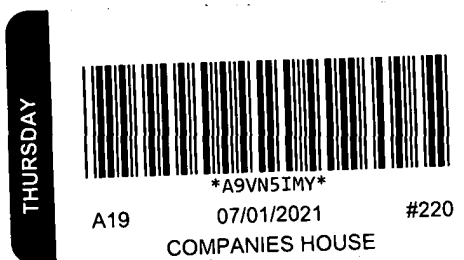


Company Registration Number: 07657852 (England & Wales)

**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**



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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**CONTENTS**

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	Page
<b>Reference and Administrative Details</b>	1 - 2
<b>Trustees' Report</b>	3 - 10
<b>Governance Statement</b>	11 - 14
<b>Statement on Regularity, Propriety and Compliance</b>	15
<b>Statement of Trustees' Responsibilities</b>	16
<b>Independent Auditor's Report on the Financial Statements</b>	17 - 19
<b>Independent Reporting Accountant's Report on Regularity</b>	20 - 21
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	22
<b>Balance Sheet</b>	23 - 24
<b>Statement of Cash Flows</b>	25
<b>Notes to the Financial Statements</b>	26 - 52

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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**Members**

Mr T Nott  
Mr P. Jackson  
Mr P. F. Wilcox

**Trustees**

Mrs K.B. Hollyhead (resigned 15 March 2020)  
Mrs P. Cumming (resigned 2 April 2020)  
Mr P.J. Cumming  
Dr A. Dickenson  
Mrs J. Harrison  
Mr P. Jackson  
Mrs K. Barnett  
Mrs C. Knight  
Mr T. Nott  
Mr M.R. Hill  
Mrs A.K. Bates  
Mrs R. Elliott  
Mr P.F. Wilcox, Chair of Governors  
Miss L. Jackson (appointed 18 June 2020)  
Mr S. Steikunas  
Mr D. Walton

**Company registered number**

07657852

**Company name**

The Chantry School

**Principal and registered office**

Martley  
Worcester  
Worcestershire  
WR6 6QA

**Company secretary**

Mr D. Darling

**Senior management team**

Dr A. Dickenson, Headteacher  
Mrs N. Clear, Deputy Headteacher  
Mr M. Lake, Assistant Headteacher  
Miss M. Palmer, Assistant Headteacher  
Mr D. Darling, Schools Business Manager

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Independent auditor**

Crowe U.K. LLP  
Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

**Bankers**

Lloyds Bank Plc  
4 The Cross  
Worcester  
WR1 3PY

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust operates an academy for pupils aged 11 to 16 serving a catchment area in Martley. It had a pupil capacity of 850 aged 11 to 16 students with this capacity increasing from September 2018 as part of 5 year county council expansion programme. The academy had a roll of 811 students aged 11 to 16 in the school on census on 1st October 2020.

**Structure, governance and management**

**a. Constitution**

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

The charitable company's Memorandum of Association is the primary governing document of the academy.

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

Details of the Trustees who served during the year, and to the date of 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**

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

**d. Method of recruitment and appointment or election of Trustees**

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

**e. Policies adopted for the induction and training of Trustees**

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

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Structure, governance and management (continued)**

**f. Organisational structure**

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

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

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

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

The sub committees of the Governing Body are the:

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

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

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

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Structure, governance and management (continued)**

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

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

**h. Connected organisations, including related party relationships**

The academy continues to work with and support primary schools in the local pyramid. The academy is committed to working in partnership with these schools to ensure that there is long term cost benefit and successful transition for pupils. There is ongoing work to support literacy and numeracy projects in particular. The academy is committed to working with the Aspire Free School which focuses on getting the best deal for children needing to access an alternative curriculum.

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

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Objectives and activities**

**a. Objects and aims**

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

**b. Objectives, strategies and activities**

**We will achieve our aims through:**

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

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

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

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

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

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

**c. Public benefit**

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

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



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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Strategic report**

**Achievements and performance**

The academy is half way through a 5 year expansion plan to provide additional places for pupils in the Martley area. The Y7 PAN has been increased from 145 to 175. Over the course of 2019/20 the school has successfully recruited 180 pupils (5 over PAN) for the upcoming 2020/21 school year. This provides welcome financial benefit and stability. Planning, staffing and accommodation needs for the full 5 year increase are nearing completion. There is some outstanding future staffing needs that will need fulfilling, and with the completion of external works this calendar year, the accommodation will be fit for purpose for the full pupil numbers.

