,547
DEPRECIATION					
At 1 September 2020	-	11,931,036	1,220,207	1,215,460	14,366,703
Charge for the year	-	770,410	171,768	225,667	1,167,845
Disposals	-	-	-	(42,216)	(42,216)
At 31 August 2021	-	12,701,446	1,391,975	1,398,911	15,492,332
NET BOOK VALUE					
At 31 August 2021	-	16,813,508	570,229	1,085,478	18,469,215
At 1 September 2020	-	17,579,718	670,807	1,278,519	19,529,044

Bristol Grammar School (A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2021

12 FIXED ASSET INVESTMENTS

	Investment Properties £	Investments £	Total £
GROUP AND SCHOOL			
Market value at 1 September 2020	4,753,219	14,110,834	18,864,053
Additions (including reinvested investment income)	-	203,653	203,653
Disposals	-	(167,997)	(167,997)
Management fee	-	(97,874)	(97,874)
Movement on revaluation	400,467	2,121,349	2,521,816
Market value at 31 August 2021	5,153,686	16,169,965	21,323,651
Historical cost	2,741,707	6,435,782	9,177,489

The investment properties were valued on an open market basis in September 2021 by two Governors, who are members of the Royal Institute of Chartered Surveyors.

Investments comprise:

	2021 £	2020 £
Equities and unit trusts	14,873,469	12,855,518
The Charities Property Pooled Fund	816,583	794,349
Cash held for reinvestment	479,913	460,967
	16,169,965	14,110,834

Investments include a 100% holding in BGS Enterprises Ltd, see page 31.

13 DEBTORS

	Group		School	
	2021 £	2020 £	2021 £	2020 £
Due within one year:				
Fees	68,618	57,243	68,618	57,243
Other debtors	268,739	329,755	246,141	323,608
Amounts owed by group undertakings	-	-	34,898	22,448
	337,357	386,998	349,657	403,299
Due after one year:				
Fee deposit discount	101,793	116,789	101,793	116,789
Other debtors	13,386	17,586	13,386	17,586
	115,179	134,375	115,179	134,375
Total debtors	452,536	521,373	464,836	537,674

Bristol Grammar School (A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2021

14	CREDITORS	2021	Group	2020	2021	School	2020
		£		£	£		£
	Amounts falling due within one year:						
	Tax and social security	274,278		251,413	264,903		250,754
	Pension	224,183		215,629	224,183		215,629
	Trade creditors	233,832		156,745	233,832		156,146
	Sundry creditors and accruals	503,072		775,675	456,525		747,815
	Fees in advance	2,516,597		2,557,585	2,516,597		2,557,585
	Deposits	45,000		44,250	45,000		44,250
	Bank loan	407,751		363,944	407,751		363,944
		<u>4,204,713</u>		<u>4,365,241</u>	<u>4,148,791</u>		<u>4,336,123</u>

15	CREDITORS	2021	Group	2020	2021	School	2020
		£		£	£		£
	Amounts falling due after one year:						
	Fees in advance	1,391,376		1,383,285	1,391,376		1,383,285
	Deposits	306,908		385,200	306,908		385,200
	Bank loan	2,100,875		2,508,699	2,100,875		2,508,699
		<u>3,799,159</u>		<u>4,277,184</u>	<u>3,799,159</u>		<u>4,277,184</u>

Bank Loan repayments are due:

Within 1 to 2 years	419,399	407,751	419,399	407,751
Within 3 to 5 years	1,330,755	1,293,788	1,330,755	1,293,788
Over 5 years	350,721	807,160	350,721	807,160

The interest rate charged on the Bank Loan is fixed at 2.82%. The remaining balance is repayable over 5 years and 9 months.

HSBC Bank plc hold a First Legal Mortgage over the following freehold properties as security for their loan to the School: Numbers 1, 3, 4, 5, 7, 8 and 9 Elton Road, Clifton, Bristol, 8 Elmdale Road, Clifton, Bristol and Units 7-10 Eagles Wood Business Park, Bradley Stoke, Bristol.

