

Report of the Governors and  
Financial Statements  
for the Year Ended 31 August 2021  
for  
Lady Hawkins' School

Thorne Widgery Accountancy Ltd  
Chartered Accountants  
Statutory Auditors  
2 Wyevale Business Park  
Kings Acre  
Hereford  
Herefordshire  
HR4 7BS

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for the Year Ended 31 August 2021

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**MEMBERS:**

Miss R M Mountford  
A Glyn-Jones  
S D Grist

**GOVERNORS**

Miss E L Hancocks Co-opted Governor (Vice Chair) \*  
Mrs W J James Parent Governor (resigned 28.6.21)  
Ms S B Brealey Parent Governor  
Mrs K M Dinsdale Parent Governor \*  
Dr J J Edwards Parent Governor  
T Goode Parent Governor (resigned 24.6.21)  
Miss R M Mountford (Chair) \*  
P Jennings Headteacher and Accounting Officer \*  
Mrs P J Dixon Staff Governor (end of term 31/8/21)  
Reverend B L Griffith Co-opted Governor  
K A Smith Staff (Teaching) Governor \*  
Mrs P A Hughes Co-opted Governor

\* members of the finance and general purpose committee

**SENIOR LEADERSHIP TEAM**

Headteacher	Mr P Jennings
Assistant Headteacher	Mr A Brace
Assistant Headteacher	Mrs A Collister
Assistant Headteacher	Mrs C Dines
Data Manager	Mrs F Gadfield
School Business Manager	Mr K J Gwynne (Resigned 01/04/21)

**COMPANY NAME**

Lady Hawkins' School

**COMPANY SECRETARY**

Mr K J Gwynne (Resigned 01/04/21)

**COMPANY SECRETARY**

**REGISTERED OFFICE**

Park View  
Kington  
Herefordshire  
HR5 3AR

**REGISTERED COMPANY NUMBER**

07722445 (England and Wales)

**SENIOR STATUTORY AUDITOR**

Mrs L Weaver FCCA

**AUDITORS**

Thorne Widgey Accountancy Ltd  
Chartered Accountants  
Statutory Auditors  
2 Wyevale Business Park  
Kings Acre  
Hereford  
Herefordshire  
HR4 7BS

**SOLICITORS**

HY Professional Services  
Reed House  
Hunters Lane  
Rochdale  
Greater Manchester  
OL16 1YL

**BANKERS**

HSBC  
1 Broad Street  
Leominster  
Herefordshire  
HR6 8BU

Lloyds TSB  
PO Box 1000  
Andover  
BX1 1LT

Report of the Governors  
for the Year Ended 31 August 2021

The governors who are also directors of the academy for the purposes of the Companies Act 2006, present their report with the financial statements of the academy for the year ended 31 August 2021. The governors have adopted the provisions of 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) (effective 1 January 2019) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The academy operates an academy for pupils aged 11 to 16 serving a catchment area in North Herefordshire. It has a pupil capacity 510 and had a roll of 284 in the school census October 2020.

**OBJECTIVES AND ACTIVITIES**

**Objects and aims**

These are set out in the vision and aims of the school:

**Vision**

"Every person in our sphere of influence is given the best opportunities in life"

**Objectives, Strategies and Activities**

These are set out in the mission statement of the school.

**Mission Statement**

At Lady Hawkins' School we strive to:

- Deliver a broad, balanced and ambitious curriculum in an environment rooted in our core values of Community, Courtesy and Challenge
- Develop respectful, responsible and resilient citizens who will go on to use their skills and knowledge to contribute positively to society on a local, national and international level
- Support and challenge everyone in our school community to be at their best, irrespective of their background. Academic success built on a foundation of pastoral care.

**Public benefit**

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

## **STRATEGIC REPORT**

### **Achievement and performance**

#### **Charitable activities**

It has been another challenging year due to the ongoing Covid-19 pandemic. With periods of school closure for all those except the most vulnerable students and long periods of remote education for all. Staff absence due to Covid-19 has affected staffing levels, but with the removal of isolation for those double vaccinated will improve the situation from September 2021. GCSE grades were based on teacher assessments this year as external exams were not held again. Students have achieved well, despite the challenges of the previous years, with attendance for online lessons very good.

Results August 2021:

GCSE: 100% GCSE 9 - 1 / A\*-G qualifications  
48% 5 or above grades in English and Mathematics  
68% 4 or above grades in English and Mathematics

GCSE subject highlights:	English Language	52% 5+	65% 4+
	Mathematics	58% 5+	78% 4+
	Languages	67% 5+	
	Humanities	67% 5+	

#### **Key financial performance indicators**

These are covered throughout the Governors' Report.

#### **Financial review**

##### **Financial position**

The majority of the School's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The School also receives grants for fixed assets from the ESFA in accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (FRS 102) (effective 1 January 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the School's accounting policies.

During the period ended 31 August 2021, total expenditure of £1,560,883 (2020: £1,501,978) was covered by recurrent grant funding from the ESFA. The net resources expended before transfers and revaluations for the period was £170,778 (2020: £183,868)

At 31 August 2021, the net book value of fixed assets was £6,419,887 (2020: £6,574,279) and movements in tangible fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the School.

##### **Investment policy and objectives**

Any excess monies are put on short term deposits ranging from 6 weeks to 6 months to obtain the best returns possible.

## **STRATEGIC REPORT**

### **Financial review**

#### **Reserves policy**

The governors review the reserve levels of the School annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The governors have agreed to aim for a minimum reserve of £100k that is not used in the general budget. This reserve is held to ensure that in future years where there may be a deficit budget due to low student numbers, enough reserves are held to ensure the financial viability of the school.

The School's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £125,082 (2020: £108,863), all of which is free reserves. The level of general restricted reserves (excluding pension) is £122,347 (2020: £100,950 surplus).

#### **Going concern/Covid-19**

After making appropriate enquiries, the board of governors has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Covid-19 has had limited impact on the running of the academy. Extra resources required to comply with the Government restrictions currently in place have been purchased using the Covid-19 Emergency Support.

Extra support for students to catch up due to the pandemic is being funded by the Covid-19 Catch Up Grant.

