

Company Registration No. 07536911 (England and Wales)

CORFE HILLS SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019

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CORFE HILLS SCHOOL ACADEMY TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 10
Governance statement	11 - 14
Statement on regularity, propriety and compliance	15
Statement of trustees' responsibilities	16
Independent auditor's report on the accounts	17 - 19
Independent reporting accountant's report on regularity	20 - 21
Statement of financial activities including income and expenditure account	22 - 23
Balance sheet	24
Statement of cash flows	25
Notes to the accounts including accounting policies	26 - 44

CORFE HILLS SCHOOL ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

A Bicker
E Coviello
S Jordan
P Zimmerman
R Milne (Appointed 24 June 2019)

Trustees

A Bicker
P Bompas (Resigned 10 July 2019)
D Van Den Broek (Chair of Audit Committee) (Resigned 10 July 2019)
E Coviello (Chair of Finance and Resources Committee)
S Gavira
S Jefferies
S Jordan
J McBain (Chair of Governors)
R Mutlow
A Murray (Resigned 10 July 2019)
P Warman
P Zimmerman
A Sutton (Appointed 30 January 2019)
S Charman (Appointed 25 October 2019)
A Child (Appointed 25 October 2019)
N Norris (Appointed 22 November 2019)
D Paterson (Appointed 28 November 2019)

Senior management team

- Headteacher
- Deputy Headteacher
- Assistant Headteacher
- Assistant Headteacher
- Raising Standards Leader
- School Business Manager

P Keen
J Sankey
S Jones
T King
D Walkey
S Way

Company secretary

S Way

Company registration number

07536911 (England and Wales)

Registered office

Higher Blandford Road
Broadstone
Dorset
BH18 9BG

Independent auditor

Moore (South) LLP
33 The Clarendon Centre
Salisbury Business Park
Dairy Meadow Lane
Salisbury
Wiltshire
SP1 2TJ

CORFE HILLS SCHOOL ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

HSBC Bank
Dorset Commercial Centre
59 Old Christchurch Road
Bournemouth
Dorset
BH1 1EH

CORFE HILLS SCHOOL ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Principal activities

The principal activity of the Corfe Hills School Academy Trust 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 trust operates an academy for pupils aged 13 to 18 serving a catchment area in Poole and East Dorset. It has a pupil capacity of 1500 and had a roll of 872 in the school census on 3rd October 2019 (2018: 956).

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association and the Funding Agreement between the Trust and the Secretary of State for Education are the primary governing documents of the academy trust. The trustees of Corfe Hills School Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Corfe Hills School.

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The academy is a member of the Department for Education's Risk Protection Arrangement, which includes governors' liability cover of £10,000,000 and a fidelity guarantee of £500,000.

Method of recruitment and appointment or election of trustees

Under the Articles of Association the Trust may appoint up to 20 Governors all of whom serve as Trustees and members of the Governing Body for a period of four years. Of these there must be a minimum of two Parent Governors. The Headteacher may also be appointed as a Trustee. Employee trustees must not exceed one third of the total number of trustees.

- Parent Governors should be parents of a registered pupil of the school at the time of the election. Should there be a greater number of applicants than the vacancies available a secret ballot of parents of all registered pupils will be held.
- The Governing Body also has the power to appoint Co-opted Governors. Generally Co-opted Governors will be appointed for a term of four years to provide specific skills or experience to assist the deliberations of Governors in specific areas of the school's activities.

Policies and procedures adopted for the induction and training of trustees

Induction Packs are provided specific to the structure and needs of the Academy and training is provided with specialist staff within the school.

The Academy Trust subscribes to the National Governors' Association and Sigma Teaching School Alliance. These organisations provide relevant training courses and advice which enable governors to develop the knowledge, skills and understanding required to meet their responsibilities.

CORFE HILLS SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Organisational structure

The Full Governing Body has planned meetings at least twice in each term and more often if necessary. The purpose of the meetings is to discuss, agree and assess issues such as the strategic direction of the school, the levels of performance expected, the annual financial budget and the statutory policies that the school is required to have in place. There are committees covering Finance & Resources; Standards and Curriculum; and Audit which meet at least once per term to discuss specific areas of the School's activities, receive presentations from external sources and school staff on specific activities and make, where necessary, appropriate representations to the Full Governing Body. The terms of reference for these Committees are detailed in the Governing Body's Terms of Reference. In addition to these committees, working groups are set up as required to consider specific areas of business and report to the Full Governing Body for decision. The Governing Body has also appointed governors with specific responsibilities, including special educational needs, safeguarding, premises and health and safety.

The Governing Body has delegated to the Headteacher and the School's Leadership Team responsibility for the internal organisation, management and control of the Academy and implementation of the agreed School policies and strategies, providing the Governing Body with sufficient data to enable it to monitor and assess the success of this implementation.

The Headteacher has been appointed Accounting Officer of the Academy.

The Governing Body has appointed an experienced qualified independent accountant to carry out the role of Responsible Officer by undertaking regular checks on the Academy's internal financial processes and structures to ensure compliance with the Academies' Financial Handbook and the Academy Trust's Funding Agreement guidelines. The Responsible Officer submits formal reports for review by the Audit Committee.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel includes Trustees and those staff who are members of the Leadership Team who have significant authority or responsibility for the day-to-day running of the academy trust. Trustees are not remunerated for this role and Governors who are also employees of the school are remunerated in accordance with the pay scale set for the staff role in which they are employed. The Headteacher's and other senior teachers' remuneration is set by the Trustees in accordance with the school teachers' pay and conditions document.

CORFE HILLS SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	3
Full-time equivalent employee number	3.00

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	3
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	4,556,604
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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Related parties and other connected charities and organisations

Corfe Hills School Academy Trust is not connected to any other organisations. The Corfe Hills School Association (CHSA) is a related party and operates separately to support the school. The CHSA is funded by parent contributions and fundraising activities. Separate accounts are produced on an annual basis.

