

The North Halifax Grammar School Academy Trust

**For accounting period ending
31 August 2020**

**(A Company Limited by Guarantee)
Annual Report and Financial Statements**

**Company Registration Number:
7628903 (England and Wales)**

The North Halifax Grammar School Academy Trust

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The North Halifax Grammar School Academy Trust

Reference and Administrative Details

Members

R Hartley
A Cade
M Carrigan (resigned effective 31 August 2020)
M Pitts
M Leicester
J Wright (appointed 24.06.20, effective 1 September 2020)

Trustees

R Hartley – Chair (resigned 31.08.2020)
A Fisher (Principal and Accounting Officer)
A Prathivadi Bhayankaram
M Carrigan
M Pitts
A Cade (Chair effective 1 September 2020)
R Abdrasilov
K Drury (resigned 08.07.2020)
N Sheehan
C Sankey
C Walker – Staff Governor
C Hooper
R Swinbourne (resigned 17.09.2020)
J Jackson (Co-opted Governor – appointed 07.02.2020)
H Cannon (Co-opted Governor – appointed 07.02.2020)

Company Secretary

E Casson

Senior Management Team:

- | | |
|----------------------------|--------------------------------|
| • Principal | A Fisher |
| • Vice Principal | R Haworth |
| • Vice Principal | D Wood |
| • Vice Principal | C Tomlin |
| • Vice Principal | D Crossland |
| • Assistant Vice Principal | G Quigley |
| • Assistant Vice Principal | J Alexander |
| • Assistant Vice Principal | A Kent |
| • Assistant Vice Principal | H Ablewhite |
| • Assistant Vice Principal | D Kennedy |
| • Academy Finance Director | E Casson |
| • Academy Systems Manager | C Varley (resigned 31.08.2020) |

Company Name	The North Halifax Grammar School Academy Trust
Principal and Registered Office	Moorbottom Road Illingworth Halifax HX2 9SU
Independent Auditor	Lambert, Roper & Horsfield Limited First Floor Rosemount House Huddersfield Road Elland HX5 0EE
Internal Auditors	BHP LLP New Chartford House Centurion Way Cleckheaton BD19 3QB
Bankers	Lloyds Bank Commercial Street Halifax HX1 1BB
Solicitors	Irwin Mitchell LLP Wellington Place Leeds LS1 4BZ

The North Halifax Grammar School Academy Trust

Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2019 to 31st August 2020. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 19 serving a catchment area across several different local authorities in its capacity as a grammar school.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of The North Halifax Grammar School Academy Trust are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The North Halifax Grammar School Academy Trust.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 3.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect all Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides up to £5,000,000 on any one claim.

Method of Recruitment and Appointment or Election of Trustees

The management of the Academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

The term of office for any Trustee shall be four years, save that this time limit shall not apply to the Principal who is entitled to be a Trustee for as long as he or she is Principal. Subject to remaining eligible to be a particular type of Trustee, any Director may be re-appointed or re-elected. The Trustees who were in office at 31st August 2020 and who served during the period are listed on page 3.

New Trustees are recruited in accordance with the procedures outlined in the Articles of Association. The Members may appoint up to eight Trustees plus an additional two staff Trustees. The Local Authority may appoint one Trustee and parents of current students may elect two Parent Trustees. Additionally, up to three co-opted Trustees may be appointed. Each new Trustee is recruited following an application and interview process to ensure their suitability and the transparency of the process. A reference is also obtained.

Parent Trustees are elected by the parents at the Academy as individuals who are representative of the parental body.

Recruitment is carried out through contacting parents, local businesses and governor specific recruitment sites.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Chair of the Governance Board is responsible for overseeing the induction of new Trustees by the Clerk. The training and induction provided for all new Trustees is dependent on their existing experience. Where necessary, induction will include a meeting with the Clerk to the Governance Board and presentation of an Induction Pack which contains key documentation such as accounts, budgets and policies and other documentation they need to undertake their role as a Trustee. Induction training is made available on educational, legal and financial matters through courses provided by the Local Authority or other external agencies. All new Trustees are given the opportunity of a tour of the Academy.

Ongoing training is provided throughout the year for all Trustees on specific topics. Trustees receive general updates from the Clerk via external agencies and all Trustees also attend an annual Training Event held at the Academy. Training is also available face to face and online.

Organisational Structure

The management structure of the Academy consists of the Trustees and the Leadership Group. The Principal of the Academy is the Accounting Officer. The aim of the management structure is to devolve responsibility where appropriate and encourage involvement in decision making at all levels.

The Trustees are responsible for setting the strategic vision and direction of the Academy. This is achieved by taking account of the changing educational landscape both nationally and locally, the educational aspirations of the staff and students and the constraints of current resources. These responsibilities are applied through the determination of Academy vision, the adoption and challenge of an Improvement Plan (which is reviewed annually), the agreement and monitoring of an annual budget and key financial information, the approval of key areas of capital expenditure and the appointment of senior staff.

The Leadership Group (LG) manages the Academy on an operational level, implementing the policies and actions approved by the Trustees and reporting back to them. The Leadership Group is also responsible for delivering the areas of improvement identified in the Improvement Plan.

From 1st September 2019 to 31st August 2020 the LG comprised of the Principal, four Vice Principals, and five Associate Vice Principals, the Academy Systems Manager and the Academy Finance Director. From 1st September 2020 the LG structure changed following the retirement of the Academy Systems Manager.

Management is also provided throughout the Academy by Heads of Departments and Year Group Leaders. These groups of staff are responsible for curriculum development, attainment, achievement and the pastoral welfare of students.

Arrangements for setting pay and remuneration of key management personnel

The Trustees are committed to taking decisions in accordance with the 'key principles of public life': objectivity, openness and accountability, recognising the requirement for a fair and transparent policy to determine the pay and grading for all staff employed in the Academy, which takes account of the conditions of service under which staff are employed and relevant statutory requirements.

The Trustees recognise their responsibilities under relevant legislation including the Equality Act 2010 and ensure that all pay related decisions are taken equitably and fairly in compliance with statutory requirements.

The Trustees assign a seven point Individual School Range (ISR) based on the school group size, as determined by the School Teachers' Pay and Conditions document and ensure that there is no overlap of salary bands between the Principal and other leadership posts.

Progression on the ISR for the Principal will be subject to a review of the Principal's performance set against the annual appraisal targets. The Principal's annual appraisal is carried out by a small group of Trustees who are advised by an external consultant.

The Trustees may decide to award one increment for sustained high quality performance or two increments where performance has been exceptional. Where performance has not been of a sustained high quality the Trustees may decide that there should be no pay progression.

The Trustees will ensure that reasons for setting the ISR at a given level are recorded and that the process for the determination of the Principal's salary is fair and transparent.

The Trustees will determine a pay range for all other members of the Leadership Group, either from within the leadership range contained in the School Teachers' Pay and Conditions document or from appropriate NJC scale ranges.

