

READING SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

READING SCHOOL
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members and Trustees (also referred to as Governors)

S Bowen §
T Evans + (resigned 1 October 2021)
E S Fallon (appointed 1 January 2022)
M N J Faulkner
D R Fisher
T Follen *
K Holland * (resigned 30 November 2021)
D Hudson * (resigned 30 November 2022)
R P Huggins MBE §
R J Kenwick
G Pravda + (resigned 18 October 2022)
A M Robson #
K Ross MBE
O Pilkington *
G Sellwood + (appointed 11 November 2022)
S Shahi *
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
T Evans, Assistant Headteacher
C Mole, Executive Assistant to Head
D Taylor, Chief Operations Officer
C Woodcock, Finance Director

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
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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

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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Governors/Trustees present their annual report, together with the financial statements and auditor's report of the charitable company, for the period 1st September 2021 to 31st August 2022. 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 1,121 students on its roll as at 16th September 2022, 87 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.

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

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 Mr Holland expired at the end of November 2021, and he did not seek re-election. This meant that a parent governor vacancy was filled via an election in the Michaelmas term of 2021, and Ms Fallon was duly elected and took office from 1st January 2022. The term of office of one of the other existing parent governors (Mr Hudson) is due to expire at the end of November 2022. The Academy Trust members have agreed that Mr Hudson will become a Trust-appointed Governor/Trustee from 1st December 2022, and that a new parent governor will be elected to take on the parent governor role he will vacate.

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 at the start of 2021/22 were Mr Tom Evans and Ms Pravda, who were appointed in September 2019. Mr Evans resigned in October 2021, and was replaced by Mr Tuggey, who was appointed from 1st December 2021. Ms Pravda resigned in October 2022 and was replaced by Mr G Sellwood, who was appointed from 11 November 2022.

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 2021/22.

Appointments to the remaining places on the Governing Body/Trust are made by the Academy members. Throughout 2021/22 there were five such governors (there will be six following Mr Hudson's appointment on 1st December 2022). 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 2021/22, the Academy members agreed to re-appoint Mr Faulkner to serve as a trustee for a further 4-year period.

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

e. Policies adopted for the induction and training of governors

New governors receive information packs and undertake a tailor-made induction programme, including a 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 2021/22. 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 online training and subscribes to the National Governance Association, Modern Governor and The Link, which offer a range of online briefings and training courses for governors.

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

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 six times each year, including an Annual General Meeting (AGM). The AGM normally takes place in July, and appoints the Chair, Vice Chair, Committees etc. for the school year which starts the following September. In 2021/22, the Governing Body met on 7 occasions.

Governor committees have also been established to consider detailed matters. In 2021/22, there were four main committees, each of which met four times in the course of the year, except the Finance Committee, which met five times:

- 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 2021/22.

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 2021/22 (once via e-mail).

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 2021/22.

Ad hoc groups of governors are also established as and when required to consider specific issues and make recommendations to the Governing Body. In 2021/22, one such group has been considering 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 senior 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 curriculum development and special educational needs.

One impact of the Coronavirus pandemic was that a number of Governing Body and Committee meetings were held on-line in 2021/22, but the Governing Body has now decided to revert to face to face meetings.

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.

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Structure, governance and management (continued)

Individual governors (known as link governors) are allocated to academic subjects within the School. They 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 Coronavirus pandemic prevented virtually all face-to-face visits in 2021/22.

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

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 senior management or leadership team, which in 2021/22 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 2021/22.

The School has established two subsidiary trading companies:

- The Reading School Overseas Partnership Company Ltd, which was established in June 2018, facilitates the School's involvement with Lunhua Education in Suzhou, China, assisting with the design and the teaching methods of a new set of Bilingual International Schools to be called Reading Suzhou School. The Board of this company consists of the Chair of Governors, the School's Deputy Headmaster and the Chair of the Reading Foundation. It has no employees, but School staff undertake its day-to-day operation.
- Future Stories Community Enterprise Ltd, established in April 2022 with aims to establish wraparound care, English language summer schools, summer holiday activities, an on-site nursery and to market the School's admissions tests to other schools. The company's focus in the short term is on marketing the admissions tests. The Board of the company consists of a Governor (Mr Faulkner), the Headmaster and a person independent of the School (Toel Koyithara, a barrister with a government background). The company does not have any employees at present, with all services being provided and recharged by Reading School under the terms of a service agreement.

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

g. Conflicts of interest

Members', trustees' and members of staff's conflicts of interest are managed in accordance with the Register of Interest Policy, which is reviewed annually, and was last reviewed in July 2022.

Under this policy, the trust maintains a register of the business interests of each member, trustee and senior staff member, their relatives and other individuals who may exert influence. The register includes interests such as directorships, shareholdings or other appointments of influence within a business or organisation from which the trust may wish to buy goods or services. Certain interests such as directorships, partnerships, employments, trusteeships and governorships are declared irrespective of whether or not there is a trading relationship with the trust, and the register also includes details of directorships of the School's trading subsidiaries and trustee roles with the Reading Foundation.

The information in the register is taken into account whenever buying or staffing decisions (or decisions to set fees and charges) are made. Any member, trustee or member of staff who has an interest is required to leave any meeting when such decisions are under consideration. Thus any member, trustee or member of staff who has an interest in a business tendering for a contract does not form part of the committee awarding the contract.

Any member, trustee or member of staff who has an interest in the appointment, salary, promotion or conditions of service of a member of staff does not form part of the committee recommending or deciding these.

Members, trustees and members of staff are required to inform the trust of any changes in their interests as these arise so that they can be entered in the register. The register is also updated annually. Nil returns are obtained as appropriate. Any member, trustee or member of staff who is unwilling to declare their interests or complete a nil return is not permitted to influence a buying or staffing decision.

The minutes of the full governing body, finance committee, or any other committee which can influence a buying or related decision, record a standard agenda point seeking declarations of and updates to governors' business interests.

The only exception to the requirement to disclose a business interest is that if the interest is so distant or small that no ordinary right-thinking person would expect it to influence a person who might have dealings with the firm concerned. In such cases, it need not be disclosed. An example is a modest shareholding in a large public utility company even if the trust has or may have dealings with the company.

The register is freely available for inspection by governors, staff and parents.

h. 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 separate pay scales have been agreed by governors.

i. Trade union facility time

The School granted no union facility time to employees who were relevant trade union officials during 2021/22, and there were therefore no costs to the academy for any such time in 2021/22.

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

j. 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 2021/22.

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.

In April 2022, the School established Future Stories Community Enterprise Ltd, with aims to establish wraparound care, English language summer schools, summer holiday activities, an on-site nursery and to market the School's admissions tests to other schools. 100% of its share capital is owned by Reading School.

The Governing Body is affiliated to the National Governance Association for schools.

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.

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

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. This plan will be refreshed early in the 2022/23 school year. The Operational Plan for 2021/22 was approved by the Governing Body on 5th July 2021, and a further Operational Plan for 2022/23 was approved on 11th July 2022.

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 updating of the Master Plan will be considered in 2022/23.

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

- Academic excellence
- Integrity and the building of character and a sense of community
- 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 2021/22, are set out in the Achievements and Performance section, below.

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, safeguarding, health and safety compliance and the School's Pupil Premium and Special Educational Needs and Disability (SEND) strategies.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

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.