16 ADVANCE FEE PAYMENTS

Advance fee payments included within creditors comprise amounts due:	2021	2020
	£	£
Within 2 to 5 years	818,404	769,432
Within 1 to 2 years	572,972	613,853
	<u>1,391,376</u>	<u>1,383,285</u>
Within 1 year	1,036,777	1,113,600
	<u>2,428,153</u>	<u>2,496,885</u>

Bristol Grammar School (A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2021

16 ADVANCE FEE PAYMENTS (continued)

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

	2021 £	2020 £
Balance as at 1 September 2020	2,496,885	2,293,040
New contracts	1,337,515	1,797,553
Amounts accrued to contracts	30,827	50,382
	<hr/>	<hr/>
Amounts utilised in payment of fees	3,865,227 (1,437,074)	4,140,975 (1,644,090)
	<hr/>	<hr/>
Balance at 31 August 2021	2,428,153	2,496,885
	<hr/>	<hr/>

17 FINANCIAL INSTRUMENTS

	2021 £	2020 £
Financial assets:		
Instruments measured at fair value through net income	16,169,965	14,110,833
	<hr/>	<hr/>

18 ENDOWMENTS

	Permanent Endowment Fund	
	2021 £	2020 £
GROUP AND SCHOOL		
Balance at 1 September 2020	17,540,583	17,011,255
Movement in funds		
Expenditure	(223,403)	(210,044)
Unrealised gains	2,270,786	739,372
	<hr/>	<hr/>
Balance at 31 August 2021	19,587,966	17,540,583
	<hr/>	<hr/>

The School's Permanent Endowed funds are held in a balanced portfolio of investments with the objective to enhance the real value of the capital invested whilst also producing an appropriate level of income to maintain the School's commitment to provide assistance with fees for those pupils who would not otherwise be able to attend BGS.

Bristol Grammar School (A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2021

19 RESTRICTED FUNDS

GROUP AND SCHOOL

The funds brought forward comprise the unexpended balances of donations and grants held on trusts to be applied for specific purposes.

	Balance as at 1 Sep 20	Fees Assistance	Donation Income	Expenditure	Investment Income and Gains	Balance as at 31 Aug 21
Bursaries	953,404	(216,078)	328,960	-	91,024	1,157,310
Mr Winzer Bursary	375,043	(26,090)	-	-	78,943	427,896
Buildings	5,028	-	930	-	-	5,958
Capital Campaign	13,855	-	3,599	-	-	17,454
John James Foundation	-	(30,000)	31,500	(1,500)	-	-
Pople Charitable Trust	17,494	(54,467)	45,000	-	2,571	10,598
David Higson	30,000	-	-	-	-	30,000
Other Funds	203,325	-	1,806	(739)	46,010	250,402
	<u>1,598,149</u>	<u>(326,635)</u>	<u>411,795</u>	<u>(2,239)</u>	<u>218,548</u>	<u>1,899,618</u>
	Balance as at 1 Sep 19	Fees Assistance	Donation Income	Expenditure	Investment Income and Gains	Balance as at 31 Aug 20
Bursaries	926,176	(198,979)	152,407	-	73,800	953,404
Mr Winzer Bursary	376,016	(27,157)	-	-	26,184	375,043
Buildings	4,061	-	967	-	-	5,028
Capital Campaign	9,833	-	4,022	-	-	13,855
John James Foundation	-	(30,000)	30,000	-	-	-
Pople Charitable Trust	41,154	(71,681)	45,000	-	3,021	17,494
David Higson	-	-	30,000	-	-	30,000
Other Funds	193,880	(10,900)	2,057	(1,482)	19,770	203,325
	<u>1,551,120</u>	<u>(338,717)</u>	<u>264,453</u>	<u>(1,482)</u>	<u>122,775</u>	<u>1,598,149</u>

Bursaries represents funds received from fundraising restricted to providing bursaries and includes The Michael Booker Memorial Bursary Scheme.

Mr Winzer, an Old Bristolian, gifted a share of his estate to be used for pupil fees assistance.

The John James Foundation represents specific funds received for bursaries and awards to pupils and £1,500 towards prizes. The Pople Charitable Trust provides a donation specifically for bursary support for three pupils for one year.

The School received a bequest of £30,000 during the previous year from David Higson to be used to support Drama within the school.

Regular donations are received towards Buildings and Capital Campaign Funds to be spent on the School's future capital projects.

Other Funds represent various scholarship and prize funds.

Bristol Grammar School (A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2021

