

READING SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

READING SCHOOL
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Governors' report	3 - 22
Governance statement	23 - 28
Statement on regularity, propriety and compliance	29
Statement of Governors' responsibilities	30
Independent auditor's report on the financial statements	31 - 34
Independent reporting accountant's report on regularity	35 - 36
Consolidated statement of financial activities incorporating income and expenditure account	37 - 38
Consolidated balance sheet	39
Academy balance sheet	40
Consolidated statement of cash flows	41
Notes to the financial statements	42 - 77

READING SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members and Trustees (also referred to as Governors)

A Bose * (resigned 30 November 2020)
S Bowen §
T Evans + (resigned 1 October 2021)
M N J Faulkner
D R Fisher
T Follen *
K Holland * (resigned 30 November 2021)
D Hudson *
R P Huggins MBE §
R J Kenwick
G Pravda +
A M Robson #
K Ross MBE
D Smith (resigned 13 January 2021)
O Pilkington * (appointed 1 December 2020)
S Shahi * (appointed 1 December 2020)
T Tuggey + (appointed 1 December 2021)

§ Governor appointed by the Reading Foundation; * Elected parent governor; + Elected staff governor; #Headmaster and ex officio governor.

Company registered number

07475515

Company name

Reading School

Principal and registered office

Erleigh Road, Reading, Berkshire, RG1 5LW

Senior management team

A M Robson, Headmaster
C Evans, Deputy Headmaster
A Lloyd, Assistant Headteacher
L Ayres, Assistant Headteacher
G Fairchild, Assistant Headteacher
D McGall, Assistant Headteacher
M Belcher, Finance Director (resigned 25 June 2021)
C Mole, Executive Assistant to Head
D Taylor, Chief Operations Officer
C Woodcock, Finance Director (appointed 1 October 2021)

READING SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Independent auditor

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

Bankers

HSBC Bank Plc, 26 Broad Street, Reading, Berkshire, RG1 2BU

Lloyds Bank Plc, Broad Street, Reading, RG1 2BT

Solicitors

Stone King LLP, 13 Queen Square, Bath, Avon, BA1 2HJ

READING SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Governors/Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a governors' report, and a Directors' report under company law.

Reading School is currently run as an academically selective secondary day and boarding boys' school, covering a catchment area consisting of most of Berkshire and certain adjoining parts of Oxfordshire and Hampshire. It was previously a Foundation School, and converted to Academy status on 1 February 2011. It has 1,001 students on its roll as at 6th September 2021, 78 of whom are weekly boarders.

Structure, governance and management

a. Constitution

The charitable objective for which Reading School was established is "to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a School offering a broad and balanced curriculum."

The Charitable Company was incorporated on 21 December 2010 and is governed by the rules and regulations set out in its company Memorandum and Articles of Association dated 21 December 2010. The Charitable Company is known as Reading School.

Details of the governors who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. 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.

c. Governors'/Trustees' Indemnities

There are no qualifying third party indemnities which are required to be disclosed under the provisions of the Companies Act 2006.

d. Method of recruitment and appointment or election of governors

To ensure a proper representation of parents, four places on the Governing Body/Trust are reserved for parent governors. These places are filled by election, following notification of vacancies and invitation of nominations. All parents and carers of students at the School are eligible to stand, and the electorate comprises all parents and carers. The term of office of Mrs Bose expired at the end of November 2020, and she did not seek re-election. In addition, Mr Follen, who was elected as a parent governor in 2017, became a Trust-appointed governor on 1st September 2020. This meant that two parent governor vacancies were filled via an election in the Michaelmas term of 2020, and Mr Pilkington and Dr Shahi were duly elected and took office from 1st December 2020. The term of office on one of the other existing parent governors (Mr Holland) is due to expire at the end of November 2021.

There are two places on the Governing Body/Trust reserved for staff members, and these are filled by election, the electorate comprising all teaching and associate staff. The staff governors in 2020/21 were Mr Tom Evans and Ms Georgia Pravda, who were appointed in September 2019.

READING SCHOOL
(A company limited by guarantee)

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

Structure, governance and management (continued)

Two places on the Governing Body/Trust are reserved for representatives of the Reading Foundation. Dr Bowen and Mr Huggins served as these representatives throughout 2020/21.

Appointments to the remaining places on the Governing Body/Trust are made by the Academy members. There are currently five such governors. Most Academy-appointed governors will be drawn from the local community and/or will have shown an interest in the wellbeing of the School and its students. In appointing new governors, there are also procedures for reviewing the mix of skills that should be available to the Governing Body. Potential new governors are required to submit a letter of interest and a CV, and are interviewed by the Chair of Governors, the Headmaster and one other governor, supported by the Clerk, before a recommendation for appointment is presented to a meeting of the Academy Members.

At the end of their initial term of service, all governors are eligible for re-appointment for a further term (or re-election as parent governors if they have a student at the School, or re-election as staff governors if they remain eligible). In the course of 2020/21, the Academy members agreed to re-appoint Mr Kenwick to serve as a trustee for a further 4-year period. As noted above, they also agreed to appoint Mr Terry Follen (previously a parent governor) to serve as a trustee for a 4-year term from September 2020.

e. Policies adopted for the induction and training of governors

New governors receive information packs and undertake a tailor made induction programme, including meeting with the Headmaster, a site visit and induction training from the Chair and Clerk and from external agencies. New governors are given an opportunity to attend all Governing Body Committees as observers, before being appointed to one or two Committees.

Governor training is an important issue for the Governing Body, and is a specific responsibility of one of its Committees (the External Relations and Pastoral Care Committee). This Committee, supported by the Clerk, was responsible for monitoring the extent and appropriateness of training offered to governors in 2020/21. A record of the training undertaken by all governors is kept by the Clerk.

The Chair, Vice Chair, other members of the Governing Body and the Clerk attend regular briefings on governance and educational matters provided by Reading Borough Council and the Reading Governors Association.

The Governing Body also seeks to maximise the use of on line training and subscribes to the National Governance Association, Modern Governor and The Link, which offer a range of on line briefings and training courses for governors.

f. Organisational structure

The Academy Trust Members and the Trustees/governors have responsibility for setting and monitoring the overall strategic direction of the Charitable Company and the School, including approving decisions reserved to governors and the appointment of key members of staff.

The Academy Trust members meet at least annually, at an AGM in September or October, and as required during the year.

The Governing Body meets at least five times each year, including an Annual General Meeting. This normally takes place in July, and appoints the Chair, Vice Chair, Committees etc. for the school year which starts the following September. In 2020/21, the Governing Body met on 7 occasions, including the deferred 2020 AGM.

READING SCHOOL
(A company limited by guarantee)

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

Structure, governance and management (continued)

Governor committees have also been established to consider detailed matters. In 2020/21, there were four main committees, each of which met three times in the course of the year:

- Curriculum and Standards
- External Relations and Pastoral Care
- Finance
- Property and Projects

Additionally, a Staff Pay and Performance Committee has been established to consider personnel matters, and it met twice in the course of 2020/21.

There are also governors' committees established to hear and adjudicate complaints from parents (and others) and appeals against disciplinary decisions (relating to staff and students).

An Admissions Committee is responsible for considering and recommending the school's Admissions Policies and related matters. This Committee met on two occasions in 2020/21.

A committee of governors (with the participation of an external advisor) undertakes the annual performance review of the Headmaster and monitors his performance and achievements against targets. This Committee met on three occasions in 2020/21.

Ad hoc groups of governors are also established as and when required to consider specific issues and make recommendations to the Governing Body. In 2020/21, one such group has been considering the future use of the School's playing field at Morgan Road, and another has looked at the sustainability and suitability of the School's site and buildings to meet its needs in the longer term.

The majority of the decisions reserved to the governors (including all major expenditure decisions) are taken by the Governing Body as a whole, on the recommendation of a committee or in relation to reports submitted by management team members. Committees have delegated powers to deal with certain matters (for example, the approval of policies relevant to their remit).

The Headmaster, the Deputy Headmaster, the Finance Director, the Chief Operations Officer and other members of staff attend committee meetings to present reports on their areas of responsibility, for example property maintenance and special educational needs.

One impact of the Coronavirus pandemic was that all Governing Body and Committee meetings were held online in 2020/21.

The Chair of Governors and the Headmaster meet regularly to monitor decision implementation and to review matters affecting staff and students and other issues affecting the School.

Individual governors (known as link governors) are allocated to academic subjects within the School, and visit departments, and report back to the relevant Committees on the outcomes of their visit. Other link governors assume responsibility in particular areas of School life, for example health and safety, Pupil Premium, safeguarding, the Prevent strategy, careers, special educational needs, information technology, the CCF, facilities management, sporting activities, boarding etc. The link governor system has paid dividends in terms of governor understanding, overall performance and enhanced staff/governor relationships, although the Corona virus pandemic prevented face-to-face visits in 2020/21.

The Headmaster is the School's Accounting Officer and works closely with both the other governors and the senior staff of Reading School.

READING SCHOOL
(A company limited by guarantee)

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

Structure, governance and management (continued)

The day to day management of Reading School rests with the Headmaster, who has overall responsibility for the School. The Headmaster is responsible for establishing a leadership team, which in 2020/21 comprised the Deputy Headmaster, the five Assistant Headteachers, the Finance Director, the Chief Operations Officer and the Executive Assistant to the Headmaster.

All aspects of the management of the School and the conduct of the Governing Body are based on openness, accessibility and accountability. Governors are encouraged to participate fully in the work of committees and the Governing Body, and are encouraged to bring matters of concern before governors and to raise any queries with the Headmaster.

Annually, after the publication of public examination results, governors undertake a thorough review of the outcomes, and consider implications for the curriculum and pastoral activities within the School.

The detailed administrative work of the governors is undertaken by the Clerk to Governors, reporting to the Chair of Governors. Mr Steve Vale has continued to fulfil the role of Clerk throughout 2020/21.

g. Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of the leadership team is set by the Staff Pay and Performance Committee. That Committee has agreed that (as with all teaching staff) the pay of the teacher members of the leadership team (including the Headmaster) will be in accordance with the national pay scales set by the School Teachers Pay Review Body. Non-teaching staff (known as Associate Employees) are paid in accordance with the scales set by the National Joint Council for Local Government Services, with the exception of the most senior staff, for whom new pay scales were agreed in April 2019.

h. Trade union facility time

The School had no employees who were relevant trade union officials during 2020/21, and there was therefore no union facility time, nor any costs to the academy for such time, in 2020/21.

i. Related parties and other connected charities and organisations

Reading School has a close working relationship with The Reading Foundation (Registered Charity number 294640) which is landlord of the School's main site and has as its own charitable purpose "to advance the education of the public, and in particular, to endow Reading School". The Headmaster is a trustee of The Reading Foundation. Mr Follen, Mr Faulkner and Mr Hudson represented the Governing Body on the Reading Foundation in 2020/21.

The School also co-operates on a regular basis with the Old Redingensians Association, which comprises alumni of the School, and seeks to support the School in appropriate ways.

The School also works closely with the Reading School Parents Association, whose contributions are gratefully acknowledged.

In June 2018, the School established a separate trading company limited by shares in order to facilitate the School's involvement in assisting with the design and the teaching methods of a new set of Bilingual International Schools in China. This company, known as The Reading School Overseas Partnership Company Ltd, has entered into a Cooperation Agreement with Lunhua Education to assist with agreed projects. 100% of its share capital is owned by Reading School.

READING SCHOOL
(A company limited by guarantee)

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

Structure, governance and management (continued)

The Governing Body is affiliated to the National Governors' Association.

Objectives and activities

a. Objects and aims

Reading School has operated as an independent Academy funded by the Education Skills Funding Agency (ESFA) since February 2011, and, under its funding agreement, is run as a selective school within the meaning of section 6(4) of the Academies Act 2010.

b. Objectives, strategies and activities

The primary measures used by the governors to assess the success of the activities of the School are a medium-term strategic plan, together with a series of annual Operational Plans.

A revised and updated strategic plan for 2020 to 2025 was approved by the Governing Body in July 2020, superseding the previous 2018 to 2025 plan. The Operational Plan for 2020/21 was approved by the Governing Body on 4th July 2020, and a further Operational Plan for 2021/22 was approved on 5th July 2021.

The School last updated its Master Plan in 2018, and this sets out key priorities for the development of facilities at the School, such as a new Sports Hall and a 6th form centre.

The strategic and operational plans focus on 4 key strategic objectives of:

- Academic excellence
- Integrity and building champions of character
- Leadership, fostering a culture of leadership and accountability across pupils and staff
- Community, with the building of effective local, national and global partnerships.