With effect from 1 September 2018, the academy trust is collaborating with Broadstone Middle School (BMS) to develop a coherent curriculum across Key Stage 3. In addition, year 7 and year 8 students from BMS are attending Corfe Hills School each week where they are taught by Corfe Hills staff.

CORFE HILLS SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities

Objects and aims

Corfe Hills School Academy Trust runs a 13-18, co-educational comprehensive school with 872 pupils on roll as at October 2019 (October 2018: 956). It is in a three-tier pyramid with three middle and six first schools. Whilst Corfe Hills is situated within the Poole Local Authority some of its feeder schools are in the Dorset Local Authority. Two of the eight secondary schools within Poole Local Authority are selective and, apart from Corfe Hills, the other seven schools transfer at 11+ not 13+.

Objects

The Academy's objects are:

- to advance for the public benefit education by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum

The Academy aims to:

- to provide outstanding education in an excellent dynamic, creative learning environment.
- to enable high levels of academic achievement and progress for all students.
- to use the learning environment to develop in students, considerate and ethical personal standards.
- to provide a full range of exciting, enjoyable and meaningful learning experiences including those that develop understanding, tolerance and embrace equality.

Objectives, strategies and activities

The School Improvement Plan is continuously reviewed and last updated in September 2019. Specific objectives agreed were to:

- develop the curriculum to ensure it is robust in intent and meets the needs of the school community
- develop the Corfe Hills 'Principles of Teaching' to maximise student learning
- implement a developmental drop-in system to support continuous improvement in teaching
- embed an accepted lesson structure in line with evidence-based research
- develop a rigorous whole school approach to reading to improve tier 2 vocabulary
- ensure overall progress and attainment meets or exceeds Key Performance Indicators
- remove in-school variation between subject areas
- reduce in-school variation between student groups
- further improve behaviour for learning
- increase student attendance in all year groups
- increase leadership opportunities for students through the implementation of a House System
- develop students' characters and help them to keep physically and mentally healthy
- develop the school's culture of excellence through a growth mindset approach
- improve the progress of Sixth Form students through monitoring and intervention
- improve the effectiveness of scrutiny by Governors
- produce a financial recovery plan which demonstrates how the school will achieve a balanced budget
- increase student recruitment to Corfe Hills through continuing to improve outcomes, more effective marketing and collaborative work with feeder schools

Public benefit

The governors are mindful of their duty to have regard to The Charity Commission's public benefit guidance. In setting the academy trust's objectives and planning activities, governors have given careful consideration to this guidance.

The school provides formal and informal academic and service support – sometimes in conjunction with the Bournemouth, Christchurch and Poole Local Authority – to other schools within the local area and actively encourages the use of its premises for community events and activities. The 2019/20 school year has seen all of the students in Year 7 and 8 at Broadstone Middle School attending Corfe Hills for one day a week to receive teaching in Computer Science, Music, PE and RE.

CORFE HILLS SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report

Achievements and performance

Achievements and performance

At Corfe Hills we have the highest expectations for every student and provide a wealth of opportunities inside and outside the classroom. Our students work hard, enjoy their learning and are highly successful. Corfe Hills School was inspected by Ofsted on 29 and 30 November 2017 and judged to be 'requires improvement'. Even at that time, it is clear from the report that the inspectors found very many positives and recognised that the school was already on an improvement journey. Following 3 years of significant and sustained improvement, this year's GCSE results are exceptional:

- GCSE progress is in the top 20% of schools nationally
- Progress in maths is in the top 5% of schools nationally

In addition to their excellent overall progress, the table below underlines just how well Corfe Hills students achieve compared with their peers:

GCSE Measure	Corfe Hills	National
Grade 4 or above in English	82%	75%
Grade 4 or above in maths	81%	72%
Grade 4 or above in both English and maths	71%	65%
Grade 5 or above in English	61%	61%
Grade 5 or above in maths	57%	50%
Grade 5 or above in both English and maths	48%	41%

A-level results are also very strong and once again the vast majority of students who applied to university secured their first choice places.

Corfe Hills provides education for students aged 13 – 18 and we have a large Sixth Form, offering an excellent range of A-level and other level 3 courses. The school's aim, whatever their stage of education, is to ensure that students are provided with the appropriate progression information to enable them, supported by staff and parents, to make the right choices.

The school offers a diverse range of learning opportunities within and outside the classroom and has a strong background in the performing arts and sport.

Key performance indicators

Student numbers based on Autumn Census

	2018-19	2017-18
Total student numbers	956	1,043
Pupil teacher ratio	17.7	17.4
Teaching to non-teaching staff costs	80.3 : 19.7	81.4 : 18.6
GAG to total income	89.2%	74.7%
GAG per student (excluding sixth form)	£4,763	£4,605

CORFE HILLS SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Going concern

After making appropriate enquiries, the board of trustees has material uncertainties relating to the going concern status of the trust.

The Academy Trust has reported a deficit on revenue reserves in the year of £193,863 and the year-end value of these reserves has fallen from £552,123 to £357,579. This is despite a programme of redundancies and extremely focused and tight financial controls. The Trust expects reserves to be depleted over the next 12 months. The budget for 2019/20 shows a £350,000 deficit followed by projected deficits in the next 3 years totalling £491,000 before a small surplus in 2023/24.

Staff reductions and other efficiencies continue to be investigated and implemented to reduce costs. Further cost reductions are planned. The trustees continue to engage pro-actively with the Education & Skills Funding Agency on funding discussions. The continuously refined recovery plan has been submitted to the ESFA. As a result the trustees have a reasonable expectation that the Academy Trust will have access to adequate resources to continue in operational existence for at least the next two years. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The audited accounts show a revenue deficit for the year, excluding all fixed assets and pension movements, of £193,863 (2018: surplus of £15,014). Restricted general funds decreased by £226,925 to £224,818 (2018: £451,743) while unrestricted funds increased by £33,062 to £132,761 (2018: £99,699). Total restricted general funds, excluding pension reserves, plus unrestricted funds at 31 August 2019 were £357,579 (2018: £551,442).