The academy has worked hard over the March – August period to cope with and mitigate loss to education due to the pandemic. The school has successfully embraced remote learning in that time, training the workforce in new delivery methods, and liaising with parents and pupils to remove barriers to learning. The academy is committed to, and equipped for, the continuation of education as the pandemic continues.

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

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

The academy was rated as an 'Outstanding school' by Ofsted in 2009. Summer 2019 results (see below) continued to maintain the school's strong performance both in Attainment and Progress measures. The Progress 8 score of 0.23 rates the school, according to DfE, as above the national average. The school has an excellent reputation and is a sought-after school in the local area.

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

**a. Key performance indicators**

Due to Covid-19, all external examinations were cancelled. In line with the government directive all performance indicators will be taken from Summer 2019 examinations. Previous reports should be referred to.

**b. Going concern**

After consideration of the school's financial position and its financial plans, the trustees have a reasonable expectation that the academy has and will continue to have adequate resources to enable it to be a sustainable going concern in 2020/21. The school continues to be a going concern, although the financial climate is very challenging. The centrally funded GAG does not completely allow for annual national pay award rises and other inflationary costs and therefore the school will have to carefully budget and manage resources spent directly on pupils.

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

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Strategic report (continued)**

**Financial review**

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

A deficit of £80,000 has arisen on the General Restricted fund due to the deficit of £2,264,000 on the Local Government Pension Scheme ("LGPS") which is allocated to this fund. The LGPS liability will not crystallise immediately.

**Unrestricted fund**

Income received into the unrestricted fund was £178,895. Expenditure against the fund was £168,291 for the year.

**Restricted fixed asset fund**

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

**Balance Sheet**

The academy's assets were predominantly used for providing education to school students. Some assets were used by the local community, predominantly for Sport Martley Sports Centre which promotes local health and wellbeing. The net book value of the academy's tangible fixed assets was £6,852,287 as at 31st August 2020. The movement on these assets is detailed in note 15.

Cash in hand at 31st August 2020 was £692,521.

**a. Reserves policy**

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

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

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

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**b. Investment policy**

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

**c. Principal risks and uncertainties**

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

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

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

**d. Trade union facility time**

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

**e. Funds held as custodian**

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

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

**Fundraising**

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

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Future developments**

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

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

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

The academy governing body have recently reviewed their status as a Single Academy Trust. The governing body are currently satisfied that this structure is capable of meeting the aims of the academy trust, and deliver effective secondary education. However, the governing body will regularly review their position in order to ensure this continues to be the case.

**Disclosure of information to auditor**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is 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 16 December 2020 and signed on its behalf by:



**Mr P.F. Wilcox**

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

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

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

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 4 times during the year.

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

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

Trustee	Meetings attended	Out of a possible
Mrs K. Barnett	3	4
Mrs A.K. Bates	3	4
Mrs P. Cumming	2	2
Mr P.J. Cumming	4	4
Dr A. Dickenson	4	4
Mrs R. Elliott	3	4
Mrs J. Harrison	2	4
Mr M.R. Hill	2	4
Mrs K.B. Hollyhead	0	2
Miss L. Jackson	1	1
Mr P. Jackson	3	4
Mrs C. Knight	3	4
Mr T. Nott	2	4
Mr S. Steikunas	2	4
Mr D. Walton	4	4
Mr P.F. Wilcox, Chair of Governors	4	4

Governors are provided in advance of meetings with comprehensive documentation to support the meeting agenda for the full board and for the sub committees. Agendas are agreed with relevant Chair, Head and other Senior Officers in some cases. The Clerk to the Governors will send documentation out a week in advance of the meeting, where possible, giving Governors time to read and digest the information up for discussion. Governors are encouraged to contact relevant staff if they have any queries in advance of, or after the meeting. This advice will usually be provided by the specialist Officer in that area e.g. Safeguarding by the Designated

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

Safeguarding Lead, Finance by the Business Manager and School Data by the Headteacher. The information provided during and in between meetings is used by Governors for monitoring and to support strategic decision making in school.