#### **Fundraising**

There were no significant fundraising activities during the year.

#### **Principal risks and uncertainties**

The Governors consider that the principal risks and uncertainties facing the School are:

- Meeting requisite standards of education for students in core subjects
- Complying with legislative requirements regarding employment law, data protection, discrimination, Companies House and HMRC, child protection, the Charity Commission and the National Curriculum.

#### **Financial and risk management objectives and policies**

The School has agreed a Risk Management strategy, a Risk register and a risk management plan. These have been discussed by governors and include the financial risks to the school. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

## **STRATEGIC REPORT**

### **Future plans**

#### **Financial**

The school works on a 5 Year budget cycle that it reviews regularly.

#### **Curriculum**

Whole School Improvement - The school works within an improvement plan that is reviewed annually and renewed every 3 years. The key components of the current plan for 2021-2022:

#### **A. Quality of Education**

	Leadership	Time scale
1. Cognitive load	CD	Sept & Jan TED
2. Teaching triads	CD	Ongoing
3. Quality assurance	CD	Sept & ongoing
4. Assessment and Reporting	SJC	Ongoing
5. English at 5+	CD and SJC	Ongoing
6. Maths at 5+	CD and SJC	Ongoing
7. Open Bucket	PJ and AB	Ongoing
8. SEND focus	PJ and AOC	Ongoing
9. Intent Implementation and Impact	PJ and AB	Autumn Term
10. Sequenced curriculum overview	AB	Autumn Term
11. HLTA status and deployment	AOC	Sept 2021

#### **B. Behaviours and Attitudes, Personal Development**

	Leadership	Time scale
1. Conduct a 360 • audit of behaviours and action plan accordingly	PJ and AB	Autumn Term
2. Ensure a calm and orderly environment	AB and Heads of House	Ongoing
3. Staff and Student Mental Health	AOC	Ongoing
4. Have a strong focus on attendance and punctuality (including online)	AOC, DP & CK	September 2021
5. Further embed careers in the curriculum	AB	Ongoing
6. Vertical tutoring - monitoring	AOC	Ongoing
7. Language use	AB	Focus Autumn Term

#### **C. Leadership and Management**

	Leadership	Time scale
1. Shared curriculum vision	AB	September 2021
2. Clear structure for QA and development	PJ/CD	September 2021
3. School Council feeding into School decision making	PJ/DP	Autumn Term
4. NPQ training for SLT	PJ	Start Autumn 2021
5. Develop collaborative working in light of DfE and LEA priority to reduce the number of SLA	PJ	Ongoing
6. Develop model for MAT development in Rural Herefordshire	PJ	Business plan for Governors January 2022



## **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 Charitable Company was Incorporated on the 29th July 2011 and converted from a Local Authority School to an Academy Trust on the 1st November 2011.

The governors act as the trustees for the charitable activities of Lady Hawkins' School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Lady Hawkins' School.

Details of the governors who served throughout the year except as noted 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.

### **Governors' Indemnities**

Governors benefit from indemnity insurance purchased at the Academy Trust's expense 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, provided that any such insurance shall not extend to any claim arising from any act or omission which the governors knew to be a breach of trust or breach of duty or which was committed by the governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the governors in their capacity as directors of the Academy Trust.

The liability insurance is provided by Zurich Plc. and provides cover up to £1,000,000 on any one claim.

### **Principal activities**

This is defined in the Articles of Association:

"The Academy Trust's object is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum."

### **Recruitment and appointment of new trustees**

This is defined in the Articles of Association:

The Members may appoint up to 18 Governors. To include; up to 3 Staff Governors, up to 1 LA Governor, a minimum of 2 Parent Governors, the Headteacher(ex officio) and up to 3 "Co-opted" governors. Also the Secretary of State may appoint such additional governors as he sees fit.

- The Members [Trustees] may appoint Staff Governors through such process as they may determine, provided that the total number of Governors [including the Headteacher] who are employees of the Academy Trust does not exceed one third of the total number of Governors.
- The LA may appoint the LA Governor.
- The Headteacher shall be treated for all purposes as being an ex officio Governor.
- Parent Governors shall be elected by parents of registered students at the School. A Parent Governor must be a parent of a student at the School at the time when he is elected. Any election of Parent Governors which is contested shall be held by secret ballot.
- A "Co-opted" Governor means a person who is appointed to be a Governor by being co-opted by Governors who have not themselves been co-opted.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Organisational structure**

The School has a leadership structure which consists of two levels, the Governors and The Senior Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Headteacher is the Accounting Officer.

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

The Senior Leadership Team (SLT) consists of the Headteacher, 3 Assistant Headteachers, School Business Manager, and the SENCo. These leaders direct the School at an executive level implementing the policies laid down by the governors and reporting back to them. The SLT are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Senior Management Team always contain a governor. Some spending control is devolved to members of the Senior Management Team, with limits above which the Headteacher must countersign.

Subject Leaders are responsible for the day to day operation of curriculum subject areas and accordingly organise teaching staff, capitation resources, facilities and students.

### **Induction and training of new trustees**

The School has a Governor Recruitment and Induction policy.

The training and induction provided for new governors includes a tour of the School and a chance to meet staff and students. The Governor Support Team at the Local Authority provides external training including financial matters. They provide regular updates on practice, legislation and guidance. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

### **Key management remuneration**

The academy runs a rigorous system of performance management and appraisal which is linked to performance-related pay progression.

### **Connected Organisations, including Related Party Relationships**

The school liaises and works with organisations such as the Local Authority, The Schools Network, The Sustaining Excellence Network, The National College for School leadership, The Department for Education as well as with other education providers and trainers such as our federation partner schools, our leading edge partner schools, further education providers and universities.

### **Risk management**

The governors have assessed the major risks to which the School is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas, and its finances. The governors have implemented a system of assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The School has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

## **AUDITORS**

Insofar as the governors are aware:

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

The Governors Report, incorporating a strategic report, was approved by the board of governors, as the company directors on .....(21/2/21)..... and signed on its behalf by:

Lady Hawkins' School

Report of the Governors  
for the Year Ended 31 August 2021

  
.....  
Miss R M Mountford - Governor

1

Governance Statement  
for the Year Ended 31 August 2021

**Scope of Responsibility**

As governors, we acknowledge we have overall responsibility for ensuring that Lady Hawkins' 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 of loss.

