

Company Registration Number: 07346826 (England & Wales)

CHADWELL HEATH ACADEMY
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



CHADWELL HEATH ACADEMY
(A Company Limited by Guarantee)

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CHADWELL HEATH ACADEMY
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr P M Brewster Mr D V Shah Mr P Southcott (appointed 29 September 2020) Mr M Weight (resigned 28 February 2021)
Trustees	Mr M Weight, Head Teacher ² Mr P M Brewster, Chair ^{1,2} Mrs F Chowdhury Mr A Hamid Ms D King, Staff Trustee (resigned 1 March 2021) Ms S Marks, Staff Trustee (resigned 1 March 2021) Mrs N Merry (resigned 26 July 2021) Mrs Y Sattar Mr D V Shah ² Mr P Southcott ¹ Mr K Wilkinson ¹ Chairman of Finance and Personnel Committee ² Member of Finance and Personnel Committee
Company registered number	07346826
Company name	Chadwell Heath Academy
Principal and registered office	Christie Gardens Chadwell Heath Romford Essex RM6 4RS
Senior management team	Mr M Weight, Headteacher Mr A Rumble, Deputy Headteacher Miss N Chesters, Deputy Headteacher Mr S Islam, Deputy Headteacher Mr D Thompson, Deputy Headteacher Mrs T Banks, CFO
Independent auditors	Haslers Chartered Accountants Old Station Road Loughton Essex IG10 4PL
Bankers	Lloyds Bank Plc Romford Essex IG10 4PL

CHADWELL HEATH ACADEMY
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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Solicitors	Harrison Clark Rickerbys 5 Deansway Worcester Worcestershire WR1 2JG
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CHADWELL HEATH ACADEMY
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 in Chadwell Heath. It has a pupil capacity of 900 pupils' aged 11 to 16 and 350 students in the Sixth Form, and from September 2021 a pupil capacity of 912 aged 11 to 16 and 350 students in the Sixth Form. The current roll is 919 pupils aged 11 to 16 and 296 students in the Sixth Form in the school census on 7th October 2021.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the Academy.

The Trustees of Chadwell Heath Academy are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Chadwell Heath Academy

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

b. 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.

c. Trustees' indemnities

The Academy is covered by the Risk Protection Arrangement.

d. Method of recruitment and appointment or election of Trustees

The Articles of Association provide for the appointment or election of the undernoted categories of Trustees:

- Principal Trustee (ex officio) - Headteacher
- 3 Permanent Trustees - Being signatories to the Memorandum (or their replacements)
- Up to 8 Trustee-Appointed Trustees - Appointed by the Principal and permanent Trustees
- Parent Trustees - Elected by Parents of registered pupils at the Academy

The election of Parent Trustees is outside the control of the Governing Body.

The appointment of Trustees which fall within the jurisdiction of the Governing Body are made on the basis of what skills and contribution new Trustees can make to the Governing Body in the conduct of the business of the Academy.

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

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

On an appointment or election, each new Trustee is issued with a Handbook giving details relevant to being a Trustee at Chadwell Heath Academy. Trustees are made aware of what training courses are available and are encouraged to attend courses to enhance their contribution to their role as a Trustee of Chadwell Heath Academy.

There is a meeting with the Headteacher who will:

- explain the structure and workings of the Academy
- discuss all current issues being dealt with by the Trustees
- explain the roles and responsibilities of Managers within the Academy
- take the new Trustee on a tour of the Academy

f. Organisational structure

Governing Body

The Governing Body is responsible for strategic planning and for the monitoring of actions taken by the Headteacher in the implementation of those plans.

Sub-Committees of the Governing Body

Constituted Sub-Committees, each of which has oversight responsibilities, are and deal with:

- Finance and Personnel
- Admissions
- Health & Safety
- Inclusion & Child Protection

Headteacher and Senior Leadership Team

The Headteacher in association with the Senior Leadership Team is responsible for the day-to-day management of the Academy and for the implementation of the strategic decisions of the board of Trustees.

Accounting Officer

The Headteacher is the Accounting Officer and the Chief Financial Officer is the School Manager.

Responsible Officer

CEFM has been appointed as Responsible Officer to carry out internal audits of financial procedures and controls.

g. Arrangements for setting pay and remuneration of key management personnel

The Headteacher will recommend salary progression for those staff on the Leadership scale to the Finance and Personnel Committee. The Finance and Personnel Committee will decide on salary progression for the Headteacher.

The Headteacher, Deputy Headteachers and Assistant Headteachers are paid from within a range of salaries set out in the Leadership spine, which are assessed by the Finance and Personnel Committee of the Governing Body.

The Governing Body will seek to agree performance objectives annually with the Headteacher relating to school leadership and management and pupil progress and, in default of agreement of the Governing Body, will set such performance objectives.

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

Structure, governance and management (continued)

The Governing Body, through the Headteacher, will seek to agree performance objectives annually with the Deputy Headteachers and Assistant Headteachers relating to school leadership and management and pupil progress and, in default of the agreement the Governing Body, will set such performance objectives.