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

The Finance Committee is a sub committee of the main board of trustees. Its purpose is:

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs K. Barnett	2	3
Mr P.J. Cumming	3	3
Dr A. Dickenson	2	3
Mrs J. Harrison	2	3
Mr M. Hill	2	3
Mrs K. Hollyhead	0	1
Miss L. Jackson	1	1
Mr P. Jackson	2	3
Mr T. Nott	1	3
Mr S. Steikunas	1	3
Mr D. Walton	3	3
Mr P. Wilcox	3	3

**Review of value for money**

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

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

- Continued strong systems in relation to procuring goods and services across the school budget with regular review and quality assurance systems in place;
- Reviewing staff pay and structures where possible and utilising apprenticeship schemes;
- Using school expansion money creatively to deliver wider school benefits addressing condition and suitability issues;
- Utilise the skill set of the site staff within school to maintain the school buildings in a cost effective way.

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (CONTINUED)**

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**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 The Chantry School for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 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
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees have appointed Fred Dowdeswell, the Business Manager of Dyson Perrins C of E Academy, to perform a peer review.

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

Due to the Covid restrictions and timing of the normal Peer Review this review did not happen. As an alternative and to demonstrate some internal scrutiny in the year a review was carried out by the Chair of Finance Committee (a qualified accountant) who tested areas of the school finance policy.

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (CONTINUED)**

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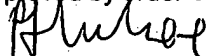
**Review of effectiveness**

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the 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 and signed on their behalf by:



**Mr P.F. Wilcox**  
Chair of Trustees

Date: 16 December 2020



**Dr A. Dickenson**  
Accounting Officer



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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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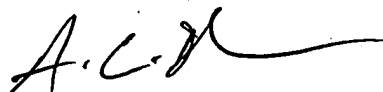
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of The Chantry School I have considered my responsibility to notify the academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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 2019.

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



**Dr A. Dickenson**  
Accounting Officer  
Date: 16 December 2020

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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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 2019 to 2020;
- 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.F. Wilcox

16/12/20

Date:

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
CHANTRY SCHOOL**

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**Opinion**

We have audited the financial statements of The Chantry School (the 'academy') for the year ended 31 August 2020 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 2019 to 2020 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 2020 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 2019 to 2020 issued by the Education and Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy 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**

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

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

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
CHANTRY SCHOOL (CONTINUED)**

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**Other information**

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

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

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
CHANTRY SCHOOL (CONTINUED)**

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**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.

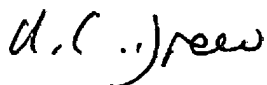
**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's 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 Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Helen Drew (Senior Statutory Auditor)**

for and on behalf of  
**Crowe U.K. LLP**

Statutory Auditor

Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

Date: 5 January 2021

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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

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In accordance with the terms of our engagement letter dated 23 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Chantry School during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Chantry School's funding agreement with the Secretary of State for Education dated 14 October 2016 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 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.

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

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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

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**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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Crowe U.K. LLP*

Reporting Accountant  
**Crowe U.K. LLP**

Statutory Auditor

Date: 5 January 2021

**THE CHANTRY SCHOOL**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>						
Donations and capital grants	3	350	-	(15,457)	(15,107)	82,704
Charitable activities	4	174,301	4,042,045	-	4,216,346	4,031,199
Other trading activities		3,819	-	-	3,819	5,350
Investments	7	425	-	-	425	488
<b>Total income</b>		<b>178,895</b>	<b>4,042,045</b>	<b>(15,457)</b>	<b>4,205,483</b>	<b>4,119,741</b>
<b>Expenditure on:</b>						
Raising funds		1,000	-	-	1,000	1,200
Charitable activities	9	167,291	4,058,937	219,375	4,445,603	4,374,693
<b>Total expenditure</b>		<b>168,291</b>	<b>4,058,937</b>	<b>219,375</b>	<b>4,446,603</b>	<b>4,375,893</b>
<b>Net income/(expenditure)</b>		<b>10,604</b>	<b>(16,892)</b>	<b>(234,832)</b>	<b>(241,120)</b>	<b>(256,152)</b>
Transfers between funds	19	-	(42,575)	42,575	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>10,604</b>	<b>(59,467)</b>	<b>(192,257)</b>	<b>(241,120)</b>	<b>(256,152)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	27	-	(80,000)	-	(80,000)	(707,000)
<b>Net movement in funds</b>		<b>10,604</b>	<b>(139,467)</b>	<b>(192,257)</b>	<b>(321,120)</b>	<b>(963,152)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		308,882	(1,994,512)	7,044,544	5,358,914	6,322,066
Net movement in funds		10,604	(139,467)	(192,257)	(321,120)	(963,152)
<b>Total funds carried forward</b>		<b>319,486</b>	<b>(2,133,979)</b>	<b>6,852,287</b>	<b>5,037,794</b>	<b>5,358,914</b>

The notes on pages 26 to 52 form part of these financial statements.