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GOVERNORS' REPORT (CONTINUED)
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Strategic report

Achievements and performance

Set out below are details of:

- A. The School's examination results performance in 2021 and 2022;
- B. Details of progress and achievements during 2021/22, set out under the Governing Body Committee primarily responsible for their achievement.
- C. Key Performance Indicators

A. Examination Results

2021 examination 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 Reading School 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.)

At A-level, the School's 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 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.

2022 examination results

The return to GCSE examinations in 2022 saw the School achieve an outstanding set of examination results, notwithstanding the expected slight reduction in grades awarded compared to teacher-assessed grades in 2020 and 2021.

72% of entries achieved grades 9-8 and 88.4% of entries were awarded grades 9-7. 100% of candidates achieved the English Baccalaureate. Regarding specific subjects, 88% of pupils achieved grade 9-8 in Chemistry, 87% achieved a grade 9-8 in Physics, 84% of pupils gained grades 9-8 in Computer Science and 84% achieved a grade 9-8 in Drama. In Mathematics, 83% gained grades 9-8. In addition, students of Ancient History, Modern Foreign Languages and Physical Education also excelled, and across all subjects 43% of entries were awarded a grade 9. 24 students achieved A or B grades in AS Religious Studies and 96 in Additional Mathematics.

At A-level, students at Reading School once again achieved truly outstanding A Level results, with 25% of the cohort attaining A* grades in all their subjects, and 50% of all grades awarded being A*, an increase on the 2021 figure. Overall, 93.3% of all entries were awarded A*-B grades.

In contrast to national headlines about students being disappointed with university admissions this year, 90% of our students met or exceeded their entry requirements for one of their two chosen courses, with 85% of these attaining their requirements for their first-choice university.

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GOVERNORS' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

Whilst the School's enviable reputation for STEM (science, technology, economics and maths) subjects was reflected in its 2022 results, it also continued to excel in the arts, humanities and languages. For instance, 100% of Art and Music students achieved A* grades, and 78% of Drama grades were also A*. 95% of Spanish, French and German grades were A* or A. In addition, 97.1% of History grades were A*-B and 100% of English Literature students achieved A*-B.

Impressively, 57% of Mathematics grades, 53% of Further Mathematics, 51% of Physics, 51% of Economics and 50% of Computer Science candidates also achieved A* grades.

B. Progress and achievements during 2021/22

Admissions

The impact of the change to admissions policies (implemented in September 2020) which provided for a lower pass mark for applicants from disadvantaged backgrounds was carefully monitored to ensure that it delivered on the aim of encouraging greater social mobility.

9 Pupil Premium students and 3 Service Premium students were admitted in September 2021. A total of 17 Pupil/Service Premium students were admitted in 2022.

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 directly managed its own admissions process, including setting 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). This has enabled the School to improve the process, particularly with regard to SEND applicants. It also enabled a new creative writing paper to be added into the entrance examination, which has improved the quality of the selection process.

For the future, minor adjustments have been made to the 2023 admission arrangements, and the School is considering another major change for 2024 admissions, with proposals to work in partnership with Go Perform to develop sporting aptitude tests as part of the September 2023 entrance examination process.

Curriculum & Standards

Major achievements this year included:

- A thorough and detailed analysis of the 2021 GCSE and A-level outcomes (based on teacher assessed grades) 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.
- 18 students entering Oxford or Cambridge University in September 2021 and 22 in September 2022, with high numbers gaining admission to Imperial College, Kings College, UCL, Bristol, LSE, Nottingham, Bath and Southampton universities.
- Continuing work on developing the School's curriculum offer and timetable, with:
 - o The endorsement of The Reading Way curriculum, which has been designed to provide a stable curriculum and timetable structure for the next two years.
 - o The introduction of a timetable structure based on 7 45-minute lessons per day, allowing flexibility for choice and electives, with the freedom to provide structured academic support to individual students. This also allowed for staggered starts, breaks and lunchtimes.
- The preservation of the breadth of the School's curriculum, through its 2-year Key Stage 3, its broad offer in Key Stages 4 and 5, and its approach to languages, so that a very high proportion of students attain the EBacc (100% in 2022).
- Approval of the School's 2021/22 Pupil Premium Strategy, in support of the School's key priority of

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Strategic report (continued)

Achievements and performance (continued)

- supporting more students from disadvantaged backgrounds and promoting social mobility.
- Successful operation of 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.
- Efforts to reinvigorate the School's partnerships at local, national and international level, following the restrictions imposed by the pandemic.
- The agreement of proposals for an annual Reading Week, commencing in October 2022.

External Relations and Pastoral Care

In the course of 2021/22, the Committee:

- Continued to review progress on issues relating to social mobility at every meeting.
- Approved the pastoral elements of the School's 2021/22 Pupil Premium Strategy, with the intake of Pupil Premium students reaching the 10% target, showing the success of changes to admissions policies and of the levels of support being offered to applicants and students.
- 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.
- Undertook a governor skills audit (the results of which were reported to the Governing Body), conducted an appraisal of the Chair of Governors and commissioned a further self-evaluation of the governing body's performance.
- Continued to work on Governor Training, including keeping a record of all training undertaken.
- Reviewed the School's Special Education Needs and Disability (SEND) provision and the School's SEND Policy, focusing on the student support provided.
- Reviewed and updated numerous school policies relating to safeguarding, student welfare, discipline, complaints etc.
- Reviewed the School's school uniform policy against new DfE guidance.
- Commissioned internal and external inspections of Boarding and Safeguarding, undertook a self-evaluation of boarding against national standards, and continued to monitor the School's boarding provision and its recovery following the Coronavirus restrictions.
- Supported the School's response to the Ukraine crisis.
- Kept under active review the School's options and future strategy in relation to the founding or joining of a multi-academy trust.

Finance

Achievements in 2021/22 included:

- Successful completion of the 2020/21 audited accounts, with an unqualified auditors' opinion.
- Careful monitoring of 2021/22 income and expenditure, in a tight financial environment.
- Responding to minor recommendations of the internal auditors to improve financial control and compliance.
- Overseeing the recovery of the School's boarding finances, following the problems caused by the Coronavirus restrictions.
- Continuing to review and update the School's Risk Register, through a rolling review programme.
- Setting a balanced consolidated budget for 2022/23, which, notwithstanding a challenging financial environment, builds in provision for a pro-active approach to repairs and refurbishments.
- Amending the School's banking arrangements to as to improve efficiency and interest paid on cash balances.
- Delivering a training session on school finances for governors.
- Overseeing, from the School's perspective, the joint fundraising initiative with the Reading Foundation.
- Monitoring the financial performance of The Reading School Overseas Partnership Company Ltd, and ensuring the company's future sustainability, so that, ultimately, its profits can be used appropriately to support the School.

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GOVERNORS' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

- Overseeing the establishment of Future Stories Community Enterprise Ltd.
- Ensuring the School's full compliance with the General Data Protection Regulations (GDPR).

