

**WOLVERHAMPTON GRAMMAR SCHOOL LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**



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**WOLVERHAMPTON GRAMMAR SCHOOL LIMITED**  
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS DIRECTORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**Directors**

Mr N C Berriman<sup>2,3</sup>  
Mr C I Bill, Chairman of Finance and General Purposes Committee<sup>2,4</sup>  
Mrs E Bloch<sup>1</sup>  
Revd S H L Cawdell, Chairman of Education Committee<sup>1</sup>  
Ms E Forde (appointed 28 September 2020)  
Dr M Gowan Gopal<sup>1</sup>  
Mr J Harper<sup>2</sup>  
Mr P A Hawthorne<sup>1,4</sup>  
Mr Y J Malik<sup>1,3</sup>  
Mr J Patel (resigned 22 October 2021)<sup>2</sup>  
Mr J Sage, Chairman<sup>1,2,4</sup>  
Mr S Aldis (appointed 10 March 2021)<sup>2,3</sup>  
Mr A Holles (appointed 22 October 2021)<sup>2</sup>

<sup>1</sup> Members of The Education Committee

<sup>2</sup> Members of The Finance and General Purposes Committee

<sup>3</sup> Members of The Estates Committee

<sup>4</sup> Members of The Remuneration Committee

**Company registered  
number**

6610261

**Charity registered  
number**

1125268

**Registered office**

Compton Road  
Wolverhampton  
WV3 9RB

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS DIRECTORS AND ADVISERS  
(CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**Company secretary** Mrs S Hemmings (appointed 1 September 2020)

**The Head** 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

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**WOLVERHAMPTON GRAMMAR SCHOOL LIMITED**  
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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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The Directors, who are also Trustees, present their annual report together with the audited financial statements of the Company for the 1 September 2020 to 31 August 2021. 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.

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 is 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.

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Objectives and activities (continued)**

Objectives for the Year

The School's objectives for the year were to deliver against the fourth year of the new School's 2017/2022 Strategic Plan and to provide the best possible education and service through the Covid Pandemic, whilst remaining true to the School's mission as stated above.

Primarily the objectives included:

- Ensuring a safe, sustainable approach to the school's operations through the pandemic;
- Ensuring the quality of teaching and learning during in-school and online learning;
- Making improvements to the pastoral system to further develop the community of the School;
- Maintaining an excellent extra-curricular provision despite the challenges of the pandemic;
- Working to create an Infant facility on the school site
- Raising further funds to enable a greater number of bursaries to be granted, including emergency support for families in need as a result of the pandemic; and
- Responding rigorously and fairly to the adapted requirements for public examinations under the pandemic.

In setting objectives and planning for activities, the Directors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

**b. Strategies for achieving objectives**

The School is now into the latter phase of 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. In 2020-21, the School's priorities were also necessarily affected by the needs and context of the pandemic.

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Objectives and activities (continued)**

**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).

565 students aged 11 – 18 were on roll as of September 2020 in the Senior School (September 2019: 578) and 156 students aged 7 – 11 in the Junior School (September 2019: 175). 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 Teacher Assessed 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 Teacher Assessed 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 2020/21 cohort achieved a 99% pass rate at grades 9 to 4 with 76% passes at grades 9 to 7. The students averaged over 9 passes each. At A Level there was a 100% pass rate, an 86% pass rate at A\*/B and 66% at grade A\*/A. 84% 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.

The Junior School, opened in 2011, continues to flourish and the decision was made during the year to increase the age range of the school to 4-18. This means that from September 2021, children aged 4-6 will be part of Wolverhampton Grammar School for the first time in its history. Links with the Senior School are enhanced by sharing facilities and, in some cases, teachers (Sciences, Languages and Humanities are taught 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. During the 2020/21 academic year, extra-curricular opportunities were available to students in both Junior School and Senior School, within their individual bubbles. The excellent digital provisions in place meant that learning continued during the lockdown of Spring 2021 with the school timetable maintained and students accessing live lessons through Zoom or Teams. When surveyed three weeks into the Spring lockdown, students, parents, and staff all expressed high levels of satisfaction with our online provision, academically, pastorally and in terms of extra-curricular options.

The prominence of Student Parliament in the Senior School and School Council in the Junior School and the seriousness with which student voice is taken throughout the School enables our young people to learn to articulate their thoughts and speak up for what is right. 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 Senior School House system was launched in July 2021 with all students in Years 8-Upper Sixth inducted into their houses. The House system will improve on the already excellent pastoral support offered in the school and provides opportunities for leadership while strengthening cross year group links throughout the school.

