



South Charnwood High School

'Encouraging excellence, valuing people'



(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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South Charnwood High School
(A Company Limited by Guarantee)

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**South Charnwood High School
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021**

Members

David Sprason
Geoffrey Suart
Rachael Underwood
David Critchley
Alan May

Trustees

Andrew Morris, Headteacher and Accounting Officer (resigned 10 September 2020)
Rachael Underwood, Chair of Governors
Richard Buckby, Parent Governor (appointed 28 May 2021)
Lara Coney, Staff Governor (resigned 23 August 2021)
Tammie Copley, Community Governor (appointed 28 April 21)
David Critchley, Community Governor
Kate Everest, Parent Governor
Jill Massingham, Community Governor (resigned 26 October 2020)
Alan May, Community Governor
Annalea Quare-Wighton, Staff Governor (resigned 25 August 2021)
Denis Sleath, Community Governor (appointed 1 July 2021)
David Sprason, Community Governor (appointed 5 November 2020)
Julie Shellard, Community Governor
Geoffrey Suart, Community Governor
Atish Vadher, Community Governor (appointed 6 January 2020)

Company Secretary

Angela Preston (Resigned 31 December 2020)
Alistair Keates (Appointed 17 December 2020)

Senior Management Team

Andrew Morris, Headteacher
Simon Andrews, Deputy Headteacher
Abigail Lear, Deputy Headteacher
Kathryn Juskiewicz, Assistant Headteacher
Angela Preston, Business Manager (Resigned 29 November 2020)
Alistair Keates, Business Manager (Appointed 16 December 2020)

Company Name

South Charnwood High School

Principal and Registered Office

Broad Lane, Markfield, Leicestershire LE67 9TB

Company Registered Number

08423539 (England & Wales)

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

Independent Auditor

MHA MacIntyre Hudson, 11 Merus Court, Meridian Business Park, Leicester, LE19 1RJ

Bankers

Lloyds Bank Plc, Belvoir Road, Coalville, Leicestershire, LE67 3QH

Solicitors

Browne Jacobson LLP, Victoria Square House, Victoria Square, Birmingham, B2 4BU

**South Charnwood High School
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees present their Annual Report together with the financial statements 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 Academy Trust operates an Academy for pupils aged 11 to 16 serving a catchment area in Markfield, Thornton, Stanton under Bardon, Leicester Forest East and Bagworth. It has a pupil capacity of 870 and had a roll of 858 in the school census 7 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 South Charnwood High School Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company operates as South Charnwood High School.

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

Members' Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Governors 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 Board of Governors of South Charnwood High School is constituted as laid down in its articles of association and is made up of not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum, allowing the school to adjust the membership to reflect the needs of the school as it evolves. All Governors serve for a term of four years, other than the Headteacher. When their term of office comes to an end they are required to be re-elected / re-appointed if the Governor wishes to stand for a further term.

Community Governors

The school endeavours to follow a 'skills based' approach in order to appoint Community Governors and will advertise the position specifying the particular skills required by the Governing Body. Community Governors are appointed by the Parent Governors on the Governing Body. Following an initial expression of interest, potential candidates will be invited to present themselves to the Headteacher, Chair of Governors and even other members of the Governing Body and explain the particular qualities and skills they would bring to the Governing Body. A decision is then made by the Parent Governors of the Governing Body as to whether the candidate is suitable.

Parent Governors

Parent Governors are elected by the Parents/Carers of pupils attending the school. Established procedures are always followed. The role is advertised to parents/carers of the school with a time limit for applications. A single candidate is automatically approved, but if more than one parent/carer applies then a ballot is held following all correct guidelines and procedures.

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

Policies and Procedures Adopted for the Induction and Training of Trustees

As soon as possible after a new Governor's appointment has been ratified by the Full Governing Body, the Clerk to the Governors will send out a Governors' induction pack. The Clerk will then arrange for the new Governor to visit the school, meet with the Headteacher and have a tour of the school. The new Governor will also complete all necessary paperwork. The Clerk will also contact the Link Governor who will draw up a training plan program depending on the skills and requirements of the new Governor. The school subscribes to the Governors Development Service based at Leicestershire County Council. Governors' induction training, alongside a menu of extensive specialised training, is available through this service. The Link Governor will inform the Board of Governors at all full meetings about the courses / training available.

Organisational Structure

The Board of Governors' determines the overall direction of the school. The day-to-day running of the school is delegated to the Headteacher and Senior Leadership Team. The Headteacher undertakes the key leadership role in consultation with Governors and Staff, and in line with the agreed policies. The Board of Governors meet at least five times per year and additional strategy meetings may be convened when new strategic plans are at a draft stage. The Board of Governors is supported by committees covering Finance, Audit and Risk, Quality of Education, Premises, Health and Safety and Personal Development, Behaviour and Welfare. Each sub-committee has terms of reference. The Headteacher is also the Accounting Officer. The Headteacher oversees the recruitment of all staff and is an ex-officio Governor.

Arrangements for setting pay and remuneration of key management personnel

The pay for members of the Senior Leadership Team who are on the Teachers pay scale is dictated by the calculation for the school group in which South Charnwood High School is currently located. The Governing Body then sets the Individual School Range (ISR) within the school group for each role, ensuring that the required gaps are present between the various roles within a school group. The pay scale for the Business Manager is in line with the Hays job evaluation pay scale. All cost of living rises are in line with the agreed national body pay rates, which have been approved by the Unions. The Staff Governors' rates of pay were identified by using the School Teachers' Pay and Conditions and are in line with the school pay policy. It is the responsibility of the Governing Body to establish a Pay Committee, of no fewer than 3 members, in order to monitor pay decisions. The Pay Committee will take responsibility, in consultation with the Headteacher, for making decisions concerning performance related pay awards for all eligible staff. The Headteacher will make recommendations to the Pay Committee regarding Performance Related Pay and staff pay progression and the Pay Committee will make a final decision taking into account the Headteacher's recommendations. No Staff Governors were on the Governors' Pay committee.

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

Trade union facility time

No employees undertook the role of a union official during the year 1 September 2020 to 31 August 2021. Subsequently no time has been spent on facility time and therefore there were no cost implications to the Trust.

