

WOLVERHAMPTON GRAMMAR SCHOOL LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**



WOLVERHAMPTON GRAMMAR SCHOOL LIMITED
(A company limited by guarantee)

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WOLVERHAMPTON GRAMMAR SCHOOL LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2020**

Directors

Mr N C Berriman^{2,3}
Mr C I Bill, Chairman of Finance and General Purposes Committee^{2,4}
Mrs E Bloch (appointed 9 April 2020)¹
Mrs S H L Cawdell, Chairman of Education Committee¹
Ms E Forde (appointed 28 September 2020)
Dr M Gowan Gopal¹
Mr R Grainger (resigned 18 October 2019)¹
Mr J Harper²
Mr P A Hawthorne^{1,4}
Professor K B Madelin, Chairman of Estates Committee (resigned 30 December 2019)^{2,3}
Mr Y J Malik^{1,3}
Mr J Patel²
Mr J Sage, Chairman

¹ Members of The Education Committee

² Members of The Finance and General Purposes Committee

³ Members of The Estates Committee

⁴ Members of The Remuneration Committee

**Company registered
number**

6610261

**Charity registered
number**

1125268

Registered office

Compton Road
Wolverhampton
WV3 9RB

WOLVERHAMPTON GRAMMAR SCHOOL LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS DIRECTORS AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Company secretary Mrs P C Rudge (resigned 31 August 2020)
 Mrs S Hemmings (appointed 1 September 2020)

The Head Mrs K Crewe- Read (resigned 31 August 2020)
 Mr A Frazer (appointed 1 September 2020)

Independent auditors WR Partners
 Chartered Accountants
 Belmont House
 Shrewsbury Business Park
 Shrewsbury
 Shropshire
 SY2 6LG

Bankers Allied Irish Bank (GB)
 61 Temple Row
 Birmingham
 B2 5LT

Solicitors FBC Manby Bowdler LLP
 6 - 10 George Street
 Snow Hill
 Wolverhampton
 WV2 4DN

Investment Managers M & G Securities Limited
 Laurence Pountney Hill
 London
 EC4R 0HH

 Smith & Williamson
 3rd Floor, 9 Colmore Row
 Birmingham, B3 2BJ

 CCLA Investment Management Limited
 80 Cheapside, London
 EC2 6DZ

WOLVERHAMPTON GRAMMAR SCHOOL LIMITED
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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

The Directors, who are also Trustees, present their annual report together with the audited financial statements of the Company for the 1 September 2019 to 31 August 2020. The Annual report serves the purposes of both a Directors' report and a directors' report under company law. The Directors confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

a. Policies and objectives

The objects of the charity are "the provision and conduct in or near Wolverhampton of a day school for boys and girls", thereby providing the advancement of education within the meaning of English law.

The Wolverhampton Grammar School's (the 'School') mission is to deliver education that transforms lives as well as minds. We do this by providing an education as individual as every child within an environment like no other. Our staff help us fulfil our mission as a School by working with students to ensure their curriculum is right for them. We can do this because of small class sizes, flexibility within our academic structures and an all embracing range of extra curricular activities. We all play a part in equipping students to develop a love of learning.

Our School community inspires openness, trust and mutual respect. We know that a challenging education requires a supportive, caring environment as well as a blend of skills and a mind set that embraces diversity and difference.

For us, education is not just about academic achievement, it's about helping our students to know they can make a difference during their time at School and after they leave us. All our students are treated warmly as individuals and their opinions are valued – this is because we know that our School thrives on the relationship between our students, their parents and our staff and the active role that we all play.

Objectives for the Year

The School's objectives for the year were to deliver against the third year of the new School's 2017/2022 Strategic Plan, whilst remaining true to the School's mission as stated above.

Primarily the objectives included:

- Improving the quality of teaching and learning;
- Embedding a new digital strategy to support and enhance each student's educational experience as well as preparing them for the future;
- Making improvements to the pastoral system to further develop the community of the School;
- Encouraging a clubs for all culture;
- Continuing with the planning application process to create Infant facility on the school site
- Embarking on a science laboratory refurbishment scheme;
- Finalising restructure plans for the governance of the organisation; and
- Raising further funds to enable a greater number of bursaries to be granted.

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

Objectives and activities (continued)

b. Strategies for achieving objectives

The School is now part way through its second five year Strategic Plan which is split down into eight key areas: Intellectual Challenge; Pastoral Care and Spiritual Growth; Co Curricular Breadth; Purposeful Staff Development; Effective Marketing and Communications; Secure School Finances; Well Maintained Estates, Facilities and Infrastructure; and Effective Governance.

The Strategic Plan is reviewed and updated annually leading to the production of annual whole School Development Plans detailing the annual School objectives for the year concerned. Departmental and individual objectives are linked through to the whole School Development Plan allowing a co-ordinated and well communicated approach to achieving objectives. All Development Plans are reviewed at the end of each year before the Strategic Plan is reviewed and updated. This review and objective setting process involves staff, the senior management team and the Directors.

c. Activities undertaken to achieve objectives

Wolverhampton Grammar School (WGS) provides education to boys and girls from the ages of 7 to 18 in the Junior School and the Senior School. Whilst maintaining high academic standards, the School also provides specialist support for students with special educational needs through its Opportunities for Assisted Learning Scheme (OpAL).

578 students aged 11 – 18 were on roll as of September 2019 in the Senior School (September 2018: 570) and 175 students aged 7 – 11 in the Junior School (September 2018: 172). The School continues to attract strong interest from the Wolverhampton area as well as from Staffordshire, Shropshire, Walsall and Birmingham.

Public examinations were replaced by Centre Assessment Grades, as required by OFQUAL in the context of the COVID-19 pandemic. A rigorous and fair process was conducted by the School to determine the Centre Assessment Grades for each student in each subject, and there was an extremely high degree of confidence expressed by students and parents when the results were published in August. At GCSE the 2019/20 cohort achieved a 93% pass rate at grades 9 to 4 with 64% passes at grades 9 to 7. The students averaged over 9 passes each. At A Level there was a 100% pass rate, an 84% pass rate at A*/B (65% in 2017/18) and 55% at grade A*/A, reflecting the particularly high average ability of a cohort which contained an unusually large number of full-fees bursary recipients, the Directors having made additional awards to celebrate the School's quinqucentenary in 2012. 79% of our students achieved a place at a university of their choice. The School continues to offer the EPQ qualification which is popular with students and is regarded highly by universities.

In the Spring term, the School (Senior and Junior) underwent a routine ISI inspection of Regulatory Compliance. The School received a flawless report with all regulatory requirements met in full.

The Junior School, opened in 2011, continues to flourish and was at its largest in terms of pupil numbers during the year. Links with the Senior School are enhanced by sharing facilities and in some cases, teachers (Sciences for example, are taught in purpose built labs by the Senior School staff) and there is strong support in place for both students and their parents in terms of transition to Senior School including immersion days and parent information evenings.

Achievement and well rounded education at WGS is evident both inside and outside the classroom. The School provides high quality teaching and an excellent programme of co-curricular and extra curricular activities and opportunities (over 100 clubs, societies and activities are available to students across the School). Both are supported by the implementation of the School's digital strategy, which has modernised administration and has provided up to date methodology for both teaching and learning. The prominence of Student Parliament in the Senior School and School Council in the Junior School and seriousness with which student voice is taken

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

Objectives and activities (continued)

throughout the School enables our young people to learn to articulate their thoughts and speak up for what is right. The student run Peer Support group is popular, and very active in the Senior School. Peer supporters are allocated to each form, so ensuring their approachability, and their work is coordinated by a strong team lead. The introduction of Interform activities has increased a sense of collegiality between students throughout the School and will be expanded into a full house system over the next three years. Over the course of the year they contributed to various pastoral initiatives in School by bringing a student perspective. Such activities help us to meet our objective of raising students who are confident that they can make a difference within their community or sphere.