The School continues to provide quality sporting opportunity for students and participation levels are high. Extra-curricular clubs were offered to all year groups, in bubbles, throughout the year. Unfortunately, there were no inter-school fixtures during the Autumn and Spring Terms but fixtures returned in the Summer Term. The first event held was an ISFA Girls' Football Tournament for Year 6 and Year 8 students. The U13 A team came runners up on goal difference after beating Repton to qualify for the National Finals. The team then travelled to Hertfordshire FA to compete against the best independent schools in the country, finishing fourth overall.

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Objectives and activities (continued)**

The U13 A&B teams also entered the City tournament and came first and second. Students across all Senior year groups took part in 47 Cricket fixtures and 16 Rounders fixtures during the Summer Term.

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. A number of virtual concerts were held, including one during lockdown from the GCSE Musicians. The Christmas concert was recorded in School and well received. Four students performed for Compton Hospice as part of their Christmas appeal and there was a small live concert in July to staff. Unfortunately, the usual Dance Show and Upper and Lower School plays were not able to take place due to the bubble system in place throughout school. However, Year 6 were able to perform their end of year production of Wind in the Willows which was recorded for parents to view.

School trips that support and enrich the curriculum have continued to enhance the educational and spiritual growth of students. Despite most school trips being cancelled due to Covid restrictions, some events were able to take place during the Summer Term including: Duke of Edinburgh Bronze, Silver and Gold expeditions; Lower Sixth Geography Field Trip; all Junior School students spent a whole day at Laches Wood Outdoor Education Activity Centre; Year 7 had their normal end of year residential trip; and the remainder of Senior School spent a day at Go Ape as part of Activities Week.

Significant capital projects during the year were the creation of a new playground for the Infant children joining the school in September 2021 and the creation of office and meeting space in the centre of the school for Heads of Houses and Assistant Heads of Houses, the House System being relaunched as the School's pastoral structure from September 2021. Investment has also been made in a new roof on the Jenyns Library which will be further developed into a living roof during the course of 2021/22.

**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 2020 receiving means tested bursaries amounting to 67 (September 2019: 65). The proportion of those students receiving support with 90% or more of fees and additional extras is 58% (September 2019: 45%). 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. 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 2020. During the previous 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 continued to be used to support students throughout the 2020/21 academic year, helping 28 students in total over 4 terms.

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.



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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Objectives and activities (continued)**

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. 8 virtual author events were arranged during the year, allowing children from WGS and local state schools to interact with authors, poets and illustrators.

In addition to the author events, the School's Librarian led a training session at the CILIP SLG Conference - Shaping Their Futures, April 2021 – for hundreds of School Librarians/Literacy Coordinators.

The School Librarian Network Group, run from WGS, continues to offer training and support for librarians from local and regional state schools. 6 meetings were held during the year with representatives from 18 schools, where good practice was shared and resources linked to the Wolverhampton Children's Book Award were distributed. WGS again hosted the Wolverhampton Children's Book Award Ceremony, with shortlisted authors delivering virtual presentations to over 200 children from 10 local schools. Other library events included Wolverhampton Children's Book Award Quiz and Wolverhampton Young Authors' Prize and Event.

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 operating a library service whilst promoting reading remotely.

Both Senior and Junior Schools raise funds which are divided amongst local and national charities. C2C 2020 was not able to take place in May 2020 due to Covid restrictions, so was held instead at Cannock Chase Birches Valley on 17th and 18th October (as two single days), with Year 11 students running a 7.5k route as a tag team. The team ran a total of 200 miles in 29 hours and 59 minutes and raised £7,760 for Brain Tumour Support. The December whole school non-uniform day raised £1,181 for 'The Wells' – a charity providing support to families in Wolverhampton who are struggling to buy food and other essential items. There was also a food bank collection during the last week of Autumn Term whereby students and staff donated food items for The Wells. The C2C 2021 challenge took place in its traditional format over the weekend of 28th to 31st May from St Bees to Robin Hood's Bay. This year's team involved twelve Year 10 students, fundraising for a local charity: The Haven Wolverhampton and raised £7,916. A non-uniform day held in May raised funds for the India COVID crisis via the Disaster Emergency Committee. A total of £2,797 was raised on the day, but this was topped up to £3,500 from a small reserve left in the Charity budget. Junior School raised a further £700 on their non-uniform day for the India Covid Appeal. The annual Junior School Charity Week raised over £1,700 for Birmingham Children's Hospital Charity, The Dogs Trust and the WWF.

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. Three of the School's leaders and management serve the wider educational community by acting as School governors in regional state 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.

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Objectives and activities (continued)**

Fundraising and Volunteer Activities

The School continues to promote the Independence Appeals Fund for the collection of donations and legacies for augmenting bursary funds. The Directors are grateful for donations of £205k received during the year. Former students (OWs) also helped with covid testing on the return of students to school in March 2021 and a number of former students have participated in virtual presentations to share their experiences of University and work with current students.

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.

