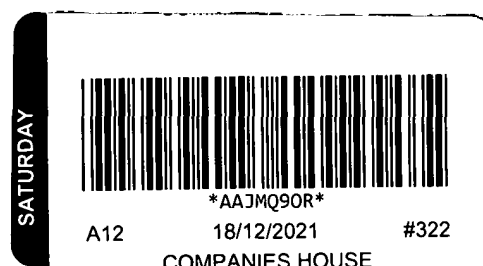


Company Number: 07550474

CHOSEN HILL SCHOOL (A COMPANY LIMITED BY GUARANTEE)

Annual Report and Financial Statements For The Year Ended 31 August 2021



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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021

Members	Mrs A Aston Mr M Edgington Miss K Hemens Ms L Hudson Mr W McCreath Prof N McLoughlin (resigned 31 st August 2021) Ms L Moore Mrs N Murray (resigned 21 st July 2021) Mr D Newton Mr W Parker Mrs S Pullen (resigned 31 st December 2020) Mr D Taylor (resigned 31 st August 2021)
Trustees	Mrs A Aston, Chair ^{1,2,3} Mr M Edgington ^{1,4} Miss C Fishlock ³ Mrs K Harrison, Headteacher ^{1,2,3} (resigned 31 st August 2021) Mr M Pauling, Headteacher ^{1,2,3} (appointed 1 st September 2021) Miss K Hemens ^{1,3} Ms L Hudson ² Mr W McCreath ^{1,2,4} Prof N McLoughlin ² (resigned 31 st August 2021) Ms L Moore ^{2,3,4} Mrs N Murray ^{1,3} (resigned 21 st July 2021) Mr D Newton ² Mr W Parker ² Mrs A Pilsworth Mrs S Pullen ^{1,2} (resigned 31 st December 2020) Mr D Roberts ² (resigned 21 st July 2021) Mr D Taylor ^{1,2} (resigned 31 st August 2021) Mr D Clark (appointed September 2021) Mr D Stephens (appointed October 2021) Miss L Comer (appointed September 2021) ¹ Resources Committee ² Learning & Outcomes Committee ³ Community & People Committee ⁴ Audit & Risk Committee
Company registered number	07550474
Company name	Chosen Hill School
Principal and registered office	Brookfield Road Churchdown Gloucester Gloucestershire GL3 2PL
Company secretary	A Kaur-Dhaliwal (resigned 30 th November 2020) D Wardlaw (appointed 1 st December 2020)
Accounting Officer	Mrs K Harrison

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

Senior Leadership Team

Mrs K Harrison, Headteacher (resigned 31st August 2021)
Mr M Pauling, Headteacher (appointed 1st September 2021)
Mr J Bardgett, Deputy Headteacher
Mrs S Allen, Deputy Headteacher (resigned 31st December 2020)
Mrs K Chodera, Assistant Headteacher
Mr W Witham, Assistant Headteacher
Mrs E Hanwell, Assistant Headteacher
Mrs D Wardlaw, Business Manager

Independent auditors

Hazlewoods LLP
Staverton Court
Staverton
Cheltenham
Gloucestershire
GL51 0UX

Bankers

Virgin Money
5 Northgate Street
Gloucester
GL1 2AH

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2021. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an Academy for pupils aged 11 to 19 in Gloucester. It has a pupil capacity of 1,140 and 250 in the Sixth Form and had a roll of 1,345 (2020 – 1,320) in the school census in October 2021 with 1,120 (2020 – 1,119) in Years 7-11 and with 225 (2020 – 201) in the Sixth Form.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The Trustees of Chosen Hill School are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Chosen Hill School.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

Members' liability

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

Trustees' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

On 1 April 2011 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 9 Trustees who are appointed by the members
- up to 7 Parent Trustees who are elected by parents of registered pupils at the Academy
- up to 3 Staff Trustees elected by staff members
- the Headteacher

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be reappointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

**TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy has a Trustee Recruitment, Induction and Training policy available from the Clerk to the Trustees.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees.

Organisational Structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 4 committees as follows;

- Resources Committee - this meets at least five times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting and drafting the annual budget including setting staffing levels.
- Learning and Outcomes Committee - This meets at least four times a year to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, target setting and assessment, examinations and student outcomes.
- Community and People Committee – this meets at least three times a year to monitor, evaluate and review practice and performance in relation to admissions, staffing, communication and pastoral issues.
- Audit and Risk Committee- This committee will review the annual report and accounts, review the audit plan, assess the effectiveness of the auditors and review and monitor the risk register.

With effect from September 2021, the structure has changed slightly to combine the resources and community and people committees. This is to address the loss of Governors from those committees and ensure committees are quorate and there is robust challenge within those committees. This will be reviewed during the year and with the assistance of the independent review of the Governing body taking place in November/December 2021.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chair and/or Vice Chair, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual Strategic School Improvement Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget and a three year forecast, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, Deputy Headteachers and Assistant Headteachers and the Business Manager. The SLT implement the policies laid down by the Trustees and report back to them on performance.

The Headteacher, Business Manager and Resources Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff. Trustees are part of the interview panel on all senior posts.

The Academy has a leadership structure which consists of the Trustees, The Senior Leadership Team and Middle Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

**TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

The Head Teacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees and the Senior Leadership Team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees (other than staff Trustees for their roles as members of staff) give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and benchmarked against school teachers' pay and conditions recommendations.

The Trustees benchmark the remuneration of all members of staff against the school teachers' pay and conditions recommendations.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	1.8

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£687
Provide the total pay bill	£5.185K
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0.01%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100	0%
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**TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

Connected Organisations, including Related Party Relationships

Chosen Hill School is a member of the G15 Partnership of 12 secondary schools which link and work together to see standards of achievement rise across all G15 schools through pooling of collective expertise and championing the success of students.

Chosen Hill School has links to the Former Pupils Rugby Club and leases some of its playing fields to the club for rugby and sports activities. The Rugby Club have use of the playing fields and the school has use of the changing rooms based on the site of the rugby club during the school day.

There are no other related parties which either control or significantly influence the decisions and operations of Chosen Hill School.

The school has a Parent Teacher Association which raises funds for the school but is a separate entity from the School.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities, with a strong emphasis on enabling all students to achieve success whatever their starting points.

The principal object and activity of the Charitable Company is the operation of Chosen Hill School is to provide free education and care for pupils of different abilities.

The aims of the Academy during the year ended 31 August 2021 are summarised below:

- to continue to raise the standard of educational progress, attainment and achievement of all pupils from all starting points.
- to provide a broad and balanced curriculum, including a wide range of extra curricular activities.
- to develop students as more effective learners with a growth mindset and recognition of the benefits of metacognition.
- to develop the Academy site so that it enables students to achieve their full potential.
- to ensure that every student enjoys the same high quality education in terms of resourcing, tuition and care.
- to continue to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review, in particular responding to the challenges presented by Covid 19 and school closures.
- to maximise the number of students achieving in line with their targets set from their starting points, including grade 5 or above in English and Maths.
- to provide value for money for the funds expended.
- To continue to develop greater coherence, clarity and effectiveness in Academy systems.
- To comply with all appropriate statutory and curriculum requirements.
- To further develop the Academy's capacity to manage change and operate with financial efficiency.
- To maintain close links with business, industry and commerce, and
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

**TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

At Chosen Hill School we aim to enable all children to achieve success in its many different forms. We intend to enable each child to realise his or her full academic, personal, social, creative and physical potential and to develop in students' positive social, moral, spiritual and cultural values. Our Academy is a community in which children, staff and parents should be part of a dynamic, happy and caring environment.

