

Company Registration No. 07657852 (England and Wales)

THE CHANTRY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021



THE CHANTRY SCHOOL

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THE CHANTRY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr T Nott
Mr P Jackson
Mr P F Wilcox

Trustees

Mrs K E Barnett
Mrs A Bates
Mr P J Cumming
Dr A Dickenson (Accounting Officer)
Mrs J Harrison
Miss L Jackson
Mr P Jackson
Mrs C M S Knight
Mr D Morris (Appointed 8 July 2021)
Mr T Nott
Mr R Rudge (Appointed 8 July 2021)
Mrs S Savage S (Appointed 8 July 2021)
Mr S Steikunas
Mr A Tedesco (Appointed 29 January 2021)
Mrs M Tucker M (Appointed 8 July 2021)
Mr D Walton
Mr P Wilcox (Chair of Governors)
Mrs R Elliott (Resigned 18 December 2020)
Mr M R Hill (Resigned 16 March 2021)

Senior management team

Dr A Dickenson	- Headteacher
Mrs N Clear	- Deputy Headteacher
Mr M Lake	- Assistant Headteacher
Miss M Palmer	- Assistant Headteacher
Mr D Darling	- School Business Manager

Company secretary

Mr D Darling

Company registration number

07657852 (England and Wales)

Registered office

The Chantry School
Martley
Worcester
Worcestershire
WR6 6QA

Independent auditor

Ormerod Rutter Limited
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

Bankers

Lloyds Bank Plc
4 The Cross
Worcester
Worcestershire
WR1 3PY

THE CHANTRY SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates an academy for pupils aged 11 to 16 serving a catchment area in Martley and surrounding villages. It has a pupil capacity of 875 aged 11 to 16 students. This capacity increased from September 2018 as part of 5 year county council expansion programme. The academy had a roll of 836 students aged 11 to 16 in the school on census of October 2021.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of The Chantry School are also the directors of the charitable company for the purposes of company law.

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

Members' liability

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

Trustees' indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust.

Method of recruitment and appointment or election of trustees

The management of the academy is the responsibility of the trustees who are elected and co opted under the terms of the Articles of Association. Nominations for vacant trustee positions are put before the Full Governing body and voted upon. The appointment is recorded in the minutes of that meeting. There is an open recruitment and election process for parent trustees by placing an advert in the school press. This is subsequently ratified at the next full trustees meeting.

Policies and procedures adopted for the induction and training of trustees

The academy has set up a comprehensive Induction programme for new trustees and new trustees are also encouraged to attend a 'New trustee Training' course. Trustee training is assessed periodically and courses and opportunities for development are offered as and when they arise. Training options are actively pursued if requested by a trustee. This includes coming into school and working with staff.

THE CHANTRY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Organisational structure

The structure of the academy consists of a Board of Directors (the trustees). The trustees are responsible for setting the academy's policies, adopting the academy Improvement Plan and budget, monitoring performance against these plans and making major decisions about the direction of the academy including its curriculum, the achievement and welfare of students and staffing.

The management structure of the academy consists of a Senior Leadership Team headed by the Headteacher (who also sits on the Board of Directors). The Senior Team also consists of the Deputy Head, 2 Assistant Heads and a Business Manager who is also the Company Secretary. Each has a distinct role in ensuring the objectives of the academy are met.

There are a number of middle Management roles in the academy which are essentially Heads of subjects ensuring that the curriculum is delivered effectively and that children are progressing adequately and also Heads of Year groups ensuring that children's welfare and behaviour is good.

The trustees have established five sub committees. Each subcommittee has its own terms of reference detailing the responsibilities discharged to the subcommittee. The terms of reference and meeting frequency for each sub committee is reviewed and approved by the trustees annually. The terms of reference for the Finance Sub Committee detail the academy's authorised spending limits.

The sub committees of the Governing Body are the:

- Finance Committee
- Premises Committee
- Personnel Committee
- Curriculum Committee
- Pay Committee

Groups of trustees may be formally organised outside of the subcommittee structure to support the academy as required, to consider:

- Headteacher and Senior staff recruitment
- Performance management of the Headteacher
- Pupil behaviour
- Staff discipline
- Complaints
- Significant areas of change management

Arrangements for setting pay and remuneration of key management personnel

The setting of pay on appointment is defined by the school's pay policy that is reviewed annually. For key teaching staff this is set in accordance with School Teachers Pay and Conditions document. For key management personnel that are not teaching staff, guidance from the school's Human Resources advisors is sought to ensure the pay grade is commensurate with the duties of the post and that of similar posts in other schools. For pay awards for teaching staff that are key management personnel, the schools performance management policy applies. This includes measures against specific performance objectives as well as Teachers Standards. A recommendation is made by the reviewer to the Headteacher. The Headteacher reviews this recommendation and presents each decision to the Pay Committee. The Headteacher's performance is reviewed by a committee of governors, drawn from Pay Committee and advised by an external independent consultant. This committee is responsible on behalf of the governors for making decisions about the Headteacher's pay award.