**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07657852**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	15	6,852,287	6,968,039
<b>Current assets</b>			
Debtors	16	103,033	281,538
Cash at bank and in hand		692,521	668,320
		<u>795,554</u>	<u>949,858</u>
Creditors: amounts falling due within one year	17	(219,887)	(370,559)
<b>Net current assets</b>		<u>575,667</u>	<u>579,299</u>
<b>Total assets less current liabilities</b>		<u>7,427,954</u>	<u>7,547,338</u>
Creditors: amounts falling due after more than one year	18	(3,160)	(4,424)
<b>Net assets excluding pension liability</b>		<u>7,424,794</u>	<u>7,542,914</u>
Defined benefit pension scheme liability	27	(2,387,000)	(2,184,000)
<b>Total net assets</b>		<u><u>5,037,794</u></u>	<u><u>5,358,914</u></u>
<b>Funds of the academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	19	6,852,287	7,044,544
Restricted income funds	19	253,021	189,488
		<u>7,105,308</u>	<u>7,234,032</u>
Restricted funds excluding pension liability	19	7,105,308	7,234,032
Pension reserve	19	(2,387,000)	(2,184,000)
<b>Total restricted funds</b>	19	<u>4,718,308</u>	<u>5,050,032</u>
<b>Unrestricted income funds</b>	19	319,486	308,882
<b>Total funds</b>		<u><u>5,037,794</u></u>	<u><u>5,358,914</u></u>

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07657852**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2020**

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The financial statements on pages 22 to 52 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

  
**Mr P.F. Wilcox**

Date: 16/12/20

The notes on pages 26 to 52 form part of these financial statements.

**THE CHANTRY SCHOOL**  
(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	144,120	327,076
<b>Cash flows from investing activities</b>	23	(119,080)	(293,294)
<b>Cash flows from financing activities</b>	22	(839)	(776)
<b>Change in cash and cash equivalents in the year</b>		<b>24,201</b>	<b>33,006</b>
Cash and cash equivalents at the beginning of the year		<b>668,320</b>	635,314
<b>Cash and cash equivalents at the end of the year</b>	24, 25	<b>692,521</b>	<b>668,320</b>

The notes on pages 26 to 52 form part of these financial statements

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

**1.2 Company status**

The academy is a company limited by guarantee and was incorporated in England & Wales (registered number is 07657852). The address of the registered office is The Chantry School, Martley, Worcester, Worcestershire, WR6 6QA.

**1.3 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.

**1.4 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.

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.4 Income (continued)**

- **Donations**

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

- **Other income**

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

**1.5 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.

**1.6 Tangible fixed assets**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding 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:

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.6 Tangible fixed assets (continued)**

Depreciation is provided on the following bases:

L/Term leasehold property	- 50 years straight line
Plant and machinery	- 5 - 10 years straight line
Computer equipment	- 3 - 10 years straight line
Motor vehicles	- 5 - 10 years straight line

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

**1.7 Operating leases**

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

**1.8 Taxation**

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

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

**1.9 Liabilities**

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

**1.10 Provisions**

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

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

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**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 16. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

**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.

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	350	-	350
Capital Grants	-	(15,457)	(15,457)
	<u>350</u>	<u>(15,457)</u>	<u>(15,107)</u>



**THE CHANTRY SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**3. Income from donations and capital grants (continued)**

	<i>Unrestricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	<i>2019</i>	<i>2019</i>	<i>2019</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Donations	500	-	500
Capital Grants	-	82,204	82,204
	<u>500</u>	<u>82,204</u>	<u>82,704</u>

**4. Income from charitable activities**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>
	<b>2020</b>	<b>2020</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Funding for educational operations	12,720	4,042,045	4,054,765
School fund income	161,581	-	161,581
	<u>174,301</u>	<u>4,042,045</u>	<u>4,216,346</u>

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total funds</i>
	<i>2019</i>	<i>2019</i>	<i>2019</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Funding for educational operations	22,035	3,618,114	3,640,149
School fund income	391,050	-	391,050
	<u>413,085</u>	<u>3,618,114</u>	<u>4,031,199</u>