The Headteacher has responsibility for reviewing and deciding remuneration for the School Manager. The Headteacher will seek to agree performance objectives annually with the School Manager relating to school leadership and management. When determining the School Manager's pay the Headteacher will take into account the responsibilities of the post and any difficulties there may be in recruiting a School Manager.

h. Related parties and other connected charities and organisations

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Objectives and activities

a. Objects and aims

As defined in the Articles of Association, the principal object of the Academy is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

This principal objective incorporates the provision and maintenance of the highest attainable education standards for its students.

In setting objectives and planning activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The main objectives of the Academy are summarised below:

- To ensure that every student enjoys the same high quality education in terms of resourcing, tuition and care.
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- To provide value for money for all funds expended
- To comply with all appropriate statutory and curriculum requirements
- To conduct all business in accordance with the highest standards of integrity, probity and openness

b. Objectives, strategies and activities

The main objective of the year was to maintain and improve on the examination performance of pupils and students. To this end the curriculum continues to be adapted, in the light of experience, to meet the requirements of the new examination system for terminal examinations. Staff attended INSET as necessary.

c. Public benefit

Chadwell Heath Academy received the majority of its income from the Department for Education (DfE) to provide educational services to children and to ensure a broad and balanced curriculum. The Governors of Chadwell Heath Academy are satisfied that they meet the public benefit criteria as required by Section 17 The charities Act 2011.

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

Strategic report

Achievements and performance

In the light of the national health emergency and ensuing school closure, examination papers were not sat and Performance Tables will not be published. Nevertheless, achievement in 2019/2020 was outstanding.

The Academy environment has been, and continues to be, improved by the allocation of financial resources.

- A new dust extraction unit has been sited to the rear of Technology – replacing the previous unit.
- Ventilation and fan to the chemical store sited in Science have been upgraded.
- A new hot water supply pump has been fitted and drainage from a boiler house sump pump upgraded.
- Security doors have been fitted to the boiler house beneath PE and concreting below the water course has been undertaken to prevent flooding.
- Guttering – across the school site – has been cleared to prevent damage by weight or over-flow.
- Emergency lighting has been replaced by LED units – and ceiling lights upgraded to LED – as part of a rolling programme.
- Two new EVAC chairs have been purchased to support those with physical disability in the event of an emergency.
- Trees – other than those tackled previously to the rear of the Sports Hall, Sixth Form and Science/Technology – have been cut back.
- A new consignment of waste-disposal bins is in use – replacing those previously on site.

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

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

Attendance: Key Stages 3 & 4

- Present: 94.41%

Performance Measures (unofficial): Key Stage 4

- Progress 8 Score: Unavailable (all); Unavailable (disadvantaged).
- Attainment 8 Average: 57.78 (all); 50.19 (disadvantaged).
- 5+ Standard Passes inc. English & Maths: 83% (all); 71% (disadvantaged).
- 5+ Standard Passes: 85% (all); 71% (disadvantaged).
- Strong Pass in English & Maths: 68% (all); 48% (disadvantaged).
- Standard Pass in English & Maths: 86% (all); 71% (disadvantaged).

Performance Measures (unofficial): Key Stage 5

- Average Point Score per A-Level entry: 35.95 (all); 33.80 (disadvantaged).
- Average Point Score per A-Level entry as a grade: B- (all); C+ (disadvantaged).
- Av. Point Score per Applied General entry: 31.34 (all); 24.25 (disadvantaged).
- Av. Point Score per Applied Gen. entry as a grade: D- (all); M (disadvantaged).
- Average Point Score per Tech Level entry: 35.83 (all); N/A (disadvantaged).
- Av. Point Score per Tech Level entry as a grade: D (all); N/A (disadvantaged).

Recruitment

- Applications for admission to Year 7 (Sept. 2021): 900+

Retention

- Students on roll at Key Stage 5 (Sept. 2021): 296
- Students on roll at Key Stage 5 (Sept. 2020): 329

b. Going concern

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

Financial review

The Academy's main source of income is derived from the EFA. The grants received during the year ended 31st August 2021 and the associated expenditure are shown in the Statement of Financial Activities - Page 22. The Academy made a deficit of £290,764 (2020: £231,888) before taking into account the actuarial loss on the revaluation of the pension scheme.

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

a. Reserves policy

Staffing and Curriculum

The Academy is fully staffed. We began the year with teaching vacancies in ICT and Religious Studies. There is now a further vacancy in Science and another (part-time) pending in Languages. Each of these positions are (or will be) filled by long-term supply. Two maternity leaves are covered: one by fixed term contract, the other by long-term supply. We began the year with a non-teaching vacancy: Creative Studies Technician, subsequently filled. There is now a further non-teaching vacancy: Science Technician, advertised and in the interim, covered by supply. Three additional LSAs have been appointed (on fixed term contracts) to meet increased Inclusion needs.

Reserve

The trust's policy is to use non-committed funds from a previous financial year to improve the environment for pupils and staff. At the 23rd November meeting the Development Plan will be presented which includes the following plans for the use of non-committed funds.

There will be a discussion of priorities affordable.