THE CHANTRY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Related parties and other connected charities and organisations

The academy continues to work with and support primary schools in the local pyramid. The academy is committed to working in partnership with these schools to ensure that there is long term cost benefit and successful transition for pupils. There is ongoing work to support literacy and numeracy projects in particular.

The academy is committed to working with the Aspire Free School which focuses on getting the best deal for children needing to access an alternative curriculum.

There are strict rules around related party relationships. Trustees do not receive payment for their services as trustees and their services are not procured by the school and vice versa. Trustees are asked to declare business interests to the academy during meetings and annually on the prescribed form as well as when they become a trustee. Any trustee declaring an interest in any part of a meeting will remove themselves from that part of the meeting.

Objectives and activities

Objects and aims

We aim to be a thriving learning community where ambition, resilience and excellence are encouraged and celebrated, and all learners experience education that has a life-long benefit to them.

Objectives, strategies and activities

We will achieve our aims through:

A culture of learning that is calm, orderly and aspirational where all learners are happy, healthy, challenged, ambitious and successful.

An inspirational environment for pupils and staff, that allows high quality education to take place that is both recognised and celebrated.

A wide range of curricular and extra-curricular experiences, that enables memorable and high impact learning to take place.

A supportive community of pupils, parents and staff that encourages learners to aim high, embrace challenge, learn from their mistakes and keep trying to achieve their highest possible potential, thus ensuring a platform for future success.

Education that ensures a high regard for, and a compassionate understanding of, other people's views, cultures, backgrounds and faiths with a local, national and global awareness.

The development of personal responsibility, and a sense of moral purpose, which promotes pupils to be honest, trustworthy, enquiring, self-regulating individuals who are proud to be members of, and positively contribute to, our caring community.

Public benefit

The Academy Trust promotes for the benefit of the inhabitants of Martley and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities with the objective of improving the condition of life of said inhabitants.

In setting objectives and planning the Academy's activities, the trustees have paid due regard to the published guidance from the Charity Commission regarding the principle of public benefit.

THE CHANTRY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

The academy is in year 4 of a 5 year expansion plan to provide additional places for pupils in the Martley area. The Y7 PAN has been increased from 145 to 175. The school continues to recruit pupils successfully year on year. This provides welcome financial benefit and stability. Planning and accommodation needs (using the county external expansion funding) for the full 5 year is completed. However, there are some additional building and infrastructure needs that are emerging linked to increased numbers and these are being considered by Governors in 2021/22. Staffing for expansion has been incremental and will continue to increase until the school reaches its capacity. The school will be expanding its management team in 2022 due to growing numbers and associated workloads.

The academy has worked hard during the pandemic to cope with and mitigate loss to education for its pupils. The school has successfully embraced remote learning in that time, training the workforce in new delivery methods, and liaising with parents and pupils to remove barriers to learning. The school has delivered in all aspects of risk and supported the Government local and national in its aims to protect all the school community.

The academy has recently almost returned to business as normal but has retained some safe practices and continues to follow the national and local guidance. The academy has deployed resources well to support this including sanitisation, ventilation, additional IT provision and staffing for pupil 'catch up'.

The academy is committed to, and equipped for, the continuation of education as the pandemic continues and is prepared should the situation deteriorate again.

Despite the difficult circumstances, the academy has continued as far as possible with its development work. For example, teaching staff work on boys' achievement has been maintained and will be relevant to subsequent cohorts of pupils

Achievements and performance

The Chantry School was legally formed on the 3rd June 2011.

The academy was rated as an 'Outstanding school' by Ofsted in 2009. Summer 2020 results (see below) continued to maintain the school's strong performance both in Attainment and Progress measures. The Progress 8 score of 0.23 rates the school, according to DfE, as above the national average. The school has an excellent reputation and is a sought-after school in the local area.

The academy is committed to continual improvement which is achieved in a number of ways including: improvement planning, review meetings, continual professional development, lesson observations, performance management, learning walks, self evaluation, data analysis and action planning.

Key performance indicators

Due to covid 19, all external examinations were cancelled. In line with the government directive all performance indicators will be taken from Summer 2020 examinations. Previous reports should be referred to.

Going concern

After consideration of the school's financial position and its financial plans, the trustees have a reasonable expectation that the academy has and will continue to have adequate resources to enable it to be a sustainable going concern in 2021/22. An improving financial picture in the form of school growth funding and better GAG settlements has helped the school to manage resources and budget more effectively in recent years and the forecast looks positive.

The school will continue to balance the annual budget with careful budget planning and by allocating funds according to priorities. The school will always aim to achieve the best value for money it can from limited resources. As the school expansion continues and welcomes more pupils and staff, increasing pupil income will be prioritised accordingly against rising expenditure costs. For this reason the academy continues to adopt the Going Concern principle in preparing its financial statements. Further details regarding the adoption of the Going Concern basis can be found in the statement of accounting policies.

THE CHANTRY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

Restricted fund

The majority of the academy's income was received through Education Skills Funding Agency (ESFA) recurrent revenue grants into the restricted general fund, the use of which is restricted to the academy's charitable activities, its educational operations. These revenue grants, and the associated revenue expenditure made against them, are detailed in the Statement of Financial Activity (SOFA). General restricted fund income for the year was £4,571,835 (2020: £4,042,045) and expenditure against the fund was £4,551,573 (2020: £4,058,937).