The principal source of funding comprised grants from the Education & Skills Funding Agency (ESFA) totalling £5,030,363 (2018: £5,385,793). Expenditure of £6,349,317 (2018: £6,586,044) focussed on the delivery of education and 75% (2018: 75%) of this total was spent on direct costs. Pupil numbers were lower than predicted, and expenditure in the year was reduced accordingly, leading to a need for further savings to be found for the 2019-20 budget. The ESFA appointed a School Resource Management Advisor whose report was received in August 2019. The recommendations were included in a revised five-year recovery plan which was submitted to the ESFA on 4 November 2019.

Reserves policy

The Balance Sheet shows total restricted reserves carried forward at the year end of £14,090,764 (2018: £15,539,193). This figure includes:

- general funds totalling £224,818 (2018: £451,743)
- a defined benefit pension scheme liability of £3,941,000 (2018: £3,051,000) and
- a fixed asset reserve of £17,806,946 (2018: £18,138,450) which is only realisable through the disposal of assets or as security for a loan.

The Academy Trust aims to hold reserves in the General Fund to ensure expenditure commitments can be met, and education is not disrupted, in the event of a delay in receipt of government or other funding and to manage the consequences of reduced grant income due to falling pupil numbers. These funds are restricted and must be used in accordance with the Academy's Funding Agreement with the ESFA.

At the year end the Academy's general reserves were £224,818 (2018: £451,743). This represents less than one months' expenditure. The governors' policy is to achieve a consistently higher level of reserves over time.

In addition to the restricted funds, the Academy Trust has free (unrestricted) reserves of £132,761 (2018: £99,699). This has been generated mainly through the letting of school facilities.

Investment policy

Given the current uncertainties concerning future revenue sources the Academy has no current plans to invest any of its cash balances.

CORFE HILLS SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Principal risks and uncertainties

The Academy has undertaken a full review of all its operational risks within the guidelines of the Academies Financial Handbook. The Risk Register is kept under continuous review by the governors and senior management team and scrutinised by the Audit Committee.

Local demographic changes coupled with the age of transfer change in the Borough of Poole, impacted on the number on roll of students in Year 9 being below Published Admission Number (PAN) for the first time in 2013/14. Admission numbers continue significantly below PAN, putting the school's financial situation under serious pressure. Staffing and other costs are actively and continuously managed to mitigate the impact of these income reductions.

There is a significant risk associated with the formation of the new Bournemouth, Christchurch and Poole local authority. The school may find itself with a lower than expected income as a result of amounts withheld to fund the overall high-needs deficit within the new local authority area.

The school ensures that health and safety and pupil safeguarding are always taken into full account in all operational matters. Regular audits are undertaken both by the school's own staff and governors and external providers.

The school buildings are in need of extensive maintenance and refurbishment. This is continuing in 2019 with replacement of heating systems across most of the school and the school will rely on successful Condition Improvement Fund bids to address the remaining heating system, domestic water services, flat roofs and windows. The roofs are already well beyond their expected working life, with widespread leaks, and many of the windows either cannot be closed effectively or opened at all.

The school recognises that its continued success relies on its committed, professional staff and effective recruitment, performance management and succession/absence planning.

The school has submitted to the ESFA a revised 5-year financial projection, which shows an in-year surplus in year five. However, the actions required to achieve this cannot be achieved without funding for capital projects, including the reconfiguration of classroom areas.

The Academy has been advised that the contingent liability to the Local Government Pension Fund for non-teaching staff has increased by £890K (2018: reduction of 369K) during the year and at 31 August 2019 was £3,941,000 (2018: £3,051,000).

Fundraising

The school continues to seek and engage in appropriate fundraising activities. The school does not work with professional fundraisers. The Headteacher and a governor attend meetings of the Corfe Hills School Association which is a parents' association that raises funds on behalf of the school.

Plans for future periods

The Academy Trust is taking the necessary steps to ensure that it continues to be able to meet its objectives against the background of a difficult financial climate. These include:

- Adjusting the staff and management structure to meet future needs
- Investigating alternative models for formal collaboration
- Actively seeking opportunities to reduce expenditure and access funding for premises improvements
- Working with the ESFA and School Resource Management Adviser to implement and further develop where possible a five-year plan that shows a balanced budget by year five.

CORFE HILLS SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

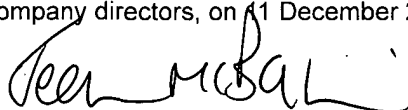
FOR THE YEAR ENDED 31 AUGUST 2019

Auditor

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11 December 2019 and signed on its behalf by:



J McBain

Chair of Trustees

CORFE HILLS SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Corfe Hills School Academy Trust and the Secretary of State for Education. The accounting officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met six times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
A Bicker	6	6
P Bompas (Resigned 10 July 2019)	2	6
D Van Den Broek (Chair of Audit Committee) (Resigned 10 July 2019)	5	6
E Coviello (Chair of Finance and Resources Committee)	4	6
S Gavira	6	6
S Jefferies	3	6
S Jordan	3	6
J McBain (Chair of Governors)	6	6
R Mutlow	5	6
A Murray (Resigned 10 July 2019)	6	6
P Warman	5	6
P Zimmerman	6	6
A Sutton (Appointed 30 January 2019)	4	5
S Charman (Appointed 25 October 2019)	0	0
A Child (Appointed 25 October 2019)	0	0
N Norris (Appointed 22 November 2019)	0	0
D Paterson (Appointed 28 November 2019)	0	0
P Keen (Headteacher- non trustee)	6	6

The school's guiding principles are underpinned by the motto:

High Expectations : Exceptional Individuals

The full governing body continues to meet twice each term and the Finance and Resources Committee, standards and curriculum working group and Audit Committee each meet at least once every term. The board is skills based and ensures that all key transferable skills are covered, all governors have identified areas of special interest.