The pay range for the Leadership Group will be reviewed by 31st October or at any time during the year where there is a significant permanent change in the duties and responsibilities of the post, or where it is necessary to consider a retention payment for a member of staff on the leadership spine.

Progress on the pay range for a member of staff paid on the leadership scale will be subject to a review of their performance set against annual appraisal targets. The Pay and Audit Committee may decide to award one increment for sustained high quality performance or two increments where performance has been exceptional. Where performance has not been of a sustained high quality the Pay and Audit Committee may decide that there should be no pay progression.

Trade Union Facility Time

Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employees number
2	2

Percentage of time spent on Facility Time

Percentage of time	Number of employees
0%	2
1%-50%	
51%-99%	
100%	

Percentage of pay bill spent on facility time

Provide the total cost of facility time	0
Provide the total pay bill	
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	

Paid Trade Union Activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0
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Related Parties and other Connected Charities and Organisations

The Academy is a member of the following organisations:

- The Calderdale Association of Secondary Heads (CASH) - a group of local Headteachers established to discuss issues and their impact upon local schools.
- The Teamworks Teaching School Alliance (SCITT). Teamworks offers high quality Initial Teacher Education.

- The Trinity Teaching School Alliance (TTSA) – an alliance of local schools taking School Direct trainee teachers.
- Calderdale Secondary School Improvement Cluster (CSSIC) - a peer group of schools established to facilitate improvement through peer review and collective discussions.
- Grammar School Heads' Association (GSHA) – group of Headteachers to discuss issues as they arise and in particular the impact of these on Grammar schools.

Membership of the above networks does not have either an influence nor an impact on the operating policies of the Academy Trust.

The Academy also purchases services from the Local Authority, Calderdale MBC under normal business arrangements.

Objectives and Activities

Objects and Aims

The principal object and activity of the charitable company is the operation of The North Halifax Grammar School Academy Trust, to provide academically selective education for students between the ages of 11 and 19.

The Academy's motto "Living to Learn | Learning to Live" encapsulates the Academy's purpose.

Objectives, Strategies and Activities

The Academy's main strategy is to raise standards of achievement and progress through a focus on continuous improvement in all aspects of the organisation. The core purpose of the Academy is teaching and learning. The staff and resources are continuously measured by their contribution to the overall quality of teaching and learning and therefore the standards achieved by its students.

The Academy is a co-educational selective school serving the whole of Calderdale and beyond. It is compliant with the current statutory arrangements laid down in the national Admissions Code (revised December 2014).

NHGS Vision Statement

NHGS is the school that everyone wishes they went to: where enthusiasm is infectious and excellence is standard; where co-operation is at the heart of all we do; where everyone strives to achieve their goals and is mindful of the right ways to do so.

We equip our students with the knowledge, skills and understanding to navigate life with confidence and set courses of their own choosing.

Together, we develop the whole person by: Living to Learn, Learning to Live.

NHGS Mission Statement

Our mission is to be a school where our behaviours create excellence.

Key Strategic Objectives

To be a school where everyone is safe, is valued, and enjoys the highest possible level of personal well-being;

To be a school where students develop the skills, knowledge and attributes to navigate life with confidence and set courses of their own choosing;

To be a school where all students make excellent progress from their different starting points as a result of world-class teaching, learning and assessment.

Public Benefit

The Trustees have considered the Charity Commission's guidance on public benefit and in particular its supplementary public benefit guidance on advancing education. The key public benefit delivered by the Academy is the provision of a high quality education for its students. During the period under review the Academy had 1,193 students on roll.

The Academy provides education to young people aged 11 to 19 that:

- safeguards students effectively;
- is broad and balanced;
- includes the study of English, Mathematics, RE and Science for all students from 11 to 16;
- includes the teaching of SRE according to an agreed syllabus;
- promotes the personal, spiritual, moral, social, cultural, intellectual and physical development of students at the school and their understanding of the legally protected characteristics under The Equality Act;
- engenders in students the capacity for lifelong learning which requires the development of skills, the acquisition of knowledge and improved understanding;
- develops students who are lively, critical, independent, curious and creative;
- produces well-rounded, young adults with an enlightened set of attitudes and values including an appreciation of sustainability, who respect others and accept responsibility; and
- prepares students at the Academy for the opportunities, responsibilities and experiences of later life which include citizenship and employment; and
- promotes fundamental British values.

Strategic Report

Achievements and Performance

The Improvement Plan for 2018-2021

The Trustees and Directors approved a new three year Quality Improvement Plan in 2018. The Governance Board monitors the progress against objectives within the various sections of the Improvement Plan. The Principal reports annually to the Trustees and Directors in the Autumn term on progress against objectives.

Goal 1: Everyone feels safe, is valued, and enjoys the highest possible level of personal well-being
To achieve this we will: <ol style="list-style-type: none">1. Communicate the core values of the school clearly and consistently, particularly during recruitment processes, and at all appropriate opportunities which arise with students, staff and parents throughout each school year.2. Maintain a clear focus by all staff on safeguarding, pastoral care and mental health, allocating sufficient resources to pastoral leadership, student welfare and student support in particular.3. Have regard to the potential impact of all new and existing policies and procedures on staff and student well-being and review them as necessary to maximise positive impacts and minimise negative ones.4. Maintain the outstanding behaviour, ethos and culture of the school, characterised by excellent relationships within and between the different sections of the school community and monitor it through key performance indicators and regular student, staff and parent surveys.
Goal 2: Students develop the skills, knowledge and attributes to navigate life with confidence and set courses of their own choosing
To achieve this we will: <ol style="list-style-type: none">1. Give students choices in their learning through the curriculum and departmental schemes of work so students take ownership of and responsibility for their own learning.2. Ensure smooth transitions between phases (KS2 to KS3, KS3 to KS4, KS4 to P16).

3. Plan a full programme of age appropriate careers education, opportunities to engage in work related learning/enrichment activities, and access to high quality independent advice and guidance in line with the Gatsby Foundation Good Career Guidance.
4. Build students' self-esteem and self-confidence by planning activities that extend students into their zones of proximal development, and by promoting a positive culture around "mistakes" and "misconceptions" as key learning opportunities.
5. Promote positive learning behaviours (thirst for learning) and discourage negative ones through the BfL system, encouraging students to be mindful of their actions and the impact they have on themselves and others.
6. Provide students with frequent opportunities to develop key employability skills, including leadership and management, communication, team working and problem solving, including by working with students in different phases.
7. Place a high value on students' Spiritual, Moral, Social and Cultural development, giving students a wealth of opportunities to reflect on the world we live in and its diversity; develop mutual respect for and tolerance of those with different faiths and beliefs and for those without faith, and an appreciation of the importance of democracy, the rule of law, and individual liberty.
8. Encourage participation in charitable works and community based projects that teach students to help those less fortunate than themselves.
9. Provide students with rich learning opportunities that help them to see the real life applications of the knowledge and skills they are acquiring.
10. Provide a wide range of enrichment activities, educational trips and visits, both during and outside of the school day, to enhance learning and encourage all students to participate in as many activities as possible.