Related Parties and other Connected Charities and Organisations

South Charnwood High School is an Academy with its own legal identity and no connected charities or organisations.

OBJECTIVES AND ACTIVITIES

Objects and Aims

South Charnwood High School's objective is to advance education for the public benefit by establishing, maintaining, managing and developing a school offering a broad and balanced curriculum. Also, the school promotes the provision of facilities for recreation or other leisure time occupations for individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances.

South Charnwood is an 11-16 co-educational comprehensive high school. The school currently has 858 pupils who come from diverse cultures and backgrounds. The Governors want the school to continue to provide an outstanding secondary education for all pupils. The school works as an optimistic, affirmative learning community, seeking continuous improvement. We particularly value high academic achievement and pupils' success in terms of personal growth and confidence.

We aim to foster aspiration and give all pupils lifelong resources to achieve their full potential and will work with all pupils to:

- achieve high standards in all areas of the curriculum;
- develop them as self-reliant lifelong learners;
- make effective use of current technology;
- foster powers of imagination and creativity; of questioning and reasoning;
- teach good citizenship, encouraging responsible and compassionate attitudes towards all members of the community;
- teach awareness of enduring moral and spiritual values;
- teach appreciation of the strengths of multi-cultural diversity; and
- provide opportunities for pupils to exercise responsibility.

Objectives, Strategies and Activities

The Strategic Plan 2019-2022 sets out the following objectives and strategies amongst many others:

- To ensure all elements of safeguarding are highly effective and an example of outstanding practice by appointing a Safeguarding and Vulnerable Pupils (including PP and LAC pupils) Manager (SVPM);
- To ensure impact of all interventions for Pupil premium pupils and pupils involved in LPUs and NPUs (catch up) is evaluated and interventions reassessed in light of findings (to enable leaders, including governors, to prioritise spending) by ensuring the SVPM role includes monitoring and mentoring of identified pupils and a rigorous evaluation of interventions;
- To increase capacity within the pastoral staffing structure to ensure all pupils, especially those considered to be vulnerable, are further supported to fulfil their potential and to ensure appropriate data is routinely analysed to support this target by appointing a Behaviour, Inclusion and Attendance Manager to further support HoYs, Senco, Pastoral Assistant, Attendance Officer and Assistant Headteacher;

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

- To improve further the clerical support staff structure to recognise the greater demands of a larger school and increase SLT capacity by appointing a Data and Exams Assistant and an SLT Admin and Finance Officer;
- To review and develop the KS3 curriculum in all subjects to ensure breadth and depth, Seamless progression into KS4 and the maintenance of outstanding outcomes at KS4 by reviewing & evaluating the current KS3 curriculum and by developing clear KS3 assessment portfolios in each subject linked to KS3 assessment criteria;
- To reduce gaps in progress and attainment for identified groups by using data to identify specific underperforming groups (eg Middle ability disadvantaged boys); and
- To implement a systematic whole school approach to the monitoring, evaluation and improvement of Teaching and Learning by implementing a new T&L Monitoring and Evaluation cycle incorporating learning walks, pupil voice and book looks fully.

Public Benefit

South Charnwood High School is a charitable trust which seeks to benefit the school users through the pursuit of its stated aims above. The Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

STRATEGIC REPORT

Achievements and Performance

The school continues to perform outstandingly well. It achieved excellent GCSE results in 2019, putting it in the top 4% of the country for Progress 8. The academic year 2020-2021 was interrupted by the Coronavirus pandemic which shut the school for a second time from January 4 2021. Therefore, results for year 11 pupils were based on Teacher Assessed Grades (TAGs). The school was very pleased with the outstanding results achieved by its pupils.

Due to the limited time in school, the school revised its Annual Plan and managed to satisfy many of the objectives set out in the plan which involved managing the Covid 19 situation, ensuring the provision for remote learning is of the highest quality, monitoring the engagement of pupils, introducing Catch-Up initiatives ensuring all elements of safeguarding are highly effective and an example of outstanding practice and ensuring compliance with statutory policies.

Key Performance Indicators

The school is rated as Good by Ofsted. GCSE results in 2019 were outstanding in English, Maths and Science and were well above national averages. Progress 8 was outstanding at +0.79. Destination data for 2019-20 was outstanding with less than 5 pupils who were not in education, employment or training (NEET).

Going Concern

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

Promoting the success of the company

Under section 172(1)(a) to (f) of the Companies Act 2006, directors of the academy act in a way most likely to promote the success of the academy, and in doing so have regard to:

- the likely consequences of any decision in the long term
- the interest of the academy's employees
- the need to foster the academy's business relationships with suppliers, customers and others
- the impact of the academy's operations on the community and the environment

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

- the desirability of the academy maintaining a reputation for high standards of business conduct
- the need to act fairly as between members of the academy.

FINANCIAL REVIEW

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

The number on roll and the demographics are the biggest factors on the Academy Trust's annual level of income from the ESFA. That means the annual demographics of the intake and the current number of pupils on roll are the biggest risk to the long-term financial position of the school. However, the Academy currently is budgeting for a surplus balance over the next three years.

The expenditure ensures the Academy meets its key objectives, with expenditure also linked to the three-year Strategic Plan.

There is a material pension liability for the Academy Trust arising from obligations to a defined local authority pension scheme.

The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's Finance policy.

At 31 August 2021 the net book value of fixed assets was £9,809,000. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The in-year surplus figure is £497,000 which is the change in balance of restricted general funds (excluding pension reserve) plus unrestricted funds.

The actual position of reserves (restricted general funds, excluding pension reserves, plus unrestricted funds) as at 31 August 2021 is £621,000.

Key financial policies adopted or reviewed during the year were:

- Data Protection Policy
- Teachers Pay Policy
- Support Staff Pay Policy
- Whistleblowing Policy

The Academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the academy aims to invest surplus cash funds to optimise returns, but ensuring the investments are such that there is no risk to the loss of these cash funds. The amount of the surplus is identified on the cash flow spreadsheets.

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

Reserves Policy

The Governors' Finance, Audit and Risk Committee review all reserve levels at all of their meetings. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trustees ask for 1% of the General Annual Grant to be kept as an accessible contingency in the event of a major premises breakdown e.g. Boiler, sewerage works, roof, etc.