These plans continue to place student and staff wellbeing and development at the heart of the School's vision, supported by a robust programme of Continuous Professional Development, as well as a system of peer reviews of the various departments.

The Operational Plan for the year is monitored as a standing agenda item at each Committee meeting, and the Headmaster is required to report to the governors regularly at Committee and Governing Body meetings on progress in meeting the targets set out in the Operational Plan, on any corrective actions required in pursuit of the Plan, as well as on Academy performance, personnel matters, university entrance and staff training.

More information about these targets, and the successes and challenges in meeting them in 2020/21, are set out in the Achievements and Performance section, below.

READING SCHOOL
(A company limited by guarantee)

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

Objectives and activities (continued)

In addition:

- Regular budget monitoring reports are submitted to each meeting of the Finance Committee, the Governing Body and (for the property budgets) to the Property and Projects Committees;
- The Curriculum and Standards Committee receives a detailed report on performance in external examinations each year, and commissions appropriate actions as a result, including looking at comparative data for other schools and undertaking self-assessment of school performance;
- All policies are reviewed by the relevant Committees at appropriate intervals, in accordance with a schedule agreed by the governing body, including consideration of their value and effectiveness in delivering the aims of the Academy.
- Committees receive regular reports on fundraising, partnership activities, quality assurance, measures to support social mobility, and the School's Pupil Premium and Special Educational Needs and Disability (SEND) strategies.

c. Public benefit

The governors have taken The Charity Commission's specific guidance on public benefit (contained within the guidance document "The Advancement of Education for the Public Benefit") into consideration in preparing their statements on public benefit contained within this governors' annual report. In accordance with its charitable objectives, the Charitable Company strives to advance the education of the students attending the School. The Charitable Company's primary beneficiaries are therefore the students, and benefits to students are provided through continuing to maintain a high standard of education throughout the School.

In order to determine whether or not the Charitable Company has fulfilled its charitable objectives for public benefit, the governors gather a substantial volume of evidence of the success of Reading School's activities.

READING SCHOOL
(A company limited by guarantee)

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

Strategic report

Achievements and performance

Set out below are details of:

- A. The School's examination performance in 2020 and 2021;
- B. Details of progress and achievements during 2020/21, set out under the Governing Body Committee primarily responsible for their achievement.
- C. Key Performance Indicators

A. Examination Results

2020 examination results

GCSE and A-level examinations were cancelled in the UK in 2020, as a result of the Coronavirus restrictions. The Department for Education replaced them with a process of the examining bodies awarding grades to students based on information and grade predictions provided by the School.

At GCSE, over 50% of entries were awarded the highly coveted grade 9 and 79.7% were awarded grades 9-8. 93.7% of entries were awarded grades 9-7 and 100% of pupils gained five grades 9-5 including English and Maths. In addition, over 99.2% of candidates achieved the English Baccalaureate. Regarding specific subjects, 87 pupils achieved grade 9 in Chemistry and 97.5% of biologists and 98% of Physics students gained grades 9-7. Furthermore, 97% of History candidates gained grades 9-7 and 96% of geographers gained grades 9-7. In Mathematics, 110 out of 121 candidates gained grades 9-8. Students of Latin recorded 96% grades 9-8.

At A-level, 95.2% of all entries were awarded A*- B grades, with 40.7% at A* and 79.6% at A*-A. English, Geography, Music and Languages had an impressive year. English Literature, French, Geography, German, Latin, Music and Spanish all achieved 100% A*-B. Also, 100% of historians achieved A*-B and 98.2% of Economics students gained A*-B.

In addition, the traditional strengths in the Maths and the Sciences continued with 43.8% of A Level Maths grades awarded A* and 91.8% at A*-B. Whilst, in Further Maths 50% gained A*. Furthermore, 81.1% of students of Biology achieved A*-A, 91.2% of students of Physics and 95.9% of students of Chemistry gained A*-B. In Computing 71.4% gained A*-A and 96.4% achieved A*-B.

One of the most pleasing aspects was the performance in languages (French, German, Latin and Spanish). The School's results buck a national trend of a decline in languages, especially for boys.

2021 GCSE and A-level results

GCSE and A-level examinations were again cancelled in the UK in 2021, as a result of the Coronavirus restrictions, and were replaced with a system of teacher assessed grades, awarded by the examining bodies.

At GCSE, 96.1% of all entries were awarded grades 9-7, with 54.25% assessed at the highly coveted grade 9. Overall, 83.5% of entries achieved grades 9-8. Over 95% of the students achieved the English Baccalaureate and 100% of grades achieved were 9-5. 94.6% of entries in English were awarded grades 9-7. 100% of entries in Biology, Chemistry, History, Latin and Physics were grades 9-7. 93.2% of Mathematics students attained grades 9-8 at GCSE. In addition, of the 110 candidates entered for the Additional Mathematics qualification, 87.3% achieved grades A-B. Year 11 AS Philosophers gained 81.8% A-B grades.

The A level results were achieved following a robust and professional Teacher Assessed Grades process, moderated as appropriate by the external examination boards. Overall, the results were characterised by academic excellence in the vast majority of subjects. Over 45% of grades were awarded A* and more than 96% were A*-B. Thus the 183 candidates delivered first rate outcomes, at least in line with previous performance. 82.5% of candidates gained at least AAB and over 31% of our students gained at least 3 A* grades. 100% of students in Biology, Classical Civilisation, Computing, Economics, French, German, History, Latin, Music and

READING SCHOOL
(A company limited by guarantee)

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

Strategic report (continued)

Achievements and performance (continued)

Spanish gained A*-B grades, whilst 84.3% of grades were awarded A*-A. As a consequence many students gained places at elite Universities such as Oxford, Cambridge, Imperial College London and Warwick. There was clear evidence that our students had responded with character and resilience to respond positively to the challenges presented by changed circumstances over the academic year. In addition, the professionalism of teachers and associate staff should be noted.

B. Progress and achievements during 2020/21

Admissions

A major change to admissions policies was implemented in September 2020, providing for a lower pass mark for applicants from disadvantaged backgrounds from 2020/21 onwards. The impact of these changed policies will be carefully monitored to ensure that they deliver on the aim of encouraging greater social mobility. They are designed to complement the efforts being made through the Future Stories project to attract more pupils from such backgrounds.

7 Pupil Premium students were admitted to the School in September 2020, and this provides a baseline against which future progress can be measured. 9 Pupil Premium students and 3 Service Premium students were admitted in September 2021.

In addition, the School has agreed a small adjustment to its catchment area, which will apply from September 2022 onwards.

From September 2021, the School will directly manage its own admissions process, including its own entrance examination. Previously, the School had been part of a coalition set up to run the admissions process for a number of Schools in England.

Curriculum & Standards

Major achievements this year included:

- A thorough and detailed analysis of the 2020 examination outcomes, in order to pinpoint their implications for future years in terms of expected outcomes, student subject choices, teaching resources, and for plans to return to examinations in 2022 etc.
- 21 students entering Oxford or Cambridge University in September 2020, with high numbers gaining admission to Imperial College and Southampton and Warwick universities.
- Work on developing the School's curriculum offer and timetable, undertaken throughout the year, taking account of Covid restrictions. This included:
 - o A new Curriculum Statement;
 - o A new Teaching and Assessment policy;
 - o The development of the Reading Way (Via Redingensis), providing the overall structure and philosophy for the widest definition of the School's curriculum, focussed on both academic excellence and building good men;
 - o post-Covid reintegration and recovery plans including the provision of targeted support for students and subjects, especially in Years 11 and 13;
 - o Timetable adjustments whereby students gained study time overall, with a broadening of the curriculum to provide more opportunities for a tailored approach to meet student needs;
 - o Plans for a revised School timetable from September 2021, based around a move to 7 45-minute periods each day, with staggered breaks and lunch times.
- Approval of the School's 2020/21 Pupil Premium Strategy, in support of the School's key priority of supporting more students from disadvantaged backgrounds. 14 places were offered to Pupil Premium/Service Premium/Looked After students in September 2021.

READING SCHOOL
(A company limited by guarantee)

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

Strategic report (continued)

Achievements and performance (continued)

- Improvements to the Link Governor Scheme in respect of academic subjects, designed to make the committee more knowledgeable about changes and challenges across the whole curriculum.
- Continued focus on quality assurance and self-assessment, with an external “blink” review undertaken in the autumn of 2020.
- Oversight of the teacher-assessed grade (TAG) processes in 2021 and of the way the School had addressed and developed these. This resulted in governors being fully satisfied that they were robust and fair, with the needs of individual students taken into account.

External Relations and Pastoral Care

In the course of 2020/21, the Committee:

- Continued to review progress on issues relating to social mobility at every meeting – the School was short-listed as a finalist in the 2021 UK Social Mobility Awards.
- Approved the pastoral elements of the School's 2020/21 Pupil Premium Strategy, with a particular emphasis on providing support for students from vulnerable backgrounds and recognition of the need to track the progress of Pupil Premium students better after admission to the School. The need to apply similar provisions to students from economically disadvantaged backgrounds who were not Pupil Premium students was also recognised.
- Worked with Student Representatives, securing their input to many of the issues considered by the Committee and supporting them in strengthening the student voice and making it more effective.
- Reviewed the School's future Partnerships Strategy, in support of the Reading Way.
- Undertook a governor skills audit.
- Continued to work on Governor Training, including keeping a record of all training undertaken.
- Reviewed its Special Education Needs and Disability (SEND) provision and the School's SEND Policy, focusing on the support given to SEND students during the previous 12 months, during the Covid 19 restrictions, lockdowns and periods of School closure.
- Helped revise and update the School's Equalities Objectives for the period 2018 to 2022.
- Reviewed and updated numerous school policies relating to safeguarding, student welfare, discipline, complaints etc
- Commissioned inspections of Boarding and Safeguarding, and continued to monitor the School's boarding provision, in the face of the challenges posed by the Covid 19 restrictions.

Finance

Achievements in 2020/21 included:

- Successful completion of the 2019/20 audited accounts, with an unqualified auditors' assessment.
- Careful monitoring of 2020/21 income and expenditure, in a tight financial environment, and ensuring that the inevitable increase in expenditure as a result of the Coronavirus restrictions was kept as low as possible, consistent with full health and safety and safeguarding compliance. The Committee ensured that the School's response to financial issues caused by the Coronavirus (particularly those in Boarding) was timely and appropriate.
- Approving and implementing a range of measures suggested by the Boarding Progression Group to ensure the sustainability of Boarding in the light of the problems caused by the temporary closures caused by the Coronavirus lockdowns.
- Setting up new internal audit and scrutiny arrangements, with Bishop Fleming appointed as internal auditors.
- Responding to issues raised by the new internal auditors to improve financial control and compliance.
- Responding quickly and appropriately to the report and recommendations arising from the ESFA's Financial and Governance Review of the School, undertaken in December 2020.
- Initiating actions in response to an external review of the School's Finance function by King's Group Academies undertaken in May 2021, with actions to improve the School's financial management, financial planning (particularly longer-term forecasting), systems and processes and changes to the School's

READING SCHOOL
(A company limited by guarantee)

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

Strategic report (continued)

Achievements and performance (continued)

- staffing structure in Finance.
- A comprehensive review of the School's Financial Procedures Manual, Tendering Policy and Scheme of Financial Delegation.
- Continuing to review and update the School's Risk Register, through a rolling review programme.
- Setting a balanced consolidated budget for 2021/22, which, notwithstanding a challenging financial environment, builds in provision for a pro-active approach to repairs and refurbishments.
- Overseeing the return to in-house operations for catering and cleaning in the School.
- Overseeing, from the School's perspective, the joint fundraising initiative with the Reading Foundation.
- Monitoring the financial performance of the Reading Overseas Partnership Company Ltd, and ensuring the company's future sustainability, so that, ultimately, its profits can be used appropriately to support the School.
- Ensuring the School's full compliance with the General Data Protection Regulations (GDPR).

Property & Projects

Key developments in 2020/21:

- A decision to bring catering back "in house".
- Ongoing oversight of the options for the development of the Morgan Road site in a way which will deliver maximum improvement of the School's facilities. The consent of the Secretary of State for Education to dispose of part of the site has been requested.
- Following on from a successful bid for grant aid from the ESFA's Condition Improvement Fund to replace a number of the School's boilers in 2020, the School has now secured further grants from the fund totalling £650,000 for further works to upgrade heating and electrical services in 2021.
- Successful negotiations with the School's insurers for the rebuilding of a new Boat House, following the fire in 2019. The contents of the Boat House will also be replaced.
- Careful monitoring and planning of the use of the property maintenance budget and the budget for health and safety compliance works, working with the Reading Foundation to ensure that maintenance and refurbishment priorities were identified systematically and tackled in the most cost efficient manner, taking account of Covid-related expenditure constraints.
- Reviewing and updating of Health and Safety and related policies.
- The establishment of a Working Group, with both governor and Senior Leadership Team members, in order to review and revise current spending priorities, examine the ability of the School to source funds for them, and look at the long-term sustainability of the School on its present site. As a first step, this Working Group has commissioned a full condition survey of all the School buildings, subject to agreement by the Reading Foundation.