Monitor students' participation in enrichment activities to ensure inclusivity for all potentially vulnerable groups (e.g. SEND, Disadvantaged) to guard against unintentional bias or discrimination and ensure that potentially vulnerable students access and benefit from our enrichment programmes.

Goal 3: All students make excellent progress from their different starting points as a result of world-class teaching, learning and assessment

To achieve this we will:

1. Adopt an evidence based approach to the development of teaching, learning and assessment by engaging with the work of respected educational researchers, bodies such as the EEF, research schools, and guidance from the DfE and OFSTED as appropriate to inform CPD, with excellent practice being developed and disseminated by the Assessment, Learning and Teaching group (ALT).
2. Ensure that the curriculum and schemes of work support teaching that meets the needs of all students, having full regard to their different starting points and to potential barriers to learning (including SEND and Disadvantage) so all have equitable opportunities to maximise their outcomes, to be evidenced by achieving the SEND Inclusion Award (SENDIA).
3. Ensure that our curriculum (the totality of students' lived experience in school) is sufficiently broad and balanced to engage and enthuse all students, developing their skills, knowledge and understanding so that they are ready for their next steps at the end of each phase of learning.
4. Ensure that all students develop their own "cultural capital" (especially through reading) and grow their metacognitive awareness to become highly effective independent learners with an excellent attitude to learning and the ability to respond to timely, high quality, personalised feedback resulting from purposeful, intelligent assessment.
5. Embed and refine line management, quality assurance, and feedback/appraisal processes to secure improved outcomes for students and to ensure that staff at all levels are accountable for their performance, behaviours and responsibilities and are focused on the school's improvement priorities.

Monitor and review our outcomes against key performance indicators, and be open to scrutiny and constructive feedback from appropriate school improvement partners

In 2019/20 the Academy, in common with all others, experienced significant disruption to its normal operation due to the Covid-19 pandemic. NHGS fulfilled all of its responsibilities to the best of its abilities during the first national lockdown. Students continued to be fully safeguarded and well educated. All statutory obligations were met and, typically, exceeded. The school stayed open to the children of key workers and to children with known vulnerabilities. Education was conducted via blended learning, with work being set daily for all students via the academy's Google classrooms. Trips and visits had to be cancelled but the school continued to deliver its own curriculum wherever and whenever feasible. Staff adapted quickly and well to the changed circumstances and the Academy drew much praise from parents for the effectiveness of its communications and its teaching and learning processes. The Academy kept in direct touch with all students and their families via phone calls and digital communications. The well-being and welfare of all students and staff were monitored effectively by the use of online spreadsheets updated regularly by staff and leaders. Issues were identified quickly and managed appropriately to ensure they did not escalate. As the school prepared to return in September 2020, one parent wrote, "I wanted to thank you for all your efforts over these past months. I believe that it is because of [the school's leadership], every person who left school on Friday 20th March is now returning. NHGS is returning whole."

Financial Key Performance Indicators

The Academy reviews its financial performance through monthly management accounts, discussion and challenge at Leadership Group meetings and discussion and challenge at the Governance Board. For the financial year 2019/20 the Academy has performed as expected against the following performance indicators.

	2019/20	2018/19
Staff costs as a percentage of GAG	103%	95%
In-house catering outturn deficit	£118k	£24k
Catering outturn excluding Pension adjustment	£64k deficit	£21k surplus
Level of General Fund and Unrestricted	£0.831m	£1.008m
Reserves carried forward		

The catering service closed at the start of the first national lockdown in March 2020 and due to the limitations of space at the Academy, has not yet re-opened.

Academy Performance Indicators

As well as performing against the objectives in the Quality Improvement Plan (QIP) the Trust is responsible for the academic attainment of students particularly at Year 11 (GCSE) and Year 13 (A Level). The students at the Trust continue to achieve significantly better than the national average.

11 – 16 Measure	NHGS	England Average*
Entering EBacc	78.1%	40%
Staying in Education or Entering Employment (based on leavers 2017)	99%	94%
Grade 5 or above in English and Maths GCSEs	96.1%	43%
Attainment 8 score	69.26pts	46.7pts
EBacc Average Point Score	6.51pts	4.07pts
Progress 8 score	N/A	-0.03
16 – 18 Measure	NHGS	England Average*
Average result	B (39.59pts)	C+ (32.87pts)
% students completing their main study programme (2019 data)	100%	91.3%
Progress	N/A	Average

The DfE announced that there will be no published performance data for 2020 therefore 2019 data has been used for England as a comparison. No progress data for 2020 can be calculated.

In 2019/20, the Academy, in common with all others, was instructed to calculate Centre Assessed Grades (CAGs) which would be used to make final awards to students. What happened nationally is well documented elsewhere. NHGS adopted robust processes which established rank orders for all students who would have normally taken external examinations. These rank orders, based on internal examination and assessment data, were used to distribute grades to students, taking into account the historic performance of the school to avoid grade inflation, in accordance with the expressed wishes of the government and Ofqual. The process used also owed a debt to the advice of ASCL, the Association of School and College Leaders, the largest professional body comprised mostly of Secondary School Headteachers and Senior Leaders. It needs to be acknowledged that no process put in place in any school could hope to accurately predict the results of all students had they actually taken the external examinations they were originally preparing for. This is true for NHGS, just as much as any other school, academy or college.

Key Performance Indicators

An important requirement for academies is to ensure a high level of student attendance. In 2019/20, attendance in Year 7-11 was 96.1% and in Years 12-13 it was 95.3%.

Student Outcomes

68% of students in Year 13 went on to study 64 different courses at 46 different Universities around the UK. 40% of students who went onto university went to study at Russell Group Universities including 1 at Cambridge and 2 at Oxford. 8% of students went into employment with training.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

Financial report for the year under review

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the 12 months ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA).

The Academy also receives grants for fixed assets and capital projects from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (FRS 102), such grants are shown in the SOFA as income from donations and capital grants in the Restricted Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period under review the Academy received income of £6.8m (2019: £7.03m). Of this sum 81% (2019: 76%) was received from the ESFA in respect of its General Annual Grant, used for its day to day running costs. Other income includes that received towards the provision of trips and visits and catering income. This is a significant level of income but it is matched by corresponding levels of expenditure. Other income is also received in the form of donations and grants received for the purpose of funding fixed assets and in 2019/20 this accounted for 6% of total income. During the period ended 31 August 2020, the deficit of income over expenditure, excluding the Restricted Fixed Asset Fund, was £363k (2019: deficit of £227k).

At 31 August 2020 the net book value of fixed assets was £12.175m (2019: £12.157m) as shown in note 12 to the financial statements. The assets were used for providing education and the associated support services to the students of the Academy.

The Academy's non-teaching staff are entitled to membership of the West Yorkshire Pension Fund. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the Academy balance sheet shows a net liability of £3.239m (2019: £2.186m).