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

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

The Governors' consider that the Board and its Committees combined, meet adequately and regularly over the course of the year in order to discharge their responsibilities and have robust and effective management arrangements.

Governance Statement  
for the Year Ended 31 August 2021

**Governance**

The information on governance included here supplements that described in the Report of the Governors and in the Statement of Governors Responsibilities.

The board of members formally met once during the year. Attendance at the meeting was as follows:

Trustee		Meetings Attended	Out of a possible
Mr S D Grist	Chairman	0	1
Mr A Glyn-Jones		1	1
Miss R Mountford		1	1

The board of governors formally met five times during the year. However, due to the Covid19 pandemic many of these meetings were conducted via Microsoft Teams. Attendance at these meetings was as follows:

Governor		Meetings Attended	Out of a possible
Miss R Mountford	Chairman - Parent Governor	5	5
Miss E Hancocks	Vice Chairman - Co-opted Governor	5	5
Mrs S Brearley	Parent Governor	4	5
Mrs K Dinsdale	Parent Governor	5	5
Mrs P Dixon	Staff Governor	4	5
Dr J Edwards	Parent Governor	3	5
Mr T Goode	Parent Governor (resigned June 21)	3	5
Mrs P A Hughes	Co-opted Governor	5	2
Rev B Griffith	Co-opted Governor	2	5
Mrs W James	Parent Governor (resigned June 21)	4	5
Mr K Smith	Staff Governor	2	5
Mr P Jennings	Headteacher - Accounting Officer	5	5

The Governing body also held one Extraordinary Meetings during the year. Attendance at these meetings was as follows:

Governor		Meetings Attended	Out of a possible
Miss R Mountford	Chairman - Parent Governor	2	2
Miss E Hancocks	Vice Chairman - Co-opted Governor	2	2
Mrs S Brearley	Parent Governor	1	2
Mrs K Dinsdale	Parent Governor	2	2
Mrs P Dixon	Staff Governor	1	2
Dr J Edwards	Parent Governor	2	2
Mr T Goode	Parent Governor	0	2
Rev B Griffith	Co-opted Governor	2	2
Mrs W James	Parent Governor	2	2
Mr K Smith	Staff Governor	1	2
Mrs P Hughes	Co-opted Governor	2	2
Mr P Jennings	Headteacher - Accounting Officer	2	2

**Governance Review**

The review of governance focused on the work of the trustees, the number relative to the size of the school and the need to ensure long term financial survival of the school. Outcomes were:

- Governors and trustees work is in line with expectations set out in the article of association
- The number of governors is within limits set in the articles.

Governance Statement  
for the Year Ended 31 August 2021

- The financial management of the school would be best served by holding joint committee meetings to consider impact of finance on available staffing and therefore the curriculum that could be delivered to students. There are also three sub committees looking at 'Leadership & Management', 'Behaviour, Attitude & Personal Development' and 'Quality of Education'. This allows committee and full board meetings to be more focussed and effective.
- This would be reviewed again in the next academic year
- The impact of the these measures was increased effectiveness of governors meetings, allowing a detailed budget forecast for future years, while maintaining a broad balanced curriculum to meet the need of students.

The **Finance and Resources Committee\*** is a sub-committee of the main Governing Body. Its purpose is to consider and advise the governing body on standards and other matters relating to the school's finance and resources, including statutory requirements and the school's financial policy.

The **Curriculum and Staffing Committee** is a sub-committee of the main Governing Body. Its purpose is to consider and advise the governing body on standards and other matters relating to the school's curriculum and staffing, including statutory requirements and the school's curriculum policy.

Up to the date of his resignation Mr K Gwynne, who was the School Business Manager, was asked to attend the joint committee meetings and then the Finance and Resources meetings, as indicated below.

The Governors held three joint committee meetings. However, due to the Covid19 pandemic the last two meetings were conducted via Microsoft Teams. Attendance in the year was as follows:

**Finance Committee:**

		Meetings Attended	Out of a possible
<b>Governor</b>			
Miss R Mountford	Chair	6	6
Miss E Hancocks	Vice Chairman (Finance Committee Chairman)	6	6
Mrs K Dinsdale		6	6
Mrs P Dixon		4	6
Mr T Goode		4	6
Mr K Smith		3	6
Mr P Jennings	Headteacher - Accounting Officer	6	6
Mr K Gwynne	School Business Manager until 01/04/21	3	3

**Review of Value for Money**

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

The accounting officer considers how the 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Monitoring spending, ensuring that spending was linked to the school improvement plan and clawing back unspent monies for re-budgeting.
- Reviewing the curriculum and staffing to ensure a broad balanced curriculum for students while keeping spending within budget to ensure that there was not a deficit budget.
- Setting out a 5 year balanced budget, including planned staffing reductions to ensure long term financial security for the school.
- Successful bids for school improvement works funded by the DfE with subsequent improvement of the learning environment, leading to improved results in year 11 and improved insulation, leading to reduced energy consumption and budget savings, which in were used to support other school costs e.g. staffing.

**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 School 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 Lady Hawkins' School for the period ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Governing Body 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 Governing Body 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 ending 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

**The Risk and Control Framework**

The School'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 Governing Body.
- 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;
- identification and management of risks.

The Governors have considered the need for a separate Audit Committee and have decided that there is no need for a separate committee, instead the Curriculum & Staffing committee will have additional terms of reference, to include the appointment of an Internal Auditor, Internal Reviewer or Peer Reviewer; a review of the quarterly reports filed by the Internal Auditor, Internal Reviewer or Peer Reviewer; implementing any risks or weaknesses found; and the signing off of the Annual Review of Effectiveness.

The Governors have decided to buy-in an internal audit service from 'Academy Audit'. The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems as described above.