The Committee has also adopted a new reporting system in the course of the year which has greatly improved its ability to monitor the condition of School buildings and their compliance with statutory regulations. This will support a more systematic and planned approach to maintenance in the future.

Sporting and cultural achievements

As well as its academic excellence, the School is proud of its record in encouraging its students to achieve their potential in sport, music, cultural and other enrichment activities. Inevitably these activities were restricted by the Covid pandemic in 2020/21, but some of the highlights were:

- A Year 11 student was a finalist in the BT Young Pioneer Award .
- Reading School students celebrated World Mental Health Day by taking part in the national #HelloYellow campaign, raising a total of £4,620.
- Four Year 13 students beat 9,840 UK schools to win the Student Investor Challenge 2020.
- 88 Reading School students achieved a Distinction and 99 students achieved a Merit in the UK Bebras Computing Challenge.

READING SCHOOL
(A company limited by guarantee)

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

Strategic report (continued)

Achievements and performance (continued)

- 85 students in Year 9, 10 and 11 achieved 34 gold certificates, 25 silver certificates and 13 bronze certificates in the British Mathematics Olympiad.
- A Year 9 student was awarded the title of English Chess Federation (ECF) Club Master.
- 18 Reading School students achieved their Silver or Bronze Duke of Edinburgh awards.
- Reading School Year 12 students achieved 9 Gold, 7 Silver & 2 Bronze Awards in the British Physics Olympiad 2021.
- A Year 9 student won the Perse Research Essay Competition, a new competition that aims to inspire youngsters to develop their intellectual curiosity.
- A Year 12 student was appointed as a member of the Reading Youth Council.
- Twelve Year 9 and 10 students were selected by the Marylebone Cricket Club Foundation to train with professional coaches.
- Twelve Year 9 and 10 students achieved Gold Awards in the biology challenge run by the Royal Society of Biology.
- Year 8 students won the javelin and shot-put at the Reading Town Athletics Championships.
- A Year 10 student helped Berkshire win gold in the Intermediate Boys Octathlon in the South East Championships and to progress to the National final.
- A Year 12 student represented Team GB for the European Athletics U20 Championships 2021 in July, in Tallinn, Estonia.

The School's response to the Coronavirus pandemic

Throughout the year, the School worked hard and effectively in order to achieve full compliance with the additional health and safety measures and staff and student testing required by the government. This resulted in considerable additional expenditure, which, through careful management, the Finance Committee of the Governing Body has been able to absorb, although an overspend on the 2020/21 School budget was inevitable.

From 4th January 2021 until half-term in the Lent Term, all schools in England were closed, and Reading School reverted to online platforms for all learning and assessment, using arrangements similar to those it had used in 2019/20. Furlough arrangements applied to some staff, but the majority of associate and teaching staff continued to work remotely.

All remote learning was carefully monitored, and generally showed very high participation rates.

During the period of closure, the over-riding priority was safeguarding, support and wellbeing for all members of the Reading School community, including students who were likely to find remote learning difficult.

Given that the cancellation of GCSE and A-level examinations had already been announced, a task force led by the Deputy Headmaster began work on the teacher-assessed grades process for GCSE and A-levels at an early stage, and this successfully built on the process which had been used for the 2020 calculated grades. All teacher-assessed grades were submitted to the exam boards by the deadline in June.

The impact of the School's closure in the 2019/20 School year had already had a major financial impact on Boarding, where the School had accepted that no fees were chargeable for the whole of the summer term 2020. This resulted in lost income of around £350,000, which in turn reduced the level of reserves in Boarding to under £100,000, threatening the future viability of Boarding operations. The further period of closure from January to March 2021 therefore posed a major challenge. The School responded by setting up a stakeholder group, including both governors and parents (the Boarding Progression Group), to undertake a major review of all elements of boarding operations and financing. After some very intensive work, this group produced a series of recommendations to ensure the sustainability of Boarding, and these were accepted by the Governing Body. As a result, the financial position of Boarding is now improving, with a clear plan to ensure a return to a healthy position, with adequate reserves.

READING SCHOOL
(A company limited by guarantee)

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

Strategic report (continued)

Achievements and performance (continued)

Conclusions

The academic and other successes in 2020/21, and the continuation of the School's excellent response to the Covid 19 pandemic, show that Reading School continues to be one of the highest performing state schools in the country. We are continuing with our aim to develop it to be a 'World Class School', which nurtures integrity and academic excellence through the development of leadership potential, and which measures up to international benchmarks. We pride ourselves on our commitment to sustaining a high academic tradition and a willingness to embrace change in the interests of our students. This will be sustained as reintegration and recovery from the Covid 19 closure continues and the School seeks to flourish once more.

We regularly attract over 1,000 applications for day places at the School at Year 7 and a further 60-70 applications for boarding places, also at Year 7. For 2022 entry, we have received 1,160 direct Year 7 applications for day and boarding. The range of our feeder schools is diverse geographically. Our student population is ethnically and socially diverse with 71% of students coming from ethnic minorities. Most Year 13 leavers gain admission to leading Universities.

The School is proud to have again held its 1st place in the Regional Southeast State Secondary School category, announced in the 28th (2020) edition of Parent Power, published by *The Sunday Times*. This survey identifies the 2,000 highest-achieving schools in the UK, ranked by their recent examination results. The Britannia Study Link ranked Reading School as the 5th best state school in England in 2021, based on its Attainment 8 score. But, in our Strategic and Operational Plans, and in identifying the other challenges we face, we recognise that sustained success depends on continuous improvement, effective leadership, strong partnerships and effective learning environments.

Excellence in the classroom and development of the whole person in students is crucial. We are committed to serving our local community and to playing a role in increasing social mobility, as demonstrated by Future Stories Project, through which the school encourages and supports admission applications from disadvantaged students, and the changes made to admission policies from 2020 onwards, which will prioritise the admission of such students without, however, compromising academic standards. In particular, the School recognises the importance of preparing to support such students as they enter the School in greater numbers from September 2021 onwards.

C. Key performance indicators

Number of permanent exclusions: 0
Number of fixed term exclusions: 2
Number of racist incidents: 5
Number of incidents of bullying: 3
Overall school attendance (Years 7 to 11): 93%
Pupil Lateness: 0.7%

Going concern

After making appropriate enquiries, the board of trustees (i.e. the Governing Body) has a reasonable expectation that the Academy 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 Accounting Policies.

READING SCHOOL
(A company limited by guarantee)

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

Strategic report (continued)

Financial review

Financial Outcome of Activities and Events

Most of the Academy's revenue income comes from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants. These grants and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The School has sought to ensure that absolute revenue funding levels remain constant, with funding cuts being offset by increases in pupil numbers, following decisions a few years ago to increase entry numbers at Year 7 and in the sixth form.

The Academy also received a small annual devolved formula capital grant in 2020/21, which will be applied to general refurbishment work and redecorations. As noted above, the School has been awarded a CIF grant of £650,000 for upgrading of its heating and electrical systems. (The School is contributing £50,000 of its own funds to these works in 2020/21).

The consolidated budget for 2020/21, set in July 2020, showed a surplus of just under £12,000, before accounting adjustments. It was acknowledged at the time that there were a number of unknown factors which could impact on the overall budget, mainly as a result of extra costs associated with the pandemic and of the risks surrounding the low level of reserves in Boarding.

In the event, careful financial management and unbudgeted additional income meant that the final consolidated accounts for 2020/21 show a surplus of £560,000 before accounting adjustments, even after additional, unbudgeted expenditure on supplementing the CIF grant (see above).

For accounting purposes the Boarding department is fully integrated within the Academy Financial Statements, whereas at operational level Boarding is run entirely separately from the School. Boarding numbers have continued to be stable in 2020/21, notwithstanding the uncertainties caused by the Coronavirus pandemic.

As at 31 August 2021 the net book value of fixed assets was £13,080,943 (2020: £13,425,824). The operating deficit for the school for 2020/21 was £204,999 (2019/20: deficit of £914,630).

The School's trading subsidiary, the Reading School Overseas Trading Company made a loss in 2020/21 of £49,858, as income to the company was deferred. But the company is able to sustain such a loss, and is expected to return to profitability over the course of the next three years.

Reserves policy

The governors' policy is to generate reserves to provide funds to continue to enhance the educational and boarding facilities and to fund future development projects. The School had set a balanced budget for 2020/21 and increases in pupil numbers to offset expected further reductions in funding from the Department of Education are continuing. In setting the budget, the governors recognised that the uncertainties facing the School meant that all elements of the budget, including the use of reserves, would be subject to continuous review during the course of the year.

A substantial proportion of Boarding reserves had been used in 2019/20 to undertake a range of security and compliance works, and to cover the loss of fee income in summer term 2020, so that Boarding reserves at the start of 2020/21 were close to the minimum level required to sustain the School's boarding provision. These reserves were further depleted by the closure of Boarding in January and February 2021, but plans are now in place to restore them to healthy levels, with a 6% increase in boarding fees in 2021/22.

READING SCHOOL
(A company limited by guarantee)

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

The governors review the reserves policy annually, but a major review of the School's investment policy and strategy was initiated in 2019/20, which will continue in 2021/22, following some delays in 2020/21 as a result of the immediate issues created by the pandemic.

At the date of the 2021 balance sheet, the Charitable Company had free reserves of £879,790 (2020: £671,144).

Investment policy

The governors' investment powers are set down in the Charitable Company's Memorandum and Articles of Association, which permit the investment of monies of the Charitable Company that are not immediately required for its purposes in such investments, securities or property as may be thought fit subject to any restrictions which may from time to time be imposed or required by law.

The Charitable Company's current policy (as set out in the School's Financial Procedures Manual) is to invest surplus funds in short term cash deposits, and that the governors will only authorise investment in other than short term cash deposits where this is deemed to be in the best interests of the School in the future. This policy was applied throughout 2020/21.

Principal risks and uncertainties

The School has an excellent record in meeting its challenges, and the governors recognise the key role of talented and dedicated staff in this.

The School's high standards, its excellent record and its popularity with potential applicants, mean that the main risks are financial in nature. Currently, the principal risks and uncertainties are:

- Major efforts made to bridge the funding gap caused by reductions to revenue funding will need to continue. Revenue expenditure has been progressively reduced to the minimum level compatible with sustaining academic standards and meeting all the ambitions set out in the Strategic and Annual plans.
- Given this position, and the fact that there are elements of costs which the School cannot control (e.g. pension contributions), it is vital that the School sustains and (if possible) increases its level of revenue income in future years. In the past, the main means of doing so has been through increased pupil numbers, but the School has now increased student numbers in Year 7 and the Sixth Form to maximum capacity.
- The School's funding position is such that subjects which few students opt for, particularly at A-level, cannot be offered economically. This poses a potential threat to the breadth of the curriculum. Governors will continue to monitor the position, whilst recognising that it is ultimately difficult and undesirable to attempt to control or unduly influence student choices. Annual Operational Plans will continue to include actions aimed at sustaining curriculum breadth.
- The School needs to be able to raise additional funds at local level to support major improvements to its facilities, particularly sports facilities. The position on fundraising and the use of funds raised is regularly and closely monitored by governors in Committee meetings and the generation of substantial funds for capital projects is one of the major future challenges facing the School. The Sustainability Working Group referred to above has been created to address this need in a systematic way.
- Given the nature of the School site and buildings, the risk of unforeseen and expensive repair work is substantial and can lead to urgent funding needs, as recent experience shows. The Governing Body is seeking to reduce this risk by identifying the highest priorities and tackling them pro-actively, so as to minimise the extent of unexpected problems – in this context, governors acknowledge the contributions made by the Reading Foundation. This issue is another that is being addressed by the Sustainability Working Group.