The School continues to provide quality sporting opportunity for students and participation levels are high. Some 260 Senior School fixtures were played during the year in netball, football, rounders, hockey and rugby. Other minority sports thrive and complete an exciting and varied offering: Eton fives, squash, basketball, cross country, gymnastics, fencing, swimming, and badminton. In girls' sport the U14 Netball team won the district tournament. The U12 Hockey team qualified for the Midlands Hockey Tournament but this was never played due to Covid-19. Unfortunately, the curtailment of the Spring and Summer Terms due to Covid-19 meant that there was no opportunity for students to participate in summer sports such as Tennis and Rounders. The School also supports students who compete at City, regional and international level with supported learning to ensure they do not fall behind and in some cases, a tailored fitness programme to support their sporting discipline.

The music and drama departments continue to provide exciting opportunities for our students. The Hutton Theatre hosted a performance of *Our Town*. Unfortunately, the planned Lower School production of *Rumplestiltskin* and the annual Dance Show were cancelled due to lockdown. Students from local secondary and primary schools are invited to performances free of charge for both academic reasons and entertainment. In November 2019, 16 pupils and 3 staff joined the Wombourne Choral Society in a performance of *The Messiah*. 24 pupils from Years 5-7 sang in Young Voices at the NEC in January. A virtual concert took place during lockdown and Year 10 pupils compiled a virtual recording of "Bring Me Sunshine".

School trips that support and enrich the curriculum have continued to enhance the educational and spiritual growth of students. Most Junior School children were able to take part in a residential trip, which gives them an opportunity to team build and involve themselves in outdoor challenges.

Provision was and has been made in the budget over the next few years to allow for the ongoing science laboratory refurbishment scheme, with three chemistry laboratories being refurbished in the summer of 2018 and a biology laboratory being refurbished in the summer of 2019. The remaining biology and general laboratories will be refurbished over the next few years as part of the phased plan. The School is very grateful for the generosity of the Merchant Taylors' Livery Company for their donation for this ongoing work.

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DIRECTORS' REPORT (CONTINUED)
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Objectives and activities (continued)

d. Main activities undertaken to further the Company's purposes for the public benefit

The Directors have given due regard to the Charity Commission guidance on public benefit and have continued to demonstrate the School's commitment to delivering public benefit to both its own students and the wider community of Wolverhampton. Means tested bursaries amounted to over half of all concessions awarded, with the total number of students in September 2019 receiving means tested bursaries amounting to 65 (September 2018: 64). The total number of students receiving means tested support and the proportion receiving support with 90% or more of fees and additional extras (45%) is in line with last year. These students come from households where the gross annual income is less than £60,000. One student on such an award is a Looked After Child. The school has also accepted a second Looked After Child, placed by the Local Authority; this has been deemed a complete success by authority and parent, and the arrangement is set to continue next academic year. Means tested bursaries are primarily offered at entrance in Year 7 and in Year 12 and in addition a bursary hardship fund is used to support students through critical exam years where their parents have experienced significant financial difficulty. Further donations of funds for bursary support have been received during the year and have augmented the number of 100% means tested awards that have been made to new entrants at Year 7 in September 2019. During the year, an Emergency Appeals Fund was launched in order to support families in short term financial difficulties as a result of Covid-19. The fund supported 25 students, who would otherwise have had to leave WGS and will continue to be used to support students during the 2020/21 academic year.

The School sees itself very much as part of a wider community, and where we can assist the community without detriment to advancing the education of our students, we are delighted to do so. We provide public benefit to the community through a number of lettings at subsidised rates to local children's sports and holiday clubs, including junior cricket, hockey and rugby clubs and Soccer 2000. The letting of music and exam hall facilities to wider educational music organisations has also been developed as has the use of the Viner Gallery, which as a services space, has been made available to local artists as an exhibition venue on several occasions. The local nursery is able to use the School grounds free of charge for its sports day and the local Tabernacle church is able to use the School car park free of charge on a Sunday.

As part of the School's public benefit provision, the WGS Library continues to inspire reading and is working to raise levels of reading attainment across the West Midlands. As the author events expanded in 2019/20, 1804 young people from a total of 23 local state schools met award-winning and bestselling children's authors, poets and storytellers. Based on this statistic, we are delighted to report that the level of engagement from schools is increasing exponentially each year, with many schools now travelling a considerable distance to attend our events. Our first large-scale celebrity author visit also took place, where we welcomed over 1,200 children to Wolverhampton's Grand Theatre to meet David Baddiel for the launch of his latest children's book, 'The Taylor Turbochaser'. As part of our work to make reading accessible for all children, funding from Merchant Taylors' Company was sourced and enabled us to gift 1,200 signed copies of David's book to every child in attendance.

In addition to the author events, the School's Librarian led a Read Well training session. This was planned in collaboration with Custom Training and offered 6 local state schools the opportunity to enhance their mental health first aid training. In addition, schools who attended this free workshop received information and resources to create wellbeing book displays in their own libraries.

The School Librarian Network Group, run from WGS, continues to offer training and support for librarians from local and regional state schools. We now welcome representatives from 18 schools to these termly meetings where good practice is shared and resources linked to the Wolverhampton Children's Book Award are distributed. These schools all participated in the 2019 Wolverhampton Children's Book Award, where 600 young people aged 9 -13 voted for the award with Humza Arshad emerging as their winning author.

Throughout the pandemic, we increased our offering to the School Librarian Network Group by sharing digital resources and risk assessments via virtual meetings. As a result of this work, schools were able to continue

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DIRECTORS' REPORT (CONTINUED)
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Objectives and activities (continued)

operating a library service whilst promoting reading remotely.

Other outreach opportunities have continued to be organised by the school, although major events such as the Year 5 Discovery Day were unable to take place due to lockdown. Similarly, we were due again to host a national staff training event, but this had to be cancelled.

Students in the Junior School support workshops at Severndale Specialist Academy. The Junior School also run a rugby festival, two cross country festivals and a Festival of Sport, where local state schools are encouraged to make the most of the School's grounds, facilities and teaching expertise.

Both Senior and Junior Schools raise funds which are divided amongst local and national charities: in this respect, in 2019-20 the School raised funds for Compton Hospice, WaterAid, Buddy Bear Foundation and Birmingham Children's Hospital. The total raised was £2352 which was significantly less than in recent years; owing to the pandemic, the School was not able to hold a number of the usual fundraising events in the second half of the academic year. Among these, the annual Coast 2 Coast run, normally run in May, was delayed this year but run in a different format in October 2020.

The School actively supports the attainment of the highest standards in the Independent Schools sector through networking with other schools and membership of the appropriate bodies concerned with such standards. The Head is an elected member of The Headmasters' and Headmistresses' Conference (HMC). The Warwick Group of HMC schools provides a forum for the Head, the Deputy Heads and Heads of all academic departments to meet and consider matters of mutual interest and importance. The School is a member of the Independent Schools' Bursars Association which provides relevant advice for the effective administration of the School. The outgoing Bursar was elected as Chair of the ISBA Executive Committee. The School was also shortlisted and won the TES Senior Leadership Team of the Year 2018. Three of the School's leaders and management serve the wider educational community by acting as School governors in regional state primary schools.

In the furtherance of the aims of the School, the Trustees have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's published and relevant sub sector guidance concerning the operation of the Public Benefit requirement under that Act.

Fundraising and Volunteer Activities

The School continues to promote the Independence Appeals Fund for the collection of donations and legacies for augmenting bursary funds. During the year, an Emergency Appeals Fund was launched in order to support families in short term financial difficulties as a result of Covid-19. The fund raised £116,965, £50k in matched funding was provided by the Independence Appeals fund and £50k was transferred from the Sports Scholarship Fund at the express wish of the donor. The EAF supported 25 students, who would otherwise have had to leave WGS, with fees contributions of £71,920 in the Summer term. The remainder of the fund is expected to be used for support during 2020/21.

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

Many parents, friends of the school and Old Wulfrunians help with fundraising, cultural and sporting activities and careers events providing many hours of voluntary service during the year. The Directors very much appreciate their continuing and valuable support.

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

Objectives and activities (continued)

Strategic report

Achievements and performance

a. Key performance indicators

The Directors consider that the key financial performance indicators are pupil numbers; full fee equivalent pupil numbers; teaching staff: pupil ratios; investment surplus (profit before depreciation as a percentage of net fee income); salary costs as a percentage of net fee income; bursary and scholarship concessions as a percentage of gross fee income; percentage fee rises; level of annual capital expenditure and reserves levels.