On a regular basis, the auditor reports to the board of governors, through the Curriculum & Staffing committee on the operation of the systems of control and on the discharge of the board of governors financial responsibilities and annually prepares an annual summary report outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Governance Statement  
for the Year Ended 31 August 2021

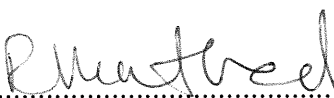
**Review of Effectiveness**

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

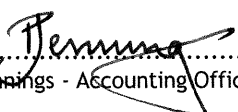
- the work of the Internal Reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the School who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on .....17/12/21..... and signed on its behalf by:

..........

Miss R M Mountford - Governor

..........

P Jennings - Accounting Officer



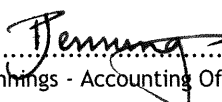
Lady Hawkins' School

Statement on Regularity, Propriety and Compliance  
for the Year Ended 31 August 2021

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

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of governors and ESFA.

  
.....  
P Jennings - Accounting Officer

Date: .....17/12/21.....

Statement of Governors' Responsibilities  
for the Year Ended 31 August 2021

The governors (who act as trustees of Lady Hawkins' School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The governors 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 to 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 governors 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 the ESFA/DfE have been applied for the purposes intended.

In so far as the governors are aware:

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

In preparing these financial statements, the governors are required to state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The governors 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 Governing Body on .....17/12/21..... and signed on its behalf by:

  
.....  
Miss R M Mountford - Governor

### **Opinion**

We have audited the financial statements of Lady Hawkins' School (the 'academy') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

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

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the entity's activities, funders, suppliers and wider economy. The Trustees' view on the impact of COVID-19 is disclosed in the Trustees' Report and the Accounting Policies.

### **Other information**

The governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Governors has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governors.

We have nothing to report in respect of the following matters where 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Governors.

**Responsibilities of governors**

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

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

**Our 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 a Report of the Independent Auditors 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:

We obtained an understanding of the legal and regulatory framework applicable to both the Academy itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant were identified as the Department for Education, the Education and Schools Funding Agency, the Academies Financial Handbook 2020, the Academies Accounts Direction 2021, Companies Act legislation and Charities Act and FRS102 SORP legislation.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- Making enquiries of management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- Obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- Assessing the design effectiveness of the controls in place to prevent and detect fraud;
- Assessing the risk of management override including identifying and testing journal entries;
- Challenging the assumptions and judgements made by management in its significant accounting estimates.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

The maintenance and integrity of the Lady Hawkins School website is the responsibility of the governors; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

Report of the Independent Auditors to the Members of  
Lady Hawkins' School

**Use of our report**

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an 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 and the academy's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mrs L Weaver FCCA (Senior Statutory Auditor)  
for and on behalf of Thorne Widgery Accountancy Ltd  
Chartered Accountants  
Statutory Auditors  
2 Wyevale Business Park  
Kings Acre  
Hereford  
Herefordshire  
HR4 7BS

Date: .....22/12/21.....

Independent Reporting Accountant's Assurance Report on Regularity to  
Lady Hawkins' School and the Education and Skills Funding Agency

In accordance with the terms of our engagement 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 Lady Hawkins' School during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Lady Hawkins' School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Lady Hawkins' School's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- detailed testing of a sample of items of income and expenditure to ensure appropriately applied for the purpose intended.
- specific testing, on a sample basis, of system controls relevant to the above
- a general review of correspondence with the appropriate authorities regarding Academy governance matters during the year
- a general review and discussion of the Academy's internal control procedures for establishing and maintaining systems of control and documentation regarding these matters.

This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

**Conclusion**

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

Independent Reporting Accountant's Assurance Report on Regularity to  
Lady Hawkins' School and the Education and Skills Funding Agency

Thorne Widgery Accountancy Ltd  
Chartered Accountants  
Reporting Accountant  
2 Wyevale Business Park  
Kings Acre  
Hereford  
Herefordshire  
HR4 7BS

*Thorne Widgery*

Date: .....22/12/21.....



Statement of Financial Activities  
(Incorporating an Income and Expenditure Account)  
for the Year Ended 31 August 2021

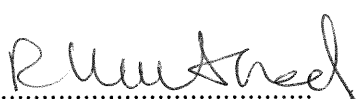
					31.8.21	31.8.20
	Notes	Unrestricted Funds £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	2	3,952	8,868	44,968	57,788	78,524
<b>Charitable activities</b>						
Funding for the academy's educational operations	3	-	-	1,819,455	1,819,455	1,684,882
Other trading activities	4	12,221	-	7,408	19,629	19,335
Investment income	5	46	-	-	46	382
<b>Total</b>		<b>16,219</b>	<b>8,868</b>	<b>1,871,831</b>	<b>1,896,918</b>	<b>1,783,123</b>
<b>EXPENDITURE ON Charitable activities</b>						
Academy's educational operations	3	-	178,457	1,889,239	2,067,696	1,966,991
<b>Total</b>	<b>6</b>	<b>-</b>	<b>178,457</b>	<b>1,889,239</b>	<b>2,067,696</b>	<b>1,966,991</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>16,219</b>	<b>(169,589)</b>	<b>(17,408)</b>	<b>(170,778)</b>	<b>(183,868)</b>
Transfers between funds	17	-	15,195	(15,195)	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains on defined benefit schemes		-	-	124,000	124,000	23,000
<b>Net movement in funds</b>		<b>16,219</b>	<b>(154,394)</b>	<b>91,397</b>	<b>(46,778)</b>	<b>(160,868)</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		108,863	6,574,281	(1,018,050)	5,665,094	5,825,962
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>125,082</b>	<b>6,419,887</b>	<b>(926,653)</b>	<b>5,618,316</b>	<b>5,665,094</b>