Unrestricted fund

Income received into the unrestricted fund was £59,263 (2020: £178,895). Expenditure against the fund was £59,761 (2020: £168,291) for the year.

Restricted fixed asset fund

The restricted fixed asset fund balance is reduced by an annual depreciation charge over the expected useful life of the assets concerned in line with the Academy's depreciation policy. Income received into the fund included Capital Improvement Funding and Formula Capital Funding of £16,817 (2020: £15,457).

Balance Sheet

The academy's assets were predominantly used for providing education to school students. Some assets were used by the local community, predominantly for Sport Martley Sports Centre which promotes local health and wellbeing. The net book value of the academy's tangible fixed assets was £6,916,925 as at 31st August 2021. The movement on these assets is detailed in note 12.

Cash in hand at 31st August 2021 was £682,115 (2020: £692,521).

Reserves policy

The Trustees review the academy's reserve policy annually as part of the budget setting process. They have determined that the annual budget should be balanced without the use of any carry forward reserves thus protecting the current balance of reserves for emergencies and future capital works. The Trustees have determined that the level of reserves, which are not invested in fixed assets at the year end to be £150,000. The excess balance of reserves above this level will be invested in school development as determined by the Governing Body, much of which will be linked to ongoing school expansion.

The academy's free reserves as at 31st August 2021 were £447,343 (2020: £572,507) (before taking into account the deficit on the local government pension scheme) which comprises a mixture of restricted and unrestricted reserves.

The reserves held in excess of the stated policy will support the Academy in the transition of expansion over the next few years.

Investment policy

Investments vehicles are approved by the trustees with the support of expert advice as necessary. The academy plans to invest a large proportion of its monthly cash reserves in a higher interest, long term but low risk cash investment plan with its supporting bank. The academy does not have any endowment funds.

THE CHANTRY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Principal risks and uncertainties

The trustees have a comprehensive risk management process to identify and monitor the risks faced by the academy. The risks identified include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those identified higher risk areas.

The principal financial risk facing the school is that funding is dependent upon pupil numbers. Numbers are currently healthy and expect the demand for places to increase in the next few years. The schools future funding is also dependent upon Government Policy for Education.

The Trustees consider a significant source of financial risk to be that of the funding requirements of the Local Government Pension Scheme ("LGPS"). In order to mitigate this risk, the current and foreseeable service cost is monitored and periodic actuarial valuations are reviewed to assess the impact of external factors on the scheme liability.

Trade union facility time

The school has no union officials and therefore had no time or costs spent on union activities during the year.

Funds held as custodian

The school has close links with the Worcester Association of School Business Management (WASBM). The academy administers funds for the association but WASBM has its own bank account and finance system. None of the transactions associated with the WASBM are included within these financial statements.

The school is also custodian for funds relating to Worcestershire Association of Secondary Heads (WASH) as the funds follow the Chair for their tenure. The Headteacher is currently Chair of WASH.

Future developments

The academy strives to continually improve levels of attainment for all students, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment.

The curriculum, the quality of teaching and learning and informed interventions are consistently reviewed to help every child achieve their full potential.

The academy is particularly mindful of the need to continue to serve its traditional catchment area in the very long term. Whilst recent expansion has increased the number of available spaces, long term projections suggest that this may be insufficient within 10 years. This is dependent on house building projects coming to completion. The academy will maintain a dialogue with the local authority and their provision planning team to understand how this need may develop and be responded to.

The academy governing body have recently reviewed their status as a Single Academy Trust. The governing body are currently considering, as part of their strategic planning, Multi Academy Trust models and partnerships that may suit the school and will improve outcomes for pupils. There is no commitment at this stage but options are being explored.

Fundraising

The Charitable Company had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

THE CHANTRY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Auditor

In so far as the trustees are aware:

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

Ormerod Rutter Limited was appointed auditor to the charitable company. A resolution proposing re-appointment will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 09 December 2021 and signed on its behalf by:



Mr P Wilcox
Chair of Governors

THE CHANTRY SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mrs K E Barnett	4	4
Mrs A Bates	4	4
Mr P J Cumming	4	4
Dr A Dickenson (Accounting Officer)	4	4
Mrs J Harrison	3	4
Miss L Jackson	3	4
Mr P Jackson	4	4
Mrs C M S Knight	4	4
Mr D Morris (Appointed 8 July 2021)	1	1
Mr T Nott	1	4
Mr R Rudge (Appointed 8 July 2021)	1	1
Mrs S Savage S (Appointed 8 July 2021)	0	1
Mr S Steikunas	0	4
Mr A Tedesco (Appointed 29 January 2021)	2	2
Mrs M Tucker M (Appointed 8 July 2021)	0	1
Mr D Walton	4	4
Mr P Wilcox (Chair of Governors)	4	4
Mrs R Elliott (Resigned 18 December 2020)	2	2
Mr M R Hill (Resigned 16 March 2021)	1	2

Governors are provided in advance of meetings with comprehensive documentation to support the meeting agenda for the full board and for the sub committees. Agendas are agreed with relevant Chair, Head and other Senior Officers in some cases. The Clerk to the Governors will send documentation out a week in advance of the meeting, where possible, giving Governors time to read and digest the information up for discussion.