Objectives, Strategies and Activities

Key priorities for the year are contained in our school's Strategic Improvement Plan and summarised in the overview document which is available on the school Sharepoint or via the Clerk to the Governors. Improvement focuses identified for this year included:

- Implementation of the Recovery Curriculum requiring adjustments to the five year curriculum model to reflect the impact of Covid 19 and disruption to students' learning, including moving back Options selection to Year 9 for the Year 8 2020-21 cohort. Whilst the longer term 5 year curriculum plan continued to be refined, it has also been revisited in the light of lost learning during this unprecedented period;
- To refine the school's inclusion arrangements in line with changes to funding for SEND and in response to the behavioural, mental health and emotional well-being needs resulting from the periods of school closure and the escalating requests for statutory assessment again further exacerbated by periods of school closure as a result of national lockdown;
- To roll out refinements to the school's assessment, reporting and recording arrangements based on ambitious FFT20 target setting and the school's focus on student learning mindsets: attitude to learning (ATL) and attitude to homework (ATH) – adjusted in line with the pressures and impacts of school closure and national lockdown, including changes to reporting and the movement on online parents' evenings;
- To respond to the opportunities provided by digital technologies to maintain high quality teaching and learning even at times of school closure – This process was greatly accelerated by the movement to the remote learning protocol and the full implementation of Office 365 tools to maintain education delivery during periods of partial and full school closure due to national lockdown or periods of high transmission of Covid 19 within the school community;
- To continue to embed the growth mindset & metacognition development programme, focussing on developing staff understanding of the role of metacognition in teaching and the value of metacognition to students in their learning;
- To implement Year 3 of the 'Mark, Plan, Teach' initiative to further enhance the school's focus on Quality First Teaching and removing barriers to learning for all students – The focus of activity around this priority was adjusted to reflect the need to move to teaching from 'Behind the Line' (social distancing) and to periods of remote working.
- To sustain the school's work on supporting student and staff mental health and well-being as recognised by the school's accreditation as a GHLL Mental Health Champions School in July 2018 and its role as a lead school in the NHS/GCC Mental Health Trailblazer's programme, now evolved into the Young Minds Matter programme.
- To play a key role in the continued development of the G15 City of Gloucester secondary school cluster with CHS headteacher as Chair of the group;
- To ensure that the impact of COVID is minimised by the effective use of the COVID catch up funding running a summer school and ongoing support for pupils and staff.

Key activities and targets were identified in the school's Strategic Improvement Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding, in particular the operation of the school during periods of school closure and isolation of groups resulting from Covid 19, as well as the schools own evaluation needs and to achieve educational benefits for the current students of Chosen Hill School.

**TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

The activities included:

- Review of curriculum delivery to ensure the effectiveness of the roll out of the new curriculum model, evaluation of its impact on the curriculum offer and further planning refinement for September 2021.
- The required focus on student numeracy and literacy development to enable access for all to the public examination courses and wider curriculum offer;
- Ongoing development of the school's IT infrastructure and IT strategic development in partnership with the school's IT managed service provider, including developing staff expertise and use of IT and digital technologies in their working practices and for remote learning, replacing back ups and servers;
- Further development and embedding of key systemic, financial and administrative arrangements and procedures arising from the established review and evaluation cycle of all policy/protocols, practice and functions at the school;
- Continued refinement of all school systems for assessing, tracking and responding to student progress and outcomes data and its deployment in the determination of centre-assessed grades for both GCSE and A level for the summer 2021 public examination series which was cancelled once again owing to Covid 19;
- Continued development and reinforcement of systems, procedures and activities to promote growth mindset, student voice and participation, the House system and community ethos of the school through a remote and in-school offer to reflect the patterns of remote working linked to partial and full school closure resulting from national lockdown and periods of high Covid 19 transmission in the school;
- To complete the CIF bid programme and bid to secure a refurbishment of roofs and replacement of heating pipes. Ensure the Fire Doors CIF funded project is completed.
- Continued development of the Sixth Form curriculum and enrichment provision to maintain increased retention and improve outcomes for students from all starting points, whilst managing the impact of partial and full school closure and the cancellation of public exams for a second year in summer 2021.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the community.

STRATEGIC REPORT

Achievements and Performance

The Academy is in its tenth year of operation.

'Behaviour for learning is good. Pupils respond well in class and they approach their learning with obvious enthusiasm.'

'Pupils with additional needs are well supported and leaders work hard to ensure that they are fully integrated into the life of the school.'

'Teachers demonstrate high expectations and provide detailed feedback to pupils about their work. This enables pupils to review their learning and improve their understanding.'

'Leaders at all levels in the school have a very clear understanding of the school's strengths and areas for further development. The positive impact of the actions they have taken can be seen in the progress of current pupils.'

Ofsted, November 2018

The COVID-19 pandemic has continued to have a major impact on the way the school operates and the delivery of the curriculum. Loss of learning through periods of isolation for certain individuals/classes and year groups has been difficult to manage with the requirement to provide both in class and online lessons. Improvements have been made to the use of digital technologies for learning, including virtual lessons and pupils have been engaged with this new way of working. The school has worked in ways to fully exploit its existing digital platforms and extend

**TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

their uses further to meet the required new ways of working, for example fully utilising Office 365 and its Teams and SharePoint functions and use of online technology to deliver virtual open days, parent information evenings and online parents' evenings and is recognising the benefits these can bring whilst trying to minimise their disadvantages.

The impact of COVID from a mental health point of view for both Staff and Pupils has had a large increase on the demand for support functions such as counselling, absence and welfare. Staff and pupil absence has been high over the year due to COVID infection and isolation.

Safety measures put in place to protect staff and pupils have been costly in terms of time and resources and the requirement for isolation has given rise to staff supply issues during periods when school has been operating on site. The school has had to invest in the return of school to 'usual' operation as well as maintain contingency measures in response to rising cases and changes to school opening guidance.

The Academy organised itself into year group bubbles for the delivery of the 2020-21 curriculum, to help minimise the impact of any outbreaks on pupils' education and staff well-being. We felt this worked well and that the numbers we had to isolate were kept to a minimum as a result. However, this had a negative experience in terms of curriculum for pupils who therefore didn't all have the experience of working in specialised teaching areas such as science and design technology. Additional cleaning time was purchased to ensure the school was cleaned more often throughout the day and this will continue into the next academic year.

Moving forward the, the Academy has an Outbreak Management Plan in place in case of an increase in numbers affected by COVID. This includes measures to maintain the curriculum access and progress of students' learning, particularly for examination year groups. We have moved away from the bubble system in order to give students a full school experience.

The school continues to work to secure good or better outcomes for all students from all their different starting points, focusing on student mindsets, Quality First Teaching and the removal of barriers to learning.

The school has identified the following indicators of success against its strategic School Improvement Plan priorities:

1. The Quality of Teaching and Learning:

The maintenance of a whole staff focus on the features of Quality First Teaching and strategies to make up lost learning across 2020/21, remove the barriers to learning for students facing different challenges, development in the school's continuous professional development programme, sustained and improved progress and outcomes for students in the public GCSE examinations 2022 and the significant reductions in fixed term exclusions across all year groups. Further evidence of progress in this area is evidenced in the school's target setting and assessment and reporting systems, introduced in Autumn Term 2017. The 'Go Green' focus has resulted in significant numbers of students achieving and sustaining very positive attitudes to learning and attitudes to homework scores, which is becoming established throughout the main school in each year group and which will receive further focus now that students are back in school and will require resilience to recover from the previous and ongoing disruptions to learning.

The literacy and numeracy strategies have been delivered across all year groups through the developed Learning Mentor programme, which has been further refined and targeted for 2021/2022 by the established whole school leads to respond to the recovery strands required by school closure.