Property & Projects

Key developments in 2021/22:

- 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.
- Plans for the rebuilding of a new Boat House, following the fire in 2019. The contents of the Boat House will also be replaced.
- Identification of major refurbishment work in 2022/23, to be funded by the Reading Foundation.
- External resurfacing work and refurbishment of the School pavilion, funded by the Reading Foundation.
- Completion of works to heating and electrical services, funded by grants from the Condition Improvement Fund.
- Successful bid to the Wolfson Foundation for grant aid to refurbish the Physics Department, which will be completed in 2022/23.
- 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 Coronavirus-related expenditure constraints.
- Reviewing and updating of Health and Safety and related policies, including a new Accessibility Plan for 2022 to 2025.
- Work, via the Sustainability Working Group, on the ability of the School to source funds for its future maintenance and development.
- Settlement of the administration process relating to the construction of the Science Block.

The Committee has also established and embedded a new reporting system which has greatly improved its ability to monitor the condition of School buildings and their compliance with statutory regulations. This supports 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 in 2021/22 in the aftermath of Covid 19 restrictions, but some of the highlights are set out below.

Sport

The School has a newly developed, broadened, structured curriculum with clear assessment aims by year group. It includes strength and conditioning, gymnastics, wrestling, dance, coordination, indoor games. There is now a clear Sport and PE pathway/ Reading School Journey.

The School has a structured programme of House competitions in Rugby, Football, Cricket, Basketball, Table tennis, Ghost, Softball, Athletics (Sports day).

2021-2022 was a successful year in terms of provision and participation. Key features are summarised below:

Michaelmas term- 180 students were involved in 58 fixtures (rugby, national cup football, cross country)

Lent term- 280 students were involved in 78 fixtures (football, basketball, table tennis)

Summer term- 150 students were involved in 50 cricket fixtures and 6 athletic meets.

Reading School were runners-up in the U13 National Table Tennis Competition held in Wolverhampton in March 2022.

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GOVERNORS' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

The record heat at the start of the summer holidays almost caused a problem but, in the end, added to the challenge that the boys rose to. Mr Allen, Mr Robertson and 32, year 7's and 8's travelled up to Ellesmere College to play against teams from all over the country. The boys were superb, and the progress was worthy of note.

We are fully focused now on getting the international Rugby tour to Japan up and running for 2023 along with the Tennis Tour to Cape Town in February 2023.

In partnership with Reading FC Academy, the School staged historical re-enactment of an 1872 match between Reading School and Reading Football Club, as part of the club's 150th anniversary celebrations.

To celebrate a huge year of Sport were pleased to be able to hold a Sports awards evening in July 2022. Due to unprecedented, extensive demand for tickets, we held the event on the school field. The event was sponsored by Macron and every student who had represented the school in Sport received bronze, silver or gold colours.

Thanks to Mr Robertson and the RSPA we were able to raise enough to get two new cricket nets which will give our boys the opportunity to work on batting which is the one area of our game in need of the most development.

Other enrichment activities

- A Year 9 student entered the University College of Estate Management's competition for ideas on what to do with a local landmark which is currently for sale, and was shortlisted for his plans for Reading Prison.
- A Year 10 student won the poetry competition associated with Reading University's Climate Education summit.
- A Year 13 student took part in the launch of the Youth Perspectives Report, part of the pre-COP26 preparation.
- Students and staff celebrated National Poetry Day 2021 in the LRC with the popular "Poetry on the Stairs" event in October.
- A year 13 student won an Honourable Mention in the American Society of Human Genetics 2022 DNA Day Essay Contest.

Conclusions

The academic and other successes in 2021/22, and the School's excellent recovery from the Coronavirus 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 continue 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 Coronavirus closure continues and the School seeks to move from surviving to flourishing 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 2023 entry, we have received over 1,100 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 73% of students coming from ethnic minorities (as at September 2022). Most Year 13 leavers gain admission to leading Universities.

We were again honoured to be listed as the Top State Secondary School in the Southeast as published in Parent Power: The Sunday Times Schools Guide 2022. 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 7th best

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GOVERNORS' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

state school in England in 2022, based on an analysis of examination results over time. 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 the Future Stories Project, through which the school encourages and supports admission applications from disadvantaged students, and the further changes to admission policies proposed for the future, which will prioritise the admission of such students without, however, compromising academic standards. Importantly, the School has also recognised the importance of supporting such students as they entered the School in greater numbers from September 2021 onwards.

a. C. Key performance indicators

Number of permanent exclusions: 0
Number of fixed term exclusions: 6
Number of racist incidents: 4
Number of incidents of bullying: 3
Overall school attendance (Years 7 to 11): 93.4%
Pupil Lateness: 1%

b. 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.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 2021/22, which has been applied to general refurbishment work and redecorations.

The consolidated budget for 2021/22, set in July 2021, showed a small surplus of just under £85,000, before accounting adjustments. The final consolidated accounts for 2021/22 show a surplus of £2,691,185 including the unbudgeted movement in the defined benefit pension scheme liability of £2,569,000 and depreciation of £450,278.

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 2021/22.

As at 31 August 2022 the net book value of fixed assets was £12,866,238 (2021: 13,080,943).
The operating surplus for the school in 2021/22 was £2,696,914 (2020/21: deficit of £204,999).

The School's trading subsidiary, The Reading School Overseas Trading Company made a loss in 2021/22, as income to the company was deferred. But the company is able to absorb such a loss, and action has been taken to reduce future expenditure until such time as income streams recur.

a. 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 near-balanced budget for 2021/22. 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.

Boarding reserves have been restored to healthy levels, with a 6% increase in boarding fees in 2021/22 and a further increase of 5% in 2022/23.

The governors review the reserves policy annually, but governors have concluded that there is limited scope for longer term investment, since the School's plans are to spend monies, rather than invest them. Currently, there is no real desire to invest in markets with elements of risk, and the focus needs to be on achieving best value in low-risk investments. Governors have therefore agreed to invest sums in savings in fixed term accounts for up to 3 months, dependent on cashflow.

At the date of the 2022 balance sheet, the Charitable Company had free reserves of £955,693 (2021: £879,790).

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b. 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 2021/22.

c. 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
- 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.
- Like most organisations, the School is potentially vulnerable to cyber attacks, and, during 2021/22, it has sought to better its 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 are plans to examine the School's options in detail early in 2022/23.
- 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. The School will be seeking approval for

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

revised articles of association early in 2022/23, in order to achieve such a separation, from September 2024.

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 2021/22, and this will continue in 2022/23.

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 Coronavirus pandemic required site visits by governors to be suspended, these resumed 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 2022/23, of setting school budgets for 2022/23, 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.

d. 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 recent successful claims.

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GOVERNORS' REPORT (CONTINUED)
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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 and increase engagement with the Reading School community.

The work of the Society Office is led by the Senior Leadership Team with oversight by the Foundation Trustees and School Governors. 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 undergraduate alumni. The platform also enables the creation of local OR groups in various regions and countries around the world. The new feature recently added is the business directory and jobs board.

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 utilities and maintain the fabric of the School.

The School continues to nurture its relationships with its key stakeholders; 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 2021/22. The RSPA have introduced the newly created Christmas Amazon departmental wish list providing every department, including boarding and student support services, the opportunity to request and purchase resources which have directly benefited students. The RSPA sponsored the purchasing of the festive cards as a part of the Christmas Affinity Campaign for our ORs, as well as kindly sponsoring the drinks provided at the Leavers BBQ & Senior Prize Giving ceremony and 22 Reading School hoodies for pupil premium students.