Proposed Projects (including Building)

- 1) Planning approval has been gained for our Canteen extension
– Our current provision is inadequate for our needs: in terms of both dining and independent study facility (Sixth Form). Planning approval has been gained. Plans have been drawn by an architect and are subject to review.
- 2) Installation of a new external entry system incorporating student/staff recognition software – for example: finger scan technology.
- 3) Expansion of the current CCTV provision within the school to extend overall coverage of the site.
- 4) Repair and replacement (where necessary) of external gates and doors (including security).
- 5) Extension of the Upper School Playground and all-weather sports facility onto the existing sports field.
- 6) Extension of outdoor canopy and seating provision (Upper School Playground).
- 7) Tuck Shop provision (Upper School Playground).
- 8) Continued upgrade of lighting (including emergency) to LED throughout the school – to reduce energy costs.
- 9) Computer Upgrades – rolling programme.
- 10) Replacement of Projectors and Interactive Whiteboards with Interactive Monitors – rolling programme.
- 11) Development of facilities to accommodate disability – for example: ramps, low riser step lifts and hoists.
- 12) Continued refurbishment and decoration of the building.
- 13) Minibus provision to support both sports fixtures and educational visits.
– Our current minibus is nineteen years old and in need of renewal.
- 14) Resurfacing of the Lower School Playground.
- 15) Resurfacing of the front Car Parking facilities.

Recommendation

It is recommended that we also use the reserve to Protect the Quality of our Service, against a back drop of unfunded and partially funded pay awards – and thereby ensure financial security for the Academy in future years.

b. Investment policy

Where funds are available and not required for immediate use, the trust will invest funds through sound and respected financial institutions.

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

c. Principal risks and uncertainties

Major risks identified and addressed by Trustees include:

- **Strategic Risks**
Failure to comply with UK or Europe legislation
Failure to comply with environmental protection measures
Failure to comply with Health & Safety legislation
Failure to comply with HR legislation
- **Operational Risks**
Computer system crashes
Physical issues - relating to fire, security, health and safety
Production of inaccurate information for consideration by Trustees
Potential breach of GDPR regulations – Insurance cover
- **Financial Risks**
Risks relating to financial controls and procedures such as:
Fraud
Long-term illness of finance staff
Budget Holder overspends
Contractors ceasing to trade part way through Capital Projects

The Trustees have established systems and procedures to identify and manage issues of Risk which are subject to annual review.

In relation specifically to 'financial instruments' the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations (SI 2008/410) Schedule 7 section 6(1) requires disclosure of the trust's financial risk management objectives and its exposure to financial risks including credit, cash flow and liquidity risks, unless not material for an assessment of its position and performance. However, given the nature of academies, and that the financial instruments that they deal with are largely bank balances, cash and trade creditors, with limited trade (and other) debtors, it is likely that only minimal disclosure will be required. It is likely that such information will not be material to the assessment of the trust's assets, liabilities, financial position and its results and therefore detailed disclosure may not be required. Reference may be required to its defined benefit pension schemes, particularly where there is a deficit as this may be material.

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

Plans for future periods

Finance

- To ensure that the school continues to achieve value for money in all aspects of its work.
- To ensure that the management of finance is in line with the academy's financial procedures manual and the Academies Financial Handbook 2021.

Policies

- To ensure that all policies are updated and reviewed as necessary.
- To ensure that safeguarding remains a priority at all times.

Covid-19 Specific

- To ensure that the health and safety of pupils, staff and their respective families remains a priority.
- To review and, where necessary, extend existing control measures implemented to reduce the risk of transmission.

Key Stage 3

- To monitor the implementation of curriculum changes in all subjects to ensure pupils develop the skills required to begin GCSE in each subject.
- To continue to monitor and support both the Reading programme (Years 7-9) and Spelling initiative (Year 7).
- To identify any deficits in learning resulting from the pandemic and develop appropriate intervention strategies to respond to these needs.
- To ensure module sheets for all subjects are updated, distributed to pupils and being used; to ensure parents are informed.
- To ensure Senior Management support is given to departments where underachievement is identified by the assessment process.

Key Stage 4

- To continue to monitor and support changes to teaching processes necessary to equip pupils for examination.
- Our target is for 100% of pupils to achieve five or more 9 to 4 grades. Data from MiDYIS and school assessment will be used to enable teaching staff to maximise pupil performance.
- To ensure Senior Management support is given to departments where pupil underachievement in the 2021 examination series is identified.
- To identify any deficits in learning resulting from the pandemic and develop appropriate intervention strategies to respond to these needs.
- To continue the programme of mentoring established for pupils on the Grade 5/4 borderline in English and Mathematics.

Key Stage 5 - Sixth Form

- To continue to monitor and support changes to teaching processes necessary to equip pupils for examination at A-Level and B/CTEC.
- Our target is a 100% pass rate and for pupils to achieve their target grades. Data from GCSE and school assessment will be used to enable teaching staff to maximise pupil performance.
- To ensure Senior Management support is given to departments where pupil underachievement in the 2021 examination series is identified.
- To continue to develop and support independent study inside and outside of school as a means by which to further improve pupil performance.
- To identify any deficits in learning resulting from the pandemic and develop appropriate intervention strategies to respond to these needs.

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

Plans for future periods (continued)

Quality of teaching in the school

- To continue the development of independent learning skills for pupils and our use of online learning platforms to support independent study.
- To continue to develop programmes of staff INSET, including the new Early Career Teacher (ECT) programme.
- To continue to develop the Performance Management process.
- To continue to develop and support the interventions offered by Inclusion for pupils with special educational needs and disabilities (SEND), or requiring emotional support.