The key performance indicators are set during the budget process and reviewed at least once a term by the Finance and General Purposes Committee through the production of monthly management accounts and the annual SORP accounts.

b. Review of activities

The surplus for the year (before transfers between funds and movements on investment assets) amounted to £173k (2019: £993k). The deficit for the year after transfers between funds and gains on investment assets amounted to £103k (2019: £868k surplus) and has been transferred to reserves. Total funds amounted to £17,911k (2019: £18,015k). The overall cash surplus for the year amounted to £223k (2019: £1,297k).

During the year, fee income after bursaries and discounts decreased by £508k; equivalent to a 5.8% decrease (2019: £416k equivalent to a 5.0% increase), due to significant discounts to Summer Term fees as a response to the pandemic and the financial impact on parents. This was partially offset by Government Grants of £258k received to support operations during lockdown. In addition, whilst the School continues to maintain a good level of means tested bursary assistance, the level of non means tested Scholarship concessions have been reduced. The donations and legacies received during the year were £250k for bursary support. The School has continued to work to increase awareness of the benefits that a child obtains through the award of a bursary and is very grateful to its alumni body both in the UK and abroad for their continued bursary donations to the Independence Appeal Fund.

Total resources expended have increased to £9,048k (2019: £9,141k) with greater funds being spent on teaching resources for the benefit of pupils in the School whilst operating costs have continued to be kept firmly under control.

The value of the investments held have decreased, with realised and unrealised losses amounting to £102k (2019: £103k gain). Whilst the latter is largely beyond the control of Directors, there is a strong expectation that operating costs will continue to be driven down in order to optimise the incoming resources for the main aim of the charity, the education of its students. The ongoing aim of the School is to increase cash surpluses to enable the School to invest in an ongoing capital expenditure plan to allow buildings to be updated and to increase the level of reserves to provide security for the School in the current uncertain political and economic climate. Whilst a small cash surplus was generated during the year, the program of capital expenditure was put on hold during the Summer Term due to the economic uncertainty introduced by lockdown.

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DIRECTORS' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

Reserves Policy

The School aims to build up and maintain its unrestricted free reserves in order to accommodate longer term plans for capital investment and other strategic objectives as well as provide an emergency fund to manage the risks and uncertainty for an educational charity in the current political and economic climate. In addition the Directors recognise the need to increase the restricted and endowment reserves held, in particular the Independence Appeals Fund, to help fund future transformational bursaries.

Consolidated reserves at 31 August 2020 amounted to £17,911k (2019: £18,015k). At 31 August 2020 the consolidated free reserves were £2,540k (2019: £2,338k). Details of the specific reserves held are provided in note 22 to the accounts.

Total unrestricted funds as shown in the financial statements include a notional funding deficit of £1,194k (2019: £821k) calculated under the FRS102 Charity SORP in respect of the School's defined benefit scheme for support staff. The Directors believe that this notional funding calculation, which can vary considerably between surplus and deficit according to the assumptions made at each year end, has no material effect on the School's short term cashflow and that in the longer term, its effects are sustainable out of future income. For this reason it is considered that it should be disregarded for reserves policy purposes.

The Directors are satisfied that they have sufficient resources available to meet liabilities and any unscheduled future costs and review their policy on an annual basis.

c. Investment policy and performance

The Trustees of the Appeals Funds have appointed Investment Managers to manage the investment portfolio on a discretionary basis in accordance with the agreed strategy. The Trustees monitor the returns on a regular basis. The main investment objectives are:

- The creation of a sufficient financial return to enable the Charity to carry out its purposes effectively and without interruption;
- The maintenance and enhancement of the investment funds over the long term;
- To obtain a reasonable balance between capital growth and income so that the Charity can meet future as well as current needs;
- To avoid investments that are unduly risky.

The investment performance for the majority of the School's accounts is measured against the MSCI WMA/PIMFA Balanced Index, which rose by 2.26% during the year to 31st August 2020. By contrast, the 1958 investments achieved a gain of 9.9%; the Independence Appeal Fund returned 2.25% and the Restricted Fund rose by 2.44%. The Ivy Jones Endowed Fund, which has an income orientated benchmark, rose by 2.89% while the MSCI WMA/PIMFA Income Index gained 2.31%.

The general policy is to maintain and grow investment capital levels, generating returns to provide the hardship bursary support to students who would otherwise be unable to attend the School. In addition, the returns are used to fund specific means tested awards through donations received for these purposes such as the Sports Scholarship and Ivy Jones Award, and the Foundation Bursaries.

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DIRECTORS' REPORT (CONTINUED)
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Strategic report (continued)

Financial review

a. Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements. The Directors have also assessed the potential impact on the future operations of the Company with regard to the Covid-19 outbreak. The Company is considered to be well positioned given the current environment with no impact on the going concern basis of the financial statements.

b. Principal risks and uncertainties

The Directors believe that the principal risks and uncertainties to the business are:

- Operational – attracting and maintaining pupil numbers in today's difficult economic environment;
- Environmental – ability to expand and build an Infant School on the current School site due to planning considerations;
- Technological – keeping up to date in a world of fast moving digital technology advances and in particular the impact of social media;
- Political – the threat to charitable status and charitable tax reliefs.
- Economic – the increase (and possible further future increases) in employer contribution to the Teachers' Pension Scheme.

Whilst these risks and uncertainties are considered and regularly reviewed, the Directors manage these at an acceptable level through their robust risk management policy and associated reserves position.

Structure, governance and management

a. Constitution

The School is a charity and company limited by guarantee, and is governed by its memorandum and articles of association by its Board of Directors. The associated Trusts, The Independence Appeals Fund and The 1958 Appeal Fund are administered in conformity with their Trust Deeds by their Boards of Trustees. Wolverhampton Grammar School Foundation is administered in conformity with its revised Scheme of Government dated 16 February 2018 by Wolverhampton Grammar School Limited, who has been appointed the Corporate Trustee of the Foundation.

The consolidated accounts comprise Wolverhampton Grammar School Ltd (registered charity number 1125268), Wolverhampton Grammar School Foundation (registered charity number 529006), Wolverhampton Grammar School Independence Appeal Fund (registered charity number 507487) and Wolverhampton Grammar School 1958 Appeal Fund (registered charity number 1090885). The School was set up to run the operational and trading activities, the Foundation was set up to manage the specie endowed land and buildings and the two Appeal Funds were set up to support the School in its aims and to provide financial help wherever possible to students who would not otherwise have been able to attend Wolverhampton Grammar School.

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DIRECTORS' REPORT (CONTINUED)
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Structure, governance and management (continued)

b. Methods of appointment or election of Directors

The Board of Directors is appointed at the AGM under the terms of the memorandum and articles. A small working group made up of a committee of Directors appointed by the Chairman, carries out reviews of possible new members, in readiness for vacancies arising through retirements of Directors. They also carefully consider the range of skills which are needed on the Board, and names of potential Directors are recommended to the Board when appropriate.

The Trustees of the Trust Funds are appointed by Deed of Appointment by the current/outgoing Trustees, who carefully consider the range of skills required on the boards.

c. Organisational structure and decision-making policies

The Directors are responsible for the overall management of the School and meet as a board at least three times a year. The Finance and General Purposes, Education and Estates Committees meet on a termly basis at a minimum and these committees are empowered on behalf of the Board to ensure that the policies as agreed by them are carried out. A copy of the minutes of these meetings and accounts are sent to all Directors.

The day to day management of the School is delegated to the Head supported by the Senior Management Team. The Head and Bursar attend all meetings of the Trustees' and the full Board, Education and Finance and General Purposes Committees, in addition the Finance Director attends the Estates Committee meetings. The Senior School Deputy Heads and Head of the Junior School attend meetings of the full Board and the Education Committee, with the Assistant Heads attending the Education Committee only. The Annual General Meeting of the School (held in October) is attended by all members of the School (the Council of Members) and includes staff, parents and other stakeholder representatives.

d. Policies adopted for the induction and training of Directors

New Directors are provided with an induction pack, which contains details of the memorandum and articles of association of the School and other relevant documents, together with the Association of Governing Bodies induction resources. Before taking up post, they meet with the Chairman of the Board and the Head. Once appointed, a meeting with the Company Secretary is arranged, to provide more detailed information and to identify appropriate training courses for individuals to attend.