20 UNRESTRICTED FUNDS

GROUP	Balance as at 1 Sep 20	Income	Expenditure	Investment Gains	Balance as at 31 Aug 21
Designated Funds					
Bresland Bequest	225,789	6,704	-	-	232,493
Headmasters Fund	31,597	18,129	(3,286)	-	46,440
	<u>257,386</u>	<u>24,833</u>	<u>(3,286)</u>	<u>-</u>	<u>278,933</u>
General Fund	(2,714,237)	17,499,993	(16,449,716)	68,070	(1,645,890)
Tangible Fixed Assets Fund	18,200,577	-	(934,522)	-	17,266,055
	<u>15,743,726</u>	<u>17,474,826</u>	<u>(17,387,524)</u>	<u>68,070</u>	<u>15,899,098</u>
SCHOOL	Balance as at 1 Sep 20	Income	Expenditure	Investment Gains	Balance as at 31 Aug 21
Designated Funds					
Bresland Bequest	225,789	6,704	-	-	232,493
Headmasters Fund	31,597	18,129	(3,286)	-	46,440
	<u>257,386</u>	<u>24,833</u>	<u>(3,286)</u>	<u>-</u>	<u>278,933</u>
General Fund	(2,714,795)	17,386,211	(16,376,156)	68,070	(1,646,670)
Tangible Fixed Assets Fund	18,200,133	-	(934,300)	-	17,265,833
	<u>15,742,724</u>	<u>17,411,044</u>	<u>(17,323,742)</u>	<u>68,070</u>	<u>15,898,096</u>

Unrestricted funds includes £278,933 of designated funds, £232,493 of which is invested and the interest used to fund Bursaries. £46,440 is the Headmaster's Fund which is used to support pupils at the discretion of the Headmaster.

The Tangible Fixed Assets Fund represents the book value of all tangible fixed assets and is the value of what has been spent to acquire fixed assets and the depreciation of those assets less any disposals.

Bristol Grammar School (A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2021

20 UNRESTRICTED FUNDS (continued)

GROUP	Balance as at 1 Sep 19	Income	Expenditure	Investment Gains	Balance as at 31 Aug 20
Designated Funds					
Bresland Bequest	217,912	7,877	-	-	225,789
Headmasters Fund	22,647	14,443	(5,493)	-	31,597
	<u>240,559</u>	<u>22,320</u>	<u>(5,493)</u>	<u>-</u>	<u>257,386</u>
General Fund	(3,729,987)	17,439,401	(16,438,718)	15,067	(2,714,237)
Tangible Fixed Assets Fund	19,151,922	-	(951,345)	-	18,200,577
	<u>15,662,494</u>	<u>17,461,721</u>	<u>(17,395,556)</u>	<u>15,067</u>	<u>15,743,726</u>
SCHOOL	Balance as at 1 Sep 19	Income	Expenditure	Investment Gains	Balance as at 31 Aug 20
Designated Funds					
Bresland Bequest	217,912	7,877	-	-	225,789
Headmasters Fund	22,647	14,443	(5,493)	-	31,597
	<u>240,559</u>	<u>22,320</u>	<u>(5,493)</u>	<u>-</u>	<u>257,386</u>
General Fund	(3,730,323)	17,296,344	(16,295,883)	15,067	(2,714,795)
Tangible Fixed Assets Fund	19,151,256	-	(951,123)	-	18,200,133
	<u>15,661,492</u>	<u>17,318,664</u>	<u>(17,252,499)</u>	<u>15,067</u>	<u>15,742,724</u>

Bristol Grammar School (A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2021

21 ANALYSIS OF PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES BY FUND

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 £
INCOME					
Donations and legacies	5	15,268	264,453	-	279,721
Charitable activities					
School fees	6	16,350,006	(338,717)	-	16,011,289
Other educational income	7	82,773	-	-	82,773
		16,432,779	(338,717)	-	16,094,062
Other Trading Activities					
Ancillary trading income		18,162	-	-	18,162
Rents and lettings		196,955	-	-	196,955
		215,117	-	-	215,117
Investment income	8	472,415	38,465	-	510,880
Other income	9	326,142	-	-	326,142
TOTAL INCOME		17,461,721	(35,799)	-	17,425,922
EXPENDITURE					
Cost of generating funds	10	345,285	-	84,515	429,800
Charitable activities	10	17,050,271	1,482	125,529	17,177,282
TOTAL EXPENDITURE	10	17,395,556	1,482	210,044	17,607,082
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS		66,165	(37,281)	(210,044)	(181,160)
Net gain on investments		15,067	84,310	745,862	845,239
NET INCOME (Losses)/Gain on investment properties		81,232	47,029	535,818 (6,490)	664,079 (6,490)
NET MOVEMENT IN FUNDS		81,232	47,029	529,328	657,589
Fund balances brought forward		15,662,494	1,551,120	17,011,255	34,224,869
FUND BALANCES CARRIED FORWARD		15,743,726	1,598,149	17,540,583	34,882,458

Bristol Grammar School (A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 August 2021