As part of the reserves policy any surplus or deficit position on the pension scheme, would generally result in a cash flow effect for the academy trust, in the form of an increase or decrease in employers' pension contributions, over a period of years.

At 31 August 2021 the total funds comprised:

Unrestricted		£199,000
Restricted:	Fixed asset funds	£9,801,000
	Pension reserve	(£1,718,000)
	Other	£431,000
		<u>£8,713,000</u>

Investment Policy

The Academy has an investment policy. It aims to invest surplus cash funds to optimise returns, but ensuring the investments are such that there is no risk to the loss of these cash funds. The amount of the surplus is identified on the cash flow spreadsheets. The Academy keeps a running cash flow spreadsheet. Where possible, if the Academy invests money, this would be up to the FSCS protection limit of £85,000 per authorised bank / building society.

Principal Risks and Uncertainties

A thorough Risk Management Assessment has been conducted and has been assessed and approved via the Finance and Audit Committee along with the Statement of Internal Control. The assessment involved identifying the types of risk the school faces, prioritising them into operational and financial impacts, accessing the likelihood of the occurrence and the impact that the occurrence will have on the school and putting in place controls to mitigate such risks. Whilst reviewed via the Finance and Audit Committee on an annual basis, the Risk Register is a live document which is reviewed regularly with Governors and Management.

The principal risks for the school during the future are:

- A reduction in the pupil numbers on roll – the school closely monitors applications for places in each year group and models the financial implications of any trends; and
- Funding formula changes – The Headteacher, Business Manager and Governors Finance and Audit Committee monitor and analyse any national or local changes and adjust the management of the school accordingly.

The school and the Governors are aware of the significant Local Government Pension Scheme pension fund deficit of £1,718,000 as at 31 August 2021. This does not mean that this is an immediate liability as employer contributions have been set at a level which responds to the deficit level and is reviewed three yearly to ensure that this continues to be the case. The school has also mitigated its risk in relation to this pension scheme by taking out insurance against early retirement on the grounds of ill health.

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

FUNDRAISING

The school undertakes an annual charity sponsored walk and one non-uniform day per term for nominated charities. Unfortunately, due to Covid19 restrictions and school closures these activities were not undertaken in this financial year.

The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

PLANS FOR FUTURE PERIODS

The Academy will continue its primary objective to foster aspiration and give all pupils lifelong resources to achieve their full potential. The Trust's strategic plan details how its objectives will be achieved over a period of time.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The school does not hold any such funds on behalf of any other organisations.

AUDITOR

Insofar as the Trustees are aware:

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

Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company Directors, on 16 December 2021 and signed on the Board's behalf by:



.....
R Underwood
Trustee

Date: 16/12 2021

**South Charnwood High School
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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

SCOPE OF RESPONSIBILITY

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

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

The Board of Trustees has delegated the day-to-day responsibility to Andrew Morris, 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 South Charnwood High School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

Governors (Trustees)	Meetings attended	Out of a possible
Rachael Underwood, Parent Governor/Chair of Governors	6	6
David Sprason, Community Governor	6	6
Julie Shellard, Community Governor	6	6
Annalea Quare-Wighton, Staff Governor (resigned 25 August 2021)	4	6
Lara Coney, Staff Governor (resigned 23 August 2021)	4	6
Kate Everest, Parent Governor	6	6
Jill Massingham, Community Governor (resigned 26 October 2020)	0	1
Atish Vadher, Community Governor (appointed 6 January 2020)	0	1
Andrew Morris, Headteacher and Accounting Officer	5	6
Geoff Suart, Community Governor	6	6
David Critchley, Community Governor/Vice Chair	6	6
Alan May, Community Governor	5	6
Tammie Copley, Community Governor (appointed 28 April 2021)	6	6
Richard Buckley, Parent Governor (appointed 28 May 2021)	2	2
Denis Sleath, Community Governors (appointed 1 July 2021)	1	1
	1	1

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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

The governing body have had three resignations and four appointments of Trustees during the year. The three community governor vacancies at the school were advertised externally and particular skills were requested. Each time the applicants were invited to school for a discussion with the Headteacher and Chair of Governors/ Vice Chair of Governors. There was one further appointment of a parent governor, following the Academy sending vacancy information out to all current parents.

Governors were particularly proactive last year in ensuring their contribution to the strategic direction of the school, especially as regards spending on infrastructure. All sub committees continued until such time as the pandemic prevented meetings even then some meetings were held virtually.

The governing body is supportive and challenges and questions senior leaders to check their own understanding and to ensure they are fully aware of developments. The obvious challenge for the governing body this year was the partial closure of the school due to Covid 19. Full governing body meetings and Finance, Audit and Risk meetings continued virtually.

Governors were kept fully informed of the attainment and progress data from the exams in 2020 and the Centre Assessed Grades awarded in summer 2021. Financial data is presented at each meeting of the Finance, Audit and Risk sub-committee and is accessible to, and welcomed by, members of this committee

The Finance, Audit and Risk Committee is a committee of the main Board of Trustees. Its purpose is to have a strategic role in the financial management in schools. Its key responsibilities include:

- Setting financial priorities through the Annual Development Plan, three to five-year financial plan and annual budget;
- Deciding on how the school's delegated budget should be spent in accordance with the Annual Development Plan and the statutory curriculum requirements laid down by government;
- Approving the annual budget and monitoring expenditure;
- Ensuring the school budget is managed effectively;
- Ensuring the school meets all its statutory obligations and that there is compliance with financial regulations;
- Determining virement and expenditure thresholds through the school's finance policy;
- Evaluating the effectiveness of spending decisions;
- Ensuring scrutiny coverage; and
- Reviewing risks to the school at every meeting.

In 2020-21 the committee spent much time in discussion with regards to improvements to the school's infrastructure, budget planning, budget monitoring, terms of reference and new management report format.