**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.

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Strategic report (continued)**

**Achievements and performance (continued)**

**b. Review of activities**

The surplus for the year (before transfers between funds and movements on investment assets) amounted to £694k (2020: £255k). The surplus for the year after transfers between funds and gains on investment assets amounted to £1,630k (2020: £104k deficit) and has been transferred to reserves. Total funds amounted to £19,541k (2020: £17,911k). The overall cash surplus for the year amounted to £1,380k (2020: £223k).

During the year, fee income after bursaries and discounts increased by £413k; equivalent to a 5.2% increase (2020: £508k; equivalent to a 5.8% decrease). There were significant discounts to Summer Term 2020 fees as a response to the pandemic and the financial impact on parents. There was no fee increase in September 2020 and a further 10% rebate was given to parents for every week that the school was closed to the majority of students during Spring Term 2021. Government Grants of £98k (2020: £258k) were 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 £205k 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 decreased to £8,919k (2020: £9,048k). The spend on Teaching and scholastic resources has been maintained at prior year levels but there have been savings in operational costs as these continue to be tightly controlled.

The value of the investments held have increased, with realised and unrealised gains amounting to £817k (2020: £102k loss). 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.

**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 2021 amounted to £19,541k (2020: £17,911k). At 31 August 2021 the consolidated free reserves were £3,868k (2020: £2,540k). 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 £1,217k (2020: £1,194k) 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.

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**DIRECTORS' REPORT (CONTINUED)**  
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**Strategic report (continued)**

**Achievements and performance (continued)**

**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.

**Financial review**

**a. Going concern**

After making appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

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**DIRECTORS' REPORT (CONTINUED)**  
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**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.

**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.

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

**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 as 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 Finance Director 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 Head of the Junior School and the Senior School Deputy and Assistant Heads Education Committee. 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 Finance Director, 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.

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**WOLVERHAMPTON GRAMMAR SCHOOL LIMITED**  
(A company limited by guarantee)

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**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:

- Continuing to develop teaching and learning, especially in view of the return to terminal public examinations;
- Continuing to develop pastoral care and wellbeing, including addressing the Independent School Inspectorate's updated expectations for Relationships & Sex Education;
- Furthering our extra-curricular provision and community links;
- Continuing to develop the Junior School, with a focus on the excellence of our new Infants provision;
- Enhancing the appeal, value and effective of the Sixth Form;
- Maximising the recruitment and retention of suitable pupils in a challenging economic environment;
- Maximising the recruitment, retention and professional development of high-quality teaching and support staff;
- Enhancing engagement with the alumni community;
- Continuing to secure the School's finances:
- Developing the estate and infrastructure in sound, sustainable ways;and
- Continuing to pursue excellence in governance, leadership and management.

The School will continue with a long term programme of work to refurbish and maintain its School buildings.

The School will continue to build on the Fundraising Strategy that has been launched focussing 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 forward thinking modern School.



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**WOLVERHAMPTON GRAMMAR SCHOOL LIMITED**  
(A company limited by guarantee)

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**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 and signed on their behalf by:

**Mr J Sage**  
Chairman



Date: 23 March 2022

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**WOLVERHAMPTON GRAMMAR SCHOOL LIMITED**  
(A company limited by guarantee)

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

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**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 2021 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 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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**

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

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

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

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**WOLVERHAMPTON GRAMMAR SCHOOL LIMITED**  
**(A company limited by guarantee)**

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

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**Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Directors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**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.

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**WOLVERHAMPTON GRAMMAR SCHOOL LIMITED**  
**(A company limited by guarantee)**

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

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**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.

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

We reviewed the susceptibility of the charitable company's financial statements to material misstatement and identified the principal risks, implementing a series of testing procedures to provide us with sufficient comfort to issue our opinion.

We reviewed the charitable company's regulatory environment to ensure we could conclude that it had acted in accordance with the framework relevant to the charitable company and its environment and identify any instances of non-compliance.

We also assessed the charitable company's internal control procedures to ensure we could appropriately scrutinise these controls and establish whether our understanding of the control environment was sufficient to supplement our additional testing procedures.

The engagement team consisted of a team that the engagement partner believes is equipped with the relevant level of technical and charitable company awareness to carry out our work to the required standard.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

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**WOLVERHAMPTON GRAMMAR SCHOOL LIMITED**  
(A company limited by guarantee)

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

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**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