READING SCHOOL
(A company limited by guarantee)

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

- The listed status of much of the School's buildings creates additional complications, as it can make the obtaining of consents for repairs to the fabric of buildings more complicated and expensive. For example, it took over two years to obtain all the consents necessary to repair the roof of the main Waterhouse buildings.
- Like most organisations, the School is potentially vulnerable to cyber attacks, and has experienced one such attack in 2020/21. This has been the subject of a thorough investigation, in conjunction with the ESFA, and will lead to better protection against such attacks in the future.
- Reading School currently operates as a single-academy trust, but recognises that current government policy favours all schools becoming members of multi-academy trusts, and that this could impact adversely on the School in the future. There is also a separate (but related) sub-issue of government expectations that the membership of the trust should be separate from the membership of the Governing Body. There are therefore plans to review current governance arrangements early in 2021/22 to examine these issues and agree a way forward which will address them effectively.

The governors have a robust attitude to risk management. The risk register defines and considers risk under the headings of Strategic and Reputational Risks and Operational Risks. The register was subject to continuous updating by governors through a rolling review process in 2020/21, and this will continue in 2021/22.

All governors have received up-to-date training in safeguarding, the Chair and Vice Chair of the Governing Body have undertaken required training in Safer Recruitment, and the Chair is the designated Governor with responsibility for child protection.

Governors receive regular reports from staff, the School's Health and Safety Committee and the Health and Safety link governor. Whilst the pandemic has required site visits by governors to be suspended, these are expected to resume in 2021/22.

A number of policies have been adopted by the Governing Body, covering risk and health and safety matters. These are reviewed regularly, including annual reviews of the following policies:

- Safeguarding
- Child Protection
- Health and Safety Statement and Policy
- Risk Assessment Policy
- Register of Risks (rolling review).

Key policies of this type are published on the School's website, as per DfE requirements.

It is confirmed that, in the process of agreeing the Operational Plan for 2021/22, of setting school budgets for 2021/22, of reviewing financial procedures and funding projections, and of producing this report, the major risks to which the Academy Trust is exposed, as identified by the trustees, have been reviewed, and that systems or procedures have been established to manage those risks.

Insurance

The School has moved to the Government's Education Insurance and Risk Protection Arrangement, in order to minimise future insurance costs. Governors have satisfied themselves that this continues to provide adequate coverage against risks. This has been demonstrated through the recent successful claim in respect of the School's boat house.

Fundraising

Despite the effects of the pandemic and the unknown variables Reading School has continued to prioritise community relations and look into alternative funding streams. The priority remains to continually create strong and productive relationships with all the School's supporters, and especially the key constituencies of alumni and parents (past, current and future). The Reading School Society exists to foster and manage these relationships

READING SCHOOL
(A company limited by guarantee)

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

Fundraising (continued)

and increase engagement with the Reading School community.

The work of the Society Office is overseen by a steering group comprising of Foundation Trustees and School Governors and led by the Senior Leadership Team. This has been enabled by annual grants from The Reading Foundation.

The School's strategy is to encourage all its supporters to give back to Reading School. While fundraising is an obvious and the most flexible form of giving (and the School has benefited in recent years from donations from parents and alumni, as well as major grant-making Trusts), other ways of contributing are encouraged and valued. Our younger alumni provide students of the School with valuable feedback about universities and career steps that will directly benefit our Sixth Formers. Parents and alumni are speakers at our lectures and can offer their professional wisdom and experience as governors and volunteers, or introduce us to their own networks to help widen the School's reach. In addition, the Society Office has launched 'Voices of ORs' inviting our ORs to share their life experiences, challenges and successes with our community providing a meaningful way to connect with our current pupils.

Reading School's social media presence has grown substantially with targeted approaches through LinkedIn, Twitter, Facebook and Instagram and all Reading School connections are invited to join it. In addition, in May 2020 the Society Office launched the Reading School Alumni Society which is growing significantly and has attracted new members globally. This is to provide a platform for Old Redingensians to share opportunities with like-minded individuals - i.e. graduate opportunities as well as provide mentoring to current and former pupils. The platform also enables the creation of local OR groups in various regions and countries around the world.

The Society Office's strategy which encompasses: communications via social media; events - whole school key events; alumni relations and development are all paramount to the development and fundraising to the future of the school as we widen access to students from disadvantaged backgrounds, provide enhanced wellbeing support to staff and students, provide co-curricular activities beyond the classroom and support careers and mentoring advice for all, as well as improve the school's facilities and maintain the fabric of the school.

The School continues to nurture its relationships with its key stakeholders including The Reading Foundation; Reading School Parents Association (RSPA); and the Old Redingensians Association (ORA) and indeed all parents and ORs who partake in supporting Reading School.

We are most grateful for grants from the Reading School Parents' Association (RSPA) used for various School projects and initiatives in 2020/21. Traditionally, the RSPA raises money through events such as the Quiz Nights, Christmas Market and Summer Fayre, amongst other fundraising initiatives, to enable the school to pay for equipment and sponsor events outside the normal school budget, which will enrich the life of our pupils. During the pandemic this has been limited due to restrictions on running face to face events. Nonetheless, they have contributed towards two new minibuses to reduce the cost of hiring and providing additional transportation capacity through the school year. This has been possible through a virgin giving campaign, parental corporate matching and ongoing online fundraising platforms such as Giving Machine and Easy Fundraising.

The corporate matching and online charity shopping platforms enable the Reading School community to sign up to additional fundraising online platforms that generate income for the RPSA to be able to support the school and costs nothing! During the difficult pandemic time the RSPA has launched the Reading School lottery and over the Michaelmas Term 2020 the RSPA also coordinated the Staff appreciation initiative donating festive goodies, fruit platters and home baked treats for several weeks. This was greatly appreciated by the staff helping lift spirits during an already difficult time.

In addition, the Old Redingensians Association (ORA) have supported the School with various initiatives such as: The School's annual Book week inviting various inspirational talks and interactive workshops from authors including welcome books for Years 7 and Year 8; supporting the Wellbeing board and resources delivered for all

READING SCHOOL
(A company limited by guarantee)

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

Fundraising (continued)

students promoting the importance of mental health and wellbeing during the pandemic; and the production of the annual School Magazine. The Society Office also supports the reunions, meetings and sporting events undertaken by the ORA at the School which have only taken place virtually over the last academic year.

The Society Office oversees the primary fundraising tool via the 'Charitable Annual Trust Fund – Building for the Future' and offers an opportunity for every parent/carer, Old Redingensian, staff member, governor and friend of the school to support both current and future generations of students at Reading School. These contributions mean that we can continue to run our vital co-curricular programme of clubs and activities which benefit all our pupils, enabling them to learn new skills, develop their individual talents and enjoy their recreational time. Each department bids for their additional resources to enable them to run these activities efficiently throughout the year, directly impacting the breadth of co-curricular activities offered to pupils as well as some modernisation of classrooms. Regular donations from parents enable Reading School to project and plan activities for the future.

The Society Office identifies key dates to promote giving as identified via the 12 days of giving before Christmas. This provided an opportunity for donors to give to various school initiatives.

The Society Office promotes legacy donations to ensure that Reading School will continue the ethos of 'learn, lead and serve' as well as increase engagement with the Reading School community, through whole school events such as Senior and Junior Prize Giving, reunions for our alumni, Inspire Lectures to benefit the pupils, and continued engagement via social media to ensure the building of alumni relations and the whole school community.

In addition, as we move towards the 900th Anniversary celebrations in 2025 the Reading Foundation is keen to support the maintenance programme which is required to preserve the Grade II listed buildings. To this end the Reading Foundation kindly provide grants for renovation such as the tarmacking of the front of the school terrace. The work was carried out over the summer.

As a member of the Institute of Development Professional in Education, Reading School is committed to following best practice in all its development and fundraising activities. The Society Manager is also the Vice President of the South West Regional Area sharing best practice with independent and state schools in the local area. All fundraising activities and approaches to constituents for funds meet the guidelines issued by the Charity Commission, GDPR and PECR legislation. The Society Office coordinates all fundraising activities. The majority of these activities are controlled by the Society Office. Those that are not (such as pupils collecting for charity days) have been risk assessed to ensure that they are suitable. We would never attempt to solicit from the vulnerable, nor be intrusive. Fundraising approaches should always be respectful and tailored to prospects' individual wishes as far as possible. Donations come from fruitful relationships with our supporters, companies who wish to be our partners, and appropriate grant-making trusts. We would rarely seek gifts from the wider public, except for the conservation of our Grade II heritage buildings. We have received no complaints about our fundraising in the past year.

READING SCHOOL
(A company limited by guarantee)

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

Plans for future periods

The Operational Plan for 2021/22, which takes account of the challenges of recovery and reintegration presented by the Coronavirus pandemic, was approved by the Governing Body on 5th July 2021, and is too detailed to set out in full here. The following summarises the key priorities in the plan:

Excellence: be a powerhouse of curriculum ambition, imagination, quality and excellence

- Deliver an ambitious and rigorous curriculum for the beginning of each student's time at Reading School.
- Develop a well-sequenced curriculum that enriches and equips students beyond the confines of an exam specification.
- Develop assessment and feedback that drive a culture of continuous curriculum improvement for staff and students, including greater use of technology and data analysis in improving the value of the reporting cycle.
- Provide a breadth of curricular opportunity that enables students to be excellent communicators in their subjects.
- Develop a curriculum that interweaves Academic Excellence and Building Good Men as part of a Reading Way.
- Deliver sustained high performance through a positive culture of commitment that encourages ambition, talent and intellectual curiosity and enables all students to be inquisitive and achieve excellence.
- Develop a robust quality assurance process, benchmarking standards against measures of excellence and learning from organisations of outstanding performance resulting in direction, alignment and commitment.

Nurture a team of professional teachers who inspire students with a love of their subjects and a spirit of passion, performance and inquisitiveness

- Improved staff recruitment.
- Design a CPL strategy that is evidence-based and maximises participation.
- Provide opportunities for staff to share professional practices and materials with other staff, within and beyond Reading School.
- Nurture staff engagement and well-being ensuring that well-being is at the forefront of staff support.

Create cultural conditions that combine academic excellence with well-being through the expectations that all who study or work at Reading School will aspire to the very best, holding themselves to account

- Encourage respect for sustainability and the environment.
- Encourage an awareness of the benefits of a healthy lifestyle and emphasising the role which physical activities, games and a sporting programme play in achieving positive levels of wellbeing linked to Reading Way.
- Provide a co-curricular program that encourages students to take part in a range of activities focusing on learning skills, and encouraging staff to take part in co-curricular activities linked to the Reading Way.

Integrity: a culture of character, belonging and wellness

- Build Good People who are authentic in their behaviours and earn respect and put their heart into everything, through:
 - a supportive, dynamic environment where each student is valued and has the opportunity to reach his potential
 - an understanding of non-negotiable behaviours that also develop positive conduct and attitudes.
 - The House system.
 - Improved pastoral processes and character development.
- Build persons of character who are kind, compassionate and display positive attitudes, strengthening resilience and seek positive mental health and wellness.
- Champion a commitment culture through the embedding of a co-curricular programme that engages students to commit to personal development and the nurturing of cultural and social capital, including maximising participation in Future Stories and other service opportunities in Sixth Form.

READING SCHOOL
(A company limited by guarantee)

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

Plans for future periods (continued)

- Champion a culture of well-being, courage and resilience so that all who work and study at Reading School align actions and words with our shared values.
- Foster a community which builds a safeguarding culture built on positive relationships, a sense of place and belonging.

Leadership: Foster a culture of leadership, management and accountability

- Collaborate for the common good with a sense of purpose to enable improved social mobility, enhancing the life chances of local, disadvantaged young people through school policies and initiatives that reflect solidarity with the disadvantaged and our dedication to service, through the *Future Stories* programme and revised admissions policies.
- Devise and implement models of leadership that emphasise the importance of service and cultural architects – e.g. through sport, outdoor activities, music and drama, through cross-age leadership opportunities, and through 6th form leadership opportunities.
- Demonstrate authenticity and accountability regarding performance complemented by a sense of compassion and consideration for the well-being of others, linked to behaviour and systems for students, staff and governors, including succession planning and the retention of talented staff.
- Deliver on the creation of a team-first approach working with and for others, in order to ensure well-being of students and staff (e.g. through the house system, middle leadership programmes for staff and the 6th form).
- Ensure effective stewardship and governance of operations and financial resources to go beyond compliance and enable sustainable development.
- Maintain a focus on providing facilities fit for purpose through delivery of aspects of the Property Master Plan for the Erleigh Road Campus and Morgan Road facilities, taking into account the School's current and future curriculum, staff, estates and amenity requirements.