The governing board continues to work for the best possible broad and balanced education for all students in an ever-changing educational environment. The school's rigorous culture and ethos has been set by governors and is being applied consistently across the school. The areas identified for continued focus include improved progress and achievement, development of teaching and learning, management of finances for efficiency and sustainability, collaboration with same phase and pyramid schools and improving PR and marketing.

CORFE HILLS SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Governors pride themselves on the quality of their challenge using all available data and there are regular governor visits to the school during working hours. Every trustee has access to an online data analysis tool which enables them to review progress and attainment, providing the information necessary for them to challenge and support staff. This tool links directly to the school's data management system and is current and reliable.

There is an annual governor self-evaluation cycle which reflects on the key areas of governance and the 2018-19 self-review has led to:

- the strengthening of the governing board with additional governors skilled in Finance and Risk Management and Property and Estate Management.
- an annual governor skills review which shows that all aspects of School Governance are adequately covered.
- the current Governor Self Improvement plan which links to areas in the current School Self Improvement Plan and focuses on providing focused challenge and support in all key areas.

The next review cycle will commence in June 2020.

Finance and Resources Committee

The Finance and Resources Committee met formally four times during the year and informally on several other occasions.

Members of the Committee and their attendance at the formal meetings was as follows:

Trustees	Meetings attended	Out of possible
D Van Den Broek (Chair of Audit Committee) (Resigned 10 July 2019)	3	4
E Coviello (Chair of Finance and Resources Committee)	4	4
J McBain (Chair of Governors)	3	4
P Warman	3	4
P Keen (Headteacher- non trustee)	4	4

The Committee's function is to ensure proper financial management of the School receiving regular advice from the School's School Business Manager and ensuring compliance with the agreed Academies Financial Management Handbook issued by the Department of Education. This includes reviewing and ensuring the improvement of a robust accounting framework, of budget preparation, and pragmatic long term forecasting. To monitor and encourage prudent use of the school's resources, especially in the acquisition of equipment, material and services, ensuring best value is achieved. To ensure that overall the school operates within a balanced budget, that proper provision is made for future maintenance, replacement and improvement of assets and estate, and that appropriate reserves are maintained.

Audit Committee

The Audit Committee met three times during the year.

The Committee's function is to scrutinise procedures for the board to set and manage risk appetite and tolerance; ensuring that risks are aligned with strategic priorities and improvement plans and that appropriate intervention strategies are in place and embedding risk management at every level of governance. The committee directs the work of the Responsible Officer in monitoring and reporting on the financial and risk management systems that have been adopted by the school.

CORFE HILLS SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
D Van Den Broek (Chair of Audit Committee) (Resigned 10 July 2019)	3	3
S Jordan	3	3
J McBain (Chair of Governors)	2	3
P Warman	3	3
P Keen (Headteacher- non trustee)	3	3

Review of value for money

As accounting officer the Headteacher 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. The examples below show how the accounting officer for the academy trust has delivered improved value for money during the year.

- Curriculum and staffing requirements are kept under continuous review and opportunities for making its delivery more efficient during the year were taken. With effect from September 2019 staffing was reduced, reflecting the reduction in students on roll, resulting in a teaching staff of 52 full time equivalent (FTE) teachers. An additional 1.2 FTE staff were retained to deliver teaching to year 7 and 8 pupils as part of a collaboration with Broadstone Middle School. This reduced teaching staff costs by £229K. A further £16K reduction will be realised at the end of a three year protected pay period.
- A review of support staff requirements led to a restructure of student support services, which has improved the efficiency of managing attendance and supporting students with additional pastoral needs. In other areas, support staffing was reduced to reflect the lower student roll. The total reduction in support staff costs from September 2019 is £132K. Any opportunity to further reduce staffing costs, e.g. when a vacancy arises, is taken.
- Savings have been achieved through re-tendering and renegotiation of premises maintenance contracts, including cleaning £12.7K per annum and refuse and recycling £5K per annum.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Corfe Hills School Academy Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

Through its Audit Committee, 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

CORFE HILLS SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 Working Group 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;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has appointed an experienced qualified independent accountant as Responsible Officer to provide advice on financial matters and perform a range of checks on the Academy Trust's financial systems. The Responsible Officer agrees the schedule of work with the Audit Committee and submits a report of findings to it. The Audit Committee takes responsibility in the first instance for ensuring that findings are followed up appropriately.

Checks carried out during the period included:

- testing of bank reconciliations
- testing of payroll systems
- testing of purchase systems including tendering and quotations
- review of the process for and assumptions used in preparing financial projections
- compliance with the Academies Financial Handbook publication requirements

This process has operated entirely to the satisfaction of the board of trustees and has not identified any material control issues.

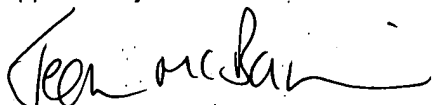
Review of effectiveness

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Estates committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 11 December 2019 and signed on its behalf by:



J McBain
Chair of Trustees

CORFE HILLS SCHOOL ACADEMY TRUST

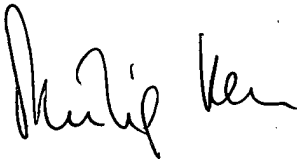
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of Corfe Hills School Academy Trust I have considered my responsibility to notify the Academy Trust board of trustees 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 trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust's board of trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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.