Quality of the leadership in and management of the school

- To continue to review and develop the management structure of the school.
- To continue to develop the Performance Management scheme for middle managers.
- Through annual analysis of public examination results, to identify underachievement in terms both of pass rate and value added, and provide Senior Management support.
- Support the development of new middle managers, for example: Heads of Departments/Heads of Years..

Behaviour and safety of pupils at the school

- To continue the promotion of a whole school 'Back to Basics' initiative targeting, for example: low level disruption in lessons.

School Environment

- Review what work is feasible in the light of budget/reserve availability.

Funds held as custodian on behalf of others

Details of assets and arrangements for safe custody and segregation should be given where the Academy Trust or its trustees are acting as Custodian Trustee. It should include the name and objects of the charity on whose behalf they are being held and how this activity falls within their own objective.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 23 November 2021 and signed on its behalf by:



Mr P M Brewster
Chair of Trustees

CHADWELL HEATH ACADEMY
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mr M Weight, Head Teacher	5	5
Mr P M Brewster, Chair	5	5
Mrs F Chowdhury	5	5
Mr A Hamid	4	5
Ms D King, Staff Trustee	1	2
Ms S Marks, Staff Trustee	2	2
Mrs N Merry	1	5
Mrs Y Sattar	4	5
Mr D V Shah	5	5
Mr P Southcott	5	5
Mr K Wilkinson	5	5

Governance reviews:

- The trustees reviewed their effectiveness and impact on the Academy during the year and were satisfied that they were exercising effective guidance as shown in the Academy's continued popularity amongs parents and the academic achievement of the pupils and students
- Trustees will conduct another review during the course of 2020-2021

The Finance, Personnel & Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to its purpose is to:

- Draw any matters of significance or concern to the attention of the Governing Body
- Consider and recommend acceptance or non-acceptance of the Academy Budget for approval at the start of each financial year.
- Review and decide remuneration for those members of staff on the Leadership scale
- Monitor and review expenditure on a regular basis and ensure compliance with overall financial planning and EFA financial regulations

CHADWELL HEATH ACADEMY
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr P M Brewster (Chair)	4	4
Mr P Southcott	4	4
Mr M J Weight	4	4
Mr D V Shah	4	4

Review of value for money

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

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

Reviewing its teacher needs and appointing teaching staff to ensure that all curriculum areas have well qualified personnel. Learning Support Assistants have been employed to ensure that pupils with additional needs have been supported in their education and have had the opportunity to develop their potential.

The Trust has ensured that money has been allocated efficiently for the purchase of resources that will support all pupils. This has improved the quality and quantity of text books as well as other types of resources.

Financial resources have been carefully allocated to ensure that the Academy has not only met all its financial commitments but has been able to maintain a contingency fund. The Trust has a robust internal accounting procedure that has been externally audited and shown to be fit for purpose.

The Trust has ensured that all staff with financial responsibilities are aware of the need to ensure purchases provide value for money and are suitable for purpose.

All external contracts have been reviewed to ensure value for money.

The effectiveness of the Trust's management of its resources can be seen in the examination results and attendance figures which show above national performance.

The purpose of the system of internal control

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

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GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the 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
- identification and management of risks

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees have appointed CEFM, a Trustee, as Responsible Officer ("RO"), to carry out a programme of internal checks.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on Chadwell Heath Academy's financial system.

During the year ended 31st August 2021 the RO submitted three reports covering the Spring, Summer Autumn terms to the board of trustees. The reports showed that all systems and procedural policies relating to Payroll, Purchases, Income and bank Reconciliations were being followed.

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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

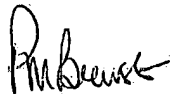
As accounting officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

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

Mr P M Brewster
Chair of Trustees



Mr M Weight
Accounting Officer



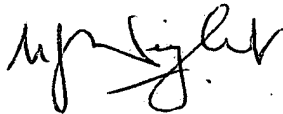
CHADWELL HEATH ACADEMY
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mr M Weight
Accounting Officer
Date: 23 November 2021

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

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

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

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

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

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

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

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



Mr P M Brewster
Chair of Trustees

Date: 23 November 2021

CHADWELL HEATH ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CHADWELL HEATH ACADEMY**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

CHADWELL HEATH ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CHADWELL HEATH ACADEMY (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

CHADWELL HEATH ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CHADWELL HEATH ACADEMY (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the legal and regulatory frameworks that are applicable to the entity we determined that the most significant are those that:

- Had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Academies Financial Handbook, Academy Accounts Direction, the UK Companies Act 2006, the Charities SORP (FRS 102) and additional guidance provided by the Department for Education and the ESFA; and
- Do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy Trust's ability to operate or to avoid a material penalty. These include those rules governing the Academy and Education sector. The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Education Inspection Framework under the Education Act 2005 (as amended).

We obtained an understanding of how the Academy Trust are complying with those legal and regulatory frameworks by making enquiries of the management and the Academy's Accounting Officer. We corroborated our enquiries through our review of documentation generated and assessing the extent of compliance with the relevant laws and regulations.