All Directors take part in annual training which provides relevant and up to date information on governance and school inspections with outside speakers being brought in as and when appropriate. Directors are also encouraged to attend training events run for the not for profit and school sector by external bodies.

e. Pay policy for key management personnel

The Directors' Remuneration Committee meets annually to review the pay and remuneration of the Head and the Bursar, with the Head also reviewing the pay of other members of the senior management team on an annual basis. Any proposed adjustments to the pay of the senior management team are confirmed by the Remuneration Committee. The review of all senior staff pay is with reference to their agreed annual objectives and performance.

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DIRECTORS' REPORT (CONTINUED)
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Structure, governance and management (continued)

f. Financial risk management

During the year the Directors have examined the principal areas of the School's operations and considered the major risks in each of these areas. In the opinion of the Directors, the School has established systems which, under normal circumstances, should allow these risks to be managed at an acceptable level in its day to day operations. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed. A risk register is held and updated on a regular basis. Much of the operational work in this area is managed by the Risk Management Group, which comprises the Head and his Senior Management Team.

The Directors continue to keep the School's activities under review, particularly with regard to any major risks that may arise from time to time. They monitor the effectiveness of the system of internal controls and other viable means, including insurance cover where appropriate, by which those risks already identified by the Directors can best be managed.

The key controls used by the School include:

- Formal agendas for all Committee and Board activity,
- Detailed terms of reference for all Committees,
- Comprehensive strategic planning, budgeting and management accounting,
- Established organisational structure and lines of reporting,
- Formal written policies,
- Clear authorisation and approval levels, and
- Vetting procedures as required by law for the protection of the students.

Plans for future periods

The School continues to regard teaching and learning to be of the highest importance and intends to make further progress and improvements in this area. Plans for the coming year include progressing the new digital strategy to support and enhance each student's educational experience as well as preparing them for the future; improving the pastoral system to further develop the community of the School; improving Sixth Form teaching to ensure students' aspirations are stretched; and reviewing the specialist support offered by our Opportunities for Assisted Learning Department.

The School will continue with a long term programme of work to refurbish and maintain its School buildings, in particular a science laboratory refurbishment scheme.

The School will continue to build on the Fundraising Strategy that has been launched focusing on bursary funding as well as new capital projects, supporting both the long term aim of being able to offer a greater number of bursaries as well as provide the infrastructure needed in a forward thinking modern School.

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

Statement of Directors' responsibilities

The Directors (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Directors' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Disclosure of information to auditors

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

- so far as that Director is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, WR Partners, have indicated their willingness to continue in office. The designated Directors will propose a motion reappointing the auditors at a meeting of the Directors.

Approved by order of the members of the board of Directors on 9 December 2020 and signed on their behalf by:



Mr J E Sage
Chairman

WOLVERHAMPTON GRAMMAR SCHOOL LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WOLVERHAMPTON GRAMMAR SCHOOL LIMITED

Opinion

We have audited the financial statements of Wolverhampton Grammar School Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

WOLVERHAMPTON GRAMMAR SCHOOL LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WOLVERHAMPTON GRAMMAR SCHOOL LIMITED (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report including the Strategic report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

WOLVERHAMPTON GRAMMAR SCHOOL LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WOLVERHAMPTON GRAMMAR SCHOOL LIMITED (CONTINUED)

Responsibilities of trustees

As explained more fully in the Directors' responsibilities statement, the Directors (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 Directors 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 Directors are responsible for assessing the Group's and the 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 Directors either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Malpass BA FCA (Senior statutory auditor)
for and on behalf of

WR Partners
Chartered Accountants
Statutory Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date:

11 December 2020

WOLVERHAMPTON GRAMMAR SCHOOL LIMITED
(A company limited by guarantee)

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

| | Note | Unrestricted funds 2020 £000 | Restricted funds 2020 £000 | Endowment funds 2020 £000 | Total funds 2020 £000 | Total funds 2019 £000 |
|---|------|---------------------------------------|-------------------------------------|------------------------------------|--------------------------------|--------------------------------|
| Income and endowments from: | | | | | | |
| Donations and legacies | 4 | 342 | 167 | - | 509 | 351 |
| Charitable activities | 5 | 8,595 | - | - | 8,595 | 9,552 |
| Other trading activities | 7 | 40 | - | - | 40 | 67 |
| Investments | 8 | 77 | 57 | - | 134 | 123 |
| Other income | 9 | 48 | - | - | 48 | 64 |
| Total income and endowments | | 9,102 | 224 | - | 9,326 | 10,157 |
| Expenditure on: | | | | | | |
| Raising funds | 10 | 12 | 9 | 1 | 22 | 23 |
| Charitable activities | 11 | 8,811 | 237 | - | 9,048 | 9,141 |
| Total expenditure | | 8,823 | 246 | 1 | 9,070 | 9,164 |
| Net (losses)/gains on investments | | (59) | (20) | (4) | (84) | 5 |
| Net movement in funds before other recognised gains/(losses) | | 220 | (42) | (5) | 173 | 998 |
| Other recognised gains/(losses): | | | | | | |
| Actuarial losses on defined benefit pension schemes | 25 | (257) | - | - | (257) | (228) |
| Other gains/(losses) on Investments | 17 | 15 | (24) | (10) | (18) | 98 |
| Net movement in funds | | (22) | (66) | (15) | (103) | 868 |

WOLVERHAMPTON GRAMMAR SCHOOL LIMITED
(A company limited by guarantee)

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

| | Unrestricted funds 2020 £000 | Restricted funds 2020 £000 | Endowment funds 2020 £000 | Total funds 2020 £000 | Total funds 2019 £000 |
|------------------------------------|---------------------------------------|-------------------------------------|------------------------------------|--------------------------------|--------------------------------|
| Note | | | | | |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | 15,206 | 2,307 | 501 | 18,015 | 17,147 |
| Net movement in funds | (22) | (66) | (15) | (103) | 868 |
| Total funds carried forward | 15,184 | 2,241 | 486 | 17,911 | 18,015 |

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 24 to 50 form part of these financial statements.

WOLVERHAMPTON GRAMMAR SCHOOL LIMITED
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2020

| | Note | 2020 £000 | 2019 £000 |
|---|------|----------------------|----------------------|
| Fixed assets | | | |
| Tangible assets | 15 | 12,016 | 12,248 |
| Investments | 17 | 4,183 | 4,280 |
| Investment property | 16 | 620 | 620 |
| | | <u>16,819</u> | <u>17,148</u> |
| Current assets | | | |
| Stocks | 18 | 10 | 8 |
| Debtors | 19 | 235 | 401 |
| Cash at bank and in hand | | 3,371 | 3,148 |
| | | <u>3,616</u> | <u>3,557</u> |
| Creditors: amounts falling due within one year | 20 | (1,298) | (1,838) |
| Net current assets | | <u>2,318</u> | <u>1,719</u> |
| Total assets less current liabilities | | <u>19,137</u> | <u>18,867</u> |
| Creditors: amounts falling due after more than one year | 21 | (32) | (32) |
| Net assets excluding pension liability | | <u>19,105</u> | <u>18,835</u> |
| Defined benefit pension scheme liability | 25 | (1,194) | (821) |
| Total net assets | | <u><u>17,911</u></u> | <u><u>18,014</u></u> |

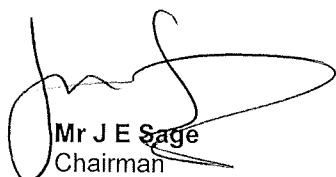
WOLVERHAMPTON GRAMMAR SCHOOL LIMITED
(A company limited by guarantee)


CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

| | Note | 2020 £000 | 2019 £000 |
|--|------|---------------|---------------|
| Charity funds | | | |
| Endowment funds | 22 | 486 | 501 |
| Restricted funds | 22 | 2,242 | 2,307 |
| Unrestricted funds | | | |
| Unrestricted funds excluding pension asset | 22 | 16,377 | 16,027 |
| Pension reserve | 22 | (1,194) | (821) |
| Total unrestricted funds | 22 | 15,183 | 15,206 |
| Total funds | | 17,911 | 18,014 |

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Directors on 09 December 2020 and signed on their behalf by:


Mr J E Sage
Chairman


Mr C I Bill
Chair of Finance Committee

The notes on pages 24 to 50 form part of these financial statements.