Governors are encouraged to contact relevant staff if they have any queries in advance of, or after the meeting. This advice will usually be provided by the specialist Officer in that area e.g. Safeguarding by the Designated Safeguarding Lead, Finance by the Business Manager and School Data by the Headteacher. The information provided during and in between meetings is used by Governors for monitoring and to support strategic decision making in school.

THE CHANTRY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The governing board has determined that it is able to convene on a termly basis and maintain effective oversight, particularly as the Chair of the Board meets regularly with the Headteacher to monitor progress and is kept informed of any pertinent matters which may arise from time to time. Trustees receive monthly reports relating to the financial position and are regularly provided with other relevant reports relating to matters at the School. Email communications have continued to prove to be an effective way in which to keep Trustees informed between meetings and there are occasional specially convened meetings outside of the prescribed schedule. Trustees are also encouraged to visit the School and there are numerous Governor Learning Walks based on a particular topic, the results of which are fed back to the full board. Governors volunteer for a specific link role in school.

Governors have had to adapt to a new way of working this year with online meetings becoming the norm due to the Covid situation. They have embraced this way of working and key business of the school has been addressed as normal. Governors undergo training as required including induction and the school buys into subscriptions for the National Governor's Association and also The Key for Governors. Good practice is continually shared as a result.

The finance committee is a sub-committee of the main board of trustees. Its purpose is:

1. The recommendation of the annual budget to the governing body;
2. The delegation of the budget responsibilities to budget managers;
3. Ensuring that financial policy and process is strong.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mrs K E Barnett	1	3
Mr P J Cumming	3	3
Dr A Dickenson (Accounting Officer)	3	3
Mrs J Harrison	0	3
Mr P Jackson	3	3
Mr D Morris (Appointed 8 July 2021)	1	1
Mr T Nott	1	3
Mr R Rudge (Appointed 8 July 2021)	1	1
Mrs S Savage S (Appointed 8 July 2021)	1	1
Mr S Steikunas	2	3
Mr A Tedesco (Appointed 29 January 2021)	1	2
Mr D Walton	3	3

Review of value for money

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

THE CHANTRY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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:

- Continued strong systems in relation to procuring goods and services across the school budget with regular review, challenge and quality assurance systems in place;
- Reviewing staff pay and structures and looking at lower cost staffing models where appropriate;
- Using school expansion creatively to deliver wider school benefits addressing condition and suitability;
- Utilise the skill set of the site staff within school to maintain the school buildings in a cost effective way.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Chantry School for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- 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 Fred Dowdeswell, the Business Manager of Dyson Perrins C of E Academy to perform peer review.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy's financial policy and systems. On a semi annual basis, the reviewer reports to the board of trustees through the finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

THE CHANTRY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

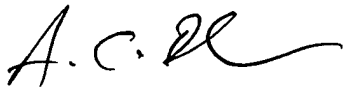
Review of effectiveness

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 reviewer;
- the work of the external auditor;
- the financial management and governance self assessment process;
- 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 Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 09 December 2021 and signed on its behalf by:



Dr A Dickenson
Accounting Officer



Mr P Wilcox
Chair of Governors

THE CHANTRY SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of The Chantry School, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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



Dr A Dickenson
Accounting Officer

09 December 2021

THE CHANTRY SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who are also the directors of The Chantry School for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 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 accounts for each financial year. Under company law, the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

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

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

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

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

Approved by order of the members of the board of trustees on 09 December 2021 and signed on its behalf by:



Mr P Wilcox
Chair of Governors

THE CHANTRY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHANTRY SCHOOL FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of The Chantry School for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

THE CHANTRY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHANTRY SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

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

THE CHANTRY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHANTRY SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Based on our understanding of the academy and the education sector, we identified that the principal risks of non-compliance with laws and regulations including those that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities SORP and the Academies Accounts Direction 2020 to 2021, and the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to *posting inappropriate journal entries to income and management bias in accounting estimates and judgemental areas of the financial statements the pension scheme deficit*. The audit procedures that we performed in response to this risk included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of management and those charged with governance to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing internal audit reports.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the rationale of any significant transactions outside the normal course of business.
- Reviewing the assumptions made by management and actuaries in relation to the pension scheme deficit and challenging the appropriateness thereof.
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

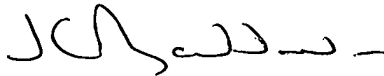
THE CHANTRY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHANTRY SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Use of our report

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



Joanne Baldwin ACA FCCA (Senior Statutory Auditor)
for and on behalf of Ormerod Rutter Limited

15/12/2021

Chartered Accountants
Statutory Auditor

The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

THE CHANTRY SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 11 June 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 The Chantry School during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Chantry School's funding agreement with the Secretary of State for Education dated 14 October 2016 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 period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work undertaken to draw our conclusion includes a review of the design and implementation of the charitable company's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the charitable company and specific transactions identified from our review.