The notes form part of these financial statements

Balance Sheet  
31 August 2021

	Notes	31.8.21 £	31.8.20 £
<b>FIXED ASSETS</b>			
Tangible assets	12	6,419,887	6,574,279
<b>CURRENT ASSETS</b>			
Debtors	13	45,262	50,274
Cash at bank and in hand		277,117	216,672
		<u>322,379</u>	<u>266,946</u>
<b>CREDITORS</b>			
Amounts falling due within one year	14	(74,950)	(57,131)
		<u>247,429</u>	<u>209,815</u>
<b>NET CURRENT ASSETS</b>			
		6,667,316	6,784,094
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
<b>PENSION LIABILITY</b>	18	(1,049,000)	(1,119,000)
		<u>5,618,316</u>	<u>5,665,094</u>
<b>NET ASSETS</b>			
<b>FUNDS</b>	17		
Restricted funds:			
General Annual Grant		38,013	16,616
Pension reserve		(1,049,000)	(1,119,000)
Conversion and depreciation		5,199,912	5,316,732
Other Restricted		84,334	84,334
Other local authority		1,201,154	1,236,198
Other activities		4,795	21,240
Fixed assets funded by GAG		14,026	111
		<u>5,493,234</u>	<u>5,556,231</u>
Unrestricted funds:			
General fund		125,082	108,863
<b>TOTAL FUNDS</b>		<u>5,618,316</u>	<u>5,665,094</u>

The financial statements were approved by and authorised for issue by the Board of Governors and authorised for issue on .....17/12/21..... and were signed on its behalf by:

  
.....  
R M Mountford - Governor

Cash Flow Statement  
for the Year Ended 31 August 2021

	Notes	31.8.21 £	31.8.20 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	66,726	16,187
Net cash provided by operating activities		66,726	16,187
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(15,195)	-
Capital grants from DfE/EFA		8,868	8,961
Interest received		46	382
Net cash (used in)/provided by investing activities		(6,281)	9,343
<b>Change in cash and cash equivalents in the reporting period</b>		60,445	25,530
<b>Cash and cash equivalents at the beginning of the reporting period</b>		216,672	191,142
<b>Cash and cash equivalents at the end of the reporting period</b>		277,117	216,672

The notes form part of these financial statements

Notes to the Cash Flow Statement  
for the Year Ended 31 August 2021

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.21 £	31.8.20 £
<b>Net expenditure for the reporting period (as per the Statement of Financial Activities)</b>	<b>(170,778)</b>	<b>(183,868)</b>
<b>Adjustments for:</b>		
Depreciation charges	169,588	177,199
Capital grants from DfE/ESFA	(8,868)	(8,961)
Interest received	(46)	(382)
Decrease/(increase) in debtors	5,012	(7,849)
Increase/(decrease) in creditors	17,818	(2,952)
Difference between pension charge and cash contributions	54,000	43,000
<b>Net cash provided by operations</b>	<b>66,726</b>	<b>16,187</b>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.20 £	Cash flow £	At 31.8.21 £
<b>Net cash</b>			
Cash at bank and in hand	216,672	60,445	277,117
	216,672	60,445	277,117
<b>Total</b>	<b>216,672</b>	<b>60,445</b>	<b>277,117</b>

## **1. ACCOUNTING POLICIES**

### **Basis of preparing the financial statements**

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2020 to 2021 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Lady Hawkins' School meets the definition of a public benefit entity under FRS 102.

### **Going concern**

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future. They continue to adopt the going concern basis of accounting in preparing the financial statements.

The governors have considered the effects of Covid 19 on their financial future and are confident there will be no significant effect on them continuing as a going concern.

The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £125,082 (2020: £108,863) all of which is free reserves. The level of general restricted reserves (excluding pension) is £122,347 (2020: £100,950).

The Trustees are currently reviewing the financial position of the Academy to ensure it has a surplus on free reserves in the medium to long term, and the Trustees assume that the Academy will be able to continue as a going concern.

### **Income**

All income is recognised in the Statement of Financial Activities once the academy has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

### **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the 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.

### **Sponsorship income**

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

### **Donations**

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

**1. ACCOUNTING POLICIES - continued**

**Other income**

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

**Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

**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 direct costs and shared costs, including support costs involved in undertaking each activity. direct costs are 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.

All resources expended are inclusive of irrecoverable VAT.

**Charitable activities**

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

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Long leasehold	- 2% on cost
Fixtures, fittings & equipment	- 20% on cost and 15% on cost
Motor vehicles	- 20% on cost
Computer equipment	- 33% on cost

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Assets in the course of construction are included at cost. Depreciation of 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.

Long leasehold land and buildings are subject to a 125 year lease with the local authority. Land and buildings were valued by the ESFA on conversion to academy status. Depreciation on the buildings element is included within expenditure in the SOFA in accordance with the above policies.

**1. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

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.

**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.

**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.

**Leased Assets**

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

**Financial instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in the notes to the accounts. 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 the notes to the accounts. 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.

**Taxation**

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

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**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 Governors.

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

**1. ACCOUNTING POLICIES - continued**

**Fund accounting**

Restricted general funds comprise all other restricted funds received and include grants from the Education funding Agency.

**Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the pension note, 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 year end. 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.

**Pension costs and other post-retirement benefits**

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

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

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

The annual valuation at year end has taken into account the effects of the McCloud judgement.

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



Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021

**2. DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
Other grants and payments	239	1,000	1,239	477
Grants and donations	-	30,167	30,167	33,061
Capital Grants	-	8,868	8,868	8,961
School trips etc	3,713	13,292	17,005	35,775
Contributions from other organisations	-	509	509	250
	<u>3,952</u>	<u>53,836</u>	<u>57,788</u>	<u>78,524</u>

All of the figures included in the comparatives related to restricted funds.

Grants received, included in the above, are as follows:

	31.8.21 £	31.8.20 £
Capital Grants	<u>8,868</u>	<u>8,961</u>

**3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
<b>DfE/ESFA grants</b>				
General Annual Grant(GAG)	-	1,597,476	1,597,476	1,518,595
Other DfE/EFSA grants	-	15,311	15,311	15,238
Teachers Pay	-	19,818	19,818	20,013
Teachers Pension	-	55,998	55,998	56,552
Pupil Premium	-	51,896	51,896	52,309
	<u>-</u>	<u>1,740,499</u>	<u>1,740,499</u>	<u>1,662,707</u>
<b>Other Government grant</b>				
Other Government grants	-	24,522	24,522	22,175
<b>COVID-19 additional funding (DfE/ESFA)s</b>				
Covid Catchup Premium	-	22,720	22,720	-
Other DfE/ESFA COVID-19 funding	-	31,714	31,714	-
	<u>-</u>	<u>78,956</u>	<u>78,956</u>	<u>22,175</u>
	<u>-</u>	<u>1,819,455</u>	<u>1,819,455</u>	<u>1,684,882</u>

All of the figures included in the comparatives related to restricted funds.