WOLVERHAMPTON GRAMMAR SCHOOL LIMITED
(A company limited by guarantee)

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2020

| | Note | 2020 £000 | 2019 £000 |
|---|------|----------------------|----------------------|
| Fixed assets | | | |
| Tangible assets | 15 | 11,919 | 12,151 |
| Investments | 17 | 293 | 320 |
| | | <u>12,212</u> | <u>12,471</u> |
| Current assets | | | |
| Stocks | 18 | 10 | 8 |
| Debtors | 19 | 247 | 374 |
| Cash at bank and in hand | | 2,790 | 2,636 |
| | | <u>3,047</u> | <u>3,018</u> |
| Creditors: amounts falling due within one year | 20 | (1,293) | (1,833) |
| Net current assets | | <u>1,754</u> | <u>1,185</u> |
| Total assets less current liabilities | | <u>13,966</u> | <u>13,656</u> |
| Creditors: amounts falling due after more than one year | 21 | (32) | (32) |
| Net assets excluding pension liability | | <u>13,934</u> | <u>13,624</u> |
| Defined benefit pension scheme liability | 25 | (1,194) | (821) |
| Total net assets | | <u><u>12,740</u></u> | <u><u>12,803</u></u> |

WOLVERHAMPTON GRAMMAR SCHOOL LIMITED
(A company limited by guarantee)

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 AUGUST 2020

| | Note | 2020 £000 | 2019 £000 |
|--|------|--------------|--------------|
| Charity funds | | | |
| Endowment funds | 22 | 212 | 212 |
| Restricted funds | 22 | 561 | 591 |
| Unrestricted funds | | | |
| Unrestricted funds excluding pension liability | 22 | 12,674 | 12,821 |
| Pension reserve | 22 | (1,194) | (821) |
| Total unrestricted funds | 22 | 11,967 | 12,000 |
| Total funds | | 12,740 | 12,803 |

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Directors on 09 December 2020 and signed on their behalf by:


Mr J E Sage
Chairman


Mr C I Bill

The notes on pages 24 to 50 form part of these financial statements.

WOLVERHAMPTON GRAMMAR SCHOOL LIMITED
(A company limited by guarantee)

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

| | Note | 2020 £000 | 2019 £000 |
|---|------|--------------|--------------|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | | 256 | 1,815 |
| Cash flows from investing activities | | | |
| Dividends, interests and rents from investments | | 123 | 122 |
| Purchase of tangible fixed assets | | (221) | (736) |
| Proceeds from sale of investments | | 946 | 490 |
| Purchase of investments | | (879) | (394) |
| Net cash used in investing activities | | (31) | (518) |
| Cash and cash equivalents at the beginning of the year | | 3,148 | 1,851 |
| Change in cash and cash equivalents in the year | | 223 | 1,297 |
| Cash and cash equivalents at the end of the year | | 3,371 | 3,148 |

The notes on pages 24 to 50 form part of these financial statements

WOLVERHAMPTON GRAMMAR SCHOOL LIMITED
(A company limited by guarantee)

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

1. General information

Wolverhampton Grammar School Limited is a charity and company limited by guarantee and registered in England. The members of the company are the Directors named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

The address of the registered office is given in the charity information on page 1 of these financial statements.

The nature of the School's operations and principal activities are that of an educational establishment.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the second edition of the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (issued in October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Wolverhampton Grammar School Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Under a uniting direction issued by the Charities Commission Wolverhampton Grammar School Foundation is treated as forming part of Wolverhampton Grammar School Limited which is to be the reporting charity for the purposes of part 4 (registration) and part 8 (accounting) of the Charities Act 2011.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the School and its subsidiary undertakings. The results of the subsidiary are consolidated on a line by line basis.

The School has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 Basis of consolidation

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

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

The income and expenditure account for the year dealt with in the accounts of the School was £63k deficit (2019 - £762k surplus).

WOLVERHAMPTON GRAMMAR SCHOOL LIMITED
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.3 Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements. The Directors have also assessed the potential impact on the future operations of the Company with regard to the Covid-19 outbreak. The Company is considered to be well positioned given the current environment with no impact on the going concern basis of the financial statements.

2.4 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Company, can be reliably measured.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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

2.5 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

WOLVERHAMPTON GRAMMAR SCHOOL LIMITED
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.5 Expenditure (continued)

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

| | |
|---------------------|------------------------|
| Freehold property | - 0-10% straight line |
| Plant and machinery | - 10-25% straight line |
| Motor vehicles | - 20% straight line |

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

2.8 Revaluation of Investment Properties

The School has adopted the revaluation model to revalue Investment Property whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of Financial Activities and accumulated in equity.

The 2020 valuations were made by the Directors, on an open market value for existing use basis.

WOLVERHAMPTON GRAMMAR SCHOOL LIMITED
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 Stocks

Wolverhampton Grammar School holds stocks of cleaning products, food and clothing to which are all valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stock

2.11 Debtors

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

2.12 Cash at bank and in hand

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

2.13 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.14 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

WOLVERHAMPTON GRAMMAR SCHOOL LIMITED
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.15 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

2.16 Pensions

The School operates three pension schemes for its support staff; a defined contribution pension scheme, provided by Peoples' Pension and the pension charge represents the amounts payable by the School to the fund in respect of the year; a defined benefits pension scheme provided by the Local Government Pension Scheme (LGPS) and the pension charge is based on a full actuarial valuation dated 31 August 2020; and a pension scheme provided by The Independent Schools' Pension Scheme (ISPS) which is treated as a defined contribution scheme and the pension charge is based on the latest actuarial valuation.

The School also contributes to a defined benefit pension scheme (final salary scheme) for the academic staff, which is a national scheme operated for the Department for Children, Schools and Families. The pension charge represents amounts payable by the School to the fund in respect of the year.

Retirement benefits to employees of the School are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes 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 quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

WOLVERHAMPTON GRAMMAR SCHOOL LIMITED
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Endowment funds comprise of investments established by a foundation that makes consistent withdrawals from invested capital.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

4. Income from donations and legacies

| | Unrestricted funds 2020 £000 | Restricted funds 2020 £000 | Total funds 2020 £000 | Total funds 2019 £000 |
|-------------------|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Donations | 29 | - | 29 | 100 |
| Legacies | 55 | 167 | 222 | 251 |
| Government grants | 258 | - | 258 | - |
| | <u>342</u> | <u>167</u> | <u>509</u> | <u>351</u> |
| Total 2019 | <u>18</u> | <u>333</u> | <u>351</u> | |

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NOTES TO THE FINANCIAL STATEMENTS
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5. Income from charitable activities

| | Unrestricted funds 2020 £000 | Total funds 2020 £000 | Total funds 2019 £000 |
|---------------------------------|---------------------------------------|--------------------------------|--------------------------------|
| School fees - see note 6 below | 7,995 | 7,995 | 8,729 |
| Catering ,Music & travel Income | 426 | 426 | 573 |
| Other Educational Income | 174 | 174 | 250 |
| Total 2020 | 8,595 | 8,595 | 9,552 |
| <i>Total 2019</i> | <i>9,552</i> | <i>9,552</i> | |

6. Charitable Activities - School Fees

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Gross Fees | 8,705 | 9,587 |
| Bursaries, scholarships & other awards | (710) | (858) |
| | 7,995 | 8,729 |

7. Income from other trading activities

Income from fundraising events

| | Unrestricted funds 2020 £000 | Total funds 2020 £000 | Total funds 2019 £000 |
|-------------------|---------------------------------------|--------------------------------|--------------------------------|
| Lettings | 40 | 40 | 67 |
| <i>Total 2019</i> | <i>67</i> | <i>67</i> | |