29 March 2022

**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 2021**

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Endowment funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
<b>Income and endowments from:</b>						
Donations and legacies	4	107	196	-	303	509
Charitable activities	5	8,966	-	-	8,966	8,595
Other trading activities	7	23	-	-	23	40
Investments	8	73	43	-	116	134
Other income	9	228	-	-	228	48
<b>Total income and endowments</b>		<b>9,397</b>	<b>239</b>	<b>-</b>	<b>9,636</b>	<b>9,326</b>
<b>Expenditure on:</b>						
Raising funds	10	13	9	1	23	22
Charitable activities	11	8,626	293	-	8,919	9,049
<b>Total expenditure</b>		<b>8,639</b>	<b>302</b>	<b>1</b>	<b>8,942</b>	<b>9,071</b>
<b>Net income/(expenditure) before net gains/(losses) on investments</b>						
		<b>758</b>	<b>(63)</b>	<b>(1)</b>	<b>694</b>	<b>255</b>
Net gains/(losses) on investments		71	58	6	135	(84)
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>829</b>	<b>(5)</b>	<b>5</b>	<b>829</b>	<b>171</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	28	120	-	-	120	(257)
Other gains/(losses)		340	292	49	681	(18)
<b>Net movement in funds</b>		<b>1,289</b>	<b>287</b>	<b>54</b>	<b>1,630</b>	<b>(104)</b>

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**WOLVERHAMPTON GRAMMAR SCHOOL LIMITED**  
(A company limited by guarantee)

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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT) (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Endowment funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Note					
<b>Reconciliation of funds:</b>					
Total funds brought forward	15,184	2,242	486	17,911	18,015
Net movement in funds	1,289	287	54	1,630	(104)
<b>Total funds carried forward</b>	<b>16,473</b>	<b>2,529</b>	<b>540</b>	<b>19,542</b>	<b>17,911</b>

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

The notes on pages 27 to 54 form part of these financial statements.

**WOLVERHAMPTON GRAMMAR SCHOOL LIMITED**  
(A company limited by guarantee)

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Tangible assets	15	12,199	12,016
Investments	17	4,985	4,183
Investment property	16	620	620
		17,804	16,819
<b>Current assets</b>			
Stocks	18	8	10
Debtors	19	185	235
Cash at bank and in hand		4,751	3,371
		4,944	3,616
Creditors: amounts falling due within one year	20	(1,987)	(1,297)
<b>Net current assets</b>		2,957	2,319
<b>Total assets less current liabilities</b>		20,761	19,138
Creditors: amounts falling due after more than one year	21	-	(32)
<b>Net assets excluding pension liability</b>		20,761	19,106
Defined benefit pension scheme liability	28	(1,217)	(1,194)
<b>Total net assets</b>		19,544	17,912



**WOLVERHAMPTON GRAMMAR SCHOOL LIMITED**  
(A company limited by guarantee)

**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2021**

	Note	2021 £000	2020 £000
<b>Charity funds</b>			
Endowment funds	22	540	486
Restricted funds:			
Restricted funds	22	2,528	2,242
Total restricted funds	22	2,528	2,242
Unrestricted funds			
General funds	22	17,693	16,378
Unrestricted funds excluding pension liability	22	17,693	16,378
Pension reserve	22	(1,217)	(1,194)
Total unrestricted funds	22	16,476	15,184
<b>Total funds</b>		<b>19,544</b>	<b>17,912</b>


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 and signed on their behalf by:

**Mr J Sage**  
Chairman



**Mr C I Bill**  
Chair of Finance Committee



Date: 23 March 2022

The notes on pages 27 to 54 form part of these financial statements.

**WOLVERHAMPTON GRAMMAR SCHOOL LIMITED**  
(A company limited by guarantee)

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 AUGUST 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Tangible assets	15	12,102	11,919
Investments	17	358	293
		<u>12,460</u>	<u>12,212</u>
<b>Current assets</b>			
Stocks	18	8	10
Debtors	19	175	247
Cash at bank and in hand		4,205	2,790
		<u>4,388</u>	<u>3,047</u>
Creditors: amounts falling due within one year	20	(1,982)	(1,292)
<b>Net current assets</b>		<u>2,406</u>	<u>1,755</u>
<b>Total assets less current liabilities</b>		<u>14,866</u>	<u>13,967</u>
Creditors: amounts falling due after more than one year	21	-	(32)
<b>Net assets excluding pension liability</b>		<u>14,866</u>	<u>13,935</u>
Defined benefit pension scheme liability	28	(1,217)	(1,194)
<b>Total net assets</b>		<u><u>13,649</u></u>	<u><u>12,741</u></u>

**WOLVERHAMPTON GRAMMAR SCHOOL LIMITED**  
(A company limited by guarantee)

**COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 AUGUST 2021**

	Note	2021 £000	2020 £000
<b>Charity funds</b>			
Endowment funds	22	212	212
Restricted funds:			
Total restricted funds	22	545	561
Unrestricted funds			
Unrestricted funds including pension liability	22	12,891	11,968
Total unrestricted funds	22	12,892	11,968
<b>Total funds</b>		<b>13,649</b>	<b>12,741</b>

The Company's net movement in funds for the year was £907 (2020 - £(63)).