The academy received £23k of funding for Covid-19 catch up premium and costs incurred in respect of this funding totalled £23k.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
Room and building hire	-	-	-	342
Hire of transport	-	-	-	1,438
Hire of facilities	1,653	-	1,653	12,306
Catering income	-	-	-	1,000
Other	10,568	7,408	17,976	4,249
	<u>12,221</u>	<u>7,408</u>	<u>19,629</u>	<u>19,335</u>

All of the figures included in the comparatives related to unrestricted funds.

**5. INVESTMENT INCOME**

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
Short term deposits	46	-	46	382
	<u>46</u>	<u>-</u>	<u>46</u>	<u>382</u>

All of the figures included in the comparatives related to unrestricted funds.

**6. EXPENDITURE**

	Non-pay expenditure			31.8.21	31.8.20
	Staff costs £	Premises £	Other costs £	Total £	Total £
<b>Charitable activities</b>					
<b>Academy's educational operations</b>					
Direct costs	1,232,111	144,945	184,193	1,561,249	1,447,479
Allocated support costs	165,227	188,323	152,897	506,447	519,512
	<u>1,397,338</u>	<u>333,268</u>	<u>337,090</u>	<u>2,067,696</u>	<u>1,966,991</u>

Net income/(expenditure) is stated after charging/(crediting):

	31.8.21 £	31.8.20 £
Auditors' remuneration	11,525	11,240
Depreciation - owned assets	169,587	177,198
Operating leases	<u>7,044</u>	<u>9,313</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021

**7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
Direct costs	-	1,561,249	1,561,249	1,447,479
Support costs	-	506,447	506,447	519,512
	-	2,067,696	2,067,696	1,966,991
			31.8.21 Total £	31.8.20 Total £
<b>Analysis of support costs</b>				
Support staff costs			165,227	176,910
Depreciation			24,643	32,253
Administrative supplies			27,762	17,695
Premises costs			188,323	188,813
Other support costs			88,967	92,601
Governance costs			11,525	11,240
Total support costs			506,447	519,512

All of the figures included in the comparatives related to restricted funds.

**8. GOVERNORS' REMUNERATION AND BENEFITS**

The Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The value of governors' remuneration was as follows:

P Jennings (Headteacher and Accounting Officer):		
Remuneration £70,000 - £75,000		(2020: £65,000 - £70,000)
Employer's pension contribution £15,000 - £20,000		(2020: £15,000 - £20,000)
K Smith (staff governor):		
Remuneration £40,000 - £45,000		(2020: £40,000 - £45,000)
Employer's pension contribution £10,000 - £15,000		(2020: £10,000 - £15,000)
P Dixon (staff governor):		
Remuneration £25,000 - £30,000		(2020: £20,000 - £25,000)
Employer's pension contribution £5,000 - £10,000		(2020: £5,000 - £10,000)

Other related party transactions involving the trustees are set out in the notes to the financial statements.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021

**8. GOVERNORS' REMUNERATION AND BENEFITS - continued**

**Governors' expenses**

During the period ended 31 August 2021, travel and subsistence expenses totalling £Nil (2020: £173) were reimbursed to Nil governors (2020: 2 governors).

Other related party transactions involving the trustees set out in the notes to the financial statements.

**9. STAFF COSTS**

	31.8.21	31.8.20
	£	£
Wages and salaries	1,048,214	980,392
Social security costs	91,943	89,593
Operating costs of defined benefit pension schemes	257,181	246,230
	<hr/>	<hr/>
	1,397,338	1,316,215
Supply teacher costs	-	6,513
	<hr/>	<hr/>
	1,397,338	1,322,728
	<hr/>	<hr/>

The average number of persons (including senior management team) employed by the academy during the year was as follows:

	31.8.21	31.8.20
Teachers	18	22
Administration and support	22	19
Management	6	4
	<hr/>	<hr/>
	46	45
	<hr/>	<hr/>

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

	31.8.21	31.8.20
£70,001 - £80,000	1	1
	<hr/>	<hr/>

The above employee participated in the Teachers' Pension Scheme.

**Key Management Personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £281,228 (2020: £229,833).

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021

**10. GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost of this insurance is included in the total insurance cost.

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted Funds £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	-	8,959	69,565	78,524
<b>Charitable activities</b>				
Funding for the academy's educational operations	-	-	1,684,882	1,684,882
Other trading activities	19,335	-	-	19,335
Investment income	382	-	-	382
<b>Total</b>	<b>19,717</b>	<b>8,959</b>	<b>1,754,447</b>	<b>1,783,123</b>
<b>EXPENDITURE ON</b>				
<b>Charitable activities</b>				
Academy's educational operations	-	186,160	1,780,831	1,966,991
<b>Total</b>	<b>-</b>	<b>186,160</b>	<b>1,780,831</b>	<b>1,966,991</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>19,717</b>	<b>(177,201)</b>	<b>(26,384)</b>	<b>(183,868)</b>
<b>Other recognised gains/(losses)</b>				
Actuarial gains on defined benefit schemes	-	-	23,000	23,000
<b>Net movement in funds</b>	<b>19,717</b>	<b>(177,201)</b>	<b>(3,384)</b>	<b>(160,868)</b>
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward	89,146	6,751,482	(1,014,666)	5,825,962
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>108,863</b>	<b>6,574,281</b>	<b>(1,018,050)</b>	<b>5,665,094</b>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021

## 12. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1 September 2020	7,754,893	200,626	20,000	14,089	7,989,608
Additions	-	15,195	-	-	15,195
At 31 August 2021	7,754,893	215,821	20,000	14,089	8,004,803
<b>DEPRECIATION</b>					
At 1 September 2020	1,210,148	171,203	20,000	13,978	1,415,329
Charge for year	144,945	24,531	-	111	169,587
At 31 August 2021	1,355,093	195,734	20,000	14,089	1,584,916
<b>NET BOOK VALUE</b>					
At 31 August 2021	6,399,800	20,087	-	-	6,419,887
At 31 August 2020	6,544,745	29,423	-	111	6,574,279

Leasehold land and buildings are subject to a 125 year lease with the local authority.  
Included within long leasehold land and buildings is non-depreciated land valued at £507,585.