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8. Investment income

| | Unrestricted funds 2020 £000 | Restricted funds 2020 £000 | Total funds 2020 £000 | <i>Total funds 2019 £000</i> |
|--|---------------------------------------|-------------------------------------|--------------------------------|--|
| Rental income from investment properties | 15 | - | 15 | 17 |
| Income from investments listed on a recognised stock exchange | 52 | 57 | 109 | 106 |
| Investment income - local cash | 10 | - | 10 | - |
| | <u>77</u> | <u>57</u> | <u>134</u> | <u>123</u> |
| <i>Total 2019</i> | <u>72</u> | <u>51</u> | <u>123</u> | |

9. Other incoming resources

| | Unrestricted funds 2020 £000 | Total funds 2020 £000 | <i>Total funds 2019 £000</i> |
|----------------------|---------------------------------------|--------------------------------|--|
| Miscellaneous income | 48 | 48 | 64 |
| | <u>64</u> | <u>64</u> | |
| <i>Total 2019</i> | <u>64</u> | <u>64</u> | |

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10. Investment management costs

| | Unrestricted funds 2020 £000 | Restricted funds 2020 £000 | Endowment funds 2020 £000 | Total funds 2020 £000 | Total funds 2019 £000 |
|---|---------------------------------------|-------------------------------------|------------------------------------|--------------------------------|--------------------------------|
| Investment management fees | 1 | - | - | 1 | 1 |
| Expenditure on investment management | 11 | 9 | 1 | 21 | 23 |
| | 12 | 9 | 1 | 22 | 24 |
| <i>Total 2019</i> | 12 | 10 | 2 | 24 | |

11. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2020 £000 | Restricted funds 2020 £000 | Total funds 2020 £000 | Total funds 2019 £000 |
|-----------------------------------|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Teaching and scholastic resources | 5,952 | 19 | 5,971 | 5,738 |
| Estates | 1,061 | 178 | 1,239 | 1,288 |
| Welfare and Catering | 433 | - | 433 | 578 |
| Support costs and governance | 1,365 | 40 | 1,405 | 1,536 |
| | 8,811 | 237 | 9,048 | 9,140 |
| <i>Total 2019</i> | 8,997 | 143 | 9,140 | |

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12. Net income/expenditure

This is stated after charging:

| | Group 2020 £000 | <i>Group 2019 £000</i> |
|---------------------------------------|--------------------------------|--------------------------------|
| Operating lease rentals | 21 | 21 |
| Depreciation of tangible fixed assets | 453 | 401 |
| Auditors remuneration | 10 | 9 |
| Other services | 5 | 5 |
| | <u>489</u> | <u>436</u> |

13. Staff costs

| | Group 2020 £000 | <i>Group 2019 £000</i> | Company 2020 £000 | <i>Company 2019 £000</i> |
|--|--------------------------------|--------------------------------|----------------------------------|----------------------------------|
| Wages and salaries | 4,614 | 4,490 | 4,614 | 4,490 |
| Social security costs | 444 | 432 | 444 | 432 |
| Contribution to defined contribution pension schemes | 1,099 | 790 | 1,099 | 790 |
| | <u>6,157</u> | <u>5,712</u> | <u>6,157</u> | <u>5,712</u> |

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

| | Group 2020 No. | <i>Group 2019 No.</i> |
|----------------|-------------------------------|-------------------------------|
| Teaching | 121 | 117 |
| Estates | 27 | 27 |
| Administration | 21 | 20 |
| | <u>169</u> | <u>164</u> |

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13. Staff costs (continued)

The average headcount expressed as full-time equivalents was:

| | Group 2020 No. | <i>Group 2019 No.</i> |
|----------------|-------------------------------|-------------------------------|
| Teaching | 92 | 90 |
| Estates | 18 | 17 |
| Administration | 19 | 17 |
| | <u>129</u> | <u>124</u> |

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

| | Group 2020 No. | <i>Group 2019 No.</i> |
|---------------------------------|-------------------------------|-------------------------------|
| In the band £60,001 - £70,000 | 2 | 1 |
| In the band £70,001 - £80,000 | 2 | 1 |
| In the band £80,001 - £90,000 | - | 2 |
| In the band £90,001 - £100,000 | 2 | 1 |
| In the band £100,001 - £200,000 | 2 | 2 |
| | <u>2</u> | <u>2</u> |

14. Directors' remuneration and expenses

During the year, no Directors received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, no Director expenses have been incurred (2019 - £NIL).

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15. Tangible fixed assets

Group

| | Freehold property £000 | Plant and machinery £000 | Motor vehicles £000 | Total £000 |
|--------------------------|------------------------------|--------------------------------|---------------------------|---------------|
| Cost or valuation | | | | |
| At 1 September 2019 | 15,030 | 1,379 | 33 | 16,442 |
| Additions | 114 | 107 | - | 221 |
| At 31 August 2020 | 15,144 | 1,486 | 33 | 16,663 |
| Depreciation | | | | |
| At 1 September 2019 | 3,282 | 879 | 33 | 4,194 |
| Charge for the year | 278 | 176 | - | 454 |
| At 31 August 2020 | 3,560 | 1,055 | 33 | 4,648 |
| Net book value | | | | |
| At 31 August 2020 | 11,584 | 431 | - | 12,015 |
| At 31 August 2019 | 11,748 | 500 | - | 12,248 |

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15. Tangible fixed assets (continued)

Group (continued)

Company

| | Freehold property £000 | Plant and machinery £000 | Motor vehicles £000 | Total £000 |
|--------------------------|------------------------------|--------------------------------|---------------------------|---------------|
| Cost or valuation | | | | |
| At 1 September 2019 | 14,934 | 1,379 | 33 | 16,346 |
| Additions | 114 | 107 | - | 221 |
| At 31 August 2020 | 15,048 | 1,486 | 33 | 16,567 |
| Depreciation | | | | |
| At 1 September 2019 | 3,282 | 879 | 33 | 4,194 |
| Charge for the year | 278 | 176 | - | 454 |
| At 31 August 2020 | 3,560 | 1,055 | 33 | 4,648 |
| Net book value | | | | |
| At 31 August 2020 | 11,488 | 431 | - | 11,919 |
| At 31 August 2019 | 11,651 | 500 | - | 12,151 |

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16. Investment property

Group

| | Freehold investment property £000 |
|---------------------|--|
| Valuation | |
| At 1 September 2019 | 620 |
| At 31 August 2020 | <u>620</u> |

The 2020 valuations were made by the Directors, on an open market value for existing use basis.

Investment properties in Wolverhampton Grammar School 1958 Appeal Fund have been valued by the Directors at open market value as at 31 August 2020. The historic costs of revalued investment properties are £393k (2018: £393k).

17. Fixed asset investments

| Group | Listed investments £000 | Other fixed asset investments £000 | Total £000 |
|--------------------------|-------------------------------|---|---------------|
| Cost or valuation | | | |
| At 1 September 2019 | 4,107 | 173 | 4,280 |
| Additions | 879 | - | 879 |
| Disposals | (959) | - | (959) |
| Revaluations | 50 | (68) | (18) |
| At 31 August 2020 | <u>4,078</u> | <u>105</u> | <u>4,183</u> |
| Net book value | | | |
| At 31 August 2020 | <u>4,078</u> | <u>105</u> | <u>4,183</u> |
| <i>At 31 August 2019</i> | <u>4,107</u> | <u>173</u> | <u>4,280</u> |

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17. Fixed asset investments (continued)

| Company | Listed investments £000 |
|--------------------------|-------------------------------|
| Cost or valuation | |
| At 1 September 2019 | 320 |
| Disposals | (13) |
| Revaluations | (14) |
| At 31 August 2020 | 293 |
| Net book value | |
| At 31 August 2020 | 293 |
| <i>At 31 August 2019</i> | <i>320</i> |

18. Stocks

| | Group 2020 £000 | Group 2019 £000 | Company 2020 £000 | Company 2019 £000 |
|--------|-----------------------|-----------------------|-------------------------|-------------------------|
| Stocks | 10 | 8 | 10 | 8 |

19. Debtors

| | Group 2020 £000 | Group 2019 £000 | Company 2020 £000 | Company 2019 £000 |
|--------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Due within one year | | | | |
| Trade debtors | 89 | 174 | 83 | 165 |
| Other debtors | 51 | 43 | 50 | 25 |
| Prepayments and accrued income | 95 | 184 | 114 | 184 |
| | 235 | 401 | 247 | 374 |