The school has been unable for the majority of the year to deliver the enhanced opportunities to learn through high quality extra-curricular provision due to COVID restrictions, but events were held virtually and in person where restrictions allowed. A focus will be on re-building this key programme that contributes so significantly to the ethos of the school.

**TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

2. Personal Development Behaviour and Welfare:

The student support services are established and staffed providing more effective support and more effectively meeting the needs of vulnerable students and students with additional needs. There is improved harmonisation between school services to meet educational needs and social, emotional and behavioural leads through targeted project work in this area.

Whilst the school has continued to invest in improving attendance, this year attendance has been hit hard by the requirement for pupils to isolate and periods of school closures.

The school's careers strategy and specialist careers leadership has enabled the vast majority of students at both 16 and 18 to take their first choice next steps as evidenced by the school's positive destinations data. Students are encouraged to develop healthy living and make healthy choices, looking after their mental and emotional and well-being. The school's work in this area has been recognised by its accreditation as a GHLL Mental Health Champions School, reaccreditation as a Healthy School and its invitation to be a lead school in the NHS/GCC Mental Health Trailblazers' programme which has seen seven primary mental health workers based at the school.

3. Student Outcome:

Student progress and achievement outcomes from all starting points have been impacted by the second year of cancellation of the summer 2021 public examinations and the use of teacher assessed grades, however the school has maintained at Progress 8 again this year with very pleasing outcomes for the Sixth form, particularly the most able students.

The school's curriculum, target setting and assessment arrangements and focus on student learning dispositions and mindset aims to ensure that students in all year groups across the curriculum make substantial and sustained progress making up for lost learning during the acute pandemic period.

4. Quality of Sixth Form Provision:

The Sixth Form has seen sustained improvement in both recruitment and retention figures in 2020-21 and 2021-22. The Year 12 recovery plan was effective in bringing the students back into school after periods of lockdown and strategies to continue high-quality education and pastoral care remotely were put in place throughout, with Sixth Form live lessons and registrations spearheading the whole school response. Vulnerable students in Sixth Form were encouraged to work in school during lockdowns and assessment through Mock exams was developed to run effectively remotely with training, delivery, and invigilation. Increased coherence and identity within the Sixth Form community are already noticeable as they return to whole school leadership roles with the removal of year group bubbles. The vertical structure was retained keeping 9 groups with experienced Learning Mentors.

Futures advice and guidance continues to be led by dedicated staffing and is reflected in the very positive post-18 destinations data. A Curriculum Standards Lead has been appointed as a substantive Assistant Director of Sixth Form and continues her work with Year 12 to ensure rapid progress and high standards following the period of school closure and the cancellation of Year 11 exams.

The Sixth Form student leadership team has been recruited and a large number of students received training from the Gloucestershire Constabulary Boost Project which was rolled out with peer delivery with the whole of Year 7 in September 2021 to improve their transition to Secondary school. A pilot with Project Talk developed by a formal CHS student has begun with a small group of students from Year 12 and Year 13 receiving training to provide peer support with Mental Fitness.

Independent study in school has been reviewed and a new Full-time Directed Study supervisor appointed with extended hours to encompass a period 6 twilight study session and preparation time before school. This has also led to the adjustment of other roles to enable greater capacity in Mental Health and wellbeing support in Sixth Form. ICT access is improved with dedicated laptops for supervised study spaces but is still an area for further development.

**TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

A full Sixth Form further development programme is in process of roll out with changes to the core provision, assessment arrangements and study arrangements. These developments have been closely monitored and evaluated across 2020-21 and will be re-focused following the period of pandemic disruption. We are also planning for the delivery of T-levels from September 2023.

5. The school continues to develop a 21st century school environment which is safe and fit for purpose:

The school has almost completed the work from the DfE CIF bid to replace and improve whole school fire safety measures, including fire doors and emergency lighting upgrades. The final stage will take place in October 2021. The school was successful in both its DfE CIF funding bids this year. The bids were to replace heating pipes and failing roofs. The work for those bids will start in October 2021 and will greatly improve the infrastructure of the school and save money due to leaks and ongoing repairs and improve the energy efficiency of the buildings.

We have also replaced IT servers and changed our back up arrangements. The next phase to improve our IT facilities for the early part of the 2021 academic year will be to upgrade the Wifi and purchase lap tops for teaching staff to future proof online learning and ensure staff have access to the school's IT network from home. We have renovated toilet facilities and re-decorated large areas of the school.

School Public Examination Results Summer 2021

There were no public examinations in 2021. Teacher Assessed Grades were used to determine the grades that were awarded. They were agreed and ratified by the exam boards.

GCSE Results:	
Attainment 8	48.4
% English and Maths (Grade 4+)	72%
Progress 8	Not published for 2021
A Level Results:	
Value added:	Not published for 2021
A* A	28.77%
A* B	47.49%
A* E	98.88%
BTEC Level 3:	
Dist*	7.5%
Dist*/D	32.5%

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention - The amount of GAG carry forward is 2% (2020 – 0%).

As funding is based on pupil numbers, this is also a key performance indicator. Pupil numbers for 2021 were 1,119 (2020 – 1,130) in years 7-11 and 201 (2020 – 179) in the Sixth Form. Numbers at Key Stage 3 and 4 have remained fairly consistent from previous years however, 6th form numbers continue to improve and we now have 225 in the sixth form. This has a significant increase in our funding.

Another key financial performance indicator is staffing costs (excluding actuarial pension adjustments) as a percentage of GAG. For 2020-21 this was 98%, which is at the same level as 2019/20.

Going Concern

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

**TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2021 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2021, the Academy realised total income of £9,215,082 (2020 - £7,632,008) and incurred total expenditure of £7,630,008 (2020 - £7,758,129). The excess of income over expenditure for the year was £1,585,074 (2020 – excess expenditure over income £126,121).

Income from lettings was affected by the COVID-19 with the closure of our sports hall, with income being £18k less than budgeted. Staff were furloughed at some points during the year due to school closures. When we were able to open, we kept lettings limited to one per night to keep the risk of transmission low. Since July lettings have resumed as normal and we have been replacing and lettings that have not renewed.

The Academy has continued to save money in gas and electricity costs due to COVID-19 and the closure of the school, although this has been offset by additional costs such as higher cleaning materials and lost income from reduced lettings and school meals. There were also savings in exam fees due to the cancellation of external exams and the introduction of Teacher Assessed Grades.

The Academy undertook a financial review during the previous year which was implemented for this academic year. Part of the redundancy took place this year due to COVID, however all the changes have now been fully implemented.

The Academy received CIF funding totalling £399,118 for upgrades and replacement of fire doors and emergency lighting. Part of this funding was in the form of a CIF loan for £39k which will start to be repaid in the next financial year when the project has been completed. The final works will be completed in the October 2021 half term. We were also successful in receiving funding for both of our CIF bids this year. We were awarded £1.9m for replacement roofs and heating pipes. Of this £50k will come from reserves, £197k from CIF and Salix loans. Due to the late notification of the award and the work still happening from the fire bid over the summer break, work on the new bids has not started yet. We are hoping to complete this work by the end of August 2022.

The Academy re-tendered the cleaning contract during the year to ensure best value. Contracts for the catering and IT were extended for an additional year only.

At 31 August 2021 the net book value of fixed assets was £15,778,288 (2020 - £15,823,235) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy. The fixed asset register was reviewed and assets removed.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 21 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges & Remissions and Lettings, Asset Management and Insurance.

**TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees of Chosen Hill School operate a reserves policy that aims to maintain an end of financial year surplus balance of approximately £560,000. This is based on the following:

1 month's salaries	£480k
Contingencies	£30k
Designated for Capital projects	£50k
Total	£560k

As at 31 August 2021, the School held a total of £14,519,338 of which £286,609 is free reserves.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. During the year the Trustees held funds in a deposit account operated by CCLA. Interest rates have been very low and so interest received in the year was the lowest ever at less than £100. The interest received in the previous Financial Year 2019-20 was £2,206.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Academy are as follows:

The Academy is aware of the impact that the Corona Virus is having on all its' key areas of risk below. The trustees have reviewed the risk register in light of the ongoing issues and impact of the virus.

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 98% of the Academy's incoming resources were ultimately Government funded. The inclusion of the funding for teachers pay and pension costs has now been included in the GAG which gives us more certainty over the funding of those items that were previously provided as separate grants.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks. An independent review of governance has been requisitioned to take place in November 2021. During the year a number of Governors have finished their terms of office or left the governing body. We are undergoing a recruitment process which is being directed by the skills audit and the Governance review.

Premises - one of the major risks affecting the Academy at the moment is the risk of closure due to the age and condition of some of the infrastructure. This includes failing heating pipework and roofs. The Academy has secured CIF funding to address these issues so the longer term situation should improve. However, this work is not due to start until Easter 2022 and so in the short term, this still remains a high risk to the Academy.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student

**TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - the Academy has appointed an independent external auditor to carry out checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Academy has agreed a Risk Register. This has been discussed by Trustees and include the financial risks to the Academy. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy is over-subscribed, risks to revenue funding from a falling roll are small. The Trustees have set a surplus budget for 2021/22 and for the next three years. There are local uncertainties around high needs funding for the future which may impact on the future years' estimates.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Resources Committee meetings. The Trustees also ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in note 24 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

FUNDRAISING

During this year fundraising activities have been difficult due to the CORONA Virus epidemic. Funds raised by the PTA were used to purchase outdoor seating. Pupils raised £2,600 through dress down days for charities including Young Minds and Sports Relief.

The Trustees are committed to ensuring that fundraising activities are carried out in an ethical manner. In doing so, the Academy will adhere to the Charities Commission publication 'Charity Fundraising' (CC20) and will comply with all relevant laws. Complaints will be dealt with in accordance with the Academy's usual procedures.

The school raised the bulk of this through non uniform days. Fundraising events were impacted by school closure during January to March 2021.

**TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools, the local community and employers to improve the educational opportunities for students in the wider community.

The Academy will aim to increase revenue from external sources by increasing the letting of facilities and also from fundraising through the PTA and other sources where possible.

Full details of our plans for the future are given in our Academy Strategic School Improvement Plan, which is available from the Clerk to the Trustees.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The school holds funds on behalf of the Friends of Chosen Hill School. These funds are held separately, are not used by the School unless a donation is received and do not form part of the Financial Statements.

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

The auditors, Hazlewoods LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 13 December 2021 and signed on the board's behalf by:



**A Aston
Chair of Trustees**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

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 Chosen Hill School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year. The board maintains effective oversight of funds with more frequent meetings of the Resources Committee. The Chair and Vice Chair are both members of the Resources Committee and any financial concerns will be raised for the attention of the Full Governors and additional meetings convened if necessary.

A number of Governors have resigned this year and the Governing Board is currently recruiting new Governors.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs A Aston, Chair	4	4
Mr M Edgington	4	4
Miss C Fishlock	4	4
Mrs K Harrison, Headteacher	4	4
Miss K Hemens	4	4
Prof N McLoughlin	4	4
Ms L Moore	4	4
Mrs N Murray	4	4
Mr W Parker	4	4
Mrs S Pullen	1	1
Mr D Taylor	4	4
Mr W McCreath	4	4
Mr D Newton	3	4
Mrs A Pilsworth	4	4
Ms L Hudson	3	4
Mr D Roberts	3	4

The Board of Trustees undergoes a continual process of critical self-review and reflection. The committee structure has been: Learning and Outcomes, Resources (incorporating Finance and Premises), Audit and Risk and Community and People. These committees report directly to the Board of Trustees. Following a number of Governor changes at the end of this year, the Governors have changed the structure from September 2021 and merged the Community and People Committee with the Resources Committee. They have also commissioned an independent review of Governance for the Academy as per recommendation in the Academy Handbook.

The 2018 OFSTED inspection noted the following on the governance arrangements of the Academy:

"Governors are well informed and provide a good balance of support and challenge."

GOVERNANCE STATEMENT (Continued)

The Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor, evaluate and review policy and performance in relation to financial management, compliance with reporting and regulatory

requirements and reporting, receiving reports on internal controls from the external auditors and drafting the annual budget. This committee is also responsible for and has oversight of the upkeep and maintenance of the physical structure of the school. During the year they re-tendered the cleaning contract and managed the CIF fire bid.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs A Aston	5	5
Mr M Edgington	4	5
Miss K Hemens (Vice Chair)	4	5
Mrs K Harrison, Headteacher	5	5
Mr W McCreath	4	5
Mrs N Murray	1	5
Mrs S Pullen	0	1
Mr D Taylor (chair)	5	5

The Audit and Risk Committee is a sub-committee of the main board of Trustees. Its purpose is to maintain oversight of the Academy financial, governance, risk management and internal control systems and report to the trust board and accounting officer. The committee meets 3 times per year.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Edgington (Chair)	3	3
Ms L Moore	2	3
Mr D Taylor	3	3
Mr W McCreath	3	3

The Learning and Outcomes committee is also a sub-committee of the main Board of Trustees. Its purpose is to consider and advise the Governing board on learning and outcomes of pupils, including statutory requirements.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs A Aston, (Chair)	3	4
Mrs K Harrison, Headteacher	4	4
Mr D Roberts	4	4
Prof N McLoughlin	4	4
Ms L Moore	4	4
Mr W Parker	4	4
Mr D Taylor	4	4
Mr D Newton	1	4
Ms L Hudson	4	4

The Community and People committee is a sub-committee of the main board of trustees. Its purpose is to establish the role of the school within the community and support the health and safety, wellbeing and pastoral care of both students and staff.

GOVERNANCE STATEMENT (Continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs A Aston,	3	4
Miss C Fishlock	4	4
Miss K Hemens	3	4
Mrs K Harrison, Headteacher	4	4
Ms L Moore	3	4
Mrs N Murray	4	4
Mrs S Pullen	0	1
Mrs A Pilsworth	4	4

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy 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'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 Accounting Officer for the Academy has delivered improved value for money during the year by:

1. Management and Governance arrangements have enabled regular monitoring of Chosen Hill School's finance. Meetings took place over teams throughout the year. A 3 year budget projection, annual budget and regular in year budget reviews have informed decisions to ensure that the School is making the best use of the finance resources in both the long and short term.
2. A number of systems are in place to assess and manage risk in relation to the controls of finance. The presence of good systems of internal control is confirmed by the independent internal audit of systems and the finance statements.
3. The Academy works with other local secondary Academy schools to make joint procurements of services wherever possible and where it is advantageous to the Academy.
4. The Academy participates within the Gloucestershire Association of School Business Manager's forum to share advice, procurement information and skills.
5. The Academy continues to review its Financial Policy and housekeeping protocols.
6. The Academy has made use of DfE and CPC procurement initiatives to purchase IT equipment and has re-tendered its cleaning contract in the year.
7. The Academy has implemented the re-structure plan from the last financial year and continues to monitor the deployment of staff as they change through natural turnover.