Attendance at meetings in the year was as follows:

Attendees	Meetings attended	Out of a possible
Rachael Underwood	5	6
Alan May	6	6
David Critchley (Chair of FAR Committee)	6	6
Julie Shellard	1	1
Andrew Morris (Accounting Officer)	6	6
Angela Preston (Chief Finance Officer)	2	2
Alistair Keates (Chief Finance Officer)	3	3

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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year in the following way:

- The Academy ensures value for money on all building projects and major contracts by gaining three quotations or undertaking a formal tendering process (e.g. the contract cleaning contract this year).
- The Academy tries to access additional funding to offset the cost of large capital projects. Examples of this include for the Football Foundation with regards to the 3G Pitch, CIF for security fencing and Hinckley and Bosworth BC for Sports Hall explorative work.
- The Academy was successful in gaining a Salix grant for green energy which will enable the school to repay the grant and make additional and ongoing savings.
- The Academy encourages budget holders and the Finance Assistant to look for the best prices before placing orders. This is normally done on-line.
- The Academy encourages re-cycling of scrap metal, paper etc to either reduce costs or generate additional funds.

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 South Charnwood High School for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

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 and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to buy-in an internal audit service from the Internal Audit and Assurance Service at Leicestershire County Council. This year the internal audit was undertaken remotely during the week commencing 29 March 2021.

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

- testing of payroll processing systems
- testing of purchasing and procurement systems (incl. value for money)
- testing of control accounts/ bank reconciliations
- testing delegation of duties
- testing authorisation processes
- testing the security of funds
- testing of the application of policies

On at least a quarterly basis, a verbal report is given at the Board of Governors, through the Finance, Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. All minutes, supporting papers and agendas are all made available to all governors in the governors' shared drive.

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 internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the senior leadership team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

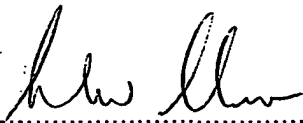
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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit and Risk Committee and a plan to address weaknesses if relevant and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 16 December 2021 and signed on its behalf by:


.....
R Underwood
Trustee


.....
A Morris
Accounting Officer

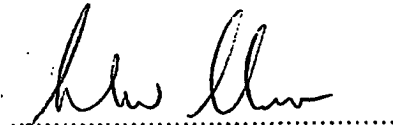
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2021**

As Accounting Officer of South Charnwood High 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 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 Board of Trustees are able to identify any material irregular or improper use of all 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 have been notified to the Board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.



A Morris
Accounting Officer

16/12 2021

SOUTH CHARNWOOD HIGH SCHOOL
(A Company Limited by Guarantee)

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the 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 financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The 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 financial statements may differ from legislation in other jurisdictions.

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



R Underwood
Chair of Trustees

Date: 16/12/2021

SOUTH CHARNWOOD HIGH SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SOUTH CHARNWOOD HIGH SCHOOL**

Opinion

We have audited the financial statements of South Charnwood High School (the 'Academy Trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities incorporating Income and Expenditure, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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.

SOUTH CHARNWOOD HIGH SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SOUTH CHARNWOOD HIGH SCHOOL (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

SOUTH CHARNWOOD HIGH SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SOUTH CHARNWOOD HIGH SCHOOL (CONTINUED)**

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the Trustees (who are also the Directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Obtaining and understanding of the legal and regulatory frameworks that the Academy Trust operates in, focusing on those laws and regulations that have a direct effect on the financial statements;
- Enquiring of management and Trustees around known or suspected instances of non-compliance of laws and regulations and fraud;
- Discussing among the engagement team regarding how and where fraud might occur in the Academy Trust financial statements and any potential indications of fraud;
- Reviewing minutes of meetings of those charged with governance; and
- Performing audit work in relation to the risk of management override, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias.

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

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

SOUTH CHARNWOOD HIGH SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SOUTH CHARNWOOD HIGH SCHOOL (CONTINUED)**

Use of our report

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

Helen Blundell

Helen Blundell LLB FCA FCIE DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson (Statutory Auditor)

Leicester, United Kingdom

Date: 17 December 2021

SOUTH CHARNWOOD HIGH SCHOOL
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter 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 South Charnwood High School during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to South Charnwood High School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to South Charnwood High 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 South Charnwood High School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of South Charnwood High School's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of South Charnwood High School's funding agreement with the Secretary of State for Education dated 1 April 2013 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

SOUTH CHARNWOOD HIGH SCHOOL
(A Company Limited by Guarantee)

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

The work undertaken to draw our conclusions includes:

- a review of the objectives and activities of the Academy Trust; with reference to the income streams and other information available to us as auditors of the Academy Trust;
- testing of a sample of grants received and other income streams;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of payroll payments to staff;
- evaluating the internal control procedures and reporting lines, and testing as appropriate;
- reviewing the Minutes of the meetings of the Board of Trustees and other evidence made available to us, relevant to our consideration of regularity; and
- consideration of governance issues.

Conclusion

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

MHA MacIntyre Hudson

Reporting Accountant

MHA MacIntyre Hudson (Statutory Auditor)
Leicester, United Kingdom

Date: 17 December 2021

SOUTH CHARNWOOD HIGH SCHOOL
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from:						
Donations and capital grants	3	-	-	220	220	6
Charitable activities:	4					
Funding for the Academy Trust's educational operations		-	4,933	-	4,933	4,602
Other trading activities	5	33	-	-	33	25
Total income		33	4,933	220	5,186	4,633
Expenditure on:						
Raising funds	6	10	-	-	10	7
Academy Trust educational operations	7	-	4,574	256	4,830	4,813
Total expenditure		10	4,574	256	4,840	4,820
Net income/ (expenditure)		23	359	(36)	346	(187)
Transfers between funds	19	-	(88)	88	-	-
Other recognised (losses)/gains:						
Actuarial (losses)/gains on defined benefit pension schemes	27	-	(252)	-	(252)	94
Net movement in funds		23	19	52	94	(93)

SOUTH CHARNWOOD HIGH SCHOOL
(A Company Limited by Guarantee)

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

		Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
	Note					
Reconciliation of funds:						
19						
Total funds brought forward		176	(1,306)	9,749	8,619	8,712
Net movement in funds		23	19	52	94	(93)
Total funds carried forward		199	(1,287)	9,801	8,713	8,619

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

The notes on pages 28 to 57 form part of these financial statements.