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Creditors: Amounts falling due within one year

| | Group | <i>Group</i> | Company | <i>Company</i> |
|------------------------------------|--------------|--------------|----------------|----------------|
| | 2020 | <i>2019</i> | 2020 | <i>2019</i> |
| | £000 | <i>£000</i> | £000 | <i>£000</i> |
| Fees in advance | 676 | <i>713</i> | 676 | <i>713</i> |
| Trade creditors | 186 | <i>458</i> | 184 | <i>456</i> |
| Other taxation and social security | 110 | <i>108</i> | 110 | <i>108</i> |
| Other creditors | 145 | <i>136</i> | 147 | <i>136</i> |
| Accruals | 181 | <i>423</i> | 176 | <i>420</i> |
| | 1,298 | <i>1,838</i> | 1,293 | <i>1,833</i> |

21. Creditors: Amounts falling due after more than one year

| | Group | <i>Group</i> | Company | <i>Company</i> |
|------------------------------|--------------|--------------|----------------|----------------|
| | 2020 | <i>2019</i> | 2020 | <i>2019</i> |
| | £000 | <i>£000</i> | £000 | <i>£000</i> |
| Payments received on account | 32 | <i>32</i> | 32 | <i>32</i> |

A fixed charge is in place as security against BACS and Direct Debit Facility requirements of Wolverhampton Grammar School Limited.

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Statement of funds

Statement of funds - current year

| | Balance at 1 September 2019 £000 | Income £000 | Expenditure £000 | Gains/ (Losses) £000 | Balance at 31 August 2020 £000 |
|------------------------------------|---|----------------|---------------------|----------------------------|---|
| Unrestricted funds | | | | | |
| Undesignated | 13,353 | 9,048 | (8,646) | 14 | 13,769 |
| IAF General | 2,176 | 51 | (49) | (49) | 2,129 |
| Revaluation Reserve | 324 | - | - | - | 324 |
| Wilson Fund | 88 | 2 | - | (9) | 81 |
| Designated - Foundation Bursary | 86 | - | (12) | - | 74 |
| Pension reserve | (821) | - | (116) | (257) | (1,194) |
| | <u>15,206</u> | <u>9,101</u> | <u>(8,823)</u> | <u>(301)</u> | <u>15,183</u> |
| Endowment funds | | | | | |
| Specie Funds | 212 | - | - | - | 212 |
| IAF Ivy Jones Endowed Fund | 289 | - | (1) | (14) | 274 |
| | <u>501</u> | <u>-</u> | <u>(1)</u> | <u>(14)</u> | <u>486</u> |
| Restricted funds | | | | | |
| General Prize Fund | 127 | 3 | - | 2 | 132 |
| Wolfson Fund | 242 | 7 | (19) | (20) | 210 |
| Gym Refurb Donation | 2 | - | - | - | 2 |
| Martin Bequest | 174 | 62 | (15) | (2) | 219 |
| OW Sports Scholarship | 882 | 16 | (21) | (20) | 857 |
| IAF Bursary | 151 | 120 | (105) | (4) | 162 |
| Catering Capital Donation | 50 | - | (27) | - | 23 |
| WGS Lab Donation | 170 | - | (13) | - | 157 |
| Ivy Jones Award Fund | 19 | 8 | (5) | - | 22 |
| Foundation Bursary Fund | 490 | 8 | (40) | - | 458 |
| | <u>2,307</u> | <u>224</u> | <u>(245)</u> | <u>(44)</u> | <u>2,242</u> |
| Total of funds | <u>18,014</u> | <u>9,325</u> | <u>(9,069)</u> | <u>(359)</u> | <u>17,911</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Statement of funds (continued)

Statement of funds - prior year

| | <i>Balance at 1 September 2018 £000</i> | <i>Income £000</i> | <i>Expenditure £000</i> | <i>Gains/ (Losses) £000</i> | <i>Balance at 31 August 2019 £000</i> |
|------------------------------------|---|------------------------|-----------------------------|-------------------------------------|---|
| Unrestricted funds | | | | | |
| Undesignated | 12,471 | 9,707 | (8,835) | 10 | 13,353 |
| IAF General | 2,114 | 63 | (56) | 55 | 2,176 |
| Revaluation Reserve | 324 | - | - | - | 324 |
| Wilson Fund | 89 | 2 | (1) | (2) | 88 |
| Designated - Foundation Bursary | 100 | - | (14) | - | 86 |
| Pension reserve | (490) | - | (103) | (228) | (821) |
| | <u>14,608</u> | <u>9,772</u> | <u>(9,009)</u> | <u>(165)</u> | <u>15,206</u> |
| Endowment funds | | | | | |
| Specie Funds | 212 | - | - | - | 212 |
| IAF Ivy Jones Endowed Fund | 287 | - | (2) | 4 | 289 |
| | <u>499</u> | <u>-</u> | <u>(2)</u> | <u>4</u> | <u>501</u> |

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22. Statement of funds (continued)

Statement of funds - prior year (continued)

| | <i>Balance at 1 September 2018 £000</i> | <i>Income £000</i> | <i>Expenditure £000</i> | <i>Gains/ (Losses) £000</i> | <i>Balance at 31 August 2019 £000</i> |
|---------------------------|---|------------------------|-----------------------------|-------------------------------------|---|
| Restricted funds | | | | | |
| General Prize Fund | 119 | 3 | - | 5 | 127 |
| Wolfson Fund | 254 | 5 | (19) | 2 | 242 |
| Gym Refurb Donation | 2 | - | - | - | 2 |
| Martin Bequest | 170 | 4 | (1) | 1 | 174 |
| OW Sports Scholarship | 875 | - | (14) | 21 | 882 |
| IAF Bursary | 90 | 62 | (15) | 14 | 151 |
| Catering Capital Donation | 120 | - | (70) | - | 50 |
| WGS Lab Donation | 86 | 95 | (4) | (7) | 170 |
| Ivy Jones Award Fund | 18 | 8 | (7) | - | 19 |
| Foundation Bursary Fund | 306 | 207 | (23) | - | 490 |
| | <u>2,040</u> | <u>384</u> | <u>(153)</u> | <u>36</u> | <u>2,307</u> |
| Total of funds | <u><u>17,147</u></u> | <u><u>10,156</u></u> | <u><u>(9,164)</u></u> | <u><u>(125)</u></u> | <u><u>18,014</u></u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Statement of funds (continued)

Unrestricted Funds

Unrestricted Funds are held with the intention that they fund ongoing general purpose expenditure.

The Wilson Fund - a designated fund for the benefit of students at the discretion of the Head.

Independence Appeals Fund (IAF): (General) – These monies were raised by appeal when the school was given notice by local government of their intention to cease to maintain the school. The purposes of the appeal were to raise £180,000 for new buildings and the balance of sums raised to provide financial assistance for children who otherwise would be unable to attend Wolverhampton Grammar School.

Endowment Funds

IAF Ivy Jones Endowed Fund - an endowed fund under the terms of Professor Douglas Jones' (Old Wulfrunian) will. A legacy has been left to the Appeals Funds for the express purpose of providing bursary assistance for able pupils whose parents could not otherwise afford to send their children to the School. Any bursary awarded is to be designated as an 'Ivy Jones Award' in honour of Prof Jones' late wife. Under the terms of the will, the capital of the legacy is required to be maintained unless certain circumstances are reached whereby some or all of the capital may be spent.

The Specie Endowment Fund - relates to the historical costs of land and buildings held by the Foundation as specified in the 1979 Scheme of Government.

Restricted Funds

General Prize Funds – These represent a large number of individual donations given for the purpose of awarding prizes for achievement.

The Wolfson Fund – This fund is for the purpose of the award of bursaries to sixth form pupils.

Independence Appeals Fund (IAF): (Bursary) – These monies were raised by appeal when the school was given notice by local government of their intention to cease to maintain the school. The purposes of the appeal were to raise £180,000 for new buildings and the balance of sums raised to provide financial assistance for children who otherwise would be unable to attend Wolverhampton Grammar School.