They are integral in providing volunteering support at the Careers Convention and other events throughout the year. The RSPA raises money through events, Membership Subscription and 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. The RSPA run a mix of virtual and in person events to help raise funds. This has enabled the purchase of gym equipment, Christmas tree and decorations and the refurbishment of the 6th form common room. The Cricket Net Campaign was a huge success enabling new cricket nets to be installed over the summer to allow for training for cricket all through the school year. This has been possible through a school

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GOVERNORS' REPORT (CONTINUED)
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Fundraising (continued)

disco event, cake sales, auction sales, Just Giving Page, RSPA lottery, Bags2School collection and nearly new Uniform shop and hoodies, parental corporate matching and ongoing online fundraising platforms such as Amazon SMILE, Giving Machine and Easy Fundraising.

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 8; supporting the Wellbeing board and resources delivered for all students promoting the importance of mental health and wellbeing; supporting the Modern Foreign Languages Department with hard copy text books for immersive opportunities to offset the lack of trips abroad due to the pandemic and workshops for our senior students; 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 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/electives 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 and competitions offered to pupils as well as some modernisation of classrooms and facilities. Regular donations from parents and ORs enable Reading School to project and plan activities for the future.

The Society Office and the Community Relations Office knits together our community which makes a difference through their generosity. Identifying key dates and opportunities through the academic year donors are invited to give to various school initiatives. We are grateful to everyone who supports Reading School's mission, whether as a donor, volunteer, advocate, advisor or friend. Every gift made, and every hour volunteered, has impact. Together, we are helping to provide world class education to young people and advance social mobility, by encouraging curiosity and growth, and to create the connections that enable making a difference to the next generation of leaders, innovators and care givers.

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.

The Society Office has successfully secured corporate sponsorships for events such as the Careers Convention 2022, Sports Awards 2022 and the Grand Reunion 2022, building partnership with local businesses who share the same ethos and values of Reading School. The joint partnership with Johnson Matthey & Co has seen the roll out of the Science & Me and Future Stories project deliver Science workshops to local primary schools widening STEM access for primary school students.

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 refurbishment of The Keeton Pavilion; the toilets in Music school, re-tarmacking of the front of the school terrace and essential electrical and fire safety improvements. The Reading Foundation also annually support Future Stories, together with OR donors, who provide bursaries to students from disadvantaged backgrounds.

In the middle of June, we were delighted to receive notification from The Wolfson Foundation that our application for £100,000 of funding to support the full refurbishment of the school's historic physics laboratories had been successful. This achievement was the most fitting conclusion to months of tenacious, collaborative work

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GOVERNORS' REPORT (CONTINUED)
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Fundraising (continued)

amongst members of the Senior Leadership team and the Society Office. Jasbir Chhokar (Society Manager), Dominic Taylor (Chief Operating Officer) and Paul Stromdale (Head of Physics) identified the physics laboratories as a priority area for development for which to seek external funding and discovered that the parallels between Wolfson's objectives and our mission made such a project reachable. Work on this will be started in September.

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.

Plans for future periods

The Operational Plan for 2022/23 was approved by the Governing Body on 11th July 2022, and is too detailed to set out in full here. The following summarises the over-riding aims and commitments behind the key priorities in the plan:

Priorities

Developing academic excellence and character excellence - our core purpose is enabled through a focus on the Reading Way curriculum, characterised by a high-performance culture and a sense of wellbeing and belonging, along with a focus on community and partnerships. Thus, our operational, short term priorities are aligned with our longer term strategic priorities.

Academic Excellence

We are committed to **academic excellence**. This operational priority is achieved through a focus on providing a high quality, rich curriculum supported by committed professional staff, demonstrating leadership at all levels.

The quality of education is enhanced by the breadth and depth of our **electives programme**, which places academic excellence within the context of an holistic education, which promotes both scholarship and character development.

The processes, outcomes and impact of this priority are measured by the quality of the curriculum, examination and test results, including in the Sixth Form. In addition, and crucially, it is also measured and supported by the development of attitudes and behaviours that aspire to high performance, individually and as part of a team.

Belonging

We are committed to developing a sense of belonging through effective induction, the House system and our focus on character through the Floreat programme and Belonging Weeks. Working with parents and governors, a culture of integrity, respect, wellbeing and safeguarding is developed in Boarding and the Day School. Leaders are committed to social mobility and maximising opportunity through the Future Stories programme and a culture of engagement.

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GOVERNORS' REPORT (CONTINUED)
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Plans for future periods (continued)

Community

We are committed to sustainable high performance as a community that is underpinned by a culture of leadership as service. We are committed to nurturing leadership at all levels, including the Community Relations Manager, the Society Office and the Governing Board. This is shaped by sustainable financial stewardship and effective estate management. We seek to develop a positive culture shaped by a focus on partnership development locally, nationally and internationally. We build relationships and community working with the Parents' Association, the Reading Foundation, the True Athlete programme, Future Stories Community Enterprise and the Klitschko programme.

Ambition

The core purpose of achieving academic excellence and character excellence is enabled by a culture of sustainable high performance through people, place and partnerships. Crucially, we are shaped by our core values of Excellence, Integrity, Leadership and Community. We flourish when values are put into actions and everyday behaviours.

It is important to focus on the ambitious core purpose of Reading School – developing academic excellence and building people of character. This will ensure that we are guided by our inclusive 'North Star' that includes staff, in addition to students, in our operational and strategic decisions in 2022/23 and beyond. These decisions will be shaped by evidence and the use of data.

We have an ambition to create, nurture and embed a consistent culture of commitment that creates purposeful people and sustained high performance, with an emphasis on wellbeing.

We aim to emphasise quality, flexibility and choice within a sustainable operational framework that enables all to flourish.

Engagement

We are committed to engaging with members of the Reading School family. We prioritise the development of a culture of commitment and support a language of excellence that shapes best practice. We need to create an environment that supports active parental engagement – at home, in school and online. There needs to be a culture where there is a relationship based on mutual trust. Finally, communication needs to be inclusive and recognise the efforts of parents.

Accountability

We have key performance indicators in relation to academic excellence, character excellence, attendance, behaviour and attitudes to ensure that we achieve sustained high performance. In addition, we strive to go beyond compliance and strive for healthy, high performance regarding:

- Safeguarding
- Health and Safety
- ESFA and Charity Commission regulations
- Boarding NMS (2022-2023) and
- Ofsted criteria

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

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 obtained through grant aid or 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

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 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.
- Associated with the previous point:
 - o maximising funds available to improve and maintain buildings and facilities through successful grant applications to external bodies – e.g. CIF bids and bids to the Wolfson Foundation;
 - o developing links with companies and other organisations which can help the School improve its fundraising capabilities in both the short and long term.
- The successful completion and use of the new School Boat House.
- Dealing with the implications of government policy which requires all schools to become part of a multi-academy trust (MAT) by 2030. As a highly successful single-academy trust, the School's future needs to remain within its own control whatever transpires in terms of overall governance structure. The school will need to work carefully with key players in education at local and national level to ensure that such control is retained.

Funds held as custodian

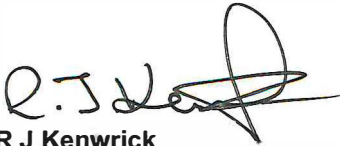
Reading School holds funds as agent on behalf of parents in relation to the running of educational visits. Educational visits are run on a non-profit basis with material surpluses being refunded to parents on completion of the visit.