THE CHANTRY SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

Conclusion

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

Ormerod Rutter Limited

Reporting Accountant

Ormerod Rutter Limited
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

Dated: 15/12/2021

THE CHANTRY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2021 £	Total 2020 £
Income and endowments from:					
Donations and capital grants	3	-	-	16,817	(15,107)
Charitable activities:					
- Funding for educational operations	4	55,371	4,571,835	-	4,216,346
Other trading activities	5	3,802	-	-	3,819
Investments	6	90	-	-	425
Total		<u>59,263</u>	<u>4,571,835</u>	<u>16,817</u>	<u>4,205,483</u>
Expenditure on:					
Raising funds	7	1,050	-	-	1,000
Charitable activities:					
- Educational operations	8	58,711	4,551,573	227,107	4,445,603
Total	7	<u>59,761</u>	<u>4,551,573</u>	<u>227,107</u>	<u>4,446,603</u>
Net income/(expenditure)		(498)	20,262	(210,290)	(241,120)
Transfers between funds	17	-	(274,928)	274,928	-
Other recognised gains/(losses)					
Actuarial gains/(losses) on defined benefit pension schemes	19	-	13,000	-	(80,000)
Net movement in funds		<u>(498)</u>	<u>(241,666)</u>	<u>64,638</u>	<u>(321,120)</u>
Reconciliation of funds					
Total funds brought forward		319,486	(2,133,979)	6,852,287	5,037,794
Total funds carried forward		<u>318,988</u>	<u>(2,375,645)</u>	<u>6,916,925</u>	<u>4,860,268</u>

THE CHANTRY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds £	Restricted funds: General	Fixed asset £	Total 2020 £
Income and endowments from:					
Donations and capital grants	3	350	-	(15,457)	(15,107)
Charitable activities:					
- Funding for educational operations	4	174,301	4,042,045	-	4,216,346
Other trading activities	5	3,819	-	-	3,819
Investments	6	425	-	-	425
Total		<u>178,895</u>	<u>4,042,045</u>	<u>(15,457)</u>	<u>4,205,483</u>
Expenditure on:					
Raising funds	7	1,000	-	-	1,000
Charitable activities:					
- Educational operations	8	167,291	4,058,937	219,375	4,445,603
Total	7	<u>168,291</u>	<u>4,058,937</u>	<u>219,375</u>	<u>4,446,603</u>
Net income/(expenditure)		10,604	(16,892)	(234,832)	(241,120)
Transfers between funds	17	-	(42,575)	42,575	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	19	-	(80,000)	-	(80,000)
Net movement in funds		10,604	(139,467)	(192,257)	(321,120)
Reconciliation of funds					
Total funds brought forward		308,882	(1,994,512)	7,044,544	5,358,914
Total funds carried forward		<u>319,486</u>	<u>(2,133,979)</u>	<u>6,852,287</u>	<u>5,037,794</u>

THE CHANTRY SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12		6,916,925		6,852,287
Current assets					
Debtors	13	100,448		103,033	
Cash at bank and in hand		682,115		692,521	
		<u>782,563</u>		<u>795,554</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(333,324)		(219,887)	
Net current assets			449,239		575,667
Total assets less current liabilities			<u>7,366,164</u>		<u>7,427,954</u>
Creditors: amounts falling due after more than one year	15		(1,896)		(3,160)
Net assets before defined benefit pension scheme liability			<u>7,364,268</u>		<u>7,424,794</u>
Defined benefit pension scheme liability	19		(2,504,000)		(2,387,000)
Total net assets			<u>4,860,268</u>		<u>5,037,794</u>
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			6,916,925		6,852,287
- Restricted income funds			128,355		253,021
- Pension reserve			(2,504,000)		(2,387,000)
Total restricted funds			<u>4,541,280</u>		<u>4,718,308</u>
Unrestricted income funds	17		318,988		319,486
Total funds			<u>4,860,268</u>		<u>5,037,794</u>

The accounts on pages 21 to 43 were approved by the trustees and authorised for issue on 09 December 2021 and are signed on their behalf by:


Mr P Wilcox
Chair of Governors

Company Number 07657852

THE CHANTRY SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash provided by operating activities	20		265,696		144,120
Cash flows from investing activities					
Capital funding received from sponsors and others		16,817		(15,457)	
Purchase of tangible fixed assets		(291,745)		(103,623)	
Net cash used in investing activities			(274,928)		(119,080)
Cash flows from financing activities					
Repayment of other loan		(1,174)		(839)	
Net cash used in financing activities			(1,174)		(839)
Net (decrease)/increase in cash and cash equivalents in the reporting period			(10,406)		24,201
Cash and cash equivalents at beginning of the year			692,521		668,320
Cash and cash equivalents at end of the year			<u>682,115</u>		<u>692,521</u>

THE CHANTRY SCHOOL

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

1 Accounting policies

The Chantry School is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Income

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

Grants

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

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

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

Donations

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

Other income

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

THE CHANTRY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold land and buildings	Land 125 years/ buildings 50 years straight line
Assets under construction	Not depreciated
Computer equipment	5 years straight line
Fixtures, fittings & equipment	5/10 years straight line
Motor vehicles	10 years straight line

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.