P Keen
Accounting Officer

11 December 2019

CORFE HILLS SCHOOL ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who are also the directors of Corfe Hills School Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 11 December 2019 and signed on its behalf by:



J McBain
Chair of Trustees

CORFE HILLS SCHOOL ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORFE HILLS SCHOOL ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of Corfe Hills School Academy Trust for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

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 accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1.2 in the financial statements, which indicates that the academy trust incurred a revenue deficit of £193,863, for the year ended 31 August 2019 leaving available revenue reserves of £357,579. A deficit for the year to 31 August 2020 is anticipated to be incurred totalling £349,540. As stated in Note 1.2, these events and conditions, along with the other matters as set forth in the note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Other information includes the trustees' report (incorporating the strategic report and directors' report) the governance statement and the statement of regularity, propriety and compliance. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

CORFE HILLS SCHOOL ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORFE HILLS SCHOOL ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report and directors' report prepared for the purpose of company law, for the financial year for which the accounts are prepared is consistent with the accounts; and
- the strategic report and directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 trustees' responsibilities, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

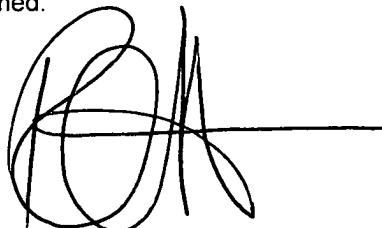
CORFE HILLS SCHOOL ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORFE HILLS SCHOOL ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



Robert MacDonald (Senior Statutory Auditor)
for and on behalf of Moore (South) LLP

20/12/2019

Chartered Accountants
Statutory Auditor

33 The Clarendon Centre
Salisbury Business Park
Dairy Meadow Lane
Salisbury
Wiltshire
SP1 2TJ

CORFE HILLS SCHOOL ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CORFE HILLS SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 12 August 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Corfe Hills School Academy Trust during the period 1 September 2018 to 31 August 2019 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 Corfe Hills School Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Corfe Hills School Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Corfe Hills School Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Corfe Hills School Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Corfe Hills School Academy Trust's funding agreement with the Secretary of State for Education dated 23 March 2010 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- consideration of the evidence supporting the accounting officers 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

CORFE HILLS SCHOOL ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Moore (South) LLP

Reporting Accountant

Moore (South) LLP

Dated: 20/12/2019

CORFE HILLS SCHOOL ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2019 £	Total 2018 £
Income and endowments from:						
Donations and capital grants	3	13,439	-	78,080	91,519	1,356,791
Charitable activities:						
- Funding for educational operations	4	-	5,101,287	-	5,101,287	5,463,147
Other trading activities	5	257,629	-	-	257,629	267,080
Investments	6	4,515	-	-	4,515	1,094
Total		275,583	5,101,287	78,080	5,454,950	7,088,112
Expenditure on:						
Charitable activities:						
- Educational operations	8	242,521	5,713,204	393,592	6,349,317	6,586,044
Total	7	242,521	5,713,204	393,592	6,349,317	6,586,044
Net income/(expenditure)		33,062	(611,917)	(315,512)	(894,367)	502,068
Transfers between funds	17	-	15,992	(15,992)	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	19	-	(521,000)	-	(521,000)	629,000
Net movement in funds		33,062	(1,116,925)	(331,504)	(1,415,367)	1,131,068
Reconciliation of funds						
Total funds brought forward		99,699	(2,599,257)	18,138,450	15,638,892	14,507,824
Total funds carried forward		132,761	(3,716,182)	17,806,946	14,223,525	15,638,892

CORFE HILLS SCHOOL ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2018 £
Income and endowments from:					
Donations and capital grants	3	11,824	-	1,344,967	1,356,791
Charitable activities:					
- Funding for educational operations	4	-	5,463,147	-	5,463,147
Other trading activities	5	267,080	-	-	267,080
Investments	6	1,094	-	-	1,094
Total		279,998	5,463,147	1,344,967	7,088,112
Expenditure on:					
Charitable activities:					
- Educational operations	8	256,697	5,932,749	396,598	6,586,044
Total	7	256,697	5,932,749	396,598	6,586,044
Net income/(expenditure)		23,301	(469,602)	948,369	502,068
Transfers between funds	17	-	201,315	(201,315)	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	629,000	-	629,000
Net movement in funds		23,301	360,713	747,054	1,131,068
Reconciliation of funds					
Total funds brought forward		76,398	(2,959,970)	17,391,396	14,507,824
Total funds carried forward		99,699	(2,599,257)	18,138,450	15,638,892

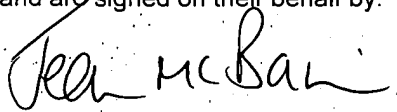
CORFE HILLS SCHOOL ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	13	17,447,074	16,806,550
Current assets			
Debtors	14	767,148	1,381,744
Cash at bank and in hand		549,520	1,083,361
		1,316,668	2,465,105
Current liabilities			
Creditors: amounts falling due within one year	15	(599,217)	(581,763)
Net current assets		717,451	1,883,342
Net assets excluding pension liability		18,164,525	18,689,892
Defined benefit pension scheme liability	19	(3,941,000)	(3,051,000)
Total net assets		14,223,525	15,638,892
Funds of the Academy Trust:			
Restricted funds	17		
- Fixed asset funds		17,806,946	18,138,450
- Restricted income funds		224,818	451,743
- Pension reserve		(3,941,000)	(3,051,000)
Total restricted funds		14,090,764	15,539,193
Unrestricted income funds	17	132,761	99,699
Total funds		14,223,525	15,638,892

The accounts on pages 22 to 44 were approved by the trustees and authorised for issue on 11 December 2019 and are signed on their behalf by:



J McBain

Chair of Governors

Company Number 07536911

CORFE HILLS SCHOOL ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash used in operating activities	20		(742,637)		(284,323)
Cash flows from investing activities					
Dividends, interest and rents from investments		4,515		1,094	
Capital grants from DfE Group		1,239,283		727,834	
Purchase of tangible fixed assets		(1,034,116)		(327,358)	
Net cash provided by investing activities			209,682		401,570
Cash flows from financing activities					
Finance costs		(886)		(884)	
Net cash used in financing activities			(886)		(884)
Net (decrease)/increase in cash and cash equivalents in the reporting period			(533,841)		116,363
Cash and cash equivalents at beginning of the year			1,083,361		966,998
Cash and cash equivalents at end of the year			549,520		1,083,361

CORFE HILLS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Corfe Hills School Academy Trust is a charitable company limited by guarantee incorporated in England and Wales. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation

The accounts of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Corfe Hills School Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

The Academy Trust has reported a deficit on revenue reserves in the year of £193,863 and the year-end value of these reserves has fallen from £551,442 to £357,579. This is despite a programme of redundancies and extremely focused and tight financial controls. The Trust expects reserves to be fully depleted over the next 12 months. The budget for 2019/20 shows a £350,000 deficit followed by projected deficits in the next 3 years totalling £491,000 before a small surplus in 2023/24. For these reasons, the trustees believe that there are material uncertainties relating to going concern.