Reserves Policy

The Trustees review the reserve levels of the Academy annually and as part of its ongoing short and long term budget planning. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trustees are aware of the need to build the level of reserves to provide sufficient working capital to cover delays between spending and the receipt of grants, and to provide a cushion to deal with unexpected emergencies such as urgent maintenance and to cover one month of salary expenditure.

The Academy's current level of Restricted General Funds, excluding the Pension Reserve, is £562k (2019: £783k) and the Academy's current level of free reserves, being Unrestricted Funds is £269k (2019: £225k).

Free reserves are the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically free reserves represent income to the Academy which is to be spent at the Trustees' discretion in furtherance of any of the Academy's objectives but which is not yet spent, committed or designated.

Historically, the Trustees have determined that the minimum level of reserves is £0.35m and all short to medium financial planning is built upon retaining this level as a minimum. However, the significant costs being incurred to maintain adequate staffing levels and to make the Academy site COVID secure, are having a detrimental impact on the Academy's reserves. It is unlikely that the pre-determined reserves level of £0.35m can be maintained in the long term. The Governance Board is monitoring the situation on a regular basis and if necessary, cost reduction plans will be put into place.

The reduction in Government funding and the increase in statutory expenditure is requiring short term budget deficits to be funded through the use of these reserves. The use of these reserves for this purpose has been agreed by the Trustees.

The Pension Reserve is still showing a deficit and this has increased during the year from £2.186m to £3.239m at 31 August 2020. Should this liability materialise upon the closure of the Academy, the outstanding liabilities would be met by the Department for Education. This deficit has resulted in the employer's pension contributions increasing year on year over the next 5 years to 19% from April 2023.

The Academy's cash reserves at 31 August 2020 are £1.236m (2019: £1.65m).

In the year under review, the Academy has undertaken further electrical works as a result of another successful CIF bid. Further adaptations will be required in the short to medium term as large areas of the school still need to be rewired and work needs to be undertaken on the internal fabric of the building. All of these projects require a financial contribution from the Academy.

In addition, the project to develop the Technology block has started, for which the Governance Board has previously agreed that £450k of reserves can be used to fund this project. This is spread over a number of financial years as the project has been in the planning stages since 2018.

Investment Policy

The Academy has continued its policy of seeking to maximise returns from its investments, minimise risk and maintain flexibility and access to funds. The Trustees have resolved to invest funds in High Interest Deposit Accounts for medium to longer term investments and to invest monthly in a Treasury Deposit account where appropriate. This will generate a return on any surplus cash balances whilst balancing any risks to the Academy's resources. The investments in the High Interest Deposit account generated £3k of interest for the Academy during 2019/20.

Principal Risks and Uncertainties

The primary source of funding for the Academy is Government grant through the ESFA. This is determined through the use of a National Funding Formula (NFF) which has introduced a single rate of funding per pupil for primary and secondary schools. In 2019/20, funding for the Academy still came through Calderdale Council and the Council opted to introduce the £4,800 per student aged 11-16 years.

The level of funding from the Government remains a principal risk for the Academy as it is not adequate to cover the increasing staff costs alone. In addition, the significant extra costs incurred in order to make the Academy as COVID safe as possible, means that reserves in place to support future revenue deficits are being used up quicker than planned. The level of those costs cannot be pre-determined as additional staffing costs, for example, are by their nature, reactive, and the levels of staff isolating or absent with COVID related issues, at any one time, remains an unknown. The situation is managed on a day by day basis and decisions are made to safeguard the staff and students at the Academy whilst effectively fulfilling our principal objective of delivering high quality education.

The local educational marketplace continues to undergo significant change as organisations start to form Multi Academy Trusts (MATs) and a new Post 16 provider has now opened. This is an area of uncertainty as the Trust cannot know how the emergence of new organisations will affect student numbers, especially Post 16 students. This risk is being managed through ongoing professional discussions with local stakeholders, involvement in discussions across the borough and keeping up to date with the Regional Schools' Commissioner. Risk management is therefore a continual process which is reviewed on a regular basis. Key priority risks are identified, managed and reported on and each is owned by a member of the Leadership Group.

Fundraising

The Academy works in partnership with the Parents' Association (PA) to raise additional funds through a programme of planned activities. The work of the PA has been concentrated on specific events, for example the Christmas Fayre, raffles and tombolas, and has by its nature, been largely limited to those immediately associated with the Academy, for example students, staff and parents. The Academy has raised funds through the sale of revision guides and other curriculum related resources and has also undertaken specific events. However, the impact of the national lockdown and the ongoing impact of Covid-19 has meant that key fundraising events which were planned for the latter half of 2019/20 had to be cancelled. Events planned for early 2020/21 have also been cancelled. The cancellation of these events has severely limited the opportunities for fundraising which will impact on the ability of the Parents' Association to fund equipment or resources, where the expenditure cannot be met from the main Academy budget.

The Governance Board are kept informed of all fundraising activities and are actively involved in any significant events or decisions.

The Academy does not have any contracts with commercial fundraisers. All fund raising conforms to recognised standards and is monitored on a regular basis. No complaints have been made and no pressure is applied to anyone to donate.

Plans for Future Periods

The Trustees of the Academy have adopted a three year Improvement Plan to cover the Academic years 2018-2021. The plan is focused on delivering the Academy's new Vision Statement which seeks to make NHGS "The school that everyone wishes they went to."

This plan involves delivering even better well-being for all staff and students while simultaneously improving progress and outcomes. There are no immediate plans for expansion or for joining or creating a Multi-Academy Trust.

Priorities for the premises and facilities include improving the state of internal decoration and the provision of better facilities for the Design and Technology department.

Auditor

In so far as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the Governance Board, as the Company Directors, on 20th January 2021 and signed on the Board's behalf by:

Signed:

A handwritten signature in purple ink, appearing to read 'A Cade'.

Amanda Cade
Trustee and Chair of the Governance Board

The North Halifax Grammar School Academy Trust

Governance Statement

Scope of Responsibility

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

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

The Governance Board has delegated the day-to-day responsibility to the Principal as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between North Halifax Grammar School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governance Board has formally met 9 times during the year. Six face to face meetings and three via Google Meet, due to COVID 19 restrictions in place. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
R Hartley (Chair)	9	9
A Prathivadi Bhayankaram	8	9
M Carrigan	5	9
M Pitts	9	9
A Fisher	8	9
A Cade (Vice Chair)	9	9
R Abdrasilov	2	9
K Drury	4	8
N Sheehan	8	9
C Sankey	7	9
C Hooper	6	9
R Swinbourne	5	9
C Walker	9	9
J Jackson	4	4
H Cannon	4	4

The Governance Board reflects on its performance during the annual training day and makes suggestions for improvement, as required, in the following year. Two new governors were co-opted in February 2020: H Cannon and J Jackson. There remains a vacancy for the post of Staff Governor currently.

For the academic year 2019/20, the Governance Board met as a single Governance Board with a named lead governor for both Resources and Standards. This ensured that the Leadership Group of the Academy continued to be supported and challenged in order that the annual budget recommended to the Trustees supports the achievement of the aims of the Trust and to ensure that all resources are deployed efficiently in such a way as to achieve best value.