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 governors, as the company directors, on *12th December 2022* and signed on its behalf by:


R J Kenwick
Chair of Trustees and Governing Body

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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 have played a key role in ensuring that Boarding has recovered from the impact of Coronavirus. 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 continue to work to develop and improve the School's admission arrangements, and to look more systematically at long-term plans to ensure its sustainability in terms of its premises and future governance.

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
S Bowen	5	7
T Evans	0	0
M N J Faulkner	5	7
D R Fisher	3	7
T Follen	4	7
K Holland	1	1
D Hudson	5	7
R P Huggins	7	7
R J Kenwick	7	7
O Pilkington	7	7
G Pravda	7	7
A M Robson	7	7
O Pilkington *	0	0
K Ross	7	7
S Shahi	6	7
T Tuggey	5	6

The Governing Body is now actively engaged in the self-evaluation of governance, with self-assessments of the effectiveness of the Governing Body undertaken regularly, as well as a skills audits and 360° appraisals of the Chair. The Governing Body keeps a record of all training undertaken by governors. All these measures are

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

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 2021/22.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
D R Fisher	3	5
T Follen	5	5
R J Kenwick	5	5
O Pilkington	1	3
A M Robson	5	5
S Shahi	2	5
T Tuggey	3	3

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 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 Committees (i.e. Curriculum & Standards, External Relations & Pastoral Care, Finance, Property & Projects) and at Governing Body meetings in the 2021/22 school year:

Governor	Meetings attended	Out of a possible
S Bowen	9	11
E S Fallon	7	7
T Evans	0	1
M N J Faulkner	8	15
D R Fisher	15	24
T Follen	13	16
K Holland	2	3
D Hudson	11	15
R P Huggins	11	11
R J Kenwick	24	24
O Pilkington	12	14
G Pravda	13	15
A M Robson	24	24
K Ross	15	15
S Shahi	11	16
T Tuggey	9	11

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Value for Money Statement 2022

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, this is 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

Effectiveness of this can be quantified by our excellent GCSE and A Level results in August 2022. In addition, the gaining of the National Character Association Kitemark plus shows our commitment to excellence in all areas.

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

- 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.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

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:

- External specialist reviews of Boarding, Safeguarding and Behaviour
- Renegotiation of certain equipment support licences
- Successful external funding bids process e.g. Wolfson Foundation in July 2022

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 Internal Audits, Financial systems and processes, catering, CIF bid processes, procurement and the provision of educational equipment.

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 2021 to 31 August 2022 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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

READING SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

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 employed the services of Bishop Fleming as internal auditor in 2021/22, as well as appointing Mr Follen as Link Governor for internal audit. Bishop Fleming submitted two reports of internal audit visits in 2021/22 and their role 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.

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 executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the external auditor;

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 *12th December 2022* and signed on their behalf by:


R J Kenwick
Chair of Trustees


A M Robson
Accounting Officer

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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 Trust Handbook 2021.

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 Trust Handbook 2021.

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: 12th December 2022

READING SCHOOL
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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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:

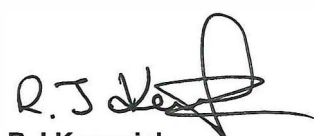
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 Kenrick
Chair of Governors

Date: 12th December 2022

READING SCHOOL
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**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 2022 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 2021 to 2022 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 2022 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 2021 to 2022 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.

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**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 Statement of governors' responsibilities, 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

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

parent Academy or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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 noncompliance and cannot be expected to detect non-compliance with all laws and regulations.

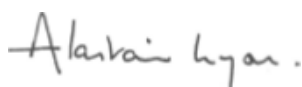
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
READING SCHOOL (CONTINUED)**

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.

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: 13 December 2022

READING SCHOOL
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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 2021 to 2022, 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 2021 to 31 August 2022 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 Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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
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**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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Crowe UK LLP

Crowe U.K. LLP

Statutory Auditor

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

Date: 13 December 2022

READING SCHOOL
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	92,080	986,843	27,349	1,106,272	794,788
Other trading activities		408,521	-	-	408,521	355,061
Investments	7	104	-	-	104	101
Charitable activities:	4					
Academy educational operations		3,815	6,586,323	-	6,590,138	6,177,205
Provision of boarding activities		-	1,021,590	-	1,021,590	850,375
Total income		504,520	8,594,756	27,349	9,126,625	8,177,530
Expenditure on:						
Raising funds		235,610	9,522	-	245,132	276,472
Charitable activities:						
Academy educational operations		182,474	7,643,737	437,030	8,263,241	7,065,073
Provision of boarding activities		-	929,819	13,248	943,067	833,538
Total expenditure		418,084	8,583,078	450,278	9,451,440	8,175,083
Net income/(expenditure) before taxation		86,436	11,678	(422,929)	(324,815)	2,447
Taxation	14	-	-	-	-	11,696
Net income/(expenditure) after taxation		86,436	11,678	(422,929)	(324,815)	14,143
Transfers between funds	19	-	(208,224)	208,224	-	-
Net movement in funds before other recognised gains/(losses)		86,436	(196,546)	(214,705)	(324,815)	14,143
Other recognised gains/(losses):						

READING SCHOOL
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

		Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
	Note					
Actuarial gains/(losses) on defined benefit pension schemes	27	-	2,989,000	-	2,989,000	(269,000)
Net movement in funds		86,436	2,792,454	(214,705)	2,664,185	(254,857)
Reconciliation of funds:						
Total funds brought forward		912,265	(2,750,722)	13,080,943	11,242,486	11,497,343
Net movement in funds		86,436	2,792,454	(214,705)	2,664,185	(254,857)
Total funds carried forward		998,701	41,732	12,866,238	13,906,671	11,242,486

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

The notes on pages 45 to 80 form part of these financial statements.

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

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	12,866,238	13,080,943
Current assets			
Debtors	17	471,283	430,802
Cash at bank and in hand		2,936,535	2,416,801
		<u>3,407,818</u>	<u>2,847,603</u>
Creditors: amounts falling due within one year	18	(1,295,385)	(1,045,060)
Net current assets		<u>2,112,433</u>	<u>1,802,543</u>
Total assets less current liabilities		<u>14,978,671</u>	<u>14,883,486</u>
Defined benefit pension scheme liability	27	(1,072,000)	(3,641,000)
Total net assets		<u><u>13,906,671</u></u>	<u><u>11,242,486</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	12,866,238	13,080,943
Restricted income funds	19	1,113,732	890,278
		<u>13,979,970</u>	<u>13,971,221</u>
Restricted funds excluding pension asset	19	13,979,970	13,971,221
Pension reserve	19	(1,072,000)	(3,641,000)
Total restricted funds	19	<u>12,907,970</u>	<u>10,330,221</u>
Unrestricted income funds	19	<u>998,701</u>	<u>912,265</u>
Total funds		<u><u>13,906,671</u></u>	<u><u>11,242,486</u></u>

The financial statements on pages 39 to 80 were approved by the governors, and authorised for issue on 12th December 2022 and are signed on their behalf, by:


R J Kenwick
(Chair of Trustees)

The notes on pages 45 to 80 form part of these financial statements.