The academy trust is able to cover its short term funding requirements through to 31st August 2020 but when the need arises to secure longer term funding when the need arises during the next 12 months. To achieve this, the trustees continue to engage closely and pro-actively with the ESFA in funding discussions and are developing a recovery plan which will include carefully considered budgets and additional cost savings to ensure the trust can continue successfully beyond the next 12 months.

Based on the above detail, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

Grants

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

CORFE HILLS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is 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 Academy Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the 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 period it is receivable and to the extent the Academy Trust has provided the goods or services.

1.4 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

CORFE HILLS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £2,000 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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. 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, at rates calculated to write off the cost of each asset on a straight-line and reducing balance basis over its expected useful life, as follows:

Freehold land and buildings	2% straight line
Computer equipment	20% straight line
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	20% reducing balance

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

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods of services it must provide.

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

CORFE HILLS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

1.9 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 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.

1.10 Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

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

1.11 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

CORFE HILLS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.12 Financial Instruments

The only financial instruments held by the Academy are debtors and creditors. These are categorised as 'basic' in accordance with Section 11 of FRS 102 and are initially recognised at transaction price. These are subsequently measured at their transaction price less any impairment.

1.13 Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in a note to the accounts.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

Critical areas of judgement

On conversion to an academy trust, the asset and liabilities of the Trust are measured at fair value. This includes any buildings. The valuation of the buildings involves a significant degree of estimation, refer to Note 13 for further detail of this estimation.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	78,080	78,080	1,344,967
Other donations	13,439	-	13,439	11,824
	<u>13,439</u>	<u>78,080</u>	<u>91,519</u>	<u>1,356,791</u>

CORFE HILLS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	4,883,883	4,883,883	5,291,067
Other DfE group grants	-	146,657	146,657	94,726
	-	5,030,540	5,030,540	5,385,793
Other government grants				
Local authority grants	-	69,167	69,167	74,638
Other grants	-	1,580	1,580	2,716
	-	70,747	70,747	77,354
Total funding	-	5,101,287	5,101,287	5,463,147

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	19,543	-	19,543	17,867
Trips and visits	209,973	-	209,973	196,690
Other income	28,113	-	28,113	52,523
	257,629	-	257,629	267,080

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	4,515	-	4,515	1,094

CORFE HILLS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2019 £	Total 2018 £
Academy's educational operations					
- Direct costs	3,794,340	393,592	564,502	4,752,434	4,926,650
- Allocated support costs	936,214	458,610	202,059	1,596,883	1,659,394
	<u>4,730,554</u>	<u>852,202</u>	<u>766,561</u>	<u>6,349,317</u>	<u>6,586,044</u>

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Fees payable to auditor for:		
- Audit	6,700	6,500
- Other services	2,825	2,750
- Responsible Officer fees	650	1,580
Operating lease rentals	22,165	19,584
Depreciation of tangible fixed assets	393,592	396,408
Loss on disposal of fixed assets	-	190
Bank and loan interest	886	884
Net interest on defined benefit pension liability	79,000	89,000

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Direct costs				
Educational operations	241,478	4,510,956	4,752,434	4,926,650
Support costs				
Educational operations	1,043	1,595,840	1,596,883	1,659,394
	<u>242,521</u>	<u>6,106,796</u>	<u>6,349,317</u>	<u>6,586,044</u>

Analysis of costs

	2019 £	2018 £
Direct costs		
Teaching and educational support staff costs	3,794,340	3,918,418
Staff development	17,331	13,018
Depreciation	393,592	396,598
Technology costs	74,030	73,440
Educational supplies and services	89,772	84,490
Examination fees	133,283	141,913
Other direct costs	250,086	298,773
	<u>4,752,434</u>	<u>4,926,650</u>

CORFE HILLS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Charitable activities

(Continued)

Support costs

Support staff costs	937,440	895,160
Technology costs	11,411	9,057
Recruitment and support	5,260	19,156
Maintenance of premises and equipment	98,848	195,631
Cleaning	145,015	142,651
Energy costs	133,591	111,249
Rent, rates and other occupancy costs	51,274	46,279
Insurance	29,882	64,014
Security and transport	4,335	10,481
Catering	16,786	16,789
Finance costs	79,886	89,884
Other support costs	72,196	47,885
Governance costs	10,959	11,158
	<u>1,596,883</u>	<u>1,659,394</u>

9 Governance costs

All from restricted funds:

Amounts included in support costs

	Total 2019 £	Total 2018 £
Legal and professional fees	13	13
Auditor's remuneration		
- Audit of financial statements	6,700	6,500
- Other audit costs	4,246	4,645
	<u>10,959</u>	<u>11,158</u>

CORFE HILLS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	3,410,488	3,721,193
Social security costs	313,141	310,382
Pension costs	832,975	755,657
Amounts paid to employees	4,556,604	4,787,232
Agency staff costs	84,057	23,346
Staff restructuring costs	89,893	3,000
Amounts paid to staff	4,730,554	4,813,578
Staff development and other staff costs	18,557	13,018
Total staff expenditure	4,749,111	4,826,596

Staff restructuring costs comprise:

Redundancy payments	89,893	-
Severance payments	-	3,000
	89,893	3,000

Staff numbers

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

	2019 Number	2018 Number
Teachers	72	82
Administration and support	75	76
Management	6	6
	153	164

The number of persons employed, expressed as a full time equivalent, was as follows:

	2019 Number	2018 Number
Teachers	54	60
Administration and support	41	41
Management	6	6
	101	107

CORFE HILLS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

(Continued)

Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	2	2
£80,001 - £90,000	1	1
	<u>3</u>	<u>3</u>

Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £481,833 (2018: £468,188)

11 Trustees' remuneration and expenses

The Headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, no expenses were reimbursed to trustees (2018: travel and subsistence and stationery payments totalling £226 were reimbursed to one trustee).