The Sharing The Vision Appeal was launched in 1998 in response to the government's decision to phase out the Assisted Places Scheme. The purpose of this appeal was to provide financial assistance with fees to those children who would previously have benefited from the Assisted Places Scheme and who without such help would be unable to attend Wolverhampton Grammar School. This appeal forms part of the Independence Appeals Fund.

Independence Appeals Fund: (The Martin Bequest)

The Martin Bequest is a restricted fund which has been set up to provide a bursary prize or prizes for students studying for or proceeding to Allied Medical Sciences or such other subjects as the governing body of the school shall at its discretion think fit.

Independence Appeals Fund: (The Old Wulfrunian Sports Scholarship Fund)

The Old Wulfrunian Sports Scholarship Fund is a restricted fund which has been donated to provide a means tested Sports Scholarship to a student (or students) living in the Wolverhampton postcode area who joins the school into the Sixth Form and who is able to demonstrate considerable sporting achievement.

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Catering Capital Donation Fund:

The School's catering contractors provided a donation towards the refurbishment of the dining areas at the commencement a five year contract with them in September 2015. Depreciation is being charged against the donation fund over the expected life of the refurbishment in accordance with the depreciation policy.

WGS Lab Refurbishment Fund:

Donations have been received from the Old Wulfrunians in America specifically for the refurbishment of the Chemistry Laboratories, which were completed at the end of August 2018. Depreciation is being charged against the donation fund from over the expected life of the refurbishment in accordance with the depreciation policy.

Ivy Jones Award Fund:

Income generated from the IAF Ivy Jones Endowed Fund is credited to the Ivy Jones Award Fund, a restricted fund, which is used for bursary assistance.

Foundation Bursary Fund:

These monies were raised as part of the current fundraising strategy to provide 100% bursaries to students in financial need entering Year 7, making full provision for a full 7 years of education at Wolverhampton Grammar School if required.

24. Analysis of net assets between funds

Analysis of net assets between funds - current period

| | Unrestricted funds 2020 £000 | Restricted funds 2020 £000 | Endowment funds 2020 £000 | Total funds 2020 £000 |
|--|---------------------------------------|-------------------------------------|------------------------------------|--------------------------------|
| Tangible fixed assets | 11,816 | - | 200 | 12,016 |
| Fixed asset investments | 2,091 | 1,806 | 286 | 4,183 |
| Investment property | 620 | - | - | 620 |
| Current assets | 3,180 | 436 | - | 3,616 |
| Creditors due within one year | (1,300) | - | - | (1,300) |
| Creditors due in more than one year | (32) | - | - | (32) |
| Provisions for liabilities and charges | (1,194) | - | - | (1,194) |
| Total | 15,181 | 2,242 | 486 | 17,909 |

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

| | <i>Unrestricted funds 2019 £000</i> | <i>Restricted funds 2019 £000</i> | <i>Endowment funds 2019 £000</i> | <i>Total funds 2019 £000</i> |
|--|---|---|--|--|
| Tangible fixed assets | 12,036 | - | 212 | 12,248 |
| Fixed asset investments | 1,999 | 1,992 | 289 | 4,280 |
| Investment property | 620 | - | - | 620 |
| Current assets | 3,241 | 315 | - | 3,556 |
| Creditors due within one year | (1,837) | - | - | (1,837) |
| Creditors due in more than one year | (32) | - | - | (32) |
| Provisions for liabilities and charges | (821) | - | - | (821) |
| Total | 15,206 | 2,307 | 501 | 18,014 |

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25. Pension commitments

Certain of the school's employees belong to the Teacher's Pension Scheme England and Wales (TPS), the West Midlands Metropolitan Authorities Pension Fund (LGPS) and The Independent Schools' Pension Scheme (ISPS). These schemes are defined benefit schemes.

From July 2014, the School introduced a new scheme to the members of the Support Staff not currently in a pension run by the Peoples Pension. This is a defined contribution scheme.

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy).

the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £767,942 (2019 - £523,995).

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

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

Independent Schools Pension Scheme

The School participates in the TPT Retirement Solutions - Independent Schools' Pension Scheme, a multi-employer scheme which provides benefits to associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the School to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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25. Pension commitments (continued)

The scheme is subject to the funding legislation outlined in the Pension Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

During the accounting period, Wolverhampton Grammar School paid a joint contribution rate of 23.1%, comprising employer contributions of 15.7% and member contributions range from 3.5% to 6.6%.

The total contribution made for the year ended 31 August 2020 was £48,004 (2019: £44,152), of which the total employer's contributions totalled £37,450 (2019: £33,550), the employees' contributions totalled £10,554 (2019: £10,602) and past service costs of £53,512 (2019: £54,074).

The Group operates a defined benefit pension scheme.

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £119,000 (2019: £101,000), of which employer's contributions totalled £86,000 (2019: £72,000) and employees' contributions totalled £33,000 (2019: £29,000).

At the year end £10,781 (2019: £8,859) was accrued in respect of contributions to this scheme.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the LGPS was 31 March 2019.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

| | At 31 August 2020 | At 31 August 2019 |
|--------------------------|----------------------|----------------------|
| | % | % |
| Discount rate | 1.60 | 1.80 |
| Future salary increases | 3.30 | 3.80 |
| Future pension increases | 2.30 | 2.30 |

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

25. Pension commitments (continued)

| | At 31 August 2020 Years | At 31 August 2019 Years |
|----------------------------------|-------------------------------|-------------------------------|
| Mortality rates (in years) | | |
| - for a male aged 65 now | 21.9 | 20.9 |
| - at 65 for a male aged 65 now | 23.8 | 22.6 |
| - for a female aged 65 now | 24.1 | 23.2 |
| - at 65 for a female aged 65 now | 26.0 | 25.1 |

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

| | At 31 August 2020 £000 | At 31 August 2019 £000 |
|-----------------------------------|------------------------------|------------------------------|
| Equities | 1,718 | 1,801 |
| Gilts | 332 | 284 |
| Other bonds | 119 | 113 |
| Property | 231 | 245 |
| Cash and other liquid assets | 203 | 108 |
| Other | 457 | 445 |
| Total fair value of assets | 3,060 | 2,996 |

The actual return on scheme assets was £290,000 (2019 - £182,000).

The amounts recognised in the Consolidated statement of financial activities are as follows:

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Current service cost | 186 | 163 |
| Interest cost | 14 | 11 |
| Administrative expenses | 2 | 1 |
| Total amount recognised in the Consolidated statement of financial activities | 202 | 175 |

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

Movements in the present value of the defined benefit obligation were as follows:

| | 2020 £000 |
|---|--------------|
| Opening defined benefit obligation | 3,817 |
| Interest cost | 69 |
| Contributions by scheme participants | 33 |
| Benefits paid | (50) |
| Current service cost | 186 |
| Past service cost | - |
| Actuarial gains | 199 |
| Closing defined benefit obligation | 4,254 |

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

| | 2020 £000 |
|--|--------------|
| Opening fair value of scheme assets | 2,996 |
| Interest income | 55 |
| Contributions by employer | 86 |
| Contributions by scheme participants | 33 |
| Benefits paid | (50) |
| Administration expenses | (2) |
| Actuarial losses | (58) |
| Closing fair value of scheme assets | 3,060 |

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Operating lease commitments

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

| | Group | <i>Group 2019 (As Restated)</i> | Company | <i>Company 2019 (As Restated)</i> |
|--|--------------|---|----------------|---|
| | 2020 | | 2020 | |
| | £000 | <i>£000</i> | £000 | <i>£000</i> |
| Not later than 1 year | 26 | <i>21</i> | 26 | <i>21</i> |
| Later than 1 year and not later than 5 years | 50 | <i>65</i> | 50 | <i>65</i> |
| Later than 5 years | 34 | <i>36</i> | 34 | <i>36</i> |
| | 110 | <i>122</i> | 110 | <i>122</i> |

27. Related party transactions

During the year, the School provided tuition to 7 pupils related to the Directors and 4 pupils related to key management personnel (2019: 6 related to the Directors, 4 related to key management personnel).

Fees receivable were £79,851 (2019: £100,827). The amount outstanding to Wolverhampton Grammar School at the year end was £Nil (2019: £Nil).