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 23 March 2022 and signed on their behalf by:

**Mr J Sage**  
Chairman



**Mr C I Bill**  
Chair of Finance Committee



The notes on pages 27 to 54 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 2021**

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	<b>1,710</b>	<i>252</i>
<b>Cash flows from investing activities</b>		
Dividends, interests and rents from investments	<b>115</b>	<i>125</i>
Purchase of tangible fixed assets	<b>(567)</b>	<i>(221)</i>
Proceeds from sale of investments	<b>575</b>	<i>946</i>
Purchase of investments	<b>(453)</b>	<i>(879)</i>
<b>Net cash used in investing activities</b>	<b>(330)</b>	<i>(29)</i>
<b>Change in cash and cash equivalents in the year</b>	<b>1,380</b>	<i>223</i>
Cash and cash equivalents at the beginning of the year	<b>3,371</b>	<i>3,148</i>
<b>Cash and cash equivalents at the end of the year</b>	<b>4,751</b>	<i>3,371</i>

The notes on pages 27 to 54 form part of these financial statements

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**WOLVERHAMPTON GRAMMAR SCHOOL LIMITED**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**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 £907k surplus (2020 - £63k deficit).

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**WOLVERHAMPTON GRAMMAR SCHOOL LIMITED**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**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.

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**WOLVERHAMPTON GRAMMAR SCHOOL LIMITED**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**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 2021 valuations were made by the Directors, on an open market value for existing use basis.

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**WOLVERHAMPTON GRAMMAR SCHOOL LIMITED**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**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.

**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.

**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.



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**2. Accounting policies (continued)**

**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 2021; 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 28, 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**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 Group 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**

	<b>Unrestricted funds 2021 £000</b>	<b>Restricted funds 2021 £000</b>	<b>Total funds 2021 £000</b>	<i>Total funds 2020 £000</i>
Donations	3	-	<b>3</b>	28
Legacies	6	196	<b>202</b>	223
Government grants	98	-	<b>98</b>	258
	<hr/> 107	<hr/> 196	<hr/> <b>303</b>	<hr/> 509
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2020</i>	<hr/> 342	<hr/> 167	<hr/> <b>509</b>	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

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**5. Income from charitable activities**

	<b>Unrestricted funds 2021 £000</b>	<b>Total funds 2021 £000</b>	<i>Total funds 2020 £000</i>
School fees - see note 6 below	8,408	<b>8,408</b>	7,995
Catering ,Music & travel Income	393	<b>393</b>	426
Other Educational Income	165	<b>165</b>	174
<b>Total 2021</b>	<u>8,966</u>	<u><b>8,966</b></u>	<u>8,595</u>
<i>Total 2020</i>	<u>8,595</u>	<u>8,595</u>	

**6. Charitable Activities - School Fees**

	<b>2021 £000</b>	<i>2020 £000</i>
Gross Fees	<b>9,132</b>	8,705
Bursaries, scholarships & other awards	<b>(724)</b>	(710)
	<u><b>8,408</b></u>	<u>7,995</u>

**7. Income from other trading activities**

**Income from fundraising events**

	<b>Unrestricted funds 2021 £000</b>	<b>Total funds 2021 £000</b>	<i>Total funds 2020 £000</i>
Lettings	<u>23</u>	<u><b>23</b></u>	<u>40</u>
<i>Total 2020</i>	<u>40</u>	<u>40</u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. Investment income**

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Rental income from investment properties	24	-	24	15
Income from investments listed on a recognised stock exchange	49	43	92	109
Investment income - local cash	-	-	-	10
	<u>73</u>	<u>43</u>	<u>116</u>	<u>134</u>
<i>Total 2020</i>	<u>77</u>	<u>57</u>	<u>134</u>	

**9. Other incoming resources**

	Unrestricted funds 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Miscellaneous income	<u>228</u>	<u>228</u>	<u>48</u>
<i>Total 2020</i>	<u>48</u>	<u>48</u>	

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**10. Investment management costs**

	<b>Unrestricted funds 2021 £000</b>	<b>Restricted funds 2021 £000</b>	<b>Endowment funds 2021 £000</b>	<b>Total funds 2021 £000</b>	<i>Total funds 2020 £000</i>
Investment management fees	1	-	-	1	1
Expenditure on investment management	12	9	1	22	21
	<u>13</u>	<u>9</u>	<u>1</u>	<u>23</u>	<u>22</u>
<i>Total 2020</i>	<u>12</u>	<u>9</u>	<u>1</u>	<u>22</u>	