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

ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	12,866,238	13,080,943
Investments	16	2	-
		<u>12,866,240</u>	<u>13,080,943</u>
Current assets			
Debtors	17	459,969	432,454
Cash at bank and in hand		2,898,789	2,335,412
		<u>3,358,758</u>	<u>2,767,866</u>
Creditors: amounts falling due within one year	18	(1,289,335)	(1,041,060)
Net current assets		<u>2,069,423</u>	<u>1,726,806</u>
Total assets less current liabilities		<u>14,935,663</u>	<u>14,807,749</u>
Defined benefit pension scheme liability	27	(1,072,000)	(3,641,000)
Total net assets		<u><u>13,863,663</u></u>	<u><u>11,166,749</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	12,866,238	13,080,943
Restricted income funds	19	1,113,732	847,016
		<u>13,979,970</u>	<u>13,927,959</u>
Restricted funds excluding pension asset	19	13,979,970	13,927,959
Pension reserve	19	(1,072,000)	(3,641,000)
Total restricted funds	19	<u>12,907,970</u>	<u>10,286,959</u>
Unrestricted income funds	19	<u>955,693</u>	<u>879,790</u>
Total funds		<u><u>13,863,663</u></u>	<u><u>11,166,749</u></u>

The Academy's net movement in funds for the year was £2,696,914 (2021 - £(204,999)).

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

ACADEMY BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 39 to 80 were approved by the governors, and authorised for issue on *12th December 2022* and are signed on their behalf, by:


R J Kenwick
(Chair of Trustees)

The notes on pages 45 to 80 form part of these financial statements.

READING SCHOOL
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	21	736,774	479,112
Cash flows from investing activities	23	(208,120)	(77,896)
Cash flows from financing activities	22	(8,920)	(5,175)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		519,734	396,041
Cash and cash equivalents at the beginning of the year		2,416,801	2,020,760
Cash and cash equivalents at the end of the year	24, 25	2,936,535	2,416,801
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 45 to 80 form part of these financial statements

READING SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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 2021 to 2022 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 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 2022

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 2022

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 £2,696,914 (2021 - £204,999 deficit).

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 2022

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 Investments

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

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

1.11 Debtors

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

1.12 Cash at bank and in hand

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

READING SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.13 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.

1.14 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.

1.15 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 17. 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 18. 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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.16 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.

1.17 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 2022

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 2022. 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.

The asset values are reported using estimated asset allocations prepared by the scheme Actuary. The asset value is calculated at each triennial valuation. Thereafter it is rolled forward to accounting dates using investment returns, contributions received and benefits paid out. During each annual reporting period between triennial valuations, asset returns are estimated using 11 months of market experience and one month of extrapolation being assumed.

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 2022**

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Devolved formula Capital DFC	-	-	27,349	27,349
Condition Improvement Fund	-	556,375	-	556,375
Donations	92,080	430,468	-	522,548
Total 2022	92,080	986,843	27,349	1,106,272

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

4. Income from charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Funding for the Academy's educational operations	3,815	6,586,323	6,590,138
Provision of boarding activities	-	1,021,590	1,021,590
Total 2022	3,815	7,607,913	7,611,728

READING SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

4. Income from charitable activities (continued)

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

Included within the provision of boarding activities is income of £Nil (2021: £43,355) in relation to the coronavirus job retention scheme.

5. Funding for the academy's educational operations

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Funding for the Academy's educational operations			
DfE/ESFA grants			
General Annual Grant (GAG)	-	6,113,949	6,113,949
Other DfE/ESFA grants			
Other DfE / ESFA grants	3,815	157,612	161,427
	<u>3,815</u>	<u>6,271,561</u>	<u>6,275,376</u>
Other Government grants			
Other government grants	-	163,528	163,528
Trips income	-	151,234	151,234
	<u>3,815</u>	<u>6,586,323</u>	<u>6,590,138</u>

READING SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

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

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Funding for the Academy's educational operations			
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 grants	-	5,595	5,595
Trips and other income	1,000	75,550	76,550
	1,000	6,176,205	6,177,205

Included within the Other DfE/ESFA grants is income of £Nil (2021: £9,528) in relation to the coronavirus job retention scheme.

6. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £
Income from recharge of services	8,087	8,087
Catering income	318,451	318,451
Exam fees	8,599	8,599
Hire of facilities	4,599	4,599
Miscellaneous income	68,785	68,785
Total 2022	408,521	408,521

READING SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

6. Income from other trading activities (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
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
<i>Total 2021</i>	<u>343,284</u>	<u>11,777</u>	<u>355,061</u>

7. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Bank interest received	<u>104</u>	<u>104</u>

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

READING SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

8. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
Expenditure on raising voluntary income:				
Direct costs	43,170	1,767	200,195	245,132
Funding for the Academy's educational operations:				
Direct costs	4,376,815	-	507,200	4,884,015
Allocated support costs	1,151,009	1,611,201	617,016	3,379,226
Provision of boarding activities:				
Direct costs	366,324	-	13,649	379,973
Allocated support costs	120,556	218,171	224,367	563,094
Total 2022	6,057,874	1,831,139	1,562,427	9,451,440
	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

READING SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Funding for the Academy's educational operations	4,884,015	3,379,226	8,263,241
Provision of boarding activities	379,973	563,094	943,067
Total 2022	<u>5,263,988</u>	<u>3,942,320</u>	<u>9,206,308</u>
	<i>Activities undertaken directly 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
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
<i>Total 2021</i>	<u>4,848,031</u>	<u>3,050,580</u>	<u>7,898,611</u>

READING SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Funding for the Academy's educational operations 2022 £	Provision of boarding activities 2022 £	Total funds 2022 £
Staff costs	4,376,815	366,324	4,743,139
Energy costs	1,608	-	1,608
Educational supplies	233,213	-	233,213
Examination fees	121,057	-	121,057
Staff development	16,929	-	16,929
Technology costs	101,359	-	101,359
Other direct costs	33,034	13,649	46,683
Total 2022	4,884,015	379,973	5,263,988

	<i>Funding for the Academy's educational operations 2021 £</i>	<i>Provision of boarding activities 2021 £</i>	<i>Total funds 2021 £</i>
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

READING SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Funding for the Academy's educational operations 2022 £	Provision of boarding activities 2022 £	Total funds 2022 £
Staff costs	1,151,009	120,556	1,271,565
Depreciation	437,030	13,248	450,278
Recruitment and support	14,956	-	14,956
Maintenance of premises and equipment	1,018,103	110,104	1,128,207
Cleaning	33,401	10,994	44,395
Rents & rates	42,549	20,487	63,036
Energy costs	94,999	60,921	155,920
Catering	95,728	131,951	227,679
Trips	152,402	-	152,402
Bank interest and charges	3,224	-	3,224
Pension finance cost	59,000	-	59,000
Other support costs	245,920	93,802	339,722
Educational supplies	-	1,031	1,031
Audit fees	15,420	-	15,420
Legal fees	15,485	-	15,485
Total 2022	3,379,226	563,094	3,942,320

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Funding for the Academy's educational operations 2021 £</i>	<i>Provision of boarding activities 2021 £</i>	<i>Total funds 2021 £</i>
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	14,661	293,356
Educational supplies	-	1,100	1,100
Audit fees	20,456	-	20,456
Legal fees	3,885	-	3,885
<i>Total 2021</i>	<u>2,494,057</u>	<u>556,523</u>	<u>3,050,580</u>

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10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	<i>2021</i> £
Operating lease rentals	11,830	<i>10,730</i>
Depreciation of tangible fixed assets	450,278	<i>449,485</i>
Fees paid to auditor for:		
- audit	15,420	<i>13,445</i>
- other services	4,310	<i>3,780</i>
	<u>471,438</u>	<i><u>467,440</u></i>

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	Group 2022 £	<i>Group</i> <i>2021</i> £	Academy 2022 £	<i>Academy</i> <i>2021</i> £
Wages and salaries	4,405,454	<i>4,125,849</i>	4,381,226	<i>4,094,786</i>
Social security costs	437,743	<i>389,100</i>	437,743	<i>385,420</i>
Pension costs	1,214,677	<i>1,107,209</i>	1,214,677	<i>1,102,211</i>
	<u>6,057,874</u>	<i><u>5,622,158</u></i>	<u>6,033,646</u>	<i><u>5,582,417</u></i>

Included in Academy wages and salaries are settlement costs of £Nil (2021: £4,000).