Community: Relationships, belonging and partnerships

- Cultivate a collaborative school community that inspires, where opportunities abound, talent is nurtured and characters are formed – e.g. through community links, relationships with partners and careers advice, fundraising.
- Build a vibrant Boarding community by developing healthy friendships, self-respect, self-confidence and a promise to serve one another, including ensuring financial and operational sustainability of Boarding following the impact of the Coronavirus pandemic and developing the Boarding improvement plan linked to 'Survive, Thrive, Flourish' recommendations.
- Build a network of local partnerships based on trust that enable human flourishing, nurture service, philanthropy and well-being including the Reading Foundation, Parents, Alumni and other organisations.
- Build a network of national partnerships to drive learning from best practice and enable continuous improvement – e.g. partnerships with outstanding professionals, BASS, the grammar school heads association, other schools and sports organisations.
- Nurture sustainable international partnerships that enable the dissemination and further development of the Reading School Overseas Partnership Company Ltd.

The School's long-term strategy covers the period 2020-25. This is available on the School's website.

Alongside ensuring a recovery from the Covid 19 restrictions, the Governing Body will continue to give priority to the development of the School's facilities over the next few years. This is a challenge both in the logistical sense (i.e. designing and building new facilities within a confined site which includes listed buildings) and in a financial sense, since, realistically, major developments will need to be funded from funds raised by the School itself.

As noted above, the School's Master Plan was updated in 2018, and identifies the main facilities which will be required to deliver the curriculum, pastoral care and associated support facilities at the heart of the school's

READING SCHOOL
(A company limited by guarantee)

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

Plans for future periods (continued)

strategic vision and operational priorities.

In order to fund the major facilities outlined in the Master Plan, the fundraising partnership with the Reading Foundation, the initiatives led by the Society Manager, and the imaginative use of existing assets will be crucial.

Other key challenges faced by the School include:

- Sustaining the breadth of the current curriculum in the face of current student preferences and of financial constraints which mean that subjects are viable only if a sufficiently large cohort of students opt for them.
- Continuing to develop the skills and effectiveness of governors, so that the ethos of Excellence and Leadership is strengthened in the School.
- Maintaining a programme of priority repairs and refurbishments, working in partnership with the Reading Foundation, and sustaining a more planned approach which prioritises compliance with high standards in the face of limited funding and the complications of maintaining listed buildings.
- Ensuring that catering, cleaning and grounds maintenance contracts and arrangements deliver the most effective and best-value performance, following the decision to bring catering and cleaning in-house.
- The successful completion and use of the new School Boat House.

Funds held as custodian

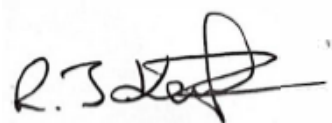
Reading School holds funds as agent on behalf of parents in relation to the running of educational visits. Educational visits are run on a non-profit basis with material surpluses being refunded to parents on completion of the visit.

Disclosure of information to auditor

Insofar as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that governors 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.

The Governors' report, incorporating a strategic report, was approved by order of the board of trustees, (ie the governing body) as the company directors, on **13 DECEMBER 2021** and signed on its behalf by:



R J Kenwick
Chair of Trustees and Governing Body

READING SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Reading School 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.

The board of trustees (i.e. the Governing Body) has delegated the day-to-day responsibility to the Headmaster, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned to it in the funding agreement between Reading School and the Secretary of State for Education. He is also responsible for reporting to the board of trustees (i.e. the Governing Body) any material weaknesses or breakdowns in internal control.

The board of trustees has a duty to promote the success of the School and has sought to fulfil this through

- careful oversight of its finances,
- endorsing a major overhaul of the curriculum and timetable, improved monitoring of compliance,
- further explorations of the scope for increasing the School's income and the development of its facilities.

Governors played a key role in ensuring that Boarding was kept viable in spite of the problems caused by pandemic closure, and in creating a recovery plan for Boarding. They are fully supportive of fundraising efforts, and have provided leadership on some key projects, notably the plans for the future use of the Morgan Road site. They have also worked to develop and improve the School's admission arrangements, and to look more systematically at long-term plans to ensure the sustainability and suitability of its premises.

READING SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the governors' report and in the Statement of Governors' responsibilities. The board of trustees (i.e. the Governing Body) has formally met 7 times during the year.

Attendance during the year at meetings of the board of trustees (i.e. the Governing Body) was as follows:

Governor	Meetings attended	Out of a possible
A Bose	2	2
S Bowen	5	7
T Evans	7	7
M N J Faulkner	7	7
D R Fisher	7	7
T Follen	7	7
K Holland	7	7
D Hudson	7	7
R P Huggins	7	7
R J Kenwick	7	7
O Pilkington	4	4
G Pravda	7	7
A M Robson	7	7
K Ross MBE	7	7
S Shahi	4	4
D Smith	3	3
T Tuggey +	0	0

The Governing Body is now actively engaged in the self-evaluation of governance, with a self-assessment of the effectiveness of the Governing Body undertaken annually, as well as a skills audit and a 360° appraisal of the Chair. The Governing Body keeps a record of all training undertaken by governors. All these measures are designed to improve and sustain its effectiveness.

The Finance Committee is a sub-committee of the main governing body. Its purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity and to make appropriate comments and recommendations on such matters to the governing body on a regular basis. Mr David Fisher, who is a qualified accountant, chaired the committee in 2020/21.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
A Bose	2	2
T Evans	3	4
D R Fisher	4	4
T Follen	4	4
R J Kenwick	4	4
A M Robson	3	4
S Shahi	2	2
D Smith	2	2

The data that the Governing Body has used to assess progress and performance has been scrutinised by sub-committees and is evaluated contextually. The majority of School data is taken from DfE tables. This ensures the

READING SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

validity of the School's key benchmarks. DfE data (such as Progress 8, Attainment 8 and A Level value added scores standards scores) is evaluated using tools provided by ALPS and 4matrix, and is analysed in comparison with other boys academically selective schools to ensure appropriate contextual rigour. Internal data is assessed against prior performance and the progress of individual students and groups are appropriately monitored using analysis of quintiles. The governors are therefore satisfied about the integrity, validity and significance of the data used in their assessments of the School's progress.

The following table shows total attendances by governors at all main Committee (i.e. Curriculum & Standards, External Relations & Pastoral Care, Finance, Property & Projects, and Executive) and Governing Body meetings in the 2020/21 school year:

Governor	Meetings attended	Out of a possible
A Bose	5	5
S Bowen	8	11
T Evans	12	15
M N J Faulkner	14	15
D R Fisher	19	23
T Follen	15	15
K Holland	14	15
D Hudson	15	15
R P Huggins	11	11
R J Kenwick	21	23
G Pravda	13	15
A M Robson	22	23
K Ross MBE	15	15
S Shahi	8	9
D Smith	8	8

Value for Money Statement 2021

I accept that as Accounting Officer of Reading School I am responsible and accountable for ensuring that the academy trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

I set out below how I have ensured that the Academy trust's use of its resources has provided good value for money during the academic year.

The Governing Board have applied best value principles to ensure that:

- resources are allocated to best promote the aims and values of the Academy
- resources are targeted to improve standards and maintain attainment
- resources are best used to support the individual educational needs of students at Reading School

Maintaining high educational achievement is a crucial main priority, achieved by employing sufficient, quality teaching and associate staff to ensure all students have the opportunity to raise their levels of attainment by:

- monitoring attainment and progress to identify those who require intervention and support
- provide support for pupils who fall behind their peers, including through the use of the Covid-19 catch up funding.

Effectiveness of this can be quantified by our end of GCSE and A Level results in August 2021. For instance, 83.5% of GCSE were awarded 9-8 with 54% at grade 9. Whilst 96% were grades 9-7 and 100% Grades 9-5. Whilst at A level in 2021 45% of grades awarded were A* and 84.3% A*-A grades were awarded.

The Board of Trustees are responsible for ensuring that the Academy:

READING SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

- Keeps proper accounting records during the year which will disclose, with reasonable accuracy and at any time, the financial position of the academy.
- Maintains and operates an effective system of internal control to safeguard all the resources delegated, granted or otherwise entrusted to the academy and ensure they are used cost effectively.
- The system of internal control has been developed and is co-ordinated by the Headmaster, working with the Finance team. It aims to provide as much assurance as is reasonably possible that assets are safeguarded, transactions are properly authorised and recorded and that financial errors or irregularities are either prevented or can be detected promptly.

Review of value for money

As Accounting Officer, the Headmaster 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 academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate.

Reading School has sound internal spending controls as evidenced by ESFA review as reported in March 2021, Internal Audit processes and Annual Audit. Where limits require we have entered into formal Tender arrangements.

The Accounting Officer for the academy trust has delivered value for money by continuing to develop procurement policy and processes and through the use of specialist support where appropriate. Examples include:

- Renegotiation of a number of support services contracts
- Renegotiation of certain equipment support licences
- Reorganisation of Catering contract and organisation
- Successful CIF bids process

We consider the following questions when evaluating the performance of major purchases:

- What are we trying to achieve and what evidence is there about levels of need?
- Why are we doing this and are there better ways to achieve the result?
- Is our current method the most economical, efficient and effective?
- What is in the best interest of our students?
- Are our procedures competitive?
- Could another organisation do this for us more effectively and economically?

Purchasing arrangements are reviewed and challenged to ensure improved use of resources for the raising of Education standards and continuous improvement.

Examples of where value for money has been achieved include through our approach to catering after April 2021, CIF bid processes, procurement and the provision of educational equipment.

READING SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 appropriate and rigorous internal control continued to be in place at Reading School Academy Trust for the period 1 September 2020 to 31 August 2021 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 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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 includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- identification and management of risks.

The board of governors has decided to employ Bishop Fleming as internal auditor in 2020/21 as well as appointing Mr Follen as Link Governor for internal audit. Their roles included giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

READING SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

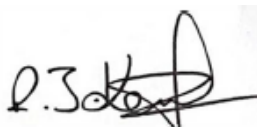
As accounting officer, the Headmaster has responsibility for reviewing the effectiveness of the system of internal control.

During the year in question the review has been informed by:

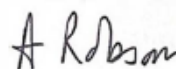
- the work of the internal auditor and link governor for internal audit
- the work of the external auditor
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework
- the outcomes of the ESFA's Financial and Governance Review of the School, undertaken in December 2020
- the outcomes of the external review of the School's Finance function by King's Group Academies.

The accounting officer has been advised of the implications of the internal auditor's review of the system of internal control by the Finance Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of governors on 13 December 2021 and signed on their behalf by:



R J Kenwick
Chair of Trustees



A M Robson
Accounting Officer

READING SCHOOL
(A company limited by guarantee)

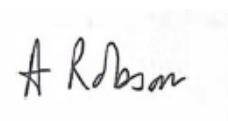
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Reading School I have considered my responsibility to notify the academy board of governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy 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 2020.

I confirm that I and the academy board of trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2020.

The School suffered a fraudulent data breach in early 2021. This has been reported to the Information Commissioner's Office and to the ESFA, both of whom agreed that the School had taken the necessary steps and that no further action was necessary. The School lost no money as a result of the breach, but is carefully reviewing the circumstances surrounding it.

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.



A M Robson
Accounting Officer

Date: 13 December 2021

READING SCHOOL
(A company limited by guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Academies 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 governors to prepare financial statements for each financial year. Under company law, the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the charitable company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the governors are required to:

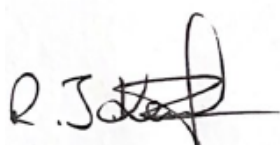
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governors are responsible for ensuring that in their conduct and operation the Group and the charitable company apply 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 governors are responsible for the maintenance and integrity of the corporate and financial information included on the group'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 governors and signed on its behalf by:



R J Kenwick
Chair of Governors

Date: 13 DECEMBER 2021

READING SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
READING SCHOOL**

Opinion

We have audited the financial statements of Reading School (the 'parent academy') and its subsidiaries (the 'Group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated balance sheet, the Academy balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, 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 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent academy's affairs as at 31 August 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

READING SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
READING SCHOOL (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the parent academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic 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:

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

Responsibilities of trustees

As explained more fully in the Governors' responsibilities statement, the governors (who are also the directors of the academy 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 governors 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 governors are responsible for assessing the Group's and the parent academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the Group or the parent academy or to cease operations, or have no realistic alternative but to do so.

READING SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
READING SCHOOL (CONTINUED)**

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.

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Academies Financial Handbook 2021 and the Academies Accounts Direction 2020 to 2021. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and completeness of income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, sample testing on income recognised in the accounts, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

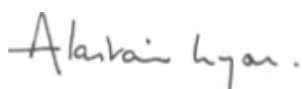
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

READING SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
READING SCHOOL (CONTINUED)**

Use of our report

This report is made solely to the academy'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'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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Alastair Lyon (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Aquis House

49-51 Blagrove Street

Reading

Berkshire

RG1 1PL

Date: 15 December 2021

READING SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO READING SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 19 April 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Reading School during the year 1 September 2020 to 31 August 2021 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 Reading School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Reading School 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 Reading School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Reading School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Reading School's funding agreement with the Secretary of State for Education dated 1 February 2011 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 year 1 September 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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's income and expenditure.