**11. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2021 £000</b>	<b>Restricted funds 2021 £000</b>	<b>Total funds 2021 £000</b>	<i>Total funds 2020 £000</i>
Teaching and scholastic resources	5,939	14	5,953	5,972
Estates	1,019	251	1,270	1,239
Welfare and Catering	473	-	473	433
Support costs and governance	1,195	28	1,223	1,405
	<u>8,626</u>	<u>293</u>	<u>8,919</u>	<u>9,049</u>
<i>Total 2020</i>	<u>8,812</u>	<u>237</u>	<u>9,049</u>	

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**12. Net income/expenditure**

This is stated after charging:

	<b>Group 2021 £000</b>	<i>Group 2020 £000</i>
Operating lease rentals	23	21
Depreciation of tangible fixed assets	383	453
Auditors remuneration	10	10
Other services	5	5
	<u>421</u>	<u>489</u>

**13. Staff costs**

	<b>Group 2021 £000</b>	<i>Group 2020 £000</i>	<b>Company 2021 £000</b>	<i>Company 2020 £000</i>
Wages and salaries	4,634	4,614	4,634	4,614
Social security costs	441	444	441	444
Contribution to defined contribution pension schemes	1,128	1,099	1,128	1,099
	<u>6,203</u>	<u>6,157</u>	<u>6,203</u>	<u>6,157</u>

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

	<b>Group 2021 No.</b>	<i>Group 2020 No.</i>
Teaching	115	121
Estates	31	27
Administration	24	21
	<u>170</u>	<u>169</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**13. Staff costs (continued)**

The average headcount expressed as full-time equivalents was:

	<b>Group 2021 No.</b>	<i>Group 2020 No.</i>
Teaching	<b>91</b>	92
Estates	<b>20</b>	18
Administration	<b>20</b>	19
	<hr/> <b>131</b> <hr/>	<hr/> 129 <hr/>

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

	<b>Group 2021 No.</b>	<i>Group 2020 No.</i>
In the band £60,001 - £70,000	<b>2</b>	2
In the band £70,001 - £80,000	<b>2</b>	2
In the band £80,001 - £90,000	<b>1</b>	-
In the band £90,001 - £100,000	-	1
In the band £100,001 - £200,000	<b>1</b>	1

The total remuneration received by key management personnel, including wages, pension and benefits in kind amounted to £724,930 (2020 £760,458).

**14. Directors' remuneration and expenses**

During the year, no Directors received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, no Director expenses have been incurred (2020 - £NIL).

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**15. Tangible fixed assets**

**Group**

	Freehold property £000	Plant and machinery £000	Motor vehicles £000	Total £000
<b>Cost or valuation</b>				
At 1 September 2020	15,144	1,485	33	16,662
Additions	436	131	-	567
At 31 August 2021	15,580	1,616	33	17,229
<b>Depreciation</b>				
At 1 September 2020	3,560	1,055	33	4,648
Charge for the year	201	182	-	383
At 31 August 2021	3,761	1,237	33	5,031
<b>Net book value</b>				
At 31 August 2021	11,819	379	-	12,198
At 31 August 2020	11,584	431	-	12,015



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**15. Tangible fixed assets (continued)**

**Company**

	Freehold property £000	Plant and machinery £000	Motor vehicles £000	Total £000
<b>Cost or valuation</b>				
At 1 September 2020	15,048	1,485	33	16,566
Additions	436	131	-	567
At 31 August 2021	<u>15,484</u>	<u>1,616</u>	<u>33</u>	<u>17,133</u>
<b>Depreciation</b>				
At 1 September 2020	3,560	1,055	33	4,648
Charge for the year	201	182	-	383
At 31 August 2021	<u>3,761</u>	<u>1,237</u>	<u>33</u>	<u>5,031</u>
<b>Net book value</b>				
At 31 August 2021	<u>11,723</u>	<u>379</u>	<u>-</u>	<u>12,102</u>
At 31 August 2020	<u>11,488</u>	<u>431</u>	<u>-</u>	<u>11,919</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. Investment property**

**Group**

	<b>Freehold investment property £000</b>
<b>Valuation</b>	
At 1 September 2020	<b>620</b>
At 31 August 2021	<b>620</b>

**Company**

At 31 August 2021

The 2021 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 2021. The historic costs of revalued investment properties are £393k (2020: £393k).

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**17. Fixed asset investments**

<b>Group</b>	<b>Listed investments £000</b>	<b>Other fixed asset investments £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>			
At 1 September 2020	4,077	105	4,182
Additions	453	-	453
Disposals	(439)	-	(439)
Revaluations	773	15	788
At 31 August 2021	<u>4,864</u>	<u>120</u>	<u>4,984</u>
<b>Net book value</b>			
At 31 August 2021	<u>4,864</u>	<u>120</u>	<u>4,984</u>
At 31 August 2020	<u>4,077</u>	<u>105</u>	<u>4,182</u>
<b>Company</b>			<b>Listed investments £000</b>
<b>Cost or valuation</b>			
At 1 September 2020			293
Revaluations			65
At 31 August 2021			<u>358</u>
<b>Net book value</b>			
At 31 August 2021			<u>358</u>
At 31 August 2020			<u>293</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Stocks**