SOUTH CHARNWOOD HIGH SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08423539

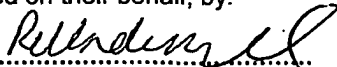
BALANCE SHEET
AS AT 31 AUGUST 2021


	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	14	9,809	9,749
		<u>9,809</u>	<u>9,749</u>
Current assets			
Stocks	15	2	2
Debtors	16	198	199
Cash at bank and in hand	24	776	277
		<u>976</u>	<u>478</u>
Current liabilities			
Creditors: amounts falling due within one year	17	(295)	(302)
		<u>681</u>	<u>176</u>
Net current assets			
Creditors: amounts falling due after more than one year	18	(59)	-
		<u>10,431</u>	<u>9,925</u>
Net assets excluding pension liability			
Defined benefit pension scheme liability	27	(1,718)	(1,306)
		<u>8,713</u>	<u>8,619</u>
Total net assets		<u>8,713</u>	<u>8,619</u>
Funds of the Academy Trust			
Restricted funds:			
Restricted fixed asset funds	19	9,801	9,749
Restricted income funds	19	431	-
		<u>10,232</u>	<u>9,749</u>
Restricted funds excluding pension asset	19	10,232	9,749
Pension reserve	19	(1,718)	(1,306)
		<u>8,514</u>	<u>8,443</u>
Total restricted funds	19	8,514	8,443
Unrestricted income funds	19	199	176
		<u>8,713</u>	<u>8,619</u>
Total funds		<u>8,713</u>	<u>8,619</u>

SOUTH CHARNWOOD HIGH SCHOOL
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 23 to 57 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


.....
R Underwood
Chair of Trustees


.....
A Morris
Accounting Officer

Date: 16/12/2021

The notes on pages 28 to 57 form part of these financial statements.

SOUTH CHARNWOOD HIGH SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by operating activities	21	525	289
Cash flows from investing activities	23	(96)	(620)
Cash flows from financing activities	22	70	(20)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		499	(351)
Cash and cash equivalents at the beginning of the year		277	628
Cash and cash equivalents at the end of the year	24	<hr/> 776 <hr/>	<hr/> 277 <hr/>

The notes on pages 28 to 57 form part of these financial statements

SOUTH CHARNWOOD HIGH SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

South Charnwood High School constitutes a public benefit entity as defined by FRS 102.

South Charnwood High School is a company limited by guarantee, incorporated in England and Wales. The address of the registered office, principal place of operation and registered number are detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees' Report.

The Financial Statements are prepared in British Pound Sterling (£), the functional and presentational currency, rounded to the nearest £1,000.

1.2 Going concern

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

This consideration has taken into account the expected impact of Covid-19 on the Academy Trust, as far as it can be determined, and the Trustees remain satisfied that the going concern principle remains appropriate.

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.

SOUTH CHARNWOOD HIGH SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income (continued)

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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.

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 allocated on the portion of the asset's use.

- **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.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

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

SOUTH CHARNWOOD HIGH SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued).

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on 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, transfers are made to the restricted fixed asset fund.

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

Long leasehold land	- 125 years over life of lease
Long leasehold property	- 2% Straight-line per annum
Furniture and equipment	- 15% Straight-line per annum
Computer equipment	- 20% Straight-line per annum

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.7 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 Cash at bank and in hand

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

SOUTH CHARNWOOD HIGH SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.9 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.

1.10 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.

1.11 Pensions

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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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/(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.

SOUTH CHARNWOOD HIGH SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.12 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 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 the funders where the asset acquired or created is held for a specific purpose.

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

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

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. See note 14 for the carrying amount of the tangible fixed assets, and note 1.5 for the useful economic lives for each class of assets.

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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 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The judgements that have had a significant effect on amounts recognised in the financial statements are those covering the choice of depreciation policies and asset lives.

3. Donations and capital grants

	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
ESFA/DfE Capital Grants	191	191
Other capital grants	29	29
Total 2021	220	220

	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Other capital grants	6	6

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4. Funding for the Academy Trust's educational operations

	Restricted funds 2021 £000	Total funds 2021 £000
DfE/ESFA grants		
General Annual Grant (GAG)	4,335	4,335
Other DfE/ESFA grants;		
Pupil Premium	116	116
Teachers' Pay and Pension Grant	230	230
Other EFSA/DfE grants	33	33
	<u>4,714</u>	<u>4,714</u>
Other Government grants		
Local Authority grants	99	99
	<u>99</u>	<u>99</u>
Other income from the Academy Trust's educational operations	21	21
COVID-19 additional funding (DfE/ESFA)		
Catch-up Premium	67	67
Other DfE/ESFA COVID-19 funding	32	32
	<u>99</u>	<u>99</u>
Total 2021	<u><u>4,933</u></u>	<u><u>4,933</u></u>

The Academy Trust received £67k of funding for Catch-up Premium and costs incurred in respect of this funding totalled £67k.

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4. Funding for the Academy Trust's educational operations (continued)

	Restated restricted funds 2020 *	Restated total funds 2020 *
	£000	£000
DfE/ESFA grants		
General Annual Grant (GAG)	4,047	4,047
Other DfE/ESFA grants;		
Pupil Premium	121	121
Teachers' Pay and Pension Grant	226	226
Other EFSA/DfE grants	48	48
	<u>4,442</u>	<u>4,442</u>
Other Government grants		
Local Authority grants	95	95
	<u>95</u>	<u>95</u>
Other income from the Academy Trust's educational operations	44	44
COVID-19 additional funding (DfE/ESFA)		
Other DfE/ESFA COVID-19 funding	21	21
	<u>21</u>	<u>21</u>
Total 2020	<u><u>4,602</u></u>	<u><u>4,602</u></u>

*Following the reclassification in the Academies Accounts Direction 2020/2021 of some grants received from the Department of Education and ESFA, the Academy Trust's funding for Pupil Premium, and Teachers' Pay and Pension grant are no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

There are no unfulfilled conditions or other contingencies attached to the Government grants above.