We discussed among the audit engagement team regarding the opportunities, including management override of controls, that may exist within the organisation for fraud and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for material misstatements due to fraud are in the following areas, and our specific procedures performed to address these are described below:

The risk of management override of controls is the area where the financial statements were most susceptible to material misstatement due to fraud. In addition, the key principal risks related to potential weaknesses in the procurement system, control over banking and the existence of inappropriate journal entries to manipulate performance were also identified.

Procedures performed to address these were as follows:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud. This included corroboration by review of Board Minutes and review of correspondence with the ESFA,
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process,

CHADWELL HEATH ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CHADWELL HEATH ACADEMY (CONTINUED)**

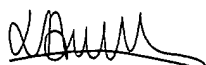
- Undertaking testing designed to test the controls in place within the procurement system including access and controls in relation to banking.
- Vouching of specific purchases to supporting documentation to ensure they relate to genuine Academy Trust purchases.
- Identifying and testing journal entries, in particular any unusual journal entries posted around the year-end and journal entries posted by infrequent system users.

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

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

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Laura Ambrose (Senior Statutory Auditor)

for and on behalf of

Haslers

Chartered Accountants

Statutory Auditor

Old Station Road

Loughton

Essex

IG10 4PL

23 November 2021

CHADWELL HEATH ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHADWELL
HEATH ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 11 October 2018 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 Chadwell Heath Academy during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Chadwell Heath Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Chadwell Heath Academy's funding agreement with the Secretary of State for Education dated 31 August 2010 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

CHADWELL HEATH ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHADWELL
HEATH ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

The work undertaken to draw our conclusion includes sample testing of the following:

- Review of governance procedures including inspection of Trustee and relevant Board minutes
- A review of internal auditor reports.
- A review of Financial Controls Procedures and related records
- Discussions with the Accounting Officer and the Business Manager
- Reviewing the procedures for identifying and declaring related parties and other business interests
- Assessment and testing of a sample of the specific control activities over regularity of a particular activity
- Perform sample testing of expenditure ensuring items are for the Trust's purposes and are appropriately authorised
- Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits
- Obtaining formal representation from the Trustees and Accounting Officer acknowledging their responsibilities
- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries

Conclusion

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

Haslers

Haslers
Chartered Accountants
Statutory Auditor
Old Station Road
Loughton
Essex
IG10 4PL

Date: 23 November 2021

CHADWELL HEATH ACADEMY
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	17,256	-	27,034	44,290	55,968
Other trading activities		4,043	-	-	4,043	19,135
Investments	6	5,499	-	-	5,499	15,112
Charitable activities		12,133	7,811,573	-	7,823,706	7,349,989
Total income		38,931	7,811,573	27,034	7,877,538	7,440,204
Expenditure on:						
Raising funds		21,999	-	-	21,999	25,418
Charitable activities		-	7,733,563	412,739	8,146,302	7,646,674
Total expenditure		21,999	7,733,563	412,739	8,168,301	7,672,092
Net income/(expenditure)		16,932	78,010	(385,705)	(290,763)	(231,888)
Transfers between funds	16	-	(42,534)	42,534	-	-
Net movement in funds before other recognised gains/(losses)		16,932	35,476	(343,171)	(290,763)	(231,888)
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	22	-	(147,000)	-	(147,000)	160,000
Net movement in funds		16,932	(111,524)	(343,171)	(437,763)	(71,888)

CHADWELL HEATH ACADEMY
(A Company Limited by Guarantee)

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

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Note					
Reconciliation of funds:					
Total funds brought forward	463,984	595,985	16,008,665	17,068,634	17,140,522
Net movement in funds	16,932	(111,524)	(343,171)	(437,763)	(71,888)
Total funds carried forward	<u>480,916</u>	<u>484,461</u>	<u>15,665,494</u>	<u>16,630,871</u>	<u>17,068,634</u>

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

The notes on pages 29 to 52 form part of these financial statements.

CHADWELL HEATH ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07346826

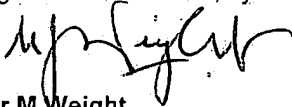
BALANCE SHEET
AS AT 31 AUGUST 2021


	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	15,665,494	16,008,665
		<u>15,665,494</u>	<u>16,008,665</u>
Current assets			
Debtors	14	161,794	200,853
Cash at bank and in hand		2,800,144	2,549,961
		<u>2,961,938</u>	<u>2,750,814</u>
Creditors: amounts falling due within one year	15	(318,562)	(361,845)
Net current assets		<u>2,643,376</u>	<u>2,388,969</u>
Total assets less current liabilities		<u>18,308,870</u>	<u>18,397,634</u>
Net assets excluding pension liability		<u>18,308,870</u>	<u>18,397,634</u>
Defined benefit pension scheme liability	22	(1,678,000)	(1,329,000)
Total net assets		<u><u>16,630,870</u></u>	<u><u>17,068,634</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	16	15,665,494	16,008,665
Restricted income funds	16	2,162,461	1,924,985
		<u>17,827,955</u>	<u>17,933,650</u>
Restricted funds excluding pension asset	16	17,827,955	17,933,650
Pension reserve	16	(1,678,000)	(1,329,000)
Total restricted funds	16	<u>16,149,955</u>	<u>16,604,650</u>
Unrestricted income funds	16	480,915	463,984
Total funds		<u><u>16,630,870</u></u>	<u><u>17,068,634</u></u>

CHADWELL HEATH ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07346826

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 23 to 51 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


Mr M Weight
Accounting Officer


Mr P M Brewster
Chair of Trustees

Date: 23 November 2021

The notes on pages 28 to 51 form part of these financial statements.