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2021</b>	<i>2020</i>	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>	<b>£000</b>	<i>£000</i>
Stocks	<b>8</b>	<i>10</i>	<b>8</b>	<i>10</i>

**19. Debtors**

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2021</b>	<i>2020</i>	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>	<b>£000</b>	<i>£000</i>
<b>Due within one year</b>				
Trade debtors	<b>11</b>	<i>89</i>	<b>-</b>	<i>83</i>
Other debtors	<b>28</b>	<i>51</i>	<b>27</b>	<i>50</i>
Prepayments and accrued income	<b>146</b>	<i>95</i>	<b>148</b>	<i>114</i>
	<b>185</b>	<i>235</i>	<b>175</b>	<i>247</i>

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

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2021</b>	<i>2020</i>	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>	<b>£000</b>	<i>£000</i>
Fees in advance	<b>943</b>	676	<b>943</b>	676
Trade creditors	<b>319</b>	186	<b>315</b>	184
Other taxation and social security	<b>108</b>	110	<b>108</b>	110
Other creditors	<b>186</b>	147	<b>186</b>	147
Accruals	<b>431</b>	178	<b>430</b>	175
	<b>1,987</b>	1,297	<b>1,982</b>	1,292

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

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2021</b>	<i>2020</i>	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>	<b>£000</b>	<i>£000</i>
Payments received on account	-	32	-	32

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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 2020 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
<b>Unrestricted funds</b>					
Undesignated	13,770	9,345	(8,430)	42	14,727
IAF General	2,129	51	(65)	360	2,475
Revaluation Reserve	324	-	-	-	324
Wilson Fund	81	2	-	10	93
Designated - Foundation Bursary	74	-	-	-	74
Pension reserve	(1,194)	-	(143)	120	(1,217)
	<b>15,184</b>	<b>9,398</b>	<b>(8,638)</b>	<b>532</b>	<b>16,476</b>
<b>Endowment funds</b>					
Specie Funds	212	-	-	-	212
IAF Ivy Jones Endowed Fund	274	-	(1)	55	328
	<b>486</b>	<b>-</b>	<b>(1)</b>	<b>55</b>	<b>540</b>

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**22. Statement of funds (continued)**

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
<b>Restricted funds</b>					
Restricted Funds - all funds	-	-	(2)	-	(2)
General Prize Fund	132	3	-	14	149
Wolfson Fund	210	6	(14)	41	243
Gym Refurb Donation	2	-	-	-	2
Martin Bequest	219	166	(16)	38	407
OW Sports Scholarship	857	13	(20)	153	1,003
IAF Bursary	162	36	(179)	24	43
Catering Capital Donation	23	-	(23)	-	-
WGS Lab Donation	157	-	(5)	-	152
Ivy Jones Award Fund	22	8	-	-	30
Foundation Bursary Fund	458	7	(44)	80	501
	<u>2,242</u>	<u>239</u>	<u>(303)</u>	<u>350</u>	<u>2,528</u>
<b>Total of funds</b>	<u>17,912</u>	<u>9,637</u>	<u>(8,942)</u>	<u>937</u>	<u>19,544</u>

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**22. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 1 September 2019 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2020 £000</i>
<b>Unrestricted funds</b>					
Undesignated	13,353	9,049	(8,646)	14	13,770
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>9,102</u>	<u>(8,823)</u>	<u>(301)</u>	<u>15,184</u>
<b>Endowment funds</b>					
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>



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**22. Statement of funds (continued)**

	<i>Balance at 1 September 2019 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2020 £000</i>
<b>Restricted funds</b>					
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>
<b>Total of funds</b>	<u>18,014</u>	<u>9,326</u>	<u>(9,069)</u>	<u>(359)</u>	<u>17,912</u>

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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 deprecation 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 deprecation 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 year**

	<b>Unrestricted funds 2021 £000</b>	<b>Restricted funds 2021 £000</b>	<b>Endowment funds 2021 £000</b>	<b>Total funds 2021 £000</b>
Tangible fixed assets	11,987	-	212	<b>12,199</b>
Fixed asset investments	2,361	2,296	328	<b>4,985</b>
Investment property	620	-	-	<b>620</b>
Current assets	4,712	232	-	<b>4,944</b>
Creditors due within one year	(1,987)	-	-	<b>(1,987)</b>
Provisions for liabilities and charges	(1,217)	-	-	<b>(1,217)</b>
<b>Total</b>	<b>16,476</b>	<b>2,528</b>	<b>540</b>	<b>19,544</b>