**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**5. Funding for the academy's educational operations**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
<b>DfE/ESFA grants</b>			
General annual grant	-	3,580,800	3,580,800
Other DfE/ESFA grants	-	307,875	307,875
	-	3,888,675	3,888,675
<b>Other government grants</b>			
Local Authority grants	-	70,614	70,614
	-	70,614	70,614
<b>Other funds</b>			
Other income	8,970	82,756	91,726
Catering profit share	3,750	-	3,750
	12,720	82,756	95,476
	12,720	4,042,045	4,054,765

**THE CHANTRY SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**5. Funding for the academy's educational operations (continued)**

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
<b>DfE/ESFA grants</b>			
General annual grant	-	3,292,765	3,292,765
Other DfE/ESFA grants	-	138,174	138,174
	-	3,430,939	3,430,939
<b>Other government grants</b>			
Local Authority grants	-	98,711	98,711
	-	98,711	98,711
<b>Other funding</b>			
Other income	10,347	88,464	98,811
Catering profit share	11,688	-	11,688
	22,035	88,464	110,499
	22,035	3,618,114	3,640,149

**6. Income from other trading activities**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Hire of facilities	388	388
Other income	3,431	3,431
	3,819	3,819

**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**6. Income from other trading activities (continued)**

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Hire of facilities	2,444	2,444
Other income	2,906	2,906
	<u>5,350</u>	<u>5,350</u>

**7. Investment income**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Bank interest	425	425
	<u>425</u>	<u>425</u>

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Bank interest	488	488
	<u>488</u>	<u>488</u>

**THE CHANTRY SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**8. Expenditure**

	<b>Staff Costs 2020 £</b>	<b>Premises 2020 £</b>	<b>Other 2020 £</b>	<b>Total 2020 £</b>
Expenditure on fundraising trading activities:				
Direct costs	1,000	-	-	1,000
Funding for education:				
Direct costs	2,879,303	219,375	133,526	3,232,204
Support costs	731,236	-	314,872	1,046,108
School fund costs	-	-	167,291	167,291
	<u>3,611,539</u>	<u>219,375</u>	<u>615,689</u>	<u>4,446,603</u>
	<b>Staff Costs 2019 £</b>	<b>Premises 2019 £</b>	<b>Other 2019 £</b>	<b>Total 2019 £</b>
Expenditure on fundraising trading activities:				
Direct costs	1,200	-	-	1,200
Funding for education:				
Direct costs	2,574,610	212,323	146,382	2,933,315
Support costs	596,786	-	457,423	1,054,209
School fund costs	-	-	387,169	387,169
	<u>3,172,596</u>	<u>212,323</u>	<u>990,974</u>	<u>4,375,893</u>

**THE CHANTRY SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**9. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Provision of education	-	4,278,312	4,278,312
School fund costs	167,291	-	167,291
	<u>167,291</u>	<u>4,278,312</u>	<u>4,445,603</u>

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Provision of education	-	3,987,524	3,987,524
School fund costs	387,169	-	387,169
	<u>387,169</u>	<u>3,987,524</u>	<u>4,374,693</u>

**10. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2020 £</b>	<b>Support costs 2020 £</b>	<b>Total funds 2020 £</b>
Provision of education	3,232,204	1,046,108	4,278,312
School fund costs	167,291	-	167,291
	<u>3,399,495</u>	<u>1,046,108</u>	<u>4,445,603</u>

**THE CHANTRY SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**10. Analysis of expenditure by activities (continued)**

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Provision of education	2,933,315	1,054,209	3,987,524
School fund costs	387,169	-	387,169
	<u>3,320,484</u>	<u>1,054,209</u>	<u>4,374,693</u>

**Analysis of support costs**

	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Staff costs	731,236	596,786
Technology costs	51,675	52,280
Premises costs	149,433	201,079
Other support costs	66,806	78,780
Governance costs	11,000	11,600
Legal costs	35,958	113,684
	<u>1,046,108</u>	<u>1,054,209</u>

**11. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2020 £</b>	<b>2019 £</b>
Operating lease rentals	4,606	4,606
Depreciation of tangible fixed assets	219,375	212,323
Fees paid to auditor for:		
- audit	8,250	8,000
- other services	2,750	3,600
	<u>225,926</u>	<u>228,529</u>

**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**12. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	2,617,285	2,437,955
Social security costs	248,523	226,970
Pension costs	745,731	507,671
	<u>3,611,539</u>	<u>3,172,596</u>

**b. Staff numbers**

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

	2020 No.	2019 No.
Teachers	48	49
Admin and Support	44	41
Management	5	5
	<u>97</u>	<u>95</u>

**c. Higher paid staff**

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	1	1

**d. Key management personnel**

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £414,004 (2019 £380,208).