22 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Fund balances at 31 August 2021 are represented by:				
GROUP				
Tangible fixed assets	17,266,055	-	1,203,382	18,469,437
Fixed asset investments	1,561,113	1,382,554	18,379,984	21,323,651
Current assets	5,075,802	517,064	4,600	5,597,466
Current liabilities	(4,204,713)	-	-	(4,204,713)
Non-current liabilities	(3,799,159)	-	-	(3,799,159)
Total net assets	15,899,098	1,899,618	19,587,966	37,386,682
SCHOOL				
Tangible fixed assets	17,265,833	-	1,203,382	18,469,215
Fixed asset investments	1,561,113	1,382,554	18,379,984	21,323,651
Current assets	5,019,100	517,064	4,600	5,540,764
Current liabilities	(4,148,791)	-	-	(4,148,791)
Non-current liabilities	(3,799,159)	-	-	(3,799,159)
Total net assets	15,898,096	1,899,618	19,587,966	37,385,680
Fund balances at 31 August 2020 are represented by:				
GROUP				
Tangible fixed assets	18,200,577	-	1,328,911	19,529,488
Fixed asset investments	1,473,581	1,183,402	16,207,070	18,864,053
Current assets	4,711,993	414,747	4,602	5,131,342
Current liabilities	(4,365,241)	-	-	(4,365,241)
Non-current liabilities	(4,277,184)	-	-	(4,277,184)
Total net assets	15,743,726	1,598,149	17,540,583	34,882,458
SCHOOL				
Tangible fixed assets	18,200,133	-	1,328,911	19,529,044
Fixed asset investments	1,473,581	1,183,402	16,207,070	18,864,053
Current assets	4,682,317	414,747	4,602	5,101,666
Current liabilities	(4,336,123)	-	-	(4,336,123)
Non-current liabilities	(4,277,184)	-	-	(4,277,184)
Total net assets	15,742,724	1,598,149	17,540,583	34,881,456

Bristol Grammar School (A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2021

22 ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

Endowment funds include £4,308,139 (2020: £3,900,255) of endowment property, included within fixed assets investments, held by Bristol Grammar School Trust a linked charity and £1,351,877 (2020: £1,142,337) of scholarship, bursary and prize funds held by Bristol Grammar School Scholarship, Bursary and Prize Fund, a linked charity.

Included within funds are cumulative unrealised gains of £12,146,000 (2020: £10,555,846) arising on the revaluation of fixed asset investments.

23 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net deficit before investment gains and losses	(17,592)	(181,160)
Depreciation and asset write off	1,194,512	1,290,311
Decrease in debtors	68,837	118,844
Decrease in creditors	(293,000)	(274,762)
Decrease/(increase)/ in stock	187	(228)
Investment management fees	97,874	84,515
Add - interest paid	76,395	83,197
Less - investment and net interest income	(521,223)	(510,880)
Net cash inflow from operating activities	605,990	609,837

24 CAPITAL COMMITMENTS

The School had no capital commitments as at 31 August 2021.

As a planning condition of the new build Performing Arts Centre, Bristol City Council required the School to commission a piece of public art with a budget of £45,000 including VAT. Contractual agreements have been made with a Curator and an Artist for this amount less £26,445 which has already been spent at 31 August 2021.

25 OPERATING LEASES

The Group is committed to making the following minimum payments under non-cancellable operating leases as follows:-

	Plant & Machinery	
	2021 £	2020 £
Lease payments due:		
Within 1 year	185,895	191,910
In 2 to 5 years	135,475	260,769

26 RELATED PARTY TRANSACTIONS

Subsidiary company

During the year the School invoiced the subsidiary BGS Enterprises Ltd costs of £77,412 (2020: £162,619); the intercompany balance at the year end was £34,898 (2020: £22,448). Gift Aid paid by BGS Enterprises Ltd to the School was £2,763 (2020: £4,286).

27 PENSION COMMITMENTS

Teachers' Pension 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 £1,653,724 (2020: £1,615,154) and at the year-end £139,048 (2020: £133,602) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Scheme 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 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 on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a 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.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism revision 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.

Bristol Grammar School (A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2021

27 PENSION COMMITMENTS (continued)

Defined contribution schemes

The School contributes to a defined contribution scheme for non-teaching staff, as detailed in Note 1(k).

Total employer contributions to The People's Pension for the year amounted to £217,710 (2020: £192,078).
At the year-end contributions outstanding totalled £18,128 (2020: £15,011).

The Pensions Trust Growth Plan – Scottish Voluntary Sector Pension Scheme

The School is making pension recovery plan payments to the Scottish Voluntary Sector Pension Defined Benefit Scheme via Bristol Charities. This is in relation to the membership of a former employee of the School who was first employed in the period when Bristol Charities managed the administration of the School and prior to the incorporation of Bristol Grammar School on 1 June 2004. The recovery period is scheduled to run until 30 September 2026 with an increase of 3% per annum on 1 April. Total payments made during the year were £1,973 (2020:£1,915).