CHADWELL HEATH ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	18	287,217	401,851
Cash flows from investing activities	19	(37,034)	(76,798)
Change in cash and cash equivalents in the year		250,183	325,053
Cash and cash equivalents at the beginning of the year		2,549,961	2,224,908
Cash and cash equivalents at the end of the year	20, 21	<u>2,800,144</u>	<u>2,549,961</u>

The notes on pages 29 to 52 form part of these financial statements

CHADWELL HEATH ACADEMY
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

CHADWELL HEATH ACADEMY
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Tangible fixed assets

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

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

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

CHADWELL HEATH ACADEMY
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Freehold property	- 2 - 6% straight line basis
Furniture and equipment	- 33% straight line basis
Computer equipment	- 20% straight line basis

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

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

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

1.10 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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. 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 note 15. 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.

CHADWELL HEATH ACADEMY
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.12 Pensions

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

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

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

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

1.13 Fund accounting

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

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

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

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

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FOR THE YEAR ENDED 31 AUGUST 2021**

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	-	-	-	152
Capital Grants	-	27,034	27,034	27,231
Trips and other related activities	17,043	-	17,043	28,235
Sundry income	213	-	213	350
	<u>17,256</u>	<u>27,034</u>	<u>44,290</u>	<u>55,968</u>
<i>Total 2020</i>	<u>28,737</u>	<u>27,231</u>	<u>55,968</u>	

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4. Funding for the Academy's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	6,840,737	6,840,737	6,513,218
Other DfE/ESFA grants				
Pupil Premium	-	226,865	226,865	236,290
Teachers pay grants	-	364,260	364,260	365,566
Other DfE/ESFA grants	-	77,288	77,288	65,747
	-	-	7,509,150	7,180,821
Other Government grants				
Local authority grants	-	203,363	203,363	144,060
	-	203,363	203,363	144,060
Other income from the Academy Trust's educational operations	12,133	-	12,133	25,108
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	80,860	80,860	-
Other DfE/ESFA funding	-	18,200	18,200	-
	-	99,060	99,060	-
	12,133	7,811,573	7,823,706	7,349,989
Total 2020	25,108	7,324,881	7,349,989	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

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5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Hire of facilities	1,605	1,605	15,256
Music lessons	2,438	2,438	3,879
	<u>4,043</u>	<u>4,043</u>	<u>19,135</u>
<i>Total 2020</i>	<u>19,135</u>	<u>19,135</u>	

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Bank interest	5,499	5,499	15,112
<i>Total 2020</i>	<u>15,112</u>	<u>15,112</u>	

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7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Expenditure on raising voluntary income:					
Direct costs	-	-	21,999	21,999	25,418
Educational operations					
Direct costs	5,933,576	26,871	199,728	6,160,175	5,853,068
Allocated support costs	590,868	385,868	1,009,391	1,986,127	1,793,606
	<u>6,524,444</u>	<u>412,739</u>	<u>1,231,118</u>	<u>8,168,301</u>	<u>7,672,092</u>
<i>Total 2020</i>	<u>6,113,559</u>	<u>409,421</u>	<u>1,149,112</u>	<u>7,672,092</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Educational operations	6,160,175	1,986,127	8,146,302	7,646,674
<i>Total 2020</i>	<u>5,853,068</u>	<u>1,793,606</u>	<u>7,646,674</u>	

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8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	5,804,455	5,521,145
Depreciation	26,871	24,443
Educational supplies	188,089	165,549
Examination fees	136,299	134,284
Staff development	4,461	7,647
	<u>6,160,175</u>	<u>5,853,068</u>

Analysis of support costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Pension finance costs	24,000	25,000
Staff costs	307,122	328,022
Depreciation	385,868	384,978
Support staff costs	446,514	267,687
Recruitment & support	31,010	34,222
Maintenance of premises & equipment	158,830	143,093
Cleaning	189,237	172,283
Rent & rates	57,778	56,539
Energy costs	109,060	116,619
Insurance	27,766	28,304
Security & transport	63,992	64,996
Catering	112,374	94,622
Bank interest & charges	2,041	1,981
Other support costs	37,067	48,132
Governance costs	26,008	24,564
Legal expenses	8,460	2,564
	<u>1,986,127</u>	<u>1,793,606</u>

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9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Depreciation of tangible fixed assets	412,739	409,421
Fees paid to auditors for:		
- audit	9,650	9,750
- other services	3,550	2,925
	<u> </u>	<u> </u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	4,546,322	4,352,814
Social security costs	473,969	448,468
Pension costs	1,091,285	1,047,885
	<u>6,111,576</u>	<u>5,849,167</u>
Agency staff costs	412,868	253,669
Staff restructuring costs	-	10,723
	<u>6,524,444</u>	<u>6,113,559</u>

Staff restructuring costs comprise:

	2021 £	2020 £
Severance payments	-	10,723
	<u>-</u>	<u>10,723</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs is a non-statutory severance payment of £Nil (2020: £10,723).