During the further school closures due to COVID, the Academy has continued to ensure suppliers have been paid to ensure the continuity of services. Most services continued as normal through the winter period, despite the closure of the school. The main exception has been the catering which has been the biggest cost to the school with two months with no sales, but fixed costs to cover. We tried to limit this as much as possible by agreeing with the catering supplier to furlough staff. Cleaning and IT suppliers have continued as normal, even during the closure period.

GOVERNANCE STATEMENT (Continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Chosen Hill School for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy 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's significant risks, that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy'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 Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- 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 decided not to appoint an internal auditor. However, the Trustees have appointed Duncan & Toplis Ltd to carry out an independent internal review of the systems and controls to provide assurance to the Board. They are independent from the year end financial auditors. The Governing body considers this is the most effective and value for money option for internal audit, ensuring auditors have the appropriate qualifications and skills and understanding of the audit function.

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

- Review of the system for recording expenditure and making bank payments
- Review of payroll to ensure it is appropriately prepared and authorised
- Review of the credit card, including correct authorisation and recording
- Review of the process for Budgeting and financial monitoring
- Review of the process for recording income and banking cash receipts

The Reviewer reports to the Board of Trustees through the Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

GOVERNANCE STATEMENT (Continued)

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 external auditors;
- the work of the executive managers within the Academy 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 Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 13 / December 2021 and signed on their behalf, by:



**Mrs A Aston
Chair of Trustees**



**Mr M Pauling
Accounting Officer**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Chosen Hill School I have considered my responsibility to notify the Academy 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, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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.



Mr M Pauling
Accounting Officer

Date: 17.12.2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP (FRS102) and the Academies Accounts Direction 2020 to 2021
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

The Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education and Skills Funding Agency and Department for Education have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 13.10.2021 and signed on its behalf by:



Mrs A Aston
Chair of Trustees

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CHOSEN HILL SCHOOL

Opinion

We have audited the financial statements of Chosen Hill School for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Charities SORP (FRS102) and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs as at 31 August 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP (FRS102) and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CHOSEN HILL SCHOOL (Continued)

we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities,

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CHOSEN HILL SCHOOL (Continued)

including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company financial statements or that had a fundamental effect on the operations of the company. We determined that the most significant laws and regulations included UK GAAP, UK Companies Act 2006 and taxation laws;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included challenging assumptions and judgments made by management in its significant accounting estimates and identifying and testing journal entries, in particular any journal entries posted with unusual characteristics.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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

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

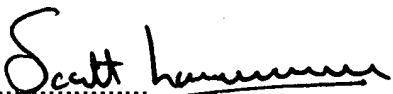
Use of our report

This report is made solely to the Academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the

**CHOSEN HILL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CHOSEN HILL SCHOOL (Continued)

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.


.....
Scott Lawrence FCA DChA (Senior Statutory Auditor)

15/12/21
.....
Date

For and on behalf of Hazlewoods LLP, Statutory Auditor

Staverton Court
Staverton
Cheltenham
GL51 0UX

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

In accordance with the terms of our engagement letter dated 29 April 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies: Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Chosen Hill School during year to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

The Accounting Officer is responsible, under the requirements of Chosen Hill School's funding agreement with the Secretary of State for Education dated 19 December 2021 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies: Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies: Accounts Direction 2020 to 2021 issued by the 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.

In this regard, we have carried out the following:

- specific testing of a sample of items of income and expenditure to ensure appropriately applied for the purposes intended;
- specific testing of a sample of system controls relevant to the above items;
- a general review of relevant correspondence with the ESFA regarding Academy governance matters during the period since conversion; and
- a general review and discussion of the Academy's internal processes for establishing and maintaining systems of control and documentation regarding these matters.

Use of our report

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

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

Conclusion

In the course of our work, except for there being no programme of risk review and checking of financial controls in the year, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....
Scott Lawrence FCA DChA (Reporting Accountant)

15/12/21
.....
Date

For and on behalf of Hazlewoods LLP, Statutory Auditor

**Staverton Court
Staverton
Cheltenham
GL51 0UX**

**CHOSEN HILL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)
FOR THE YEAR ENDED 31 AUGUST 2021**

		Restricted funds				
	Notes	Unrestricted Funds £	Restricted Funds £	Fixed Asset Funds £	Total 2021 £	Total 2020 £
INCOME FROM						
Charitable activities:						
Donations and capital grants	3	-	503	1,681,442	1,681,945	430,309
Charitable activities	4	49,185	7,465,687	-	7,514,672	7,162,420
Other trading activities	5	16,924	1,495	-	18,419	37,073
Investments	6	46	-	-	46	2,206
TOTAL		66,155	7,467,485	1,681,442	9,215,082	7,632,008
EXPENDITURE FROM						
Charitable activities:						
	7,8	46,457	7,181,172	402,379	7,630,008	7,758,129
TOTAL EXPENDITURE		46,457	7,181,172	402,379	7,630,008	7,758,129
NET INCOME/ (EXPENDITURE)		19,698	286,313	1,279,063	1,585,074	(126,121)
Transfers between funds	18	-	(42,771)	42,771	-	-
NET INCOME/ (EXPENDITURE) FOR THE YEAR		19,698	243,542	1,321,834	1,585,074	(126,121)
Actuarial gains/(losses) on defined benefit pension schemes	24	-	(341,000)	-	(341,000)	231,000
NET MOVEMENT IN FUNDS		19,698	(97,458)	1,321,834	1,244,074	104,879
RECONCILIATION OF FUNDS						
Funds brought forward at 1 September 2020	18,19	266,911	(3,214,000)	16,222,353	13,275,264	13,170,385
FUNDS CARRIED FORWARD AT 31 AUGUST 2021	18,19	286,609	(3,311,458)	17,544,187	14,519,338	13,275,264

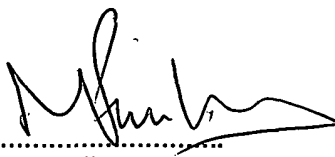
All of the Academy's activities derive from continuing operations during the above two financial periods.
No separate statement of total recognised gains and losses has been presented as all such gains and losses are dealt with in the statement of financial activities above.

**CHOSEN HILL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**BALANCE SHEET
AS AT 31 AUGUST 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	13	15,778,288	15,823,235
CURRENT ASSETS			
Stock	14	16,282	17,450
Debtors	15	2,216,917	587,082
Cash at bank and in hand		<u>1,343,248</u>	<u>725,273</u>
		3,576,447	1,329,805
LIABILITIES			
Creditors: Amounts falling due within one year	16	<u>(667,890)</u>	<u>(490,685)</u>
NET CURRENT ASSETS		2,908,557	839,120
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>18,686,845</u>	<u>16,662,355</u>
Creditors: amounts falling due after more than one year	17	<u>(391,507)</u>	<u>(173,091)</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>18,295,338</u>	<u>16,489,264</u>
Defined benefit pension scheme liability	24	(3,776,000)	(3,214,000)
TOTAL NET ASSETS		<u>14,519,338</u>	<u>13,275,264</u>
FUNDS OF THE ACADEMY:			
Restricted funds			
Fixed asset fund	18	17,544,187	16,222,353
Restricted income fund	18	<u>464,542</u>	<u>-</u>
Restricted funds excluding pension asset	18	18,008,729	16,222,353
Pension reserve	18	<u>(3,776,000)</u>	<u>(3,214,000)</u>
Total restricted funds	18	14,232,729	13,008,353
Unrestricted income funds	18	286,609	266,911
TOTAL FUNDS		<u>14,519,338</u>	<u>13,275,264</u>

The financial statements on pages 29 to 50 were approved by the Trustees, and authorised for issue on and are signed on their behalf by:


.....
Mr M Pauling

Registered Number: 07550474

**CHOSEN HILL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

	Notes	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	20	(703,416)	15,150
Cash flows from investing activities	21	1,321,391	145,151
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD		617,975	160,301
Cash and cash equivalents at 1 September 2020		725,273	564,972
CASH AND CASH EQUIVALENTS AT 31 AUGUST 2021	22,23	1,343,248	725,273

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

1 Statement of Accounting Policies

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

Basis of Preparation

The financial statements of the Academy, 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 (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. Chosen Hill School meets the definition of a public benefit entity under FRS 102.