The Board carried received reports from key members of the Leadership Group at its meetings. Trustees were linked to those members of staff with key responsibilities, including statutory links for SEND/Inclusion, Safeguarding, Children Looked After, Health and Safety, Governor Development and Pupil Premium. Termly meetings were held between the links and reports presented at Board meetings.

The Board carried out a nationally recognised Skills Audit Test to identify any gaps in knowledge and recruited new Trustees on this basis.

Information provided by the Principal and Leadership Group to members of the Board and members of a working group, the Data Working Group, was found to be clear and of a high quality, therefore providing Trustees with the information they required to be confident in the progress of the Academy.

The Pay and Audit Committee is also a sub-committee of the main Governance Board. Its purpose is to ensure that Appraisal and Pay Progression are applied fairly and rigorously in the Academy and to ensure that the Academy is rigorously audited in accordance with guidance and best practice. The committee ensures that any recommendations from the auditors are implemented. The Board appointed an external company to carry out internal audits throughout the year, in place of the Responsible Officer. This was in order to meet the new requirements as set out in the Academies Financial Handbook 2019. There were no 'particular issues' outside of its normal business dealt with by the committee in 2019/20.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Cade (Chair)	2	2
N Sheehan	1	2
R Hartley	2	2
A Fisher	1	2

Review of Value for Money

As Accounting Officer, the Principal has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Governance Board where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money by:

- Continually reviewing all Academy contracts and negotiating for better terms and lower prices;
- Purchasing gas supplies, through an energy consortium, monthly in advance using a flexible purchase plan which enables future supplies to be bought at any time when the unit costs are advantageous; and
- Completing capital projects to replace old electrical wiring and lighting and to provide purposeful and effective teaching space. The replacement of age-worn wiring and old lighting will reduce future electricity bills as LED lighting is introduced in large areas of the school.

- The repurposing of the SEND space has created workspace and breakout areas for both the main school and the Post-16 students. This is something which will have a considerable impact on the students and will enable support and provision to be better provided for all of our students.
- The refurbishment of the Technology block is a long term project to update facilities built in 1959 and equipment which is no longer fit for purpose. This project also addresses critical health and safety issues to ensure the continued safety of all staff and students using those facilities.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Academy Trust for the period 1st September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1st September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees and reported to the Pay and Audit Committee.

The Risk and Control Framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it included:

- comprehensive budgeting and monitoring systems with an annual budget and monthly management accounts which are reviewed and agreed by the Board;
- regular reviews by the Board of reports which indicate financial performance against the forecasts and of major purchase plans, explanation of variances, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees considered the need for a specific internal audit function and decided to appoint an external company, BHP LLP, to carry out a programme of internal checks.

BHP LLP's role includes providing advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular, the checks carried out in the current period included:

- testing of payroll systems;
- testing of income and receipts;
- testing of purchase systems;
- testing of control account/bank reconciliations; and
- testing of the control and management of key risks.

Twice yearly, BHP LLP reports to the Board of Trustees through the Pay and Audit Committee on the operation of systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal auditor has delivered their schedule of work as planned. No significant issues were identified during 2019/2020.

Review of Effectiveness

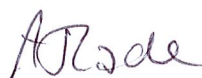
As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Pay and Audit Committee and ensures that continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 20th January 2021 and signed on its behalf by:

Signed



Amanda Cade
Chair of the Governance Board

Signed



Andrew Fisher
Accounting Officer

The North Halifax Grammar School Academy Trust

Statement of Regularity, Propriety and Compliance

As Accounting Officer of The North Halifax Grammar School Academy Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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

Signed



Andrew Fisher

Accounting Officer

20th January 2021

The North Halifax Grammar School Academy Trust

Statement of Trustees' Responsibilities

The Trustees (who act as governors of The North Halifax Grammar School Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 20th January 2021 and signed on its behalf by:

Signed



Amanda Cade

Trustee

The North Halifax Grammar School Academy Trust

Independent Auditor's Report to the Members of The North Halifax Grammar School Academy Trust

Opinion

We have audited the financial statements of The North Halifax Grammar School Academy Trust (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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


.....

David A Roper BSc FCA CTA (Senior Statutory Auditor)

For and on behalf of Lambert Roper & Horsfield Limited, Statutory Auditor

First Floor, Rosemount House

Huddersfield Road

Elland

West Yorkshire

HX5 0EE

20th January 2021

The North Halifax Grammar School Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to The North Halifax Grammar School Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 8 October 2020 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The North Halifax Grammar School Academy Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The North Halifax Grammar School Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The North Halifax Grammar School Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The North Halifax Grammar School Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The North Halifax Grammar School Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The North Halifax Grammar School Academy Trust's funding agreement with the Secretary of State for Education dated 1 June 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw our conclusions includes:

- Detailed audit tests being extended to assess whether the expenditure related to an activity which is permissible within the Academy Trust's framework of authorities and whether the expenditure was in agreement to specific terms of grant funding. To seek evidence of the tendering process for applicable purchases and evidence of quotes to allow 'value for money' decisions.
- The minutes of Governor and Committee meetings being reviewed with specific purpose to identify any restricted transactions and seek evidence of any items requiring Governor approval.
- Formal representations being sought from the Governing Body for any matters where direct evidence is not available.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



David A Roper BSc FCA CTA

For and on behalf of Lambert Roper & Horsfield Limited, Chartered Accountants

First Floor, Rosemount House

Huddersfield Road

Elland

West Yorkshire

HX5 0EE

20th January 2021

The North Halifax Grammar School Academy Trust

Statement of Financial Activities for the year ended 31 August 2020

(including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2020 £000	Total 2019 £000
Income and endowments from:						
Donations and capital grants	3	3	93	406	502	1,059
Charitable activities:						
Funding for the academy trust's educational operations	4	34	5,970	-	6,004	5,479
Other trading activities	5	296	38	-	334	488
Investments	6	3	-	-	3	6
Total		336	6,101	406	6,843	7,032
Expenditure on:						
Raising funds	7	-	77	-	77	312
Charitable activities:						
Academy trust educational operations	8	-	6,723	481	7,204	6,671
Total		-	6,800	481	7,281	6,983
Net income / (expenditure)		336	(699)	(75)	(438)	49
Transfers between funds	17	(292)	177	115	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	17,26	-	(752)	-	(752)	(1,047)
Net movement in funds		44	(1,274)	40	(1,190)	(998)
Reconciliation of funds						
Total funds brought forward		225	(1,403)	11,923	10,745	11,743
Total funds carried forward		269	(2,677)	11,963	9,555	10,745