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10. Staff (continued)

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	77	77
Administration and support	48	47
Management	5	5
	<u>130</u>	<u>129</u>

d. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	6	5
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-
	<u>1</u>	<u>-</u>

e. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £571,216 (2020 £594,917).

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NOTES TO THE FINANCIAL STATEMENTS
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11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2021 £	2020 £
Mr S N Bull (resigned 31 December 2019)	Remuneration	N/A	35,000 - 40,000
	Pension contributions paid	N/A	5,000 - 10,000
Mr M Weight, Head Teacher	Remuneration	85,000 - 90,000	75,000 - 80,000
	Pension contributions paid	20,000 - 25,000	15,000 - 20,000
Ms D King (resigned 1 March 2021)	Remuneration	5,000 - 10,000	15,000 - 20,000
	Pension contributions paid	0 - 5,000	0 - 5,000
Ms S Marks (resigned 1 March 2021)	Remuneration	25,000 - 30,000	50,000 - 55,000
	Pension contributions paid	5,000 - 10,000	10,000 - 15,000

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

12. Trustees' and Officers' insurance

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

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Buildings capital improvement £	Total £
Cost or valuation					
At 1 September 2020	13,804,426	169,103	237,162	5,721,932	19,932,623
Additions	-	5,435	19,600	44,532	69,567
Disposals	-	(134,421)	(199,026)	-	(333,447)
At 31 August 2021	13,804,426	40,117	57,736	5,766,464	19,668,743
Depreciation					
At 1 September 2020	2,705,385	153,965	216,035	848,572	3,923,957
Charge for the year	270,539	7,815	19,056	115,329	412,739
On disposals	-	(134,421)	(199,026)	-	(333,447)
At 31 August 2021	2,975,924	27,359	36,065	963,901	4,003,249
Net book value					
At 31 August 2021	10,828,502	12,758	21,671	4,802,563	15,665,494
At 31 August 2020	11,099,041	15,138	21,126	4,873,360	16,008,665

Included in freehold property is freehold land at valuation and cost of £6,169,446 (2020: £6,169,446).

Disposals in the year relate to items with zero net book value which are no longer in use by the Academy.

14. Debtors

	2021 £	2020 £
Due within one year		
VAT recoverable	14,334	14,815
Prepayments and accrued income	147,460	186,038
	<u>161,794</u>	<u>200,853</u>

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15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	36,980	75,366
Other taxation and social security	141,650	126,993
Other creditors	114,147	103,830
Accruals and deferred income	25,785	55,656
	<u>318,562</u>	<u>361,845</u>
	2021 £	2020 £
Deferred income at 1 September 2020	36,446	52,759
Resources deferred during the year	1,372	36,446
Amounts released from previous periods	(36,446)	(52,759)
	<u>1,372</u>	<u>36,446</u>

At the balance sheet date the academy was holding funds received in advance for school trip income for 2021/2022.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	463,984	38,930	(21,999)	-	-	480,915
Restricted general funds						
General Annual Grant (GAG)	1,842,024	6,840,737	(6,525,588)	(42,534)	-	2,114,639
Pupil Premium	37,708	226,865	(226,618)	-	-	37,955
Other DfE / ESFA Grants	7,200	540,608	(545,108)	-	-	2,700
Local Authority Grants	38,053	203,363	(234,249)	-	-	7,167
Pension reserve	(1,329,000)	-	(202,000)	-	(147,000)	(1,678,000)
	595,985	7,811,573	(7,733,563)	(42,534)	(147,000)	484,461
Restricted fixed asset funds						
DfE / ESFA Capital Grants	2,274,510	27,034	(58,642)	-	-	2,242,902
Capital expenditure on GAG	1,823,504	-	(47,014)	42,534	-	1,819,024
Transfer on conversion	11,910,651	-	(307,083)	-	-	11,603,568
	16,008,665	27,034	(412,739)	42,534	-	15,665,494
Total Restricted funds	16,604,650	7,838,607	(8,146,302)	-	(147,000)	16,149,955
Total funds	17,068,634	7,877,537	(8,168,301)	-	(147,000)	16,630,870

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

16. Statement of funds (continued)

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

General Annual Grant (GAG) fund - Funds received from the ESFA under the General Annual Grant arrangements for the recurrent expenditure of the school as defined in the Funding Agreement.

Pupil Premium - Funds received from the ESFA under the Pupil Premium grant arrangements for the recurrent expenditure of the school as defined in the Funding Agreement.

Other DfE / ESFA grants - Other government grants received for the restricted educational purposes not forming part of the General Annual Grant.

Local authority grants - Grants received from the local authority received for restricted educational purposes.

Pension reserve - The pension reserve recognises the deficit of the local government pension scheme.

The purpose of the Restricted Fixed Asset Fund is to hold the Academy's fixed assets recorded net of depreciation.

Included in the above are transfers between capital expenditure and GAG. These transfers represent the Trust using GAG monies for capital items.