The work undertaken to draw to our conclusion includes:

- consideration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- analytical procedures on the general activities of the Academy Trust;
- a review of Minutes of Committees and Board Meetings which may be relevant to regularity;
- consideration of discussions with key personnel, including the Accounting Officer and Governing Body;
- tests of control have been carried out on a control activity which are relevant to regularity
- substantive testing of individual transactions.

READING SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO READING SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Crowe U.K. LLP

Crowe U.K. LLP

Statutory Auditor

Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

Date: 15 December 2021

READING SCHOOL
(A company limited by guarantee)

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>As restated Total funds 2020 £</i>
Income from:						
Donations and capital grants	3	74,535	693,646	26,607	794,788	729,937
Other trading activities	6	343,284	11,777	-	355,061	617,980
Investments	7	101	-	-	101	1,578
Charitable activities:	4					
Academy's educational operations		1,000	6,176,205	-	6,177,205	5,447,886
Provision of boarding activities		-	850,375	-	850,375	707,544
Total income		418,920	7,732,003	26,607	8,177,530	7,504,925
Expenditure on:						
Raising funds		275,762	710	-	276,472	379,409
Charitable activities:						
Academy's educational operations		39,328	6,570,823	454,922	7,065,073	7,161,462
Provision of boarding activities		-	833,538	-	833,538	878,684
Total expenditure		315,090	7,405,071	454,922	8,175,083	8,419,555
Net income/(expenditure) before taxation		103,830	326,932	(428,315)	2,447	(914,630)
Taxation	14	11,696	-	-	11,696	(29,461)
Net income/(expenditure) after taxation carried forward		115,526	326,932	(428,315)	14,143	(944,091)

READING SCHOOL
(A company limited by guarantee)

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

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>As restated Total funds 2020 £</i>
Note					
Net income/(expenditure) after taxation brought forward	115,526	326,932	(428,315)	14,143	(944,091)
Transfers between funds	-	(83,434)	83,434	-	-
19					
Net movement in funds before other recognised gains/(losses)	<u>115,526</u>	<u>243,498</u>	<u>(344,881)</u>	<u>14,143</u>	<u>(944,091)</u>
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	-	(269,000)	-	(269,000)	(559,000)
27					
Net movement in funds	<u><u>115,526</u></u>	<u><u>(25,502)</u></u>	<u><u>(344,881)</u></u>	<u><u>(254,857)</u></u>	<u><u>(1,503,091)</u></u>
Reconciliation of funds:					
Total funds brought forward	796,739	(2,725,220)	13,425,824	11,497,343	13,000,434
Net movement in funds	115,526	(25,502)	(344,881)	(254,857)	(1,503,091)
Total funds carried forward	<u><u>912,265</u></u>	<u><u>(2,750,722)</u></u>	<u><u>13,080,943</u></u>	<u><u>11,242,486</u></u>	<u><u>11,497,343</u></u>

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

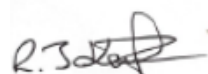
The notes on pages 42 to 77 form part of these financial statements.

READING SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07475515

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	As restated 2020 £
Fixed assets			
Tangible assets	15	13,080,943	13,425,824
Current assets			
Debtors	16	430,802	340,158
Cash at bank and in hand		2,416,801	2,020,760
		<u>2,847,603</u>	<u>2,360,918</u>
Creditors: amounts falling due within one year	17	(1,045,060)	(1,232,399)
Net current assets		1,802,543	1,128,519
Total assets less current liabilities		14,883,486	14,554,343
Defined benefit pension scheme liability	27	(3,641,000)	(3,057,000)
Total net assets		11,242,486	11,497,343
 Funds of the academy			
Restricted funds:			
Fixed asset funds	19	13,080,943	13,425,824
Restricted income funds	19	890,278	331,780
Restricted funds excluding pension asset	19	13,971,221	13,757,604
Pension reserve	19	(3,641,000)	(3,057,000)
Total restricted funds	19	10,330,221	10,700,604
Unrestricted income funds	19	912,265	796,739
Total funds		11,242,486	11,497,343

The financial statements on pages 37 to 77 were approved by the governors, and authorised for issue on 13 DECEMBER 2021 and are signed on their behalf, by:



R J Kenwick
 (Chair of Trustees)

The notes on pages 42 to 77 form part of these financial statements.

READING SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07475515

ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	As restated 2020 £
Fixed assets			
Tangible assets	15	13,080,943	13,425,824
Current assets			
Debtors	16	432,454	358,720
Cash at bank and in hand		2,335,412	1,841,988
		<u>2,767,866</u>	<u>2,200,708</u>
Creditors: amounts falling due within one year	17	(1,041,060)	(1,197,784)
Net current assets		<u>1,726,806</u>	<u>1,002,924</u>
Total assets less current liabilities		<u>14,807,749</u>	<u>14,428,748</u>
Defined benefit pension scheme liability	27	(3,641,000)	(3,057,000)
Total net assets		<u><u>11,166,749</u></u>	<u><u>11,371,748</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds		13,080,943	13,425,824
Restricted income funds		847,016	331,780
		<u>13,927,959</u>	<u>13,757,604</u>
Restricted funds excluding pension asset		13,927,959	13,757,604
Pension reserve		(3,641,000)	(3,057,000)
Total restricted funds		<u>10,286,959</u>	<u>10,700,604</u>
Unrestricted income funds		879,790	671,144
Total funds		<u><u>11,166,749</u></u>	<u><u>11,371,748</u></u>

The academy's net reduction in funds for the year was £204,999 (2020 - £1,574,365).

The financial statements on pages 37 to 77 were approved by the governors, and authorised for issue on
and are signed on their behalf, by:

13 DECEMBER 2021



R J Kenwick
(Chair of Trustees)

READING SCHOOL
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	<i>2020</i> £
Cash flows from operating activities			
Net cash provided by operating activities	21	479,112	<i>131,075</i>
Cash flows from investing activities	23	(77,896)	<i>(33,040)</i>
Cash flows from financing activities	22	(5,175)	<i>(16,374)</i>
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		396,041	<i>81,661</i>
Cash and cash equivalents at the beginning of the year		2,020,760	<i>1,939,099</i>
Cash and cash equivalents at the end of the year	24, 25	2,416,801	<i>2,020,760</i>
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 42 to 77 form part of these financial statements

READING SCHOOL
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The academy has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

1.2 Charity status

The principal activity of Reading School is to provide secondary education for pupils aged 11 to 18. The trust is an exempt charity and a company limited by guarantee (company number: 7475515). It is incorporated and domiciled in the UK. The address of the registered office is Reading School, Erleigh Road, Reading, RG1 5LW.

1.3 Going concern

The governors 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 academy to continue as a going concern. The governors have considered the current and ongoing impact on the school as a result of the COVID19 virus. Whilst this has had an impact on boarding income on the school, this has not had a significant impact on the school overall having reviewed budgets and forecasts. The governors 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

READING SCHOOL
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 Income

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

• **Legacies**

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

• **Grants**

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of 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 Consolidated statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an 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.

• **Sponsorship income**

Sponsorship income provided to the Group which amounts to a donation is recognised in the Consolidated statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

• **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 year it is receivable and to the extent the Group has provided the goods or services.

READING SCHOOL
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.5 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Basis of consolidation

The financial statements consolidated the accounts of Reading School and all of its subsidiary undertakings ("subsidiaries").

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

The Income and expenditure account for the year dealt with in the accounts of the academy was £204,999 (2019 - £1,574,365).

1.7 Interest receivable

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

1.8 Taxation

The academy 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 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.

READING SCHOOL
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.9 Tangible fixed assets

Assets costing £1,000 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 Consolidated 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 Consolidated statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following bases:

Long-term leasehold property	- Over 5 to 50 years
Furniture and equipment	- Over 3 to 10 years

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 Consolidated statement of financial activities.

1.10 Debtors

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

1.11 Cash at bank and in hand

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

1.12 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 Group 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.

READING SCHOOL
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.13 Provisions

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.14 Financial instruments

The Group only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Group and their measurement bases 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 16. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. 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. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

READING SCHOOL
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.15 Pensions

Retirement benefits to employees of the Group are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Group 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the Group 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 Consolidated 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.

1.16 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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 Department for Education Group.

READING SCHOOL
(A company limited by guarantee)

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

Other than LGPS income noted above, the Governors consider that there are no other material judgements in applying accounting policies or key sources of estimation uncertainty.

READING SCHOOL
(A company limited by guarantee)

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

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Devolved formula Capital DFC	-	-	26,607	26,607
Condition Improvement Fund	-	423,801	-	423,801
Donations	74,535	269,845	-	344,380
Total 2021	<u>74,535</u>	<u>693,646</u>	<u>26,607</u>	<u>794,788</u>

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Devolved formula Capital DFC	-	-	24,363	24,363
Donations	104,393	601,181	-	705,574
<i>Total 2020</i>	<u>104,393</u>	<u>601,181</u>	<u>24,363</u>	<u>729,937</u>

4. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Funding for the Academy's educational operations	1,000	6,176,205	6,177,205
Provision of boarding activities	-	850,375	850,375
Total 2021	<u>1,000</u>	<u>7,026,580</u>	<u>7,027,580</u>

READING SCHOOL
(A company limited by guarantee)

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

4. Income from charitable activities (continued)

	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Funding for the Academy's educational operations	5,447,886	5,447,886
Provision of boarding activities	707,544	707,544
<i>Total 2020</i>	<i>6,155,430</i>	<i>6,155,430</i>

Included within the provision of boarding activities is income of £43,355 (2020: £51,632) in relation to the coronavirus job retention scheme.

5. Funding for the academy's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	5,581,790	5,581,790
Other DfE/ESFA grants			
Other DfE / ESFA grants	-	513,270	513,270
	-	6,095,060	6,095,060
Other Government grants			
Other government grants	-	5,595	5,595
	-	5,595	5,595
Other income from the academy's funding for the academy's educational operations	1,000	75,550	76,550
Total 2021	1,000	6,176,205	6,177,205

Included within the Other DfE/ESFA grants is income of £9,528 (2020: £Nil) in relation to the coronavirus job retention scheme.

READING SCHOOL
(A company limited by guarantee)

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

5. Funding for the academy's educational operations (continued)

	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
DfE/ESFA grants		
General Annual Grant (GAG)	4,914,547	4,914,547
Other DfE/ESFA grants		
Other DfE / ESFA grants	343,922	343,922
	5,258,469	5,258,469
Other Government grants		
Other grants	42,399	42,399
	42,399	42,399
Other income from the academy's funding for the academy's educational operations	147,018	147,018
	5,447,886	5,447,886

6. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Income from recharge of services	4,947	-	4,947
Catering income	262,498	-	262,498
Exam fees	5,320	-	5,320
Miscellaneous income	70,519	11,777	82,296
Total 2021	343,284	11,777	355,061

READING SCHOOL
(A company limited by guarantee)

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

6. Income from other trading activities (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Income from recharge of services	6,302	-	6,302
Catering income	221,978	-	221,978
Exam fees	13,911	-	13,911
Hire of facilities	3,086	-	3,086
Miscellaneous income	331,772	40,931	372,703
<i>Total 2020</i>	<u>577,049</u>	<u>40,931</u>	<u>617,980</u>

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest received	<u>101</u>	<u>101</u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Bank interest received	<u>1,578</u>	<u>1,578</u>

READING SCHOOL
(A company limited by guarantee)

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

8. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Expenditure on raising voluntary income:				
Direct costs	54,520	-	221,952	276,472
Funding for the Academy's educational operations:				
Direct costs	4,179,440	-	391,576	4,571,016
Allocated support costs	868,524	426,277	1,199,256	2,494,057
Provision of boarding activities:				
Direct costs	270,365	-	6,650	277,015
Allocated support costs	249,309	23,208	284,006	556,523
Total 2021	5,622,158	449,485	2,103,440	8,175,083
	<i>Staff Costs 2020 £</i>	<i>Premises 2020 £</i>	<i>Other 2020 £</i>	<i>Total 2020 £</i>
Expenditure on raising voluntary income:				
Direct costs	40,143	-	339,266	379,409
Funding for the Academy's educational operations:				
Direct costs	4,096,243	-	433,594	4,529,837
Allocated support costs	426,028	427,756	1,777,841	2,631,625
Provision of boarding activities:				
Direct costs	210,434	-	17,478	227,912
Allocated support costs	178,689	47,125	424,958	650,772
Total 2020	4,951,537	474,881	2,993,137	8,419,555