The North Halifax Grammar School Academy Trust

Statement of Financial Activities for the year ended 31 August 2019

(including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2019 £000	Total 2018 £000
Income and endowments from:						
Donations and capital grants	3	12	304	743	1,059	974
Charitable activities:						
Funding for the academy trust's educational operations	4	5	5,474	-	5,479	5,007
Other trading activities	5	436	52	-	488	460
Investments	6	6	-	-	6	5
Total		459	5,830	743	7,032	6,446
Expenditure on:						
Raising funds	7	-	312	-	312	211
Charitable activities:						
Academy trust educational operations	8	-	6,204	467	6,671	6,169
Total		-	6,516	467	6,983	6,380
Net income / (expenditure)		459	(686)	276	49	66
Transfers between funds	17	(431)	427	4	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	17,26	-	(1,047)	-	(1,047)	363
Net movement in funds		28	(1,306)	280	(998)	429
Reconciliation of funds						
Total funds brought forward		197	(97)	11,643	11,743	11,314
Total funds carried forward		225	(1,403)	11,923	10,745	11,743

The North Halifax Grammar School Academy Trust

Balance Sheet as at 31 August 2020

	Notes	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Tangible assets	12		12,175		12,157
Current assets					
Stock	13	4		6	
Debtors	14	390		202	
Cash at bank and in hand		1,236		1,655	
		<u>1,630</u>		<u>1,863</u>	
Liabilities					
Creditors: Amounts falling due within one year	15	(795)		(838)	
Net current assets			<u>835</u>		<u>1,025</u>
Total assets less current liabilities			<u>13,010</u>		<u>13,182</u>
Creditors: Amounts falling due after more than one year	16		(216)		(251)
Net assets excluding pension liability			<u>12,794</u>		<u>12,931</u>
Defined benefit pension scheme liability	26		(3,239)		(2,186)
Total net assets			<u>9,555</u>		<u>10,745</u>
Funds of the academy trust:					
Restricted funds					
. Fixed asset fund	17	11,963		11,923	
. Restricted income fund	17	562		783	
. Pension reserve	17	(3,239)		(2,186)	
Total restricted funds			<u>9,286</u>		<u>10,520</u>
Unrestricted income funds	17		<u>269</u>		<u>225</u>
Total funds			<u>9,555</u>		<u>10,745</u>

The financial statements on pages 28 to 52 were approved by the Trustees and authorised for issue on 20th January 2021 and are signed on their behalf by

Amanda Cade
Trustee

Company Registration Number 7628903

The North Halifax Grammar School Academy Trust

Statement of Cash Flows for the year ended 31 August 2020

	Notes	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	21	(294)	148
Cash flows from investing activities	23	(90)	(204)
Cash flows from financing activities	22	(35)	(35)
Change in cash and cash equivalents in the reporting period		(419)	(91)
Cash and cash equivalents at 1 September 2019		1,655	1,746
Cash and cash equivalents at 31 August 2020	24	1,236	1,655

The North Halifax Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020

1 Statement of accounting policies

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

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. North Halifax Grammar School Academy Trust meets the definition of a public benefit entity under FRS 102.

Going Concern

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

Income

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

- Grants

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

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

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

The North Halifax Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020

1 Statement of accounting policies (continued)

- Donations

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

- Other Income

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

- Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

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

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

- Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

The North Halifax Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020

1 Statement of accounting policies (continued)

Tangible Fixed Assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

• Freehold buildings	20-50 years; 2-5% per annum
• Fixtures, fittings and equipment	5 years; 20% per annum
• ICT hardware	4 years; 25% per annum
• Motor Vehicles	4 years; 25% per annum

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Liabilities

Liabilities 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 Academy Trust 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.

Operating Lease Assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Financial Instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

The North Halifax Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020

1 Statement of accounting policies (continued)

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Stock

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

Retirement benefits to employees of the Academy Trust 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 Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is 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 Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

The North Halifax Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020

1 Statement of accounting policies (continued)

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 General Annual Grant (GAG)

The funding agreement with the Secretary of State does not include any limits on the amount of GAG that could be carried forward from one year to the next.

The North Halifax Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

3 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Capital grants	-	406	406	718
Trips	-	79	79	292
Other donations	3	14	17	49
	<u>3</u>	<u>499</u>	<u>502</u>	<u>1,059</u>

4 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 Funds £000	Total 2019 Funds £000
DfE / ESFA grants				
. General Annual Grant (GAG)	-	5,545	5,545	5,345
. Other DfE/ESFA grants	-	365	365	95
	<u>-</u>	<u>5,910</u>	<u>5,910</u>	<u>5,440</u>
Other Government grants				
. Local authority grants	-	-	-	-
. Special educational projects	-	3	3	11
	<u>-</u>	<u>3</u>	<u>3</u>	<u>11</u>
Other income from the Academy Trust's educational operations	34	14	48	28
Exceptional Government funding				
Coronavirus exceptional support	-	43	43	-
	<u>34</u>	<u>5,970</u>	<u>6,004</u>	<u>5,479</u>

5 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Hire of facilities	4	-	4	5
Catering	292	-	292	431
Music and lockers	-	38	38	52
	<u>296</u>	<u>38</u>	<u>334</u>	<u>488</u>

The North Halifax Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

6 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Short term deposits	3	-	3	6
	<u>3</u>	<u>-</u>	<u>3</u>	<u>6</u>

7 Expenditure

	Staff Costs £000	Non Pay Expenditure Premises £000	Other £000	Total 2020 £000	Total 2019 £000
Expenditure on raising funds	-	-	77	77	312
Academy's educational operations:					
. Direct costs	4,347	481	399	5,227	4,750
. Allocated support costs	1,367	309	301	1,977	1,921
	<u>5,714</u>	<u>790</u>	<u>777</u>	<u>7,281</u>	<u>6,983</u>

Net income/(expenditure) for the period includes:

	2020 £000	2019 £000
Operating lease rentals	25	23
Depreciation	481	467
Fees payable to auditor for:		
- audit	10	11
- other services	-	-

The North Halifax Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

8 Charitable activities

	Total 2020 £000	Total 2019 £000
Direct costs – educational operations	5,227	4,750
Support costs – educational operations	1,977	1,921
	7,204	6,671

Analysis of support costs	Educational operations £000	Total 2020 £000	Total 2019 £000
Support staff costs	1,367	1,367	1,253
Technology costs	15	15	17
Premises costs	309	309	289
Other support costs	275	275	349
Governance costs	11	11	13
Total support costs	1,977	1,977	1,921

9 Staff

a. Staff costs

Staff costs during the period were:

	Total 2020 £000	Total 2019 £000
Wages and salaries	4,007	3,745
Social security costs	393	362
Operating costs of defined benefit pension schemes	1,144	853
	5,544	4,960
Supply staff costs	170	137
Staff restructuring costs	-	-
	5,714	5,097

The North Halifax Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

b. Staff numbers

The average number of persons employed by the academy during the period was as follows:

	2020 No.	2019 No.
Teachers	67	61
Administration and support	58	61
Management	12	12
	<u>137</u>	<u>134</u>

c. Higher paid staff

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

	2020 No.	2019 No.
£60,001 - £70,000	5	4
£70,001 - £80,000	0	0
£80,001 - £90,000	1	1
£90,001 - £100,000	1	0

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions and national insurance contributions) received by key management personnel for their services to the Academy Trust was £993k (2019: £897k).