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NOTES TO THE FINANCIAL STATEMENTS
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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 2022 No.	<i>Group 2021 No.</i>
Teaching	66	67
Administration and Support	74	59
Management	8	8
	148	134

c. Higher paid staff

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

	Group 2022 No.	<i>Group 2021 No.</i>
In the band £60,001 - £70,000	4	-
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 £660,787 (2021: £621,206).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

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:

		2022	2021
		£	£
G Pravda	Remuneration	20,000 - 25,000	<i>20,000 - 25,000</i>
	Pension contributions paid	0 - 5,000	<i>0 - 5,000</i>
T Tuggey (appointed 1 Dec 2021)	Remuneration	40,000 - 45,000	-
	Pension contributions paid	5,000 - 10,000	-
A M Robson (Headmaster & Trustee)	Remuneration	105,000 - 110,000	<i>105,000 - 110,000</i>
	Pension contributions paid	25,000 - 30,000	<i>25,000 - 30,000</i>
T Evans (resigned 1 Oct 2021)	Remuneration	-	<i>55,000 - 60,000</i>
	Pension contributions paid	-	<i>10,000 - 15,000</i>

During the year, retirement benefits were accruing to 2 governors (2021: 2) in respect of defined benefit pension schemes.

During the year ended 31 August 2022, no expenses were reimbursed or paid directly to any governors (2021: £Nil).

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

	2022	2021
	£	£
Corporation tax		
Adjustments in respect of previous periods	-	<i>(11,696)</i>
Taxation on net income/(expenditure)	-	<i>(11,696)</i>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

14. Taxation (continued)

The tax assessed for the year is lower than (2021: *lower than*) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Net income/(expenditure) before tax	(324,815)	2,447
Net income/(expenditure) multiplied by the standard rate of corporation tax in the UK of 19 (2021 - 19%).	(61,715)	465
Effects of:		
Utilisation of tax losses	-	(11,696)
Non-taxable income less expenses not deductible for tax purposes	61,715	(465)
Total tax charge for the year	-	(11,696)

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

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15. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Assets in the course of construction £	Total £
Cost or valuation					
At 1 September 2021	150,000	15,721,563	1,634,412	-	17,505,975
Additions	-	-	193,077	42,496	235,573
At 31 August 2022	150,000	15,721,563	1,827,489	42,496	17,741,548
Depreciation					
At 1 September 2021	-	3,139,707	1,285,325	-	4,425,032
Charge for the year	-	325,927	124,351	-	450,278
At 31 August 2022	-	3,465,634	1,409,676	-	4,875,310
Net book value					
At 31 August 2022	150,000	12,255,929	417,813	42,496	12,866,238
At 31 August 2021	150,000	12,581,856	349,087	-	13,080,943

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Tangible fixed assets (continued)

Academy

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Assets in the course of construction £	Total £
Cost or valuation					
At 1 September 2021	150,000	15,721,563	1,634,412	-	17,505,975
Additions	-	-	193,077	42,496	235,573
At 31 August 2022	150,000	15,721,563	1,827,489	42,496	17,741,548
Depreciation					
At 1 September 2021	-	3,139,707	1,285,325	-	4,425,032
Charge for the year	-	325,927	124,351	-	450,278
At 31 August 2022	-	3,465,634	1,409,676	-	4,875,310
Net book value					
At 31 August 2022	150,000	12,255,929	417,813	42,496	12,866,238
At 31 August 2021	150,000	12,581,856	349,087	-	13,080,943

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

16. Fixed asset investments

	Investments in subsidiary companies £
Academy	
Cost or valuation	
Additions	2
At 31 August 2022	<u>2</u>
Net book value	
At 31 August 2022	<u>2</u>

Principal subsidiaries

The following were subsidiary undertakings of the Academy:

Names	Company number	Registered office	Class of shares	Holding	Included in consolidation
The Reading School Overseas Partnership Company Limited	11421404	Reading School, Erleigh Road, Reading, RG1 5LW	Ordinary	100%	Yes
Future Stories Community Enterprise Limited	14018895	Reading School, Erleigh Road, Reading, RG1 5LW	Ordinary	100%	Yes

The financial results of the subsidiaries for the year were:

Names	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
The Reading School Overseas Partnership Company Limited	32,729	(32,729)	43,009
Future Stories Community Enterprise Limited	-	-	1

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

17. Debtors

	Group 2022 £	<i>Group 2021 £</i>	Academy 2022 £	<i>Academy 2021 £</i>
Due within one year				
Trade debtors	250,052	257,602	250,052	257,602
Amounts owed by group undertakings	-	-	557	14,457
Other debtors	98,809	56,248	86,938	43,443
Prepayments and accrued income	122,422	116,952	122,422	116,952
	471,283	430,802	459,969	432,454

18. Creditors: Amounts falling due within one year

	Group 2022 £	<i>Group 2021 £</i>	Academy 2022 £	<i>Academy 2021 £</i>
Trade creditors	219,703	125,241	218,653	125,241
Other taxation and social security	195,027	183,790	195,027	183,790
Other creditors	116,607	209,329	116,607	209,329
Accruals and deferred income	764,048	526,700	759,048	522,700
	1,295,385	1,045,060	1,289,335	1,041,060

	Group 2022 £	<i>Group 2021 £</i>	Academy 2022 £	<i>Academy 2021 £</i>
Deferred income at 1 September 2021	351,468	295,068	351,468	295,068
Resources deferred during the year	(351,468)	351,468	(351,468)	351,468
Amounts released from previous periods	436,204	(295,068)	436,204	(295,068)
	436,204	351,468	436,204	351,468

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

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds	912,265	504,520	(418,084)	-	-	998,701
Restricted general funds						
Reading Foundation revenue fund	106,611	371,800	(371,162)	-	-	107,249
General Annual Grant (GAG)	382,248	6,270,043	(6,132,347)	(208,224)	-	311,720
Provision for boarding	271,300	1,021,590	(929,819)	-	-	363,071
Capital grants	-	556,375	(556,375)	-	-	-
Other restricted income fund	130,119	374,948	(173,375)	-	-	331,692
Pension reserve	(3,641,000)	-	(420,000)	-	2,989,000	(1,072,000)
	(2,750,722)	8,594,756	(8,583,078)	(208,224)	2,989,000	41,732
Restricted fixed asset funds						
Fixed Assets	13,080,943	27,349	(450,278)	208,224	-	12,866,238
Total Restricted funds	10,330,221	8,622,105	(9,033,356)	-	2,989,000	12,907,970
Total funds	11,242,486	9,126,625	(9,451,440)	-	2,989,000	13,906,671

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NOTES TO THE FINANCIAL STATEMENTS
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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 2022.