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Other trading activities

	Unrestricted funds 2021 £000	Total funds 2021 £000
Hire of facilities	29	29
Other income	4	4
Total 2021	33	33
	Unrestricted funds 2020 £000	Total funds 2020 £000
Hire of facilities	20	20
Other income	5	5
Total 2020	25	25

6. Expenditure on raising funds

	Unrestricted funds 2021 £000	Total funds 2021 £000
3G Pitch wages and salaries	9	9
3G Pitch pension costs	1	1
Total 2021	10	10

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6. Expenditure on raising funds (continued)

	Unrestricted funds 2020 £000	Total funds 2020 £000
Uniform purchases	1	1
3G pitch salary costs	6	6
	<u>7</u>	<u>7</u>
Total 2020	<u><u>7</u></u>	<u><u>7</u></u>

7. Analysis of expenditure by activities

	Direct costs 2021 £000	Support costs 2021 £000	Total funds 2021 £000
Educational operations	3,665	1,165	4,830
	<u>3,665</u>	<u>1,165</u>	<u>4,830</u>

	Direct costs 2020 £000	Support costs 2020 £000	Total funds 2020 £000
Educational operations	3,575	1,238	4,813
	<u>3,575</u>	<u>1,238</u>	<u>4,813</u>

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7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2021 £000	Total funds 2020 £000
Staff costs	3,290	3,169
Depreciation	256	231
Educational supplies	89	91
Staff development	10	17
Other direct costs	10	63
Insurance	10	4
Total 2021	3,665	3,575

Analysis of support costs

	Total funds 2021 £000	Total funds 2020 £000
Pension finance costs (note 13)	24	23
Staff costs	495	454
Travel and subsistence	9	26
Recruitment and support	1	8
Maintenance of premises and equipment	154	234
Cleaning	115	88
Rent and rates	31	22
Energy costs	44	41
Insurance	18	19
Catering	34	20
Legal and professional	2	2
Other support costs	218	285
Governance costs	20	16
Total 2021	1,165	1,238

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8. Expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000
Expenditure on raising funds				
Direct costs	10	-	-	10
Academy Trust's educational operations:				
Direct costs	3,290	203	172	3,665
Allocated support costs	519	244	402	1,165
Total 2021	3,819	447	574	4,840

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000
Expenditure on raising voluntary income:				
Direct costs	-	-	7	7
Academy Trust's educational operations:				
Direct costs	3,169	177	229	3,575
Allocated support costs	477	289	472	1,238
Total 2020	3,646	466	708	4,820

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £000	2020 £000
Depreciation of tangible fixed assets	256	231
Fees paid to auditors for:		
Audit	14	13
Other services	2	2

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £000	2020 £000
Wages and salaries	2,756	2,586
Social security costs	266	251
Pension costs	753	725
	<u>3,775</u>	<u>3,562</u>
Agency staff costs	20	61
Pension finance costs (note 13)	24	23
	<u>3,819</u>	<u>3,646</u>

b. Staff numbers

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

	2021 No.	2020 No.
Teaching	49	46
Management	5	5
Administration and support	42	42
	<u>96</u>	<u>93</u>

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	1	-
In the band £90,001 - £100,000	1	1
	<u>3</u>	<u>3</u>

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10. Staff (continued)

c. Higher paid staff (continued)

The above employees contributed to the Teachers' Pension Scheme. During the year ended 31 August 2021, pension contributions for these members of staff amounted to £54,841 (2020: £52,449).

d. Key Management Personnel

The Key Management Personnel of the Academy Trust comprise the Staff Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by Key Management Personnel for their services to the Academy Trust was £558,265 (2020 - £538,829).

11. Trustees' remuneration and expenses

One or more 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. The value of Trustees' remuneration and other benefits was as follows:

		2021	2020
		£000	£000
A Morris, Headteacher	Remuneration	95 - 100	90 - 95
	Pension contributions paid	20 - 25	20 - 25
A Quare-Wighton, Staff Trustee	Remuneration	35 - 40	30 - 35
	Pension contributions paid	5 - 10	5 - 10
L Coney, Staff Trustee	Remuneration	35 - 40	35 - 40
	Pension contributions paid	5 - 10	5 - 10

During the year ended 31 August 2021, no Trustees were reimbursed or paid directly for expenses they have incurred (2020 - £NIL).

Other related party transactions involving the Trustees are set out in note 28.

12. 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 cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2021 was £48 (2020 - £712). The cost of this insurance is included in the total insurance cost.

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13. Pension finance cost

	2021 £000	2020 £000
Expected return on pension scheme assets	30	30
Interest on pension scheme liabilities	(54)	(53)
	<u>(24)</u>	<u>(23)</u>

14. Tangible fixed assets

	Long leasehold land and property £000	Assets under construction £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 September 2020	10,869	9	186	206	11,270
Additions	264	-	11	41	316
Transfers between classes	9	(9)	-	-	-
At 31 August 2021	<u>11,142</u>	<u>-</u>	<u>197</u>	<u>247</u>	<u>11,586</u>
Depreciation					
At 1 September 2020	1,265	-	119	137	1,521
Charge for the year	203	-	24	29	256
At 31 August 2021	<u>1,468</u>	<u>-</u>	<u>143</u>	<u>166</u>	<u>1,777</u>
Net book value					
At 31 August 2021	<u>9,674</u>	<u>-</u>	<u>54</u>	<u>81</u>	<u>9,809</u>
At 31 August 2020	<u>9,604</u>	<u>9</u>	<u>67</u>	<u>69</u>	<u>9,749</u>

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14. Tangible fixed assets (continued)

Included in Long leasehold land and property is long leasehold land valued at £1,314,000 (2020: £1,314,000) on conversion in 2013 by Andrea Hopkins MRICS, using the depreciated replacement cost method. The Trustees consider that the valuation remains appropriate for the purposes of these Financial Statements.

The freehold of the land and buildings is owned by Leicestershire County Council. The Academy holds a 125 year lease on a peppercorn rent from 2013.

15. Stocks

	2021 £000	2020 £000
Book stock	2	2

16. Debtors

	2021 £000	2020 £000
Due within one year		
Trade debtors	1	12
VAT recoverable	17	67
Prepayments and accrued income	180	120
	198	199

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17. Creditors: Amounts falling due within one year

	2021	2020
	£000	£000
Other loans	11	-
Other taxation and social security	64	62
Other creditors	72	67
Accruals and deferred income	148	173
	<u>295</u>	<u>302</u>

Included within other loans falling due within one year is a loan amounting to £11,000 (2020: £Nil) from the Education and Skills Funding Agency under the Capital Improvement Fund. This Salix loan is for multiple projects and is repayable in instalments over 7 years finishing in 2027, this loan is interest free.