THE CHANTRY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.6 Liabilities

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

1.7 Provisions

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

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

1.8 Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term.

1.9 Financial instruments

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

Financial assets

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

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Taxation

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

1.11 Pensions benefits

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

THE CHANTRY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.12 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

THE CHANTRY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

2 Critical accounting estimates and areas of judgement

(Continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Capital grants	-	16,817	16,817	(15,457)
Other donations	-	-	-	350
	-	16,817	16,817	(15,107)

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE/ESFA grants				
General annual grant (GAG)	-	3,820,000	3,820,000	3,580,800
Other DfE/ESFA grants:				
Others	-	433,486	433,486	307,875
	-	4,253,486	4,253,486	3,888,675
Other government grants				
Local authority grants	-	247,546	247,546	70,614
Other funding				
School fund income	38,062	-	38,062	161,581
Catering profit share	4,733	-	4,733	3,750
Other incoming resources	12,576	70,803	83,379	91,726
	55,371	70,803	126,174	257,057
Total funding	55,371	4,571,835	4,627,206	4,216,346

THE CHANTRY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities	778	-	778	388
Caretaker rental income	3,024	-	3,024	3,024
Sale of goods and services	-	-	-	407
	<u>3,802</u>	<u>-</u>	<u>3,802</u>	<u>3,819</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Bank interest	90	-	90	425
	<u>90</u>	<u>-</u>	<u>90</u>	<u>425</u>

7 Expenditure

	Staff costs £	Non-pay expenditure		Total 2021 £	Total 2020 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	1,050	-	-	1,050	1,000
Academy's educational operations					
- Direct costs	3,212,917	227,107	177,847	3,617,871	3,232,204
- Allocated support costs	724,418	215,909	220,482	1,160,809	1,046,108
School fund account					
- Direct costs	-	-	58,711	58,711	167,291
	<u>3,938,385</u>	<u>443,016</u>	<u>457,040</u>	<u>4,838,441</u>	<u>4,446,603</u>

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Fees payable to auditor for:		
- Audit	7,000	8,250
- Other services	2,975	2,750
Operating lease rentals	4,606	4,606
Depreciation of tangible fixed assets	227,107	219,375
Net interest on defined benefit pension liability	44,000	40,000
	<u>285,688</u>	<u>295,026</u>

THE CHANTRY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Direct costs				
Educational operations	58,711	3,617,871	3,676,582	3,399,495
Support costs				
Educational operations	-	1,160,809	1,160,809	1,046,108
	<u>58,711</u>	<u>4,778,680</u>	<u>4,837,391</u>	<u>4,445,603</u>

	2021 £	2020 £
Analysis of support costs		
Support staff costs	724,418	731,236
Technology costs	44,672	51,675
Premises costs	215,909	149,433
Legal and professional costs	38,073	35,958
Other support costs	127,762	66,806
Governance costs	9,975	11,000
	<u>1,160,809</u>	<u>1,046,108</u>

9 Staff

Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	2,901,356	2,617,285
Social security costs	275,955	248,523
Pension costs	761,074	745,731
Total staff expenditure	<u>3,938,385</u>	<u>3,611,539</u>

Staff numbers

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

	2021 Number	2020 Number
Teachers	55	48
Administration and support	51	44
Management	5	5
	<u>111</u>	<u>97</u>

THE CHANTRY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff

(Continued)

Higher paid staff

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

	2021 Number	2020 Number
£60,000 - £70,000	1	1
£80,000 - £90,000	-	1
£90,000 - £100,000	1	-
	<u>1</u>	<u>2</u>

Staff numbers in 2021 include casual staff present on the payroll. Staff numbers in 2020 comprised only contracted staff.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £442,359 (2020: £414,004).

10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

		2021 £	2020 £
Dr A Dickenson	Remuneration	90,000 – 95,000	85,000 – 90,000
	Pension contributions paid	20,000 – 25,000	10,000 – 15,000
Mrs A K Bates	Remuneration	55,000 – 60,000	50,000 – 55,000
	Pension contributions paid	10,000 – 15,000	10,000 – 15,000
Mrs K Barnett	Remuneration	30,000 – 35,000	30,000 – 35,000
	Pension contributions paid	5,000 – 10,000	0 – 5,000

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

11 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides unlimited cover on any one claim (2020: unlimited). It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

THE CHANTRY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

12 Tangible fixed assets

	Leasehold land and buildings £	Assets under construction £	Computer equipment £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost						
At 1 September 2020	7,509,772	37,493	361,410	405,797	26,012	8,340,484
Reclassification	-	(37,493)	-	37,493	-	-
Additions	99,152	-	41,947	150,646	-	291,745
At 31 August 2021	7,608,924	-	403,357	593,936	26,012	8,632,229
Depreciation						
At 1 September 2020	938,244	-	245,438	284,641	19,874	1,488,197
Charge for the year	146,737	-	41,231	37,538	1,601	227,107
At 31 August 2021	1,084,981	-	286,669	322,179	21,475	1,715,304
Net book value						
At 31 August 2021	6,523,943	-	116,688	271,757	4,537	6,916,925
At 31 August 2020	6,571,528	37,493	115,972	121,156	6,138	6,852,287