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**25. Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>Group 2021 £000</b>	<i>Group 2020 £000</i>
Net income for the year (as per Statement of Financial Activities)	<b>829</b>	<i>171</i>
<b>Adjustments for:</b>		
Depreciation charges	<b>383</b>	<i>453</i>
Gains/(losses) on investments	<b>(122)</b>	<i>84</i>
Dividends, interests and rents from investments	<b>(116)</b>	<i>(123)</i>
Decrease/(increase) in stocks	<b>2</b>	<i>(2)</i>
Decrease in debtors	<b>81</b>	<i>166</i>
Increase/(decrease) in creditors	<b>630</b>	<i>(540)</i>
Movement in FRS102 pension	<b>23</b>	<i>43</i>
<b>Net cash provided by operating activities</b>	<b>1,710</b>	<i>252</i>

**26. Analysis of cash and cash equivalents**

	<b>Group 2021 £000</b>	<i>Group 2020 £000</i>
Cash in hand	<b>4,751</b>	<i>3,371</i>
<b>Total cash and cash equivalents</b>	<b>4,751</b>	<i>3,371</i>

**27. Analysis of changes in net debt**

	<b>At 1 September 2020 £000</b>	<b>Cash flows £000</b>	<b>At 31 August 2021 £000</b>
Cash at bank and in hand	<b>3,371</b>	<b>1,380</b>	<b>4,751</b>
	<b>3,371</b>	<b>1,380</b>	<b>4,751</b>

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**28. 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 £598,780 (2020 - £609,908).

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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**28. 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 between 21.5% and 24.6%, comprising employer contributions of 17.9% and member contributions range from 3.6% to 6.7%.

The total contribution made for the year ended 31 August 2021 was £48,661 (2020: £48,004), of which the total employer's contributions totalled £37,779 (2020: £37,450), the employees' contributions totalled £10,883 (2020: £10,554) and past service costs of £54,953 (2020: £53,512).

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 2021 was £125,428 (2020: £122,228), of which employer's contributions totalled £93,533 (2020: £88,845) and employees' contributions totalled £31,895 (2020: £33,383).

At the year end £NIL (2020: £NIL) 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 2020.

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

	<b>At 31 August 2021</b>	<i>At 31 August 2020</i>
	%	%
Discount rate	<b>1.65</b>	1.60
Future salary increases	<b>3.90</b>	3.30
Future pension increases	<b>2.90</b>	2.30

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**28. Pension commitments (continued)**

	<b>At 31 August 2021 Years</b>	<i>At 31 August 2020 Years</i>
Mortality rates (in years)		
- for a male aged 65 now 45	<b>21.6</b>	21.9
- at 65 for a male aged 45 now	<b>23.4</b>	23.8
- for a female aged 65 now	<b>24</b>	24.1
- at 65 for a female aged 45 now	<b>25.8</b>	26.0

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

The actual return on scheme assets was £544,000 (2020 - £290,000).

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

	<b>2021 £000</b>	<i>2020 £000</i>
Interest cost	<b>68</b>	69

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

	<b>2021 £000</b>
Opening defined benefit obligation	<b>4,254</b>
Interest cost	<b>68</b>
Contributions by scheme participants	<b>32</b>
Change in demographic assumptions	<b>(64)</b>
Current service cost	<b>218</b>
Change in financial assumptions	<b>514</b>
Experience loss/(gain) on defined benefit obligation	<b>(75)</b>
Estimated benefits paid net of transfers in	<b>(88)</b>
<b>Closing defined benefit obligation</b>	<b>4,859</b>

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**28. Pension commitments (continued)**

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

	<b>2021 £000</b>
Opening fair value of scheme assets	<b>3,060</b>
Interest on assets	<b>49</b>
Return on assets less interest	<b>495</b>
Contributions by scheme participants	<b>94</b>
Contributions by scheme participants	<b>32</b>
Estimated benefits paid plus unfunded net transfers in	<b>(88)</b>
<b>Closing fair value of scheme assets</b>	<b>3,642</b>

**29. Operating lease commitments**

At 31 August 2021 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2021 £000</b>	<i>Group 2020 £000</i>	<b>Company 2021 £000</b>	<i>Company 2020 £000</i>
Not later than 1 year	<b>26</b>	26	<b>22</b>	26
Later than 1 year and not later than 5 years	<b>30</b>	50	<b>30</b>	50
Later than 5 years	<b>31</b>	34	<b>31</b>	34
	<b>87</b>	110	<b>83</b>	110

**30. Related party transactions**

During the year, the School provided tuition to 5 pupils related to the Directors and 5 pupils related to key management personnel (2020: 6 related to the Directors, 4 related to key management personnel).

Fees receivable were £94,139 (2020: £79,851). The amount outstanding to Wolverhampton Grammar School at the year end was £Nil (2020: £Nil). Fees for Director's and other key management personnel are charged at market rate, without reduction.