10 Related Party Transactions – Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Principal and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

A Fisher (Principal and Trustee):

Remuneration £90,001 - £100,000 (2019: £80,001 - £90,000)

Employer's pension contributions paid £20,000 - £25,000 (2019: £10,000 - £15,000)

C Walker (Staff Trustee):

Remuneration £30,001 - £40,000 (2019: £20,001 - £30,000)

Employer's pension contributions paid £1 - £10,000 (2019: £1 - £10,000)

During the period ended 31 August 2020, no travel and subsistence expenses were reimbursed or paid directly to Trustees (2019: nil).

The North Halifax Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

11 Trustees' and Officers' insurance

The Academy has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. The scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £5,000,000. It is not possible to quantify the Trustees' and officers' indemnity element from the overall cost of the RPA scheme.

12 Tangible fixed assets

	Freehold Land and Buildings £000	Assets Under Construction £000	Furniture and Equipment £000	Computer Hardware £000	Motor Vehicles £000	Total £000
Cost						
At 1 September 2018	14,210	357	267	373	36	15,243
Additions	9	451	15	24	-	499
Transfers between categories	427	(427)	-	-	-	-
Disposals			-	(1)	-	(1)
At 31 August 2019	14,646	381	282	396	36	15,741
Depreciation						
At 1 September 2018	2,548	-	192	310	36	3,086
Charged in year	431	-	23	27	-	481
Disposals	-	-	-	(1)	-	(1)
At 31 August 2019	2,979	-	215	336	36	3,566
Net book values						
At 31 August 2019	11,662	357	75	63	-	12,157
At 31 August 2020	11,667	381	67	60	-	12,175

13 Stock

	2020 £000	2019 £000
Resources	2	2
Catering	2	4
	4	6

14 Debtors

	2020 £000	2019 £000
Trade debtors	7	1
VAT recoverable	61	111
Other debtors	-	-
Prepayments and accrued income	322	90
	390	202

The North Halifax Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

15 Creditors: amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	1	85
CMBC loan	7	7
SALIX loans	3	3
CIF loan	25	25
Other creditors	251	93
Capital creditors	358	439
Accruals	57	65
Deferred income	93	121
	795	838

Deferred income	2020 £000	2019 £000
Deferred income at 1 September 2019	121	151
Released from previous years	(121)	(151)
Resources deferred in the year	93	121
Deferred Income at 31 August 2020	93	121

At the balance sheet date the Academy Trust was holding funds received in advance for dinner money, trips, music tuition and rate relief.

The repayment for the loan from Calderdale Council is made annually on 1 April. The interest charged on the loan taken out with the Prudential (via Calderdale MBC) is at a rate of 6.67% per annum.

Two SALIX loans have been taken out through the ESFA as part of two CIF funded projects and these are interest free. Repayments are made half yearly in March and September.

In addition, a loan was taken out from the ESFA as part of a third CIF funded project and the interest rate on this is 2.21% per annum. The monthly repayments started in September 2018 for a period of ten years.

16 Creditors: amounts falling due in greater than one year

	2020 £000	2019 £000
CMBC loan	27	33
SALIX loans	14	18
ESFA CIF loan	175	200
	216	251

The repayment for the loan from Calderdale Council is made annually on 1 April. The interest is charged on the loan taken out with the Prudential (via Calderdale MBC) is at a rate of 6.67% per annum.

Two SALIX loans have been taken out through the ESFA as part of two CIF funded projects and these are interest free. Repayments will be made half yearly in March and September.

The North Halifax Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

16 Creditors: amounts falling due in greater than one year (continued)

In addition, a loan was taken out from the ESFA as part of a third CIF funded project and the interest rate on this is 2.21% per annum. The monthly repayments started in September 2018 for a period of ten years.

The amount due over five years is £76k (2019:£110k).

17 Funds

	Balance at 31 August 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
Restricted general funds					
General Annual Grant (GAG)	453	5,545	(5,952)	170	216
Pupil Premium	6	47	(41)	-	12
Loan reserve	(39)	-	-	7	(32)
Other restricted	363	509	(506)	-	366
Pension reserve	(2,186)	-	(301)	(752)	(3,239)
	(1,403)	6,101	(6,800)	(575)	(2,677)
Restricted fixed asset funds					
Assets donated on conversion	3,718	-	(257)	-	3,461
DfE/ESFA capital grants	7,742	406	(199)	-	7,949
Capital expenditure from GAG	332	-	(16)	115	431
Other capital donations	131	-	(9)	-	122
	11,923	406	(481)	115	11,963
Total restricted funds	10,520	6,507	(7,281)	(460)	9,286
Total unrestricted funds	225	336	-	(292)	269
Total funds	10,745	6,843	(7,281)	(752)	9,555

The North Halifax Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

17 Funds (continued)

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

	Balance at 31 August 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	490	5,345	(5,802)	420	453
Pupil Premium	10	43	(47)	-	6
Loan reserve	(46)	-	-	7	(39)
Other restricted	330	442	(409)	-	363
Pension reserve	(881)	-	(258)	(1,047)	(2,186)
	(97)	5,830	(6,516)	(620)	(1,403)
Restricted fixed asset funds					
Assets donated on conversion	3,975	-	(257)	-	3,718
DfE/ESFA capital grants	7,197	718	(173)	-	7,742
Capital expenditure from GAG	350	-	(22)	4	332
Other capital donations	121	25	(15)	-	131
	11,643	743	(467)	4	11,923
Total restricted funds	11,546	6,573	(6,983)	(616)	10,520
Total unrestricted funds	197	459	-	(431)	225
Total funds	11,743	7,032	(6,983)	(1,047)	10,745

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

Restricted General Funds

GAG - This is received for the running of the Academy and covers all recurrent expenditure including the repair, renewal and replacement of assets including the building. The funding agreement with the Secretary of State does not include any limits on the amount of GAG that could be carried forward from one year to the next.

Pupil Premium - The funds have been received based on the number of students meeting the government specified criteria. The expenditure from the fund was in relation to staff and resources costs applied for the benefit of the eligible pupils, as required by the terms of the funding.

Other Restricted Funds - These are made up of income and the associated expenses relating to Academy activities, including non-educational activities. Income received is a mix of being for a specific purpose to pay for the activity or a voluntary contribution against the cost of putting on the activity.

The Loan Reserve represents loans taken out by the Foundation School which transferred to the Academy on conversion.

The North Halifax Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

17 Funds (continued)

The transfer relates to the capital repayments made against the loans during the year (£29k) and costs incurred on capital projects. These include the Academy's contribution to the 2019 Electrical Project (£15k), new tarmac in the quad £9k, costs incurred on the Technology project (£59k),

The Pension Reserve deficit is the West Yorkshire Pension Fund. This is the defined benefit pension scheme available for non-teaching members of staff.