13 Debtors

	2021 £	2020 £
Trade debtors	20,113	25,947
VAT recoverable	32,845	21,335
Prepayments and accrued income	47,490	55,751
	100,448	103,033

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Other loans	1,264	1,264
Trade creditors	66,933	55,288
Other taxation and social security	68,129	60,891
Other creditors	76,170	68,640
Accruals and deferred income	120,828	33,804
	333,324	219,887

THE CHANTRY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

15 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other loans	1,896	3,160
	<u>1,896</u>	<u>3,160</u>
Analysis of loans	2021 £	2020 £
Wholly repayable within five years	3,160	4,424
Less: included in current liabilities	(1,264)	(1,264)
	<u>1,896</u>	<u>3,160</u>
Amounts included above	<u>1,896</u>	<u>3,160</u>
Loan maturity		
Debt due in one year or less	1,264	1,264
Due in more than one year but not more than two years	1,264	1,264
Due in more than two years but not more than five years	632	1,896
	<u>3,160</u>	<u>4,424</u>

Other loans from Salix Finance Limited of £3,160 (2020: £4,424) are unsecured, interest free and has fixed repayment terms up to September 2023.

16 Deferred income

	2021 £	2020 £
Deferred income is included within:		
Creditors due within one year	22,198	4,091
	<u>22,198</u>	<u>4,091</u>
Deferred income at 1 September 2020	4,091	46,579
Released from previous years	(4,091)	(46,579)
Resources deferred in the year	22,198	4,091
	<u>22,198</u>	<u>4,091</u>
Deferred income at 31 August 2021	<u>22,198</u>	<u>4,091</u>

THE CHANTRY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	253,021	3,820,000	(3,669,738)	(274,928)	128,355
Other DfE/ESFA grants	-	433,486	(433,486)	-	-
Other government grants	-	247,546	(247,546)	-	-
Other restricted funds	-	70,803	(70,803)	-	-
Pension reserve	(2,387,000)	-	(130,000)	13,000	(2,504,000)
	<u>(2,133,979)</u>	<u>4,571,835</u>	<u>(4,551,573)</u>	<u>(261,928)</u>	<u>(2,375,645)</u>
Restricted fixed asset funds					
Fixed asset fund	6,844,787	-	(227,107)	299,245	6,916,925
Capital Funding Contribution	7,500	16,817	-	(24,317)	-
	<u>6,852,287</u>	<u>16,817</u>	<u>(227,107)</u>	<u>274,928</u>	<u>6,916,925</u>
Total restricted funds	<u>4,718,308</u>	<u>4,588,652</u>	<u>(4,778,680)</u>	<u>13,000</u>	<u>4,541,280</u>
Unrestricted funds					
General funds	272,513	21,201	(1,050)	-	292,664
School fund account	46,973	38,062	(58,711)	-	26,324
	<u>319,486</u>	<u>59,263</u>	<u>(59,761)</u>	<u>-</u>	<u>318,988</u>
Total funds	<u>5,037,794</u>	<u>4,647,915</u>	<u>(4,838,441)</u>	<u>13,000</u>	<u>4,860,268</u>

THE CHANTRY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

(Continued)

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

Restricted fixed asset fund

This fund represents the carrying value of the fixed assets that have been funded by grants from the ESFA plus amounts received to be expended in the future on fixed assets.

Capital Funding Contribution contains unspent grant monies relating to PAN expansion project.

Transfers

These represent amounts utilised from the DfE grants which have been used for the acquisition of fixed assets during the year.

Gains and losses

These represent the actuarial losses on the Local Government Pension Scheme.

Restricted general funds

This fund represents grants received for the Academy's operational activities and development and includes the General Annual Grant.

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.

THE CHANTRY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	189,488	3,580,800	(3,474,692)	(42,575)	253,021
Other DfE/ESFA grants	-	307,875	(307,875)	-	-
Other government grants	-	70,614	(70,614)	-	-
Other restricted funds	-	82,756	(82,756)	-	-
Pension reserve	(2,184,000)	-	(123,000)	(80,000)	(2,387,000)
	<u>(1,994,512)</u>	<u>4,042,045</u>	<u>(4,058,937)</u>	<u>(122,575)</u>	<u>(2,133,979)</u>
Restricted fixed asset funds					
DfE group capital grants	6,968,039	-	(165,827)	42,575	6,844,787
Capital Funding Contribution	76,505	(15,457)	(53,548)	-	7,500
	<u>7,044,544</u>	<u>(15,457)</u>	<u>(219,375)</u>	<u>42,575</u>	<u>6,852,287</u>
Total restricted funds	<u>5,050,032</u>	<u>4,026,588</u>	<u>(4,278,312)</u>	<u>(80,000)</u>	<u>4,718,308</u>
Unrestricted funds					
General funds	256,199	17,314	(1,000)	-	272,513
School fund account	52,683	161,581	(167,291)	-	46,973
	<u>308,882</u>	<u>178,895</u>	<u>(168,291)</u>	<u>-</u>	<u>319,486</u>
Total funds	<u>5,358,914</u>	<u>4,205,483</u>	<u>(4,446,603)</u>	<u>(80,000)</u>	<u>5,037,794</u>