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

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

16. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds						
General Funds - all funds	401,310	88,092	(25,418)	-	-	463,984
Restricted general funds						
General Annual Grant (GAG)	1,632,852	6,513,218	(6,212,136)	(91,910)	-	1,842,024
Pupil Premium	40,348	236,290	(238,930)	-	-	37,708
Other DfE / ESFA Grants	2,340	431,313	(426,453)	-	-	7,200
Local Authority Grants	21,727	144,060	(127,734)	-	-	38,053
Pension reserve	(1,257,000)	-	(232,000)	-	160,000	(1,329,000)
	440,267	7,324,881	(7,237,253)	(91,910)	160,000	595,985
Restricted fixed asset funds						
DfE / ESFA Capital Grants	2,656,700	27,231	(409,421)	-	-	2,274,510
Capital expenditure on GAG	1,731,594	-	-	91,910	-	1,823,504
Transfer on conversion	11,910,651	-	-	-	-	11,910,651
	16,298,945	27,231	(409,421)	91,910	-	16,008,665
Total Restricted funds	16,739,212	7,352,112	(7,646,674)	-	160,000	16,604,650
Total funds	17,140,522	7,440,204	(7,672,092)	-	160,000	17,068,634

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	15,665,494	15,665,494
Current assets	480,915	2,481,023	-	2,961,938
Creditors due within one year	-	(318,562)	-	(318,562)
Provisions for liabilities and charges	-	(1,678,000)	-	(1,678,000)
Total	480,915	484,461	15,665,494	16,630,870

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	16,008,665	16,008,665
Current assets	463,984	2,286,830	-	2,750,814
Creditors due within one year	-	(361,845)	-	(361,845)
Provisions for liabilities and charges	-	(1,329,000)	-	(1,329,000)
Total	463,984	595,985	16,008,665	17,068,634

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(290,763)	(231,888)
Adjustments for:		
Depreciation	412,739	409,421
Capital grants from DfE and other capital income	(27,034)	(27,231)
Interest receivable	(5,499)	(15,112)
Defined benefit pension scheme cost less contributions payable	178,000	207,000
Defined benefit pension scheme finance cost	24,000	25,000
Decrease/(increase) in debtors	39,060	(21,259)
(Decrease)/increase in creditors	(43,286)	55,920
Net cash provided by operating activities	287,217	401,851

19. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	5,499	15,112
Purchase of tangible fixed assets	(69,567)	(119,141)
Capital grants from DfE Group	27,034	27,231
Net cash used in investing activities	(37,034)	(76,798)

20. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	2,800,144	2,549,961
Total cash and cash equivalents	2,800,144	2,549,961

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NOTES TO THE FINANCIAL STATEMENTS
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21. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	2,549,961	250,183	2,800,144
	<u>2,549,961</u>	<u>250,183</u>	<u>2,800,144</u>

22. Pension commitments

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

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

Contributions amounting to £95,140 were payable to the schemes at 31 August 2021 (2020 - £84,919) and are included within creditors.

Teachers' Pension Scheme

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

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

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

22. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £755,285 (2020 - £703,190).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy 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 £208,000 (2020 - £180,000), of which employer's contributions totalled £158,000 (2020 - £138,000) and employees' contributions totalled £ 50,000 (2020 - £42,000). The agreed contribution rates for future years are 23.68 per cent for employers and 6 per cent for employees.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Pension commitments (continued)

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	2.9	2.3
Discount rate for scheme liabilities	1.7	1.7
Inflation assumption (CPI)	2.9	2.3

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	21.8	21.6
Females	24.2	23.7
<i>Retiring in 20 years</i>		
Males	23.0	22.5
Females	26.0	25.3

Sensitivity analysis

	2021	2020
	£000	£000
0.5% decrease in Real Discount Rate	620	514
0.5% increase in the Salary Increase Rate	30	26
0.5% increase in the Pension Increase Rate	585	481

Share of scheme assets

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

	2021	2020
	£	£
Equities	3,111,000	2,510,000
Corporate bonds	639,000	662,000
Property	469,000	279,000
Cash and other liquid assets	43,000	35,000
Total market value of assets	4,262,000	3,486,000

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Pension commitments (continued)

The actual return on scheme assets was £589,000 (2020 - £60,000).

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

	2021 £	2020 £
Current service cost	(336,000)	(345,000)
Interest income	60,000	60,000
Interest cost	(84,000)	(85,000)
Total amount recognised in the Statement of Financial Activities	(360,000)	(370,000)

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

	2021 £	2020 £
At 1 September	4,815,000	4,567,000
Current service cost	336,000	345,000
Interest cost	84,000	85,000
Employee contributions	50,000	42,000
Actuarial losses/(gains)	736,000	(100,000)
Benefits paid	(81,000)	(124,000)
At 31 August	5,940,000	4,815,000

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

	2021 £	2020 £
At 1 September	3,486,000	3,310,000
Interest income	60,000	60,000
Actuarial gains	589,000	60,000
Employer contributions	158,000	138,000
Employee contributions	50,000	42,000
Benefits paid	(81,000)	(124,000)
At 31 August	4,262,000	3,486,000

CHADWELL HEATH ACADEMY
(A Company Limited by Guarantee)

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

23. Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	3,576	-
Later than 1 year and not later than 5 years	11,919	-
	<u>15,495</u>	<u>-</u>

24. Members' liability

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

25. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place during the year, other than those that have already been disclosed in note 11.

26. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2021 the trust received £29,851 (2020: £37,793) and distributed £29,851 (2020: £43,540) from the fund. An amount of £19,008 (2020: £18,910) is included in other creditors relating to undistributed funds that is repayable to ESFA.