## 13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21 £	31.8.20 £
Trade debtors	3,883	6,459
VAT	12,740	4,016
Prepayments and accrued income	28,639	39,799
	<u>45,262</u>	<u>50,274</u>

## 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21 £	31.8.20 £
Trade creditors	21,337	-
Social security and other taxes	51,007	48,565
Accruals and deferred income	2,606	5,465
Accrued expenses	-	3,101
	<u>74,950</u>	<u>57,131</u>
	31.8.21 £	31.8.20 £
Deferred Income at 1 September 2020	5,465	5,380
Resources deferred in the year	-	5,465
Amounts released from previous years	(5,465)	(5,380)
Deferred Income at 31 August 2021	<u>-</u>	<u>5,465</u>

At the prior balance sheet date the Academy Trust was holding funds received in advance in relation to rates relief income received from the ESFA, relating to the 20/21 academic year.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021

**15. 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.

**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

		Restricted		31.8.21
	Unrestricted	Fixed	Restricted	Total
	Funds	Asset	General	funds
	£	Fund	Fund	£
Fixed assets	-	6,419,887	-	6,419,887
Current assets	125,082	-	197,297	322,379
Current liabilities	-	-	(74,950)	(74,950)
Pension liability	-	-	(1,049,000)	(1,049,000)
	<u>125,082</u>	<u>6,419,887</u>	<u>(926,653)</u>	<u>5,618,316</u>

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

		Restricted		31.8.20
	Unrestricted	Fixed	Restricted	Total
	Funds	Asset	General	funds
	£	Fund	Fund	£
Fixed assets	-	6,574,279	-	6,574,279
Current assets	108,862	2	158,082	266,946
Current liabilities	1	-	(57,132)	(57,131)
Pension liability	-	-	(1,119,000)	(1,119,000)
	<u>108,863</u>	<u>6,574,281</u>	<u>(1,018,050)</u>	<u>5,665,094</u>

**17. MOVEMENT IN FUNDS**

	At 1.9.20	Net	Transfers	At
	£	movement	between	31.8.21
		in funds	funds	£
		£	£	
<b>Restricted general funds</b>				
General Annual Grant	16,616	36,592	(15,195)	38,013
Pension reserve	(1,119,000)	70,000	-	(1,049,000)
Conversion and depreciation	5,316,732	(116,820)	-	5,199,912
Other Restricted	84,334	-	-	84,334
Other local authority	1,236,198	(35,044)	-	1,201,154
Other activities	21,240	(16,445)	-	4,795
Fixed assets funded by GAG	111	(1,280)	15,195	14,026
	<u>5,556,231</u>	<u>(62,997)</u>	<u>-</u>	<u>5,493,234</u>
<b>Unrestricted fund</b>				
General fund	108,863	16,219	-	125,082
	<u>5,665,094</u>	<u>(46,778)</u>	<u>-</u>	<u>5,618,316</u>
<b>TOTAL FUNDS</b>				

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021

**17. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Restricted general funds</b>				
General Annual Grant	1,597,476	(1,560,884)	-	36,592
Pension reserve	-	(54,000)	124,000	70,000
Conversion and depreciation	-	(116,820)	-	(116,820)
Other Restricted	76,899	(76,899)	-	-
Other DfE/ESFA Grants	15,311	(15,311)	-	-
DfE/ESFA Capital Grants	8,868	(8,868)	-	-
Other local authority	-	(35,044)	-	(35,044)
Other activities	-	(16,445)	-	(16,445)
Fixed assets funded by GAG	-	(1,280)	-	(1,280)
Other DfE/ESFA - Covid Catch Up Premium	22,720	(22,720)	-	-
Other DfE/ESFA - Pupil Premium	51,895	(51,895)	-	-
Other DfE/ESFA - Teachers Pay Grant	19,818	(19,818)	-	-
Other DfE/ESFA - Teachers Pension	55,998	(55,998)	-	-
Other DfE/ESFA - Other Covid	31,714	(31,714)	-	-
	<u>1,880,699</u>	<u>(2,067,696)</u>	<u>124,000</u>	<u>(62,997)</u>
<b>Unrestricted fund</b>				
General fund	16,219	-	-	16,219
	<u>1,896,918</u>	<u>(2,067,696)</u>	<u>124,000</u>	<u>(46,778)</u>

**Comparatives for movement in funds**

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
<b>Restricted general funds</b>			
General Annual Grant	-	16,616	16,616
Pension reserve	(1,099,000)	(20,000)	(1,119,000)
Conversion and depreciation	5,433,554	(116,822)	5,316,732
Other Restricted	84,334	-	84,334
Other local authority	1,276,470	(40,272)	1,236,198
Other activities	37,687	(16,447)	21,240
Fixed assets funded by GAG	3,771	(3,660)	111
	<u>5,736,816</u>	<u>(180,585)</u>	<u>5,556,231</u>
<b>Unrestricted fund</b>			
General fund	89,146	19,717	108,863
	<u>5,825,962</u>	<u>(160,868)</u>	<u>5,665,094</u>



Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021

17. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Restricted general funds</b>				
General Annual Grant	1,518,594	(1,501,978)	-	16,616
Pension reserve	-	(43,000)	23,000	(20,000)
Conversion and depreciation	(1)	(116,821)	-	(116,822)
Other Restricted	91,741	(91,741)	-	-
Other DfE/ESFA Grants	15,238	(15,238)	-	-
DfE/ESFA Capital Grants	8,961	(8,961)	-	-
Other local authority	-	(40,272)	-	(40,272)
Other activities	-	(16,447)	-	(16,447)
Fixed assets funded by GAG	(1)	(3,659)	-	(3,660)
Other DfE/ESFA - Pupil Premium	52,309	(52,309)	-	-
Other DfE/ESFA - Teachers Pay Grant	20,013	(20,013)	-	-
Other DfE/ESFA - Teachers Pension	56,552	(56,552)	-	-
	<u>1,763,406</u>	<u>(1,966,991)</u>	<u>23,000</u>	<u>(180,585)</u>
<b>Unrestricted fund</b>				
General fund	19,717	-	-	19,717
	<u>1,783,123</u>	<u>(1,966,991)</u>	<u>23,000</u>	<u>(160,868)</u>
<b>TOTAL FUNDS</b>	<u>1,783,123</u>	<u>(1,966,991)</u>	<u>23,000</u>	<u>(160,868)</u>