	2021	2020
	£000	£000
Deferred income at 1 September 2020	10	42
Resources deferred during the year	-	10
Amounts released from previous years	(10)	(42)
Deferred income at 31 August 2021	<u>-</u>	<u>10</u>

At 31 August 2021 the Academy Trust was holding SEN Covid-19 top-up funding for the 2020/21 academic year.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Creditors: Amounts falling due after more than one year

	2021	2020
	£000	£000
Other loans	59	-
	<u>59</u>	<u>-</u>

Included within other loans falling due after one year is a loan amounting to £59,000 (2020: £Nil) from the Education and Skills Funding Agency under the Capital Improvement Fund. This Salix loan is for multiple projects and is repayable in instalments over 7 years finishing in 2027, this loan is interest free.

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2021	2020
	£000	£000
Payable or repayable by instalments	16	-
	<u>16</u>	<u>-</u>

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19. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
Unrestricted funds	176	33	(10)	-	-	199
Restricted general funds						
General Annual Grant (GAG)	-	4,335	(3,816)	(88)	-	431
Pupil Premium	-	116	(116)	-	-	-
Other DfE/ESFA grants	-	33	(33)	-	-	-
Other Government grants	-	99	(99)	-	-	-
Teachers' Pay and Pension Grant	-	230	(230)	-	-	-
Catch-up premium	-	67	(67)	-	-	-
Other DfE/ESFA Covid-19 funding	-	32	(32)	-	-	-
Other income	-	21	(21)	-	-	-
Pension reserve	(1,306)	-	(160)	-	(252)	(1,718)
	(1,306)	4,933	(4,574)	(88)	(252)	(1,287)

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19. Statement of funds (continued)

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2021 £000
Restricted fixed asset funds						
Net book value of fixed assets	9,749	-	(256)	316	-	9,809
Salix loan	-	-	-	(70)	-	(70)
CIF funding	-	172	-	(110)	-	62
FA 3G Pitch Funding	-	29	-	(29)	-	-
Devolved formula capital	-	19	-	(19)	-	-
	<u>9,749</u>	<u>220</u>	<u>(256)</u>	<u>88</u>	<u>-</u>	<u>9,801</u>
Total Restricted funds	<u>8,443</u>	<u>5,153</u>	<u>(4,830)</u>	<u>-</u>	<u>(252)</u>	<u>8,514</u>
Total funds	<u>8,619</u>	<u>5,186</u>	<u>(4,840)</u>	<u>-</u>	<u>(252)</u>	<u>8,713</u>

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

Unrestricted funds

Unrestricted funds are to be used towards meeting any of the charitable objectives of the Academy Trust at the discretion of the Trustees.

General Annual Grant (GAG)

Funds from the Education and Skills Funding Agency for the provision of education, in line with the funding agreement.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021. Transfers of £158,000 from restricted funds to the restricted fixed asset fund represents allocations from GAG towards fixed assets. Transfers of £75,000 from restricted fixed asset funds to restricted funds represents the amount borrowed on the Salix loan. Transfers of £5,000 from restricted funds to restricted fixed asset funds represents the repayments on the Salix loan.

Pupil premium

Additional funds from the Education and Skills Funding Agency to support their disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

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19. Statement of funds (continued)

Other DfE/ESFA Grants

Other funds provided by the DfE/ESFA for particular purposes within the Academy Trust's educational operations.

Other Government Grants

This includes funds and grants received from the Local Authority and other institutions for use on specific educational projects.

Other income

These consist of income from all other sources to be used primarily for the Academy Trust's educational operations.

Pension reserve

Being the fund in relation to the defined benefit pension scheme liability included in the Balance Sheet. The fund is in deficit but given the nature of the liability this is not payable immediately. Plans are in place to address the deficit.

Restricted Fixed asset funds

The restricted fixed asset fund was funded predominately by the funds inherited on conversion to an Academy Trust from Local Authority following the transfer of assets. It includes further amounts invested in property improvements, furniture and equipment, and computer equipment. Also included in the funds is depreciation charged on fixed assets held. Transfers of £158,000 from restricted funds to the restricted fixed asset fund represents allocations from GAG towards fixed assets.

Salix loan

This fund includes a loan from Salix Finance which were taken out to fund multiple projects. The fund is in deficit and the balance is being paid off through the GAG over the terms of the loans. Transfers of £75,000 from restricted fixed asset funds to restricted funds represents the amount borrowed on the Salix loan. Transfers of £5,000 from restricted funds to restricted fixed asset funds represents the repayments on the Salix loan.

Capital grants

This consists of Devolved Formula Capital (DFC) and other capital funding from the Education and Skills Funding Agency. The DFC is to be used for ICT items, improvements to building and other facilities or capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual terms of the agreement and for the specific capital projects as applied for.

FA 3G pitch funding

This consists of funding received from the football foundation. This fund has been created to recognise unspent funding received for the purpose of the acquisition of tangible fixed assets. As the tangible fixed assets are purchased a transfer is made to the restricted fixed assets fund.