The value of trustees' remuneration was as follows:

A Murray (Other staff Governor) Resigned as governor 10/07/2019:

Remuneration £10,001 - £15,000 (2018: £5,001 - £10,000)

Employer's pension contributions £0 - £5,000 (2018: £0 - £5,000)

A Sutton (Other staff Governor) Appointed 30/01/2019:

Remuneration £20,001 - £30,000 (2018: £40,001 - £45,000)

Employer's pension contributions £0 - £5,000 (2018: £5,001 - £10,000)

Other related party transactions involving the trustees are set out within the related parties note.

12 Trustees and officers insurance

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

CORFE HILLS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

13 Tangible fixed assets

	Freehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2018	18,762,660	286,528	252,578	31,200	19,332,966
Additions	984,268	38,154	11,694	-	1,034,116
At 31 August 2019	19,746,928	324,682	264,272	31,200	20,367,082
Depreciation					
At 1 September 2018	2,180,649	222,027	98,559	25,181	2,526,416
Charge for the year	313,659	37,260	41,469	1,204	393,592
At 31 August 2019	2,494,308	259,287	140,028	26,385	2,920,008
Net book value					
At 31 August 2019	17,252,620	65,395	124,244	4,815	17,447,074
At 31 August 2018	16,582,011	64,501	154,019	6,019	16,806,550

The land and buildings were valued on the depreciated replacement cost method in an exercise undertaken by the Education Funding agency as at the 31 August 2012. The land was valued at £3,079,731 and the buildings at £15,508,092.

The academy has not obtained a separate valuation as the academies trust did not consider it an effective use of public funds to obtain an additional valuation.

14 Debtors

	2019 £	2018 £
Trade debtors	34,510	100,016
VAT recoverable	151,529	53,496
Other debtors	491,296	-
Prepayments and accrued income	89,813	1,228,232
	767,148	1,381,744

15 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	54,828	137,072
Other taxation and social security	166,710	159,458
Other creditors	50,626	38,014
Accruals and deferred income	327,053	247,219
	599,217	581,763

CORFE HILLS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16	Deferred income	2019 £	2018 £
	Deferred income is included within:		
	Creditors due within one year	148,727	128,755
	Deferred income at 1 September 2018	128,755	183,259
	Released from previous years	(128,755)	(183,259)
	Resources deferred in the year	148,727	128,755
	Deferred income at 31 August 2019	148,727	128,755

The deferred income relates to income received in the period to 31 August 2019 which relates to the year ending 31 August 2020. The above deferred income relates to the following:

Rates grant	£21,462
Trips	<u>£127,265</u>
Total	<u>£148,727</u>

17	Funds	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
	Restricted general funds					
	General Annual Grant (GAG)	221,868	4,883,883	(5,126,800)	15,992	(5,057)
	Other DfE / ESFA grants	-	146,657	(146,657)	-	-
	Other government grants	-	70,747	(70,747)	-	-
	Other restricted funds	229,875	-	-	-	229,875
	Pension reserve	(3,051,000)	-	(369,000)	(521,000)	(3,941,000)
		<u>(2,599,257)</u>	<u>5,101,287</u>	<u>(5,713,204)</u>	<u>(505,008)</u>	<u>(3,716,182)</u>
	Restricted fixed asset funds					
	DfE group capital grants	18,138,450	78,080	(393,592)	(15,992)	17,806,946
	Total restricted funds	<u>15,539,193</u>	<u>5,179,367</u>	<u>(6,106,796)</u>	<u>(521,000)</u>	<u>14,090,764</u>
	Unrestricted funds					
	General funds	99,699	275,583	(242,521)	-	132,761
	Total funds	<u>15,638,892</u>	<u>5,454,950</u>	<u>(6,349,317)</u>	<u>(521,000)</u>	<u>14,223,525</u>

CORFE HILLS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

(Continued)

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

Restricted General Funds are those which supplied for a specific duty and the funds spent are only in accordance with the agreement or restricted place upon each.

Restricted Fixed Asset Funds are those assets which have been capitalised as a result of donation from the original school on conversion to an academy or assets purchased from one of the other funds since gaining academy status and transferred.

Unrestricted Funds are all other sources of income generated by the academy through trading or fundraising and to which no restrictions apply regarding the way they are spent.

Under the funding agreement with the Secretary of State, the Academy Trust is not subject to any limit on its GAG carry forward.

The carry forward figure for Other DfE/EFA grants relates to unspent Pupil premium £Nil.

The transfer of funds is a reclassification of the expenditure in the year from restricted to unrestricted.

The Restricted Fixed Asset Fund includes a carried forward balance of £335,732 relating to CIF Grants which are committed for expenditure within the next year.