Going Concern

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

Income

All incoming resources are recognised when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants**

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

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

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

- **Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable, (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **Donations**

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

1 Statement of Accounting Policies (Continued)

- **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Expenditure

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

- **Expenditure on raising funds**

This includes all expenditure incurred by the School 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's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following basis:

Freehold property	50 years straight line
Plant and equipment	3-5 years straight line

1 Statement of Accounting Policies (Continued)

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.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Debtors

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

Liabilities and Provisions

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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

Operating Leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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 recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest.

1 Statement of Accounting Policies (Continued)

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

The Academy is a member of a multi-employer plan. Where it is not possible for the Academy to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

Agency Arrangements

The Academy 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 Academy does not have control over the charitable application of the funds. The Academy can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in note 27.

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency and Department for Education Group.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

CHOSEN HILL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

3 Donations and Capital Grants

	Restricted Funds	Restricted Fixed Asset Funds	Total 2021	Total 2020
	£	£	£	£
Donations	503	-	503	3,142
Capital grants	-	1,681,442	1,681,442	427,167
Total 2021	503	1,681,442	1,681,945	430,309
Total 2020	3,142	427,167	430,309	

4 Funding for the Academy's Education

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
DfE/ESFA revenue grants:				
General Annual Grant (GAG) - see note 2	-	6,509,282	6,509,282	6,245,578
Pupil Premium	-	199,678	199,678	192,116
Other DfE/ESFA grants	-	481,000	481,000	409,065
	-	7,189,960	7,189,960	6,846,759
Other government funding:				
High Needs	-	222,007	222,007	171,185
Other government grants: non capital	-	45,327	45,327	19,613
Exceptional government funding	-	8,194	8,194	5,101
	-	275,528	275,528	195,899
Other Funding				
Sales to students	8,121	-	8,121	4,127
Trips and music tuition	41,064	-	41,064	115,635
	49,185	-	49,185	119,762
Total 2021	49,185	7,465,688	7,514,873	7,162,420
Total 2020	119,762	7,042,658	7,162,420	

The Academy received £89,400 of funding for catch-up premium and costs incurred in respect of this funding totalled £40,720, with the remaining £48,680 to be spent in 2021/22.

The Academy furloughed some of its staff under the government's CJRS. The funding received of £8,194 (2020 - £5,101) relates to staff costs in respect of 3 staff which are included within note 10 as appropriate.

**CHOSEN HILL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

5 Income from Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Lettings	15,974	-	15,974	25,862
Consultancy	-	-	-	11,211
RPA	-	1,495	1,495	-
Other Income	950	-	950	-
Total 2021	<u>16,924</u>	<u>1,495</u>	<u>18,419</u>	<u>37,073</u>

All income in 2020 related to unrestricted funds.

6 Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Bank interest	46	-	46	2,206
Total 2021	<u>46</u>	<u>-</u>	<u>46</u>	<u>2,206</u>

All income in 2020 related to unrestricted funds.

7 Expenditure

	Staff Costs £	Premises £	Other Costs £	Total 2021 £	Total 2020 £
EDUCATION:					
Direct costs	5,272,602	348,137	378,644	5,999,383	6,105,388
Allocated support costs	731,366	502,837	396,422	1,630,625	1,652,741
Total 2021	<u>6,003,968</u>	<u>850,974</u>	<u>775,066</u>	<u>7,630,008</u>	<u>7,758,129</u>
Total 2020	<u>6,133,840</u>	<u>774,568</u>	<u>849,721</u>	<u>7,758,129</u>	

8 Analysis of expenditure by activities

	Activities Undertaken Directly 2021 £	Support Costs 2021 £	Total 2021 £	Total 2020 £
Education	5,999,383	1,630,625	7,630,008	7,758,129
Total 2021	<u>5,999,383</u>	<u>1,630,625</u>	<u>7,630,008</u>	<u>7,758,129</u>
Total 2020	<u>6,105,388</u>	<u>1,652,741</u>	<u>7,758,129</u>	

8 Analysis of expenditure by activities (Continued)

Analysis of direct costs

	Total 2021 £	Total 2020 £
Pension finance cost	24,640	26,000
Staff costs	5,182,699	5,214,520
Depreciation	348,137	329,032
Educational supplies	126,936	159,990
Examination fees	79,248	124,487
Staff development	6,412	2,782
Other costs	141,408	141,691
Agency supply teachers	89,903	106,886
	<u>5,999,383</u>	<u>6,105,388</u>

Analysis of support costs

	Total 2021 £	Total 2020 £
Pension finance cost	31,360	33,000
Staff costs	731,366	812,434
Depreciation	54,241	51,264
Other costs	33,221	75,700
Recruitment and support	8,449	13,328
Maintenance of premises and equipment	140,724	131,390
Cleaning	173,914	131,164
Rent and rates	25,600	25,367
Energy costs	94,834	91,430
Insurance	28,773	42,315
Security and transport	13,524	14,921
Catering	65,570	55,463
Technology costs	161,848	110,633
Office overheads	12,296	7,133
Legal and professional	51,706	56,165
Bank interest and charges	3,015	592
Governance	184	442
	<u>1,630,625</u>	<u>1,652,741</u>

9 NET (EXPENDITURE)/INCOME

Net (expenditure)/income for the year includes:

	Total 2021 £	Total 2020 £
Operating lease rentals	19,321	19,060
Depreciation of tangible fixed assets	402,379	380,296
Fees paid to auditors for:		
- audit	9,750	8,950
- other services	3,620	3,355

10 Staff

a. STAFF COSTS	2021	2020
	£	£
Staff costs during the year were as follows:		
Wages and salaries	4,293,313	4,368,119
Social security costs	412,197	421,968
Pension costs	1,208,555	1,236,867
	<u>5,914,065</u>	<u>6,026,954</u>
Agency Staff costs	89,903	106,886
	<u>6,003,968</u>	<u>6,133,840</u>

	2021	2020
	£	£
Restructuring costs		
Redundancy payments	13,916	17,207
Severance payments	19,914	-
	<u>33,830</u>	<u>17,207</u>

Included in the above restructuring costs, are non-statutory/non-contractual severance payments totalling £19,914 (2020: £Nil)

b. STAFF NUMBERS

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

	2021	2020
	No.	No.
Teachers	79	82
Administration and support	63	71
Management	6	7
	<u>148</u>	<u>160</u>

The average headcount expressed as full-time equivalents was:

	2021	2020
	No.	No.
Teachers	66	71
Administration and support including teaching assistants	43	43
Management	6	7
	<u>115</u>	<u>121</u>

c. HIGHER PAID STAFF	2021	2020
	No.	No.
In the band £60,001 - £70,000	3	4
In the band £70,000 - £80,000	1	-
In the band £90,001 - £100,000	-	1
In the band £100,000 - £110,000	1	-
	<u>5</u>	<u>5</u>

10 Staff (Continued)

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £574,770 (2020: £504,216).

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff Trustees do not form part of the Key Management Personnel other than in their role as Trustees, their remuneration as set out in note 11 has not been included in the total benefits received by Key Management Personnel above.