READING SCHOOL
(A company limited by guarantee)

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

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Funding for the Academy's educational operations	4,571,016	2,494,057	7,065,073
Provision of boarding activities	277,015	556,523	833,538
Total 2021	4,848,031	3,050,580	7,898,611
	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Funding for the Academy's educational operations	4,529,837	2,631,625	7,161,462
Provision of boarding activities	227,912	650,772	878,684
<i>Total 2020</i>	<i>4,757,749</i>	<i>3,282,397</i>	<i>8,040,146</i>

READING SCHOOL
(A company limited by guarantee)

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

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Funding for the Academy's educational operations 2021 £	Provision of boarding activities 2021 £	Total funds 2021 £
Staff costs	4,179,440	270,365	4,449,805
Energy costs	5,033	-	5,033
Educational supplies	140,999	-	140,999
Examination fees	126,862	-	126,862
Staff development	11,413	-	11,413
Technology costs	83,966	-	83,966
Other direct costs	23,303	6,650	29,953
Total 2021	4,571,016	277,015	4,848,031
<i>Funding for the Academy's educational operations 2020</i>			
	<i>£</i>	<i>Provision of boarding activities 2020 £</i>	<i>Total funds 2020 £</i>
Staff costs	4,096,243	210,434	4,306,677
Educational supplies	78,276	-	78,276
Examination fees	132,535	-	132,535
Staff development	10,302	-	10,302
Technology costs	127,987	-	127,987
Other direct costs	84,494	17,478	101,972
<i>Total 2020</i>	<i>4,529,837</i>	<i>227,912</i>	<i>4,757,749</i>

READING SCHOOL
(A company limited by guarantee)

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Funding for the Academy's educational operations 2021 £	Provision of boarding activities 2021 £	Total funds 2021 £
Staff costs	868,524	249,309	1,117,833
Depreciation	426,277	23,208	449,485
Recruitment and support	23,509	-	23,509
Maintenance of premises and equipment	646,248	67,634	713,882
Cleaning	45,334	8,291	53,625
Rents & rates	39,735	10,543	50,278
Energy costs	68,629	57,372	126,001
Catering	12,103	124,405	136,508
Trips	11,198	-	11,198
Bank interest and charges	2,464	-	2,464
Pension finance cost	47,000	-	47,000
Other support costs	278,695	15,761	294,456
Audit fees	20,456	-	20,456
Legal fees	3,885	-	3,885
Total 2021	2,494,057	556,523	3,050,580

READING SCHOOL
(A company limited by guarantee)

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Funding for the Academy's educational operations 2020 £</i>	<i>Provision of boarding activities 2020 £</i>	<i>Total funds 2020 £</i>
Staff costs	426,028	178,689	604,717
Depreciation	427,756	47,125	474,881
Recruitment and support	37,059	-	37,059
Maintenance of premises and equipment	846,861	106,561	953,422
Cleaning	87,553	57,125	144,678
Rents & rates	41,401	10,207	51,608
Energy costs	73,619	69,208	142,827
Catering	29,860	144,499	174,359
Trips	190,907	-	190,907
Bank interest and charges	7,093	-	7,093
Pension finance cost	41,000	-	41,000
Other support costs	260,031	37,358	297,389
Other direct costs	14,996	-	14,996
Legal fees	2,581	-	2,581
Impairment of assets under construction	144,880	-	144,880
<i>Total 2020</i>	<u><u>2,631,625</u></u>	<u><u>650,772</u></u>	<u><u>3,282,397</u></u>

Impairment of assets under construction relate to surveyor and architect fees previously capitalised, which are no longer of economic use and subsequently expensed in the accounts

READING SCHOOL
(A company limited by guarantee)

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

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	10,730	771
Depreciation of tangible fixed assets	449,485	474,881
Fees paid to auditor for:		
- audit	13,445	13,060
- other services	3,780	1,585
	17,940	490,307

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	Group 2021 £	Group 2020 £	Academy 2021 £	Academy 2020 £
Wages and salaries	4,125,849	3,679,695	4,094,786	3,667,030
Social security costs	389,100	337,805	385,420	336,708
Pension costs	1,107,209	934,037	1,102,211	932,798
	5,622,158	4,951,537	5,582,417	4,936,536

Included in Academy wages and salaries are settlement costs of £4,000 (2020: £nil).

READING SCHOOL
(A company limited by guarantee)

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

11. Staff (continued)

b. Staff numbers

The average number of persons employed by the Group and the academy during the year was as follows:

	Group 2021 No.	<i>Group 2020 No.</i>
Teaching	67	67
Administration and Support	59	40
Management	8	8
	134	115

c. Higher paid staff

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

	Group 2021 No.	<i>Group 2020 No.</i>
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-
In the band £100,001 - £110,000	1	1

d. Key management personnel

The key management personnel of the academy comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £621,206 (2020: £591,440).

READING SCHOOL
(A company limited by guarantee)

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

12. Governors' remuneration and expenses

One or more governors has been paid remuneration or has received other benefits from an employment with the academy. The principal and other staff governors 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 governors' remuneration and other benefits was as follows:

		2021	2020
		£	£
G Pravda	Remuneration	20,000 - 25,000	10,000 - 15,000
	Pension contributions paid	0 - 5,000	0 - 5,000
T Evans	Remuneration	55,000 - 60,000	55,000 - 60,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
A M Robson (Headmaster & Trustee)	Remuneration	105,000 - 110,000	100,000 - 105,000
	Pension contributions paid	25,000 - 30,000	20,000 - 25,000
J Matthews (Staff Governor)	Remuneration		0 - 5,000
	Pension contributions paid		0 - 5,000

During the year, retirement benefits were accruing to 2 governors (2020: 2) in respect of defined benefit pension schemes.

During the year ended 31 August 2021, no expenses were reimbursed or paid directly to any governors (2020: £1,380 to 3 governors).

13. Governors' and Officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim. The insurance is included as part of the RPA and is not individually quantifiable.

14. Taxation

	2021	2020
	£	£
Corporation tax		
Current tax on net income/(expenditure) for the year	-	29,461
Adjustments in respect of previous periods	(11,696)	-
Taxation on net income/(expenditure)	<u>(11,696)</u>	<u>29,461</u>

READING SCHOOL
(A company limited by guarantee)

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

14. Taxation (continued)

The tax assessed for the year is lower than (2020: *higher than*) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Net income/(expenditure) before tax	<u>2,447</u>	<u>(914,630)</u>
Net income/(expenditure) multiplied by the standard rate of corporation tax in the UK of 19 (2020 - 19%).	465	(173,780)
Effects of:		
Utilisation of tax losses	(11,696)	-
Non-taxable income less expenses not deductible for tax purposes	(465)	203,241
Total tax charge for the year	<u><u>(11,696)</u></u>	<u><u>29,461</u></u>

There are no factors considered likely to affect future tax charges.

READING SCHOOL
(A company limited by guarantee)

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

15. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Total £
Cost or valuation				
At 1 September 2020	150,000	15,721,563	1,529,808	17,401,371
Additions	-	-	104,604	104,604
At 31 August 2021	<u>150,000</u>	<u>15,721,563</u>	<u>1,634,412</u>	<u>17,505,975</u>
Depreciation				
At 1 September 2020	-	2,813,781	1,161,766	3,975,547
Charge for the year	-	325,926	123,559	449,485
At 31 August 2021	<u>-</u>	<u>3,139,707</u>	<u>1,285,325</u>	<u>4,425,032</u>
Net book value				
At 31 August 2021	<u>150,000</u>	<u>12,581,856</u>	<u>349,087</u>	<u>13,080,943</u>
At 31 August 2020	<u>150,000</u>	<u>12,907,782</u>	<u>368,042</u>	<u>13,425,824</u>

READING SCHOOL
(A company limited by guarantee)

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

15. Tangible fixed assets (continued)

Academy

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Total £
Cost or valuation				
At 1 September 2020	150,000	15,721,563	1,529,808	17,401,371
Additions	-	-	104,604	104,604
At 31 August 2021	<u>150,000</u>	<u>15,721,563</u>	<u>1,634,412</u>	<u>17,505,975</u>
Depreciation				
At 1 September 2020	-	2,813,781	1,161,766	3,975,547
Charge for the year	-	325,926	123,559	449,485
At 31 August 2021	<u>-</u>	<u>3,139,707</u>	<u>1,285,325</u>	<u>4,425,032</u>
Net book value				
At 31 August 2021	<u>150,000</u>	<u>12,581,856</u>	<u>349,087</u>	<u>13,080,943</u>
<i>At 31 August 2020</i>	<u>150,000</u>	<u>12,907,782</u>	<u>368,042</u>	<u>13,425,824</u>

16. Debtors

	Group 2021 £	Group 2020 £	Academy 2021 £	Academy As restated 2020 £
Due within one year				
Trade debtors	257,602	226,007	257,602	226,007
Amounts owed by group undertakings	-	-	14,457	18,562
Other debtors	56,248	12,881	43,443	12,881
Prepayments and accrued income	116,952	101,270	116,952	101,270
	<u>430,802</u>	<u>340,158</u>	<u>432,454</u>	<u>358,720</u>

READING SCHOOL
(A company limited by guarantee)

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

17. Creditors: Amounts falling due within one year

	Group 2021 £	<i>Group As restated 2020 £</i>	Academy 2021 £	<i>Academy 2020 £</i>
Trade creditors	125,241	141,268	125,241	141,268
Corporation tax	-	29,461	-	-
Other taxation and social security	183,790	174,286	183,790	174,286
Other creditors	209,329	72,800	209,329	72,800
Accruals and deferred income	526,700	814,584	522,700	809,430
	1,045,060	<i>1,232,399</i>	1,041,060	<i>1,197,784</i>
	Group 2021 £	<i>Group 2020 £</i>	Academy 2021 £	<i>Academy 2020 £</i>
Deferred income at 1 September 2020	295,068	324,390	295,068	324,390
Resources deferred during the year	351,468	295,068	351,468	295,068
Amounts released from previous periods	(295,068)	(324,390)	(295,068)	(324,390)
	351,468	<i>295,068</i>	351,468	<i>295,068</i>

Deferred income is mainly relating to Michaelmas term boarding fees income.

18. Prior year adjustments

In the year to 31 August 2020, gift aid donations of £155,056 were not paid by Reading School Overseas Partnership Limited to Reading School and corporation tax of £29,461 was paid instead. The prior year comparatives have been adjusted to reflect the reduction in income in Reading School and the corporation tax paid in the consolidated accounts.

READING SCHOOL
(A company limited by guarantee)

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

19. Statement of funds

	Balance at 1 September 2020 (restated) £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	796,739	418,920	(303,394)	-	-	912,265
Restricted general funds						
Reading Foundation revenue fund	61,356	235,555	(190,300)	-	-	106,611
General Annual Grant (GAG)	-	6,095,060	(5,629,378)	(83,434)	-	382,248
Provision for boarding	254,461	850,375	(833,536)	-	-	271,300
Capital grants	-	423,801	(423,801)	-	-	-
Other restricted income fund	15,963	127,212	(13,056)	-	-	130,119
Pension reserve	(3,057,000)	-	(315,000)	-	(269,000)	(3,641,000)
	<u>(2,725,220)</u>	<u>7,732,003</u>	<u>(7,405,071)</u>	<u>(83,434)</u>	<u>(269,000)</u>	<u>(2,750,722)</u>
Restricted fixed asset funds						
Fixed Assets	13,425,824	26,607	(454,922)	83,434	-	13,080,943
Total Restricted funds	<u>10,700,604</u>	<u>7,758,610</u>	<u>(7,859,993)</u>	<u>-</u>	<u>(269,000)</u>	<u>10,330,221</u>
Total funds	<u><u>11,497,343</u></u>	<u><u>8,177,530</u></u>	<u><u>(8,163,387)</u></u>	<u><u>-</u></u>	<u><u>(269,000)</u></u>	<u><u>11,242,486</u></u>

READING SCHOOL
(A company limited by guarantee)

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

19. Statement of funds (continued)

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the School that has been provided to the Academy via the Education Funding Agency. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2021.

The LGPS deficit fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to Academy status, and through which all the pension scheme movements are recognised.

The provision for boarding fund has been set up to recognise the fee income from parents to cover the provision of boarding and lodging for pupils. The relevant restricted expenditure is then also recorded through this fund.