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	205,004	5,291,067	(5,475,518)	201,315	221,868
Other DfE / ESFA grants	25,151	94,726	(119,877)	-	-
Other government grants	-	77,354	(77,354)	-	-
Other restricted funds	229,875	-	-	-	229,875
Pension reserve	(3,420,000)	-	(260,000)	629,000	(3,051,000)
	<u>(2,959,970)</u>	<u>5,463,147</u>	<u>(5,932,749)</u>	<u>830,315</u>	<u>(2,599,257)</u>
Restricted fixed asset funds					
DfE group capital grants	17,391,396	1,344,967	(396,598)	(201,315)	18,138,450
	<u>14,431,426</u>	<u>6,808,114</u>	<u>(6,329,347)</u>	<u>629,000</u>	<u>15,539,193</u>
Total restricted funds					
	<u>14,431,426</u>	<u>6,808,114</u>	<u>(6,329,347)</u>	<u>629,000</u>	<u>15,539,193</u>
Unrestricted funds					
General funds	76,398	279,998	(256,697)	-	99,699
	<u>14,507,824</u>	<u>7,088,112</u>	<u>(6,586,044)</u>	<u>629,000</u>	<u>15,638,892</u>
Total funds					
	<u>14,507,824</u>	<u>7,088,112</u>	<u>(6,586,044)</u>	<u>629,000</u>	<u>15,638,892</u>

CORFE HILLS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	17,447,074	17,447,074
Current assets	268,879	687,917	359,872	1,316,668
Creditors falling due within one year	(136,118)	(463,099)	-	(599,217)
Defined benefit pension liability	-	(3,941,000)	-	(3,941,000)
Total net assets	132,761	(3,716,182)	17,806,946	14,223,525

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	16,806,550	16,806,550
Current assets	215,544	917,661	1,331,900	2,465,105
Creditors falling due within one year	(115,845)	(465,918)	-	(581,763)
Defined benefit pension liability	-	(3,051,000)	-	(3,051,000)
Total net assets	99,699	(2,599,257)	18,138,450	15,638,892

19 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £67,205 (2018: £72,770) were payable to the schemes at 31 August 2019 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

CORFE HILLS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- an increase in employer rates from 16.48% to 23.68% of pensionable pay (including a 0.08% employer administration charge)
- the rise in contribution delayed from 1 April to September 2019
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,000 million giving a notional past service deficit of £22,100 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- there will be funding from the DFE for the financial year 2019/20 to help maintained schools and academies meet the additional costs resulting from the scheme valuation. Funding for 2020/21 onwards will be discussed as part of the next Spending Review round.

The TPS valuation for 2016 determined an employer rate of 23.6%, which is payable from September 2019. The next valuation of the TPS will be at March 2020 and will be based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2023.

The pension costs paid to the TPS in the period amounted to £385,554 (2018: £429,295).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are % for employers and % for employees. The estimated value of employer contributions for the forthcoming year is £158,000 (2018: £156,000) as per the FRS102 report.

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.

CORFE HILLS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

(Continued)

Total contributions made	2019 £	2018 £
Employer's contributions	159,000	191,000
Employees' contributions	50,000	49,000
Total contributions	209,000	240,000

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.85	2.65
Inflation assumption (CPI)	3.20	3.30

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

	2019 Years	2018 Years
Retiring today		
- Males	22.9	24.0
- Females	24.8	26.1
Retiring in 20 years		
- Males	24.6	26.3
- Females	26.6	28.5

Scheme liabilities would have been affected by changes in assumptions as follows:

	2019 £000's	2018 £000's
Discount rate + 0.1%	(164)	-133
Mortality assumption + 1 year	260	197
CPI rate + 0.1%	150	122

Defined benefit pension scheme net liability

Scheme assets	2,969,000	2,621,000
Scheme obligations	(6,910,000)	(5,672,000)
Net liability	(3,941,000)	(3,051,000)

CORFE HILLS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

(Continued)

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

	2019 Fair value £	2018 Fair value £
Equities	1,516,000	1,432,000
Gilts	773,000	666,000
Cash	77,000	24,000
Property	310,000	266,000
Other assets	293,000	233,000
Total market value of assets	2,969,000	2,621,000

The actual return on scheme assets was £227,000 (2018: £54,000).

Amount recognised in the Statement of Financial Activities

	2019 £	2018 £
Current service cost	165,000	171,000
Past service cost	125,000	-
Interest income	(71,000)	(62,000)
Interest cost	150,000	151,000
Total operating charge	369,000	260,000

Changes in the present value of defined benefit obligations

	2019 £
At 1 September 2018	5,672,000
Current service cost	322,000
Interest cost	150,000
Employee contributions	50,000
Actuarial loss/(gain)	679,000
Benefits paid	(88,000)
Past service cost	125,000
At 31 August 2019	6,910,000

CORFE HILLS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

(Continued)

Changes in the fair value of the Academy Trust's share of scheme assets

	2019 £
At 1 September 2018	2,621,000
Interest income	69,000
Actuarial (gain)/loss	158,000
Employer contributions	159,000
Employee contributions	50,000
Benefits paid	(88,000)
At 31 August 2019	2,969,000

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

	2019 £	2018 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(894,367)	502,068
Adjusted for:		
Capital grants from DfE and other capital income	(78,080)	(1,344,967)
Investment income receivable	(4,515)	(1,094)
Finance costs payable	886	884
Defined benefit pension costs less contributions payable	290,000	171,000
Defined benefit pension scheme finance cost	79,000	89,000
Depreciation of tangible fixed assets	393,592	396,408
Loss on disposal of fixed assets	-	190
(Increase)/decrease in debtors	(546,607)	92,943
Increase/(decrease) in creditors	17,454	(190,755)
Net cash used in operating activities	(742,637)	(284,323)

21 Commitments under operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	17,725	17,918
Amounts due in two and five years	53,201	70,288
	70,926	88,206

CORFE HILLS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Capital commitments

	2019 £	2018 £
Expenditure contracted for but not provided in the accounts	335,732	130,460

In 2019, the academy had contracted capital commitments at the year end in relation to one ongoing Conditional Improvement Fund (CIF) Project. This was funded through CIF grants awarded from the ESFA which are recognised in the accounts in full when receivable.

As at the 31st August 2019 the capital commitments not provided for in the accounts were as follows:

Heating and Plumbing Works	£335,732
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23 Related party transactions

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 11.

24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the trust received £21,365 and disbursed £9,113 from the fund. An amount of £50,266 is included in other creditors relating to undistributed funds that is repayable to ESFA.