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 under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of trustees' remuneration and other benefits was as follows: K Harrison: remuneration £100,000 - £105,000 (2020: £95,000 - £100,000), employer's pension contributions £20,000 - £25,000 (2020: £20,000 - £25,000); D Roberts: remuneration £35,000 - £40,000 (2020: £25,000 - £30,000), employer's pension contributions £5,000 - £10,000 (2020: £5,000 - £10,000); C Fishlock: remuneration £40,000 - £45,000 (2020: £15,000 - £20,000), employer's pension contributions £10,000 - £15,000 (2020: £0 - £5,000); and A Pilsworth: remuneration £15,000 - £20,000 (2020: £5,000 - £10,000), employer's pension contributions £0 - £5,000 (2020: £0 - £5,000); D Wardlaw: remuneration £60,000 - £65,000, employers pension contributions £15,000 - £20,000.

During the year, no Trustees received any benefits in kind (2020: £Nil).

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

12 Trustees' and Officers' Insurance

The Academy has opted into the Department of 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 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 membership.

**CHOSEN HILL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

13 Tangible Fixed Assets

	Freehold Property £	Plant and equipment £	Total £
Cost			
At 1 September 2020	18,189,298	840,496	19,029,794
Additions	324,486	36,114	360,600
Disposals	-	(214,598)	(214,598)
Capital to Revenue	-	(2,759)	(2,759)
At 31 August 2021	<u>18,513,784</u>	<u>659,252</u>	<u>19,173,037</u>
Depreciation			
At 1 September 2020	2,658,094	548,465	3,206,559
Charged in year	305,977	96,402	402,379
Depreciation on Disposals	-	(214,189)	(214,189)
At 31 August 2021	<u>2,964,071</u>	<u>430,678</u>	<u>3,394,749</u>
Net book values			
At 31 August 2021	<u>15,549,713</u>	<u>228,575</u>	<u>15,778,288</u>
At 31 August 2020	<u>15,531,204</u>	<u>292,031</u>	<u>15,823,235</u>

Included in freehold property is freehold land at Valuation of £2,890,428 (2020: 2,890,428) which is not depreciated.

14 Stock

	2021 £	2020 £
Finished goods and goods for resale	<u>16,282</u>	<u>17,450</u>

15 Debtors

	2021 £	2020 £
DUE WITHIN ONE YEAR		
Trade debtors	1,500	2,861
VAT recoverable	65,293	32,787
Other debtors	1,110	84
Prepayments and accrued income	<u>2,149,014</u>	<u>550,620</u>
	<u>2,216,917</u>	<u>587,082</u>

16 Creditors: amounts falling due within one year

	2021 £	2020 £
ESFA Loan	19,232	19,232
Trade creditors	155,605	27,971
Other taxation and social security	99,915	104,446
Other creditors	118,317	138,048
Accruals and deferred income	<u>274,821</u>	<u>200,988</u>
	<u>667,890</u>	<u>490,685</u>

17 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
ESFA loan	153,858	173,091
CIF loan	206,952	-
SALIX loan	30,697	-
	<hr/> 391,507	<hr/> 173,091
Included within the above are amounts falling due as follows:		
BETWEEN ONE AND TWO YEARS		
ESFA loan	19,232	19,232
CIF loan	20,695	-
SALIX loan	3,837	-
	<hr/> 43,764	<hr/> 19,232
BETWEEN TWO AND FIVE YEARS		
ESFA loan	57,696	57,696
CIF loan	62,086	-
SALIX loan	11,511	-
	<hr/> 131,293	<hr/> 57,696
OVER FIVE YEARS		
ESFA loan	76,930	96,163
CIF loan	124,171	-
SALIX loan	15,349	-
	<hr/> 216,450	<hr/> 96,163

During the prior year, the Academy received emergency funding in the form of a loan from the ESFA in order to repair a broken boiler to the main school. The loan of £192,323 is repayable in monthly instalments over 10 years with an applicable annual interest rate of 2.29%.

During the year, the Academy received emergency funding in the form of a loan from the CIF and SALIX in order to support the replacement of roofs, heating and lighting to the main school. The CIF loan of £206,952 is repayable in monthly instalments over 10 years with an applicable annual interest rate of 2.07%. The SALIX loan of £30,967 is repayable in monthly instalments over 8 years with an applicable annual interest rate of 0%.

**CHOSEN HILL SCHOOL
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18 Statement of funds

	Balance at 1 Sept 2020 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
General funds	266,911	66,155	(46,457)	-	-	286,609
RESTRICTED FUNDS						
General Annual Grant (GAG)	-	6,509,282	(6,001,969)	(42,771)	-	464,542
Pupil Premium	-	199,678	(199,678)	-	-	-
Other DfE/ESFA	-	481,000	(481,000)	-	-	-
High needs	-	222,007	(222,007)	-	-	-
Other government grants	-	53,520	(53,520)	-	-	-
Other income	-	1,998	(1,998)	-	-	-
Pension reserve	(3,214,000)	-	(221,000)	-	(341,000)	(3,776,000)
	<u>(3,214,000)</u>	<u>7,467,485</u>	<u>(7,181,172)</u>	<u>(42,771)</u>	<u>(341,000)</u>	<u>(3,311,458)</u>
RESTRICTED FIXED ASSET FUNDS						
DfE/ESFA capital						
Fixed assets transferred on conversion	12,467,277	-	(229,356)	-	-	12,237,921
Fixed assets purchased from GAG and other restricted funds	<u>3,755,076</u>	<u>1,681,442</u>	<u>(173,023)</u>	<u>42,771</u>	<u>-</u>	<u>3,624,824</u>
	<u>16,222,353</u>	<u>1,681,442</u>	<u>(402,379)</u>	<u>42,771</u>	<u>-</u>	<u>17,544,187</u>
TOTAL RESTRICTED FUNDS	<u>13,008,353</u>	<u>9,148,927</u>	<u>(7,583,551)</u>	<u>-</u>	<u>(341,000)</u>	<u>14,232,729</u>
TOTAL FUNDS	<u>13,275,264</u>	<u>9,215,082</u>	<u>(7,630,008)</u>	<u>-</u>	<u>(341,000)</u>	<u>14,519,338</u>

18 Statement of funds (Continued)

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

Restricted Funds

Donations represent income received for a specific purpose.

General Annual Grant (GAG) represents funding received from the Education & Skills Funding Agency (ESFA) which is to be used for the normal running costs of the Academy, including education and support costs.

Pupil Premium funding represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying socio-economic inequalities.

Other ESFA includes reimbursement of rates, funding received in respect of Year 7 catch up and additional funding to help with the increase in Teachers' pay and pension contributions during the year.

High Needs funding is received from the Local Authority to fund further support for students with additional needs.

Other local authority grants includes Pupil Premium received from the local authority.

Educational visits includes funds received from parents. These funds have been reclassified to unrestricted funds in the year.

Donations represent income received for a specific purpose, including voluntary contributions received for school trips.

Pension reserve represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which were inherited on conversion to an Academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

Fixed Asset Funds

Fixed Assets transferred on conversion represent the buildings and equipment donated to the school from the Local Authority on conversion to an Academy.

Fixed assets purchased from GAG represents amounts spent on fixed assets from GAG funding received from the ESFA.