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	6,916,925	6,916,925
Current assets	318,988	463,575	-	782,563
Creditors falling due within one year	-	(333,324)	-	(333,324)
Creditors falling due after one year	-	(1,896)	-	(1,896)
Defined benefit pension liability	-	(2,504,000)	-	(2,504,000)
Total net assets	<u>318,988</u>	<u>(2,375,645)</u>	<u>6,916,925</u>	<u>4,860,268</u>

THE CHANTRY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

18 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	6,852,287	6,852,287
Current assets	319,486	476,068	-	795,554
Creditors falling due within one year	-	(219,887)	-	(219,887)
Creditors falling due after one year	-	(3,160)	-	(3,160)
Defined benefit pension liability	-	(2,387,000)	-	(2,387,000)
Total net assets	319,486	(2,133,979)	6,852,287	5,037,794

19 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Worcestershire 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 that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £75,757 were payable to the schemes at 31 August 2021 (2020: £67,828) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

THE CHANTRY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 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. The 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 the TPS in the period amounted to £517,719 (2020: £460,618).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20.90% for employers and 5.5 to 12.5% for employees.

As the scheme is in a deficit position the academy trust is making additional contributions. Future contributions for 2021/22 & 2022/23 are £178,000 and £184,000 respectively (including McCloud judgement).

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.

Total contributions made	2021 £	2020 £
Employer's contributions	200,000	162,000
Employees' contributions	41,000	36,000
Total contributions	241,000	198,000

THE CHANTRY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations (Continued)

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	4.2	3.9
Rate of increase for pensions in payment/inflation	2.8	2.5
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.7	2.4

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

	2021 Years	2020 Years
Retiring today		
- Males	22.7	22.6
- Females	25.1	25
Retiring in 20 years		
- Males	24.4	24.2
- Females	27.1	27

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

	2021	2020
Discount rate + 0.1%	2,408,000	2,305,000
Mortality assumption - 1 year	2,659,000	2,506,000
CPI rate + 0.1%	2,603,000	2,471,000

Defined benefit pension scheme net liability	2021 £	2020 £
Scheme assets	2,435,000	1,826,000
Scheme obligations	(4,939,000)	(4,213,000)
Net liability	(2,504,000)	(2,387,000)

THE CHANTRY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

(Continued)

The academy trust's share of the assets in the scheme	2021 Fair value £	2020 Fair value £
Equities	2,026,000	1,203,000
Bonds	2,000	97,000
Government bonds	-	122,000
Cash	61,000	77,000
Property	107,000	99,000
Other assets	239,000	228,000
Total market value of assets	<u>2,435,000</u>	<u>1,826,000</u>

The actual return on scheme assets was £359,000 (2020: £123,000).

Amount recognised in the statement of financial activities	2021 £	2020 £
Current service cost	286,000	245,000
Interest cost	41,000	38,000
Administration expenses	3,000	2,000
Total operating charge	<u>330,000</u>	<u>285,000</u>

Changes in the present value of defined benefit obligations	2021 £	2020 £
At 1 September 2020	4,213,000	3,699,000
Current service cost	286,000	245,000
Interest cost	76,000	67,000
Employee contributions	41,000	36,000
Actuarial loss	311,000	174,000
Benefits paid	12,000	(8,000)
At 31 August 2021	<u>4,939,000</u>	<u>4,213,000</u>

THE CHANTRY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

(Continued)

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

	2021 £	2020 £
At 1 September 2020	1,826,000	1,515,000
Interest income	35,000	29,000
Actuarial gain	324,000	94,000
Employer contributions	200,000	162,000
Employee contributions	41,000	36,000
Benefits paid	12,000	(8,000)
Administrative expenses	(3,000)	(2,000)
At 31 August 2021	2,435,000	1,826,000

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

	2021 £	2020 £
Net expenditure for the reporting period (as per the statement of financial activities)	(190,526)	(241,120)
Adjusted for:		
Capital grants from DfE and other capital income	(16,817)	15,457
Investment income receivable	(90)	(425)
Defined benefit pension costs less contributions payable	86,000	85,000
Defined benefit pension scheme finance cost	44,000	38,000
Depreciation of tangible fixed assets	227,107	219,375
Decrease in debtors	2,585	178,505
Increase/(decrease) in creditors	113,437	(150,672)
Net cash provided by operating activities	265,696	144,120

21 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash	692,521	(10,406)	682,115
Loans falling due within one year	(1,264)	-	(1,264)
Loans falling due after more than one year	(3,160)	1,264	(1,896)
	688,097	(9,142)	678,955

THE CHANTRY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

22 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	4,606	4,606
Amounts due in two and five years	1,152	5,758
	<u>5,758</u>	<u>10,364</u>

23 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following related party transactions took place in the financial period.

There was a £35 sale made to Olpro Ltd, an organisation in which a trustee has an interest (2020: none).

24 Members' liability

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