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

- \* General Annual Grant (GAG): Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at the year end.
- \* Other DfE/ESFA Grants: are utilised for the purposes intended by the donor.
- \* Other Restricted General Funds: include payments made towards Academy trips.
- \* The Pension Fund: is the surplus/(deficit) in the Local Government Pension Scheme.
- \* Restricted Fixed Asset Funds: include the fixed assets transferred on conversion to Academy, capital grants from ESFA, other local authority and other activities, additions and depreciation.
- \* Unrestricted Funds: are all those income and expenses for general use in the Academy.

During the year transfers between funds have been made to reflect capital items purchased out of revenue funds.

18. PENSION AND SIMILAR OBLIGATIONS

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**18. PENSION AND SIMILAR OBLIGATIONS - continued**

**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 teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

**Valuation of the teachers' pension scheme**

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

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

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

The employer's pension costs paid to TPS in the period amounted to £173,767 (2020 - £162,206).

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

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

**Local government pension scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £108,144 (2020: £98,725), of which employer's contributions totalled £91,372 (2020: £84,024) and employees' contributions totalled £16,772 (2020: £14,701). The agreed contribution rates for future years are 20.7% for employers and between 5.5% and 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 an 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.

As the scheme is in deficit, the academy has entered into an agreement with the trustees to make additional contributions in addition to normal funding levels.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021

**18. PENSION AND SIMILAR OBLIGATIONS - continued**

The rates payable will be the Future Service Rate of 22.4% of payroll plus phased lump sum deficit contributions starting at £27,400 for the year to 31 March 2020, increasing by approximately 4% per annum. The rate payable from 1 April 2023 will be further revised following the valuation of the Pension Fund on 31 March 2022.

The current estimated recovery period is 10 years.  
The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Present value of funded obligations	(2,539,000)	(2,336,000)
Fair value of plan assets	1,490,000	1,217,000
	<u>(1,049,000)</u>	<u>(1,119,000)</u>
Present value of unfunded obligations	-	-
Deficit	<u>(1,049,000)</u>	<u>(1,119,000)</u>
Net liability	<u><u>(1,049,000)</u></u>	<u><u>(1,119,000)</u></u>

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

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Current service cost	125,000	101,000
Net interest from net defined benefit asset/liability	19,000	19,000
Past service cost	-	6,000
	<u>144,000</u>	<u>126,000</u>
Actual return on plan assets	<u><u>228,000</u></u>	<u><u>4,000</u></u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Opening defined benefit obligation	2,336,000	2,352,000
Current service cost	125,000	101,000
Past service cost	-	6,000
Contributions by scheme participants	17,000	15,000
Interest cost	40,000	41,000
Oblig no descr	(37,000)	(103,000)
Actuarial losses/(gains)	120,000	62,000
Benefits paid	(62,000)	(138,000)
	<u><u>2,539,000</u></u>	<u><u>2,336,000</u></u>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021

18. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Opening fair value of scheme assets	1,217,000	1,253,000
Contributions by employer	91,000	84,000
Contributions by scheme participants	17,000	15,000
Expected return	21,000	22,000
Actuarial gains/(losses)	207,000	(18,000)
Benefits paid	(62,000)	(138,000)
Assets no descr	(1,000)	(1,000)
	<u>1,490,000</u>	<u>1,217,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Actuarial gains/(losses)	124,000	23,000
	<u>124,000</u>	<u>23,000</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.21	31.8.20
	£	£
Equities	1,240,000	801,000
Bonds - Government	-	82,000
Bonds - Other	1,000	65,000
Cash/liquidity	37,000	51,000
Other	146,000	152,000
Property	66,000	66,000
	<u>1,490,000</u>	<u>1,217,000</u>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31.8.21	31.8.20
Discount rate	1.70%	1.70%
Future salary increases	4.20%	3.90%
Future pension increases	2.80%	2.50%
Inflation assumption (CPI)	2.70%	2.40%

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2021

**18. PENSION AND SIMILAR OBLIGATIONS - continued**

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

	31.8.21	31.8.20
Retiring today		
Males	22.7	22.6
Females	25.1	25
Retiring in 20 years		
Males	24.4	24.2
Females	27.1	27
Sensitivity analysis		
	31.8.21	31.8.20
	£	£
Discount rate +0.1%	(40,000)	(37,000)
Discount rate -0.1%	41,000	38,000
Mortality assumption - 1 year increase	82,000	68,000
Mortality assumption - 1 year decrease	(79,000)	(66,000)
CPI rate +0.1%	41,000	37,000
CPI rate -0.1%	(40,000)	(36,000)

**19. CONTINGENT LIABILITIES**

There are no significant contingent liabilities that the Governors are aware of.

**20. CAPITAL COMMITMENTS**

	31.8.21	31.8.20
	£	£
Contracted but not provided for in the financial statements	-	-
	<u>          </u>	<u>          </u>

**21. LONG-TERM COMMITMENTS, INCLUDING OPERATING LEASES**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.21	31.8.20
	£	£
Within one year	7,044	7,044
Between one and five years	14,994	22,039
	<u>22,038</u>	<u>29,083</u>

**22. RELATED PARTY DISCLOSURES**

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

Lady Hawkins School Endowment - a charity which governor P Dixon is a trustee per Charity Commission, made donations of £865 (2020: £2,305) during the year. No amounts were outstanding at the year end.

Governor K Dinsdale's spouse N Dinsdale is employed by the academy during the year, employers costs were incurred of £62,560 (2020: 60,868) in respect of his employment.