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 £Nil (2021: £43,355) and £Nil (2021: £9,529) within General Annual Grant (GAG) in relation to the coronavirus job retention scheme.

Included within General Annual Grant (GAG) is £Nil (2021: £77,660) of COVID-19 catch up grant received.

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

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

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
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>11,497,343</u>	<u>8,177,530</u>	<u>(8,163,387)</u>	<u>-</u>	<u>(269,000)</u>	<u>11,242,486</u>

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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	12,866,238	12,866,238
Current assets	2,294,086	1,113,732	-	3,407,818
Creditors due within one year	(1,295,385)	-	-	(1,295,385)
Provisions for liabilities and charges	-	(1,072,000)	-	(1,072,000)
Total	998,701	41,732	12,866,238	13,906,671

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
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

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

	2022 £	<i>2021</i> £
Net (expenditure)/income for the year (as per Statement of financial activities)	(324,815)	14,143
Adjustments for:		
Depreciation	450,278	449,485
Capital grants from DfE and other capital income	(27,349)	(26,607)
Bank Interest received	(104)	(101)
Defined benefit pension scheme cost less contributions payable	361,000	268,000
Defined benefit pension scheme finance cost	59,000	47,000
(Increase) in debtors	(40,481)	(106,779)
Increase/(decrease) in creditors	250,325	(171,204)
Bank Interest Paid	8,920	5,175
Net cash provided by operating activities	736,774	479,112

22. Cash flows from financing activities

	Group 2022 £	<i>Group 2021</i> £
Interest paid	(8,920)	(5,175)
Net cash used in financing activities	(8,920)	(5,175)

23. Cash flows from investing activities

	Group 2022 £	<i>Group 2021</i> £
Purchase of tangible fixed assets	(235,573)	(104,604)
Capital grants from DfE Group	27,349	26,607
Interest Received	104	101
Net cash used in investing activities	(208,120)	(77,896)

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Analysis of cash and cash equivalents

	Group 2022 £	<i>Group 2021 £</i>
Cash in hand and at bank	2,936,535	2,416,801
Total cash and cash equivalents	2,936,535	2,416,801

25. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	2,416,801	519,734	2,936,535
	2,416,801	519,734	2,936,535

26. Capital commitments

	Group 2022 £	<i>Group 2021 £</i>	Academy 2022 £	<i>Academy 2021 £</i>
Contracted for but not provided in these financial statements				
Repairs, maintenance or enhancements to investment property	-	46,596	-	46,596
Computer equipment	31,338	-	31,338	-
	31,338	46,596	31,338	46,596

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.

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NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

Contributions amounting to £77,132 were payable to the schemes at 31 August 2022 (2021 - £79,210) and are included within creditors.

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £647,883 (2021: £660,264).

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

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

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

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 2022 was £255,000 (2021 - £232,645), of which employer's contributions totalled £195,000 (2021 - £176,973) and employees' contributions totalled £60,000 (2021 - £55,672). The agreed contribution rates for future years are 21.6 per cent for employers and 5.5-12.5 per cent for employees.

As described in note 1.16 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

	2022	2021
	%	%
Rate of increase in salaries	4.00	3.90
Rate of increase for pensions in payment/inflation	3.00	2.90
Discount rate for scheme liabilities	4.25	1.65

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

	2022	2021
	Years	Years
<i>Retiring today</i>		
Males	21.0	21.3
Females	23.8	24.0
<i>Retiring in 20 years</i>		
Males	22.3	22.6
Females	25.3	25.4

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27. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2022	<i>At 31 August 2021</i>
	£ '000s	<i>£ '000s</i>
Equities	1,730	1,529
Other bonds	427	446
Property	371	295
Cash	47	52
Infrastructure	300	215
Target return portfolio	4	109
Longevity insurance	(112)	(141)
Total market value of assets	2,767	<i>2,505</i>

The actual return on scheme assets was £167,000 (2021 - £261,000).

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

	2022	<i>2021</i>
	£ '000s	<i>£ '000s</i>
Current service cost	553	440
Net interest on the defined liability (asset)	59	47
Administrative expenses	3	2
Total amount recognised in the Consolidated Statement of Financial Activities	615	<i>489</i>

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

	2022	<i>2021</i>
	£'000s	<i>£'000s</i>
At 1 September	6,146	<i>5,137</i>
Current service cost	553	440
Interest cost	101	82
Actuarial (gains)/losses	(2,864)	495
Estimated benefits paid net of transfers in	(157)	(63)
Contributions by Scheme participants and other employers	60	55
At 31 August	3,839	<i>6,146</i>

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27. Pension commitments (continued)

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

	2022 £'000s	<i>2021</i> <i>£'000s</i>
At 1 September	2,505	<i>2,080</i>
Estimated benefits paid plus unfunded net of transfers in	(157)	<i>(63)</i>
Interest income	42	<i>35</i>
Contributions by employer including unfunded	195	<i>174</i>
Contributions by Scheme participants and other employers	60	<i>55</i>
Administration expenses	(3)	<i>(2)</i>
Return on assets less interest	125	<i>226</i>
At 31 August	2,767	<i>2,505</i>

28. Operating lease commitments

At 31 August 2022 the Group and the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	<i>Group</i> <i>2021</i> <i>£</i>	Academy 2022 £	<i>Academy</i> <i>2021</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	20,013	<i>31,843</i>	20,013	<i>31,843</i>
	31,843	<i>43,673</i>	31,843	<i>43,673</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.

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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 Academy Trust 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 £391,500 (2021: £240,051) and as at 31 August 2022 the Academy was owed £Nil (2021: £12,228). Income of £29,473 (2021: £6,509) was received from Old Redingensians and the Academy was owed £3,009 (2021: £Nil) at the year end. Income of £30,911 (2021: £28,000) was received from Reading School Parents' Association and the Academy was owed £28,232 (2021: £Nil) at the year end.

In 2022 the following amounts were paid to related parties:

- £455 (2021: £Nil) 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.
- £Nil (2021: £4,210) 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 discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £5,339 (2021: £4,982) and paid out £1,783 including allowable administrative expenses (2021: £1,507). The balances have been netted off to eliminate the income and expenditure relating to this agency arrangements.

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32. Boarding school trading account

	2022 £	2022 £	2021 £	2021 £
Income				
Fee income	1,015,226		783,908	
Other income	6,364		23,112	
Government grants	-		43,355	
	<hr/>		<hr/>	
Total income		1,021,590		850,375
Expenditure				
Direct expenditure				
Direct costs	379,973		277,015	
Other expenditure				
Staff costs	120,556		249,309	
Depreciation	13,248		23,208	
Utilities	60,921		57,372	
Rent and rates	20,487		10,543	
Insurance	1,031		1,100	
Catering	131,951		124,405	
Building maintenance	110,104		67,634	
Cleaning	10,994		8,291	
Other support costs	93,802		14,661	
	<hr/>		<hr/>	
Total other expenditure	563,094		556,523	
Total expenditure		943,067		833,538
		<hr/>		<hr/>
Surplus from all sources		78,523		16,837
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