Restricted Fixed Asset Funds are analysed based on sources of income but relate to one fund. All fixed assets are held within this fund. Expenditure relates to depreciation which is allocated to specific assets based on the source of income used to purchase them. When income is received for the funding of an asset it is allocated directly to this fund, the remaining assets are deemed to be purchased from the GAG, or Unrestricted Funds where GAG funds are not available. The fund includes the cash balances for grants received but not yet spent on assets, less the balance of loans received, but not yet repaid. Fixed assets are also financed by loans.

Unrestricted Funds

Unrestricted General Funds are made up of catering income, lettings and the sale of sundry items (photos, uniform sale commissions etc). The money raised from these is available to cover any shortfall in GAG income for the running of the Academy and the purchase of fixed assets. Catering income is treated as a contribution against GAG expenses. There is an overall net deficit within the GAG fund for catering.

Transfers between funds

A balance equal to the catering income has been transferred from Unrestricted General Funds into Restricted General Funds (GAG), the cost of catering is covered by GAG income but all charges made for food are offset against the expense.

The employer's pension contributions paid to the local government pension scheme have been transferred between the GAG and Pension Reserve in Restricted General Funds.

The repayments made on the loan have been treated as paid from GAG. An amount of the repayment has therefore been transferred between the Loan Reserve and GAG.

The North Halifax Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

18 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets				-
Tangible fixed assets	-	-	12,175	12,175
Current assets	269	998	363	1,630
Current liabilities	-	(409)	(386)	(795)
Non-current liabilities	-	(27)	(189)	(216)
Pension scheme liability	-	(3,239)	-	(3,239)
Total net assets	269	(2,677)	11,963	9,555

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
				-
Tangible fixed assets	-	-	12,157	12,157
Current assets	225	1,187	451	1,863
Current liabilities	-	(371)	(467)	(838)
Non-current liabilities	-	(33)	(218)	(251)
Pension scheme liability	-	(2,186)	-	(2,186)
Total net assets	225	(1,403)	11,923	10,745

19 Capital commitments

	2020 £000	2019 £000
Contracted for, but not provided in the financial statements	437	34

The North Halifax Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

20 Commitments under operating leases

Operating leases

At 31 August 2020 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £000	2019 £000
Amounts due within one year	20	16
Amounts due between one and five years	35	20
Amounts due after five years	-	-
	55	36

21 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020 £000	2019 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(438)	49
Adjusted for:		
Depreciation [note 12]	481	467
Capital grants from DfE and other capital income	(406)	(743)
Interest receivable [note 6]	(3)	(6)
Defined benefit pension scheme cost less contributions payable [note 26]	261	236
Defined benefit pension scheme finance cost [note 26]	40	22
(Increase)/decrease in stocks	2	(1)
(Increase)/decrease in debtors	(188)	54
Increase/(decrease) in creditors	(43)	70
Net cash provided by / (used in) Operating Activities	(294)	148

22 Cash flows from financing activities

	2020 £000	2019 £000
Repayments of borrowing	(35)	(35)
Cash inflows from new borrowing	-	-
Net cash provided by / (used in) financing activities	(35)	(35)

23 Cash flows from investing activities

	2020 £000	2019 £000
Dividends, interest and rents from investments	3	6
Proceeds from sale of tangible fixed assets	-	-
Purchase of tangible fixed assets	(499)	(953)
Capital grants from DfE/ESFA	406	718
Capital funding received from sponsors and others	-	25
Net cash provided by / (used in) investing activities	(90)	(204)

The North Halifax Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

24 Analysis of cash and cash equivalents

	At 31 August 2020 £000	At 31 August 2019 £000
Cash in hand and at bank	1,054	1,026
Notice deposits (less than 3 months)	182	629
Total cash and cash equivalents	1,236	1,655

25 Members liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

26 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by The West Yorkshire Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension 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. 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 North Halifax Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

26 Pension and similar obligations (continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,900 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. Assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the period amounted to £650k (2019: £418k).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#). Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £240k (2019: £242k), of which employer's contributions totalled £176k (2019: £177k) and employees' contributions totalled £64k (2019: £65k). The agreed contribution rates for future years are 18 per cent for employers and 5.5-12.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.55%	3.35%
Rate of increase for pensions in payment/inflation	2.30%	2.10%
Discount rate for scheme liabilities	1.70%	1.90%
Inflation assumption (CPI)	2.30%	2.10%
Commutation of pensions to lump sums	75.00%	75.00%

The North Halifax Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

26 Pension and similar obligations (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	21.8	22.2
Females	24.6	25.4
<i>Retiring in 20 years</i>		
Males	22.5	23.2
Females	25.7	27.2

	At 31 August 2020 £000	At 31 August 2019 £000
Sensitivity analysis		
Discount rate +0.1%	7,037	5,972
Discount rate -0.1%	7,369	6,231
Mortality assumption 1 year increase	6,944	5,899
Mortality assumption 1 year decrease	7,470	6,303
Pension increase rate +0.1%	7,340	6,188
Pension increase rate -0.1%	7,066	6,013
Salary increase rate +0.1%	7,232	6,142
Salary increase rate -0.1%	7,174	6,058

The Academy Trust's share of the assets in the scheme were:

	Fair value at 31 August 2020 £000	Fair value at 31 August 2019 £000
Equities	3,085	3,038
Government bonds	385	411
Corporate bonds	198	176
Property	170	172
Cash	67	74
Other	59	43
Total market value of assets	3,964	3,914

The actual return on scheme assets was £103k (2019: £212k)

The North Halifax Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

26 Pension and similar obligations (continued)

Amount recognised in the statement of financial activities

	2020 £000	2019 £000
Current service cost (net of employee contributions)	(437)	(298)
Interest Income		
Interest Cost	(40)	(22)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement		
Admin expenses		
Total operating charge	(477)	(320)

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

	2020 £000	2019 £000
At 1 September	6,100	4,505
Upon conversion		
Current service cost	437	298
Interest cost	116	125
Employee contributions	64	65
Actuarial (gain)/loss	573	1,156
Benefits paid	(87)	(164)
Past service cost	-	115
At 31 August	7,203	6,100

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

	2020 £000	2019 £000
At 1 September	3,914	3,624
Upon conversion		
Interest income	76	103
Return on plan assets (excluding net interest on the net defined pension liability)		
Actuarial gain/(loss)	(179)	109
Employer contributions	176	177
Employee contributions	64	65
Benefits paid	(87)	(164)
Plan introductions, benefit changes, curtailments and settlements		
At 31 August	3,964	3,914

The North Halifax Grammar School Academy Trust

Notes to the Financial Statements for the year ended 31 August 2020 (continued)

27 Related party transactions

No related party transactions took place in the period of account.

28 Funds Held as Agent on Behalf of Others

The Academy's Principal is currently the Chair of the Calderdale Association of Secondary Heads (CASH). During 2019/20, the Academy acted as agent for CASH for the purposes receiving and incurring expenditure. NHGS Trustees have no discretion about how the funds are used.

The funds received during 2019/20 were £179,200 and funds expended were £98,783. The balance held at 31 August 2020 was £80,416.