Fixed assets purchased from other restricted funds represents CIF funding received from the ESFA to support capital projects under taken by the Academy, devolved formula capital grants from the ESFA for purchase of fixed assets and other restricted funds used for the purchase of fixed assets. During the year, the Academy received £1,654,113 as a result of a successful CIF bid from the ESFA in order to replace and improve the school fire safety measures. This work will take place in the 2021/22 academic year.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

**CHOSEN HILL SCHOOL
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18 Statement of funds (Continued)

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

	Balance at 1 Sept 2019 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
General funds	409,221	159,041	(301,351)	-	-	266,911
RESTRICTED FUNDS						
General Annual Grant (GAG)	-	6,245,578	(6,030,260)	(215,318)	-	-
Pupil Premium	-	192,116	(192,116)	-	-	-
Other DfE/ESFA	-	409,065	(409,065)	-	-	-
High needs	-	171,185	(171,185)	-	-	-
Other local authority grants	-	24,714	(24,714)	-	-	-
Donations	-	3,142	(3,142)	-	-	-
Pension reserve	(3,199,000)	-	(246,000)	-	231,000	(3,214,000)
	<u>(3,199,000)</u>	<u>7,045,800</u>	<u>(7,076,482)</u>	<u>(215,318)</u>	<u>231,000</u>	<u>(3,214,000)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	12,684,267	-	(216,990)	-	-	12,901,257
Fixed assets purchased from GAG and other restricted funds	3,275,897	427,167	(163,306)	215,381	-	3,277,792
	<u>15,960,164</u>	<u>427,167</u>	<u>(380,296)</u>	<u>215,318</u>	<u>-</u>	<u>16,222,353</u>
TOTAL RESTRICTED FUNDS	<u>12,761,164</u>	<u>7,472,967</u>	<u>(7,456,778)</u>	<u>-</u>	<u>231,000</u>	<u>13,008,353</u>
TOTAL FUNDS	<u>13,170,385</u>	<u>7,632,008</u>	<u>(7,758,129)</u>	<u>-</u>	<u>231,000</u>	<u>13,275,264</u>

CHOSEN HILL SCHOOL
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19 Analysis of net assets between funds

Analysis of net assets between funds – current period

	Unrestricted Funds £	Restricted General £	Restricted Fixed Asset £	Total Funds £
Tangible fixed assets	-	-	15,778,288	15,778,288
Current assets	286,609	1,286,290	2,003,548	3,576,447
Current liabilities	-	(667,890)	-	(667,890)
Non-current liabilities	-	(153,858)	(237,649)	(391,507)
Pension scheme liability	-	(3,776,000)	-	(3,776,000)
Total net assets	286,609	(3,311,458)	17,544,187	14,519,338

Analysis of net assets between funds – Prior Period

	Unrestricted Funds 2020 £	Restricted General 2020 £	Restricted Fixed Asset 2020 £	Total Funds 2020 £
Tangible fixed assets	-	-	15,823,235	15,823,235
Current assets	266,911	663,776	399,118	1,329,805
Creditors due within one year	-	(490,685)	-	(490,685)
Creditors due in more than one year	-	(173,091)	-	(173,091)
Provisions for liabilities and charges	-	(3,214,000)	-	(3,214,000)
Total net assets	266,911	(3,214,000)	16,222,353	13,275,264

20 Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the period (as per the statement of financial activities)	1,585,074	(126,121)
Adjustments for:		
Depreciation	402,379	380,296
Capital grants from DfE and other capital income	(1,681,945)	(427,167)
Interest receivable	(46)	(2,206)
Loss on disposal of tangible fixed assets	9	-
Defined benefit pension scheme cost less contributions payable	165,000	187,000
Defined benefits pension scheme finance cost	56,000	59,000
(Increase)/decrease in stocks	1,168	(5,764)
(Increase)/decrease in debtors	(1,626,677)	(397,380)
(Increase)/decrease in creditors	395,621	347,492
Net cash provided by/(used in) operating activities	(703,416)	15,150

CHOSEN HILL SCHOOL
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21 Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	46	2,206
Purchase of tangible fixed assets	(360,600)	(284,222)
Capital grants from DfE Group	1,681,945	427,167
Net cash provided by/(used in) investing activities	1,321,391	145,151

22 Analysis of cash and cash equivalents

	At 31 August 2021 £	At 31 August 2020 £
Cash in hand and at bank	1,343,248	725,273
Total cash and cash equivalents	1,343,248	725,273

23 Analysis of changes in net funds

	At 31 September 2020 £	Cash Flows 2021 £	New Finance Leases 2021 £	Other Non-cash Changes 2021 £	At 31 August 2021 £
Cash at bank and in hand	725,273	617,975	-	-	1,343,248
ESFA loan (due within 1 year)	(19,232)	-	-	-	(19,232)
ESFA loan (due after 1 year)	(173,091)	19,232	-	-	(153,858)
CIF loan (due after 1 year)	-	-	-	(206,952)	(206,952)
SALIX loan (due after 1 year)	-	-	-	(30,697)	(30,697)
	<u>532,950</u>	<u>598,743</u>	<u>-</u>	<u>(237,649)</u>	<u>932,509</u>

24 Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £117,482 were payable to the schemes at 31 August 2021 (2020 - £119,370) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

24 Pension commitments (continued)

VALUATION OF THE TEACHERS' PENSION SCHEME

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

- Employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million.
- The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £747,620 (2020: £785,000).

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

Under the definitions set out in FRS102, the TPS is an unfunded multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £353,728 (2020: £315,000), of which employer's contributions totalled £295,617 (2020: £263,000) and employees' contributions totalled £58,111 (2020: £52,000). The agreed contribution rates for future years are 30.4% for employers and 5.5% to 12.5% for employees.

As described in note 24 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

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24 Pension commitments (continued)

Principal actuarial assumptions

	At 31 August 2021	At 31 August 2020
Rate of increase in salaries	3.2%	2.6%
Rate of increase for pensions in payment/inflation	2.9%	2.3%
Discount rate for scheme liabilities	1.7%	1.7%

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

	At 31 August 2021	At 31 August 2020
Retiring today -		
Males	21.9	21.7
Females	24.3	23.9
Retiring in 20 years -		
Males	22.9	22.4
Females	26.0	25.3

Sensitivity analysis

	2021 £	2020 £
Discount rate -0.5%	945,000	805,000
CPI rate +0.5%	875,000	739,000

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

	Fair value at 31 August 2021 £	Fair value at 31 August 2020 £
Equities	3,819,000	2,890,000
Corporate bonds	1,146,000	1,007,000
Property	382,000	350,000
Cash and other liquid assets	109,000	131,000
Total market value of assets	5,455,000	4,378,000

The actual return on scheme assets was £1,036,000 (2020: £92,000)

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

	2021 £	2020 £
Current service cost	(459,000)	(450,000)
Past service cost	-	-
Interest income	76,000	75,000
Interest cost	(132,000)	(134,000)
Total	(515,000)	(509,000)

24 Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	7,592,000	7,218,000
Current service cost	459,000	450,000
Interest cost	132,000	134,000
Employee contributions	58,000	52,000
Actuarial losses/(gains)	1,116,000	(201,000)
Benefits paid	(126,000)	(61,000)
Past service costs	-	-
At 31 August	<u>9,231,000</u>	<u>7,592,000</u>

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

	2021 £	2020 £
At 1 September	4,378,000	4,019,000
Interest income	76,000	75,000
Actuarial gains	775,000	30,000
Employer contributions	294,000	263,000
Employee contributions	58,000	52,000
Benefits paid	(126,000)	(61,000)
At 31 August	<u>5,455,000</u>	<u>4,378,000</u>

25 Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	18,097	10,242
Later than 1 year and not later than 5 years	<u>21,021</u>	<u>10,244</u>
	<u>39,118</u>	<u>20,486</u>

26 Members' liability

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

27 Agency arrangements

The Academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2021 the Academy received £8,783 (2020: £14,004) and disbursed £16,749 (2020: £10,431) from the fund. An amount of £8,433 (2020: £16,399) is included in deferred income relating to the undistributed funds.