The capital grants fund has been created to recognise the restricted grant funding received from all sources towards capital expenditure projects undertaken throughout the School. Transfers are made to the capital grants fixed asset fund for expenditure incurred that is in respect of tangible fixed assets.

The other restricted income fund has been created to recognise all sundry sources of restricted income from various sources that are individually immaterial in value. The relevant restricted expenditure is then also recorded through this fund.

The General Annual Grant fixed assets fund has been set up to recognise the tangible assets purchased by the Academy following conversion that have been funded from the General Annual Grant. This fund has been created by a transfer from the General Annual Grant fund of an amount equivalent to the cost of the tangible assets involved. Depreciation charged on those tangible assets is allocated to the fund.

The capital grants fixed assets fund has been set up to recognise the tangible assets purchased by the Academy following conversion that have been funded by capital grants received by the Academy. This fund has been used to recognise the income received and once the assets involved are completed, depreciation charged on those tangible assets will be allocated to the fund.

Included within provision of boarding activities is income of £43,355 (2020: £51,632) and £9,529 (2020: £nil) within General Annual Grant (GAG) in relation to the coronavirus job retention scheme.

Included within General Annual Grant (GAG) is £77,660 (2020: £nil) of COVID-19 catch up grant received.

READING SCHOOL
(A company limited by guarantee)

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

19. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 (restated) £</i>
Unrestricted funds						
General Funds	720,879	683,020	(389,905)	(217,255)	-	796,739
Restricted general funds						
Reading Foundation revenue fund	59,669	559,254	(557,567)	-	-	61,356
General Annual Grant (GAG)	115,967	5,342,794	(5,581,455)	122,694	-	-
Provision for boarding	425,600	707,544	(878,683)	-	-	254,461
Other restricted income fund	18,920	187,950	(190,907)	-	-	15,963
Pension reserve	(2,294,000)	-	(204,000)	-	(559,000)	(3,057,000)
	<u>(1,673,844)</u>	<u>6,797,542</u>	<u>(7,412,612)</u>	<u>122,694</u>	<u>(559,000)</u>	<u>(2,725,220)</u>
Restricted fixed asset funds						
Fixed Assets	13,903,331	-	(572,068)	94,561	-	13,425,824
Capital grants fixed assets	50,068	24,363	(74,431)	-	-	-
	<u>13,953,399</u>	<u>24,363</u>	<u>(646,499)</u>	<u>94,561</u>	<u>-</u>	<u>13,425,824</u>
Total Restricted funds	<u>12,279,555</u>	<u>6,821,905</u>	<u>(8,059,111)</u>	<u>217,255</u>	<u>(559,000)</u>	<u>10,700,604</u>
Total funds	<u><u>13,000,434</u></u>	<u><u>7,504,925</u></u>	<u><u>(8,449,016)</u></u>	<u><u>-</u></u>	<u><u>(559,000)</u></u>	<u><u>11,497,343</u></u>

READING SCHOOL
(A company limited by guarantee)

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

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	13,080,943	13,080,943
Current assets	1,957,325	890,278	-	2,847,603
Creditors due within one year	(1,045,060)	-	-	(1,045,060)
Provisions for liabilities and charges	-	(3,641,000)	-	(3,641,000)
Total	912,265	(2,750,722)	13,080,943	11,242,486

Analysis of net assets between funds - prior year

	<i>Restated Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Restated Total Funds 2020 £</i>
Tangible fixed assets	-	-	13,425,824	13,425,824
Current assets	2,029,138	331,780	-	2,360,918
Creditors due within one year	(1,232,399)	-	-	(1,232,399)
Provisions for liabilities and charges	-	(3,057,000)	-	(3,057,000)
Total	796,739	(2,725,220)	13,425,824	11,497,343

READING SCHOOL
(A company limited by guarantee)

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

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

	2021	<i>As restated</i>
	£	2020 £
Net income/(expenditure) for the year (as per Statement of financial activities)	14,143	(944,091)
Adjustments for:		
Depreciation	449,485	474,881
Capital grants from DfE and other capital income	(26,607)	(24,363)
Bank Interest received	(101)	(1,578)
Defined benefit pension scheme cost less contributions payable	268,000	163,000
Defined benefit pension scheme finance cost	47,000	41,000
(Increase) in debtors	(106,779)	(28,486)
(Decrease)/increase in creditors	(171,204)	289,458
Bank Interest Paid	5,175	16,374
Loss on the impairment of fixed assets	-	144,880
Net cash provided by operating activities	479,112	131,075

22. Cash flows from financing activities

	Group	<i>Group</i>
	2021	2020
	£	£
Interest paid	(5,175)	(16,374)
Net cash used in financing activities	(5,175)	(16,374)

23. Cash flows from investing activities

	Group	<i>Group</i>
	2021	2020
	£	£
Purchase of tangible fixed assets	(104,604)	(58,981)
Capital grants from DfE Group	26,607	24,363
Interest Received	101	1,578
Net cash used in investing activities	(77,896)	(33,040)

READING SCHOOL
(A company limited by guarantee)

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

24. Analysis of cash and cash equivalents

	Group 2021 £	<i>Group 2020 £</i>
Cash in hand and at bank	2,416,801	<i>2,020,760</i>
Total cash and cash equivalents	2,416,801	<i>2,020,760</i>

25. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	2,020,760	396,041	2,416,801
	2,020,760	396,041	2,416,801

26. Capital commitments

	Group 2021 £	<i>Group 2020 £</i>	Academy 2021 £	<i>Academy 2020 £</i>
Contracted for but not provided in these financial statements				
Repairs, maintenance or enhancements to investment property	46,596	<i>-</i>	46,596	<i>-</i>

27. Pension commitments

The academy'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 Royal Borough of Windsor and Maidenhead. 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 2019.

Contributions amounting to £79,210 were payable to the schemes at 31 August 2021 (2020: £75,163) and are included within creditors.

READING SCHOOL
(A company limited by guarantee)

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

27. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- 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 £22,000 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 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £660,264 (2020: £635,512).

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

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

READING SCHOOL
(A company limited by guarantee)

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

27. Pension commitments (continued)

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 2021 was £232,645 (2020: £201,780), of which employer's contributions totalled £176,973 (2020: £152,751) and employees' contributions totalled £55,672 (2020: £48,729). The agreed contribution rates for future years are 20.6-21.6 per cent for employers and 5.5-12.5 per cent for employees.

As described in note 1.15 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

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

Royal County of Berkshire Pension Fund

	2021	<i>2020</i>
	%	%
Rate of increase in salaries	3.90	<i>3.30</i>
Rate of increase for pensions in payment/inflation	2.90	<i>2.30</i>
Discount rate for scheme liabilities	1.65	<i>1.60</i>

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

	2021	<i>2020</i>
	Years	Years
<i>Retiring today</i>		
Males	21.3	<i>21.5</i>
Females	24.0	<i>24.1</i>
<i>Retiring in 20 years</i>		
Males	22.6	<i>22.9</i>
Females	25.4	<i>25.5</i>

READING SCHOOL
(A company limited by guarantee)

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

27. Pension commitments (continued)

Share of scheme assets

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

	2021 £ '000s	2020 £ '000s
Equities	1,529	1,215
Other bonds	446	272
Property	295	295
Cash	52	197
Infrastructure	215	152
Target return portfolio	109	64
Commodities	-	8
Longevity insurance	(141)	(123)
Total market value of assets	2,505	2,080

The actual return on scheme assets was £261,000 (2020: £91,000).

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2021 £ '000s	2020 £ '000s
Current service cost	440	312
Net interest on the defined liability (asset)	47	41
Administrative expenses	2	2
Total amount recognised in the Consolidated Statement of Financial Activities	489	355

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

	2021 £'000s	2020 £'000s
At 1 September	5,137	4,497
Current service cost	440	312
Interest cost	82	81
Actuarial losses	495	519
Estimated benefits paid net of transfers in	(63)	(320)
Contributions by Scheme participants and other employers	55	48
At 31 August	6,146	5,137

READING SCHOOL
(A company limited by guarantee)

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

27. Pension commitments (continued)

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

	2021	<i>2020</i>
	£'000s	<i>£'000s</i>
At 1 September	2,080	<i>2,203</i>
Interest income	35	<i>40</i>
Return on assets less interest	226	<i>51</i>
Other actuarial gains/(losses)	-	<i>(91)</i>
Contributions by employer including unfunded	174	<i>151</i>
Contributions by Scheme participants and other employers	55	<i>48</i>
Estimated benefits paid plus unfunded net of transfers in	(63)	<i>(320)</i>
Administration expenses	(2)	<i>(2)</i>
At 31 August	2,505	<i>2,080</i>

28. Operating lease commitments

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

	Group	<i>Group</i>	Academy	<i>Academy</i>
	2021	<i>2020</i>	2021	<i>2020</i>
	£	<i>£</i>	£	<i>£</i>
Not later than 1 year	11,830	<i>11,830</i>	11,830	<i>11,830</i>
Later than 1 year and not later than 5 years	31,843	<i>47,966</i>	31,843	<i>47,966</i>
Later than 5 years	-	<i>3,945</i>	-	<i>3,945</i>
	43,673	<i>63,741</i>	43,673	<i>63,741</i>

29. 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.

READING SCHOOL
(A company limited by guarantee)

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

30. Related party transactions

Owing to the nature of the academy and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Charitable Company is related to The Reading Foundation, a Charitable Company registered with the Charity Commission in England and Wales under charity registration number 294640. The Reading Foundation owns the freehold of the land and buildings which comprise the main site for the School that have been leased on a long term basis (125 years from 2011) to the Academy. The rent payable under the lease is a peppercorn only, and The Reading Foundation works closely with the Academy to determine what capital projects are necessary and to assist with the raising of funds to finance those projects.

Contributions received from the Reading Foundation totalled £240,051 (2020: £559,254) and as at 31 August 2021 the Academy was owed £12,228 (2020: £Nil). Income of £6,509 (2020: £8,326) was received from Old Redingensians and the Academy was owed £Nil (2020: £Nil) at the year end. Income of £28,000 (2020: £36,789) was received from Reading School Parents' Association and the Academy was owed £Nil (2020: £6,380) at the year end.

In 2021 the following amounts were paid to related parties:

- £Nil (2020: £550) was paid to Purple Pickle, a company co-owned by the wife of a teacher, for video production in school marketing.
- £Nil (2020: £5,000) was paid to Jennifer Cornish Designs, a company co-owned by the wife of a teacher, for the design and production of school branding and marketing materials.
- £4,210 (2020: £761) was paid to Recapture Creative, a business owned by the husband of a member of associate staff, for filming and editing school marketing materials.

31. Agency arrangements

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £4,982 (2020: £6,461) and paid out £1,257 (2020: £1,744). The balances have been net off to eliminate the income and expenditure relating to this agency arrangement.

READING SCHOOL
(A company limited by guarantee)

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

32. Academy boarding trading account

	2021 £	2021 £	2020 £	2020 £
Income				
Fee income		783,908		672,260
Other income		23,112		35,284
Government grants		43,355		-
Total direct income		<u>850,375</u>		<u>707,544</u>
Expenditure				
Direct costs	277,015		227,912	
Indirect costs				
Depreciation	23,208		47,125	
Staff costs	249,309		178,689	
Utilities	57,372		69,208	
Rent and rates	10,543		10,207	
Insurance	1,100		1,341	
Building Maintenance	67,634		106,561	
Cleaning	8,291		57,125	
Catering	124,405		144,499	
Other indirect costs	14,659		36,016	
Total other expenditure	<u>556,521</u>		<u>650,771</u>	
Total operating costs		<u>833,536</u>		<u>878,683</u>
Net (expenditure) / income		<u>16,839</u>		<u>(171,139)</u>
Net movement in funds		<u>16,839</u>		<u>(171,139)</u>
Reconciliation of funds				
Deficit from all sources		<u>254,461</u>		<u>425,600</u>
Funds carried forward at 31 August		<u><u>271,300</u></u>		<u><u>254,461</u></u>

READING SCHOOL
(A company limited by guarantee)

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

33. Principal subsidiaries

The Reading School Overseas Partnership Company Limited

Subsidiary name	The Reading School Overseas Partnership Company Limited
Company registration number	11421404
Basis of control	100% equity ownership
Total assets as at 31 August 2021	£94,194
Total liabilities as at 31 August 2021	£(18,457)
Total equity as at 31 August 2021	£75,737
Turnover for the year ended 31 August 2021	£nil
Expenditure for the year ended 31 August 2021	£61,554
Corporation tax reclaim	£11,696
Loss for the year ended 31 August 2021	£(49,858)