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19. Statement of funds (continued)

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General funds	190	25	(7)	(32)	-	176
Restricted general funds						
General Annual Grant (GAG)	41	4,047	(3,869)	(219)	-	-
Pupil Premium	-	121	(121)	-	-	-
Other DfE/ESFA grants	-	30	(30)	-	-	-
Other Government grants	-	95	(95)	-	-	-
Teachers' Pay and Pension Grant	-	226	(226)	-	-	-
Other DfE/ESFA Covid-19 funding	-	21	(21)	-	-	-
Other income	-	44	(44)	-	-	-
Pension reserve	(1,224)	-	(176)	-	94	(1,306)
	<u>(1,183)</u>	<u>4,584</u>	<u>(4,582)</u>	<u>(219)</u>	<u>94</u>	<u>(1,306)</u>

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19. Statement of funds (continued)

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/(out) £000	£000	Balance at 31 August 2020 £000
Restricted fixed asset funds						
Net book value of fixed assets	9,336	-	(231)	644	-	9,749
Salix loan	(20)	-	-	20	-	-
CIF funding	251	-	-	(251)	-	-
FA 3G Pitch Funding	135	6	-	(141)	-	-
Devolved formula capital	3	18	-	(21)	-	-
	<u>9,705</u>	<u>24</u>	<u>(231)</u>	<u>251</u>	<u>-</u>	<u>9,749</u>
Total Restricted funds	<u>8,522</u>	<u>4,608</u>	<u>(4,813)</u>	<u>32</u>	<u>94</u>	<u>8,443</u>
Total funds	<u>8,712</u>	<u>4,633</u>	<u>(4,820)</u>	<u>-</u>	<u>94</u>	<u>8,619</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	9,809	9,809
Current assets	199	715	62	976
Current liabilities	-	(284)	(11)	(295)
Non-current liabilities	-	-	(59)	(59)
Pension scheme liabilities	-	(1,718)	-	(1,718)
Total 2021	<u>199</u>	<u>(1,287)</u>	<u>9,801</u>	<u>8,713</u>

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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	9,749	9,749
Current assets	176	302	-	478
Current liabilities	-	(302)	-	(302)
Pension scheme liabilities	-	(1,306)	-	(1,306)
Total 2020	176	(1,306)	9,749	8,619

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

	2021 £000	2020 £000
Net income/(expenditure) for the year (as per Statement of Financial Activities)	346	(187)
Adjustments for:		
Depreciation charges (note 14)	256	231
Decrease in debtors (note 16)	1	2
(Decrease)/increase in creditors (note 17)	(18)	91
Capital grants from DfE and other capital income (notes 3 and 4)	(220)	(24)
Defined benefit pension scheme cost less contributions payable (note 27)	136	153
Defined benefit pension scheme finance cost (note 13)	24	23
Net cash provided by operating activities	525	289

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22. Cash flows from financing activities

	2021 £000	2020 £000
Cash inflows from new borrowing (note 17 and 18)	75	-
Repayments of borrowing (note 17 and 18)	(5)	(20)
Net cash provided by/(used in) financing activities	70	(20)

23. Cash flows from investing activities

	2021 £000	2020 £000
Purchase of tangible fixed assets (note 14)	(316)	(644)
Capital grants from DfE and other capital income (note 3 and 4)	220	24
Net cash used in investing activities	(96)	(620)

24. Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash in hand	776	277
Total cash and cash equivalents	776	277

25. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	277	499	776
Debt due within 1 year	-	(11)	(11)
Debt due after 1 year	-	(59)	(59)
	277	429	706

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26. Capital commitments

	2021	2020
	£000	£000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	68	82

27. Pension commitments

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 Leicestershire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £70,000 were payable to the schemes at 31 August 2021 (2020 - £67,000) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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27. Pension commitments (continued)

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

The employer's pension costs paid to TPS in the year amounted to £475,000 (2020 - £434,000).

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

Under the definitions set out in 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 contribution made for the year ended 31 August 2021 was £187,000 (2020 - £178,000), of which employer's contributions totalled £149,000 (2020 - £142,000) and employees' contributions totalled £38,000 (2020 - £36,000). The agreed contribution rates for future years are 24.6% for employers and 5.5% - 12.5% for employees.

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

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.40	2.70
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme liabilities	1.65	1.70
Inflation assumption (CPI)	2.90	2.20
Commutation of pensions to lump sums pre-April 2008	50.00	50.00
Commutation of pensions to lump sums post-April 2008	75.00	75.00

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	21.7	21.5
Females	24.2	23.8
Retiring in 20 years		
Males	22.6	22.2
Females	25.9	25.2

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27. Pension commitments (continued)

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate +0.1%	(90)	(70)
Discount rate -0.1%	90	70
Mortality assumption - 1 year increase	159	120
Mortality assumption - 1 year decrease	(159)	(120)
CPI rate +0.1%	82	64
CPI rate -0.1%	(82)	(64)

Share of scheme assets

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

	2021	2020
	£000	£000
Equities	1,315	1,004
Bonds	658	494
Property	159	136
Cash	136	68

Total market value of assets	2,268	1,702
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The actual return on scheme assets was £393,000 (2020 - £30,000).

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

	2021	2020
	£000	£000
Current service cost	(285)	(289)
Past service cost	-	(6)
Interest income	30	30
Interest cost	(54)	(53)

Total amount recognised in the Statement of Financial Activities	(309)	(318)
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27. Pension commitments (continued)

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

	2021 £000	2020 £000
At 1 September	3,008	2,777
Current service cost	285	289
Interest cost	54	53
Employee contributions	38	36
Actuarial losses/(gains)	615	(143)
Benefits paid	(14)	(10)
Past service costs	-	6
At 31 August	3,986	3,008

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

	2021 £000	2020 £000
At 1 September	1,702	1,553
Actuarial gains/(losses)	363	(49)
Employer contributions	149	142
Employee contributions	38	36
Benefits paid	(14)	(10)
Interest income	30	30
At 31 August	2,268	1,702

The Academy Trust expects to contribute £154,000 to its defined benefit pension scheme in 2022.

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28. 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. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Mayprint Limited is a company in which A May, a Trustee, has a majority interest. Transactions totalling £48 (2020 - £1,107) for the purchase of uniforms and student organisers took place during the year. The contract with Mayprint Limited was entered into prior to 7 November 2013 and followed correct procurement procedures. A May neither participated in, nor influenced the decision for the procurement of these goods. All goods were supplied at cost. There were no amounts outstanding at 31 August 2021. In entering into the transaction the Trust has complied with the requirements of the Academies Financial Handbook 2020.

Sue Sprason, cleaner and midday supervisor at the Academy Trust, is the spouse of David Sprason, a Trustee of the Academy Trust. Sue's appointment was made in open competition. She is paid within the normal pay scale for her role and receives no special treatments as a result of her relationship to a Trustee.

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

29. Company limited by guarantee

The Academy Trust is a company limited by guarantee and does not have share capital.

30. Members' liability

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