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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**13. 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:

		2020 £	2019 £
Dr A. Dickenson	Remuneration	85,000 - 90,000	80,000 - 85,000
	Pension contributions paid	20,000 - 25,000	10,000 - 15,000
Mrs K.B. Hollyhead	Remuneration		0 - 5,000
	Pension contributions paid		0 - 5,000
Mrs A.K. Bates	Remuneration	50,000 - 55,000	50,000 - 55,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000
Mrs K. Barnett	Remuneration	30,000 - 35,000	25,000 - 30,000
	Pension contributions paid	0 - 5,000	0 - 5,000

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

**14. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides unlimited cover on any one claim (2019: unlimited). It is not possible to quantify the Governors and officers indemnity element from the overall cost of the RPA scheme.

**THE CHANTRY SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**15. Tangible fixed assets**

	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 September 2019	7,490,052	-	391,503	329,294	26,012	8,236,861
Additions	19,720	37,493	14,294	32,116	-	103,623
At 31 August 2020	<u>7,509,772</u>	<u>37,493</u>	<u>405,797</u>	<u>361,410</u>	<u>26,012</u>	<u>8,340,484</u>
<b>Depreciation</b>						
At 1 September 2019	791,737	-	254,007	204,805	18,273	1,268,822
Charge for the year	146,507	-	30,634	40,633	1,601	219,375
At 31 August 2020	<u>938,244</u>	<u>-</u>	<u>284,641</u>	<u>245,438</u>	<u>19,874</u>	<u>1,488,197</u>
<b>Net book value</b>						
At 31 August 2020	<u>6,571,528</u>	<u>37,493</u>	<u>121,156</u>	<u>115,972</u>	<u>6,138</u>	<u>6,852,287</u>
At 31 August 2019	<u>6,698,315</u>	<u>-</u>	<u>137,496</u>	<u>124,489</u>	<u>7,739</u>	<u>6,968,039</u>

**THE CHANTRY SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**16. Debtors**

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	25,947	10,781
Other debtors	21,335	43,981
Prepayments and accrued income	55,751	226,776
	<u>103,033</u>	<u>281,538</u>

**17. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Other loans	1,264	1,264
Trade creditors	55,288	132,569
Other taxation and social security	60,891	58,209
Other creditors	68,640	50,372
Accruals and deferred income	33,804	128,145
	<u>219,887</u>	<u>370,559</u>

	2020 £	2019 £
Deferred income at 1 September 2019	46,579	114,477
Resources deferred during the year	4,091	46,579
Amounts released from previous periods	(46,579)	(114,477)
	<u>4,091</u>	<u>46,579</u>

**18. Creditors: Amounts falling due after more than one year**

	2020 £	2019 £
Other loans	<u>3,160</u>	<u>4,424</u>

Other loans from Salix Finance Ltd of £4,424 (2019: £5,688) are unsecured, interest free and has fixed repayment terms up to September 2023.

**THE CHANTRY SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**19. Statement of funds**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
General Funds	308,882	178,895	(168,291)	-	-	319,486
<b>Restricted general funds</b>						
General Annual Grant (GAG)	189,488	3,580,800	(3,474,692)	(42,575)	-	253,021
Other DfE/ESFA grants	-	307,875	(307,875)	-	-	-
Local Authority grants	-	70,614	(70,614)	-	-	-
Other income	-	82,756	(82,756)	-	-	-
Pension reserve	(2,184,000)	-	(123,000)	-	(80,000)	(2,387,000)
	<u>(1,994,512)</u>	<u>4,042,045</u>	<u>(4,058,937)</u>	<u>(42,575)</u>	<u>(80,000)</u>	<u>(2,133,979)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds	6,968,039	-	(165,827)	42,575	-	6,844,787
Capital Funding Contribution	76,505	(15,457)	(53,548)	-	-	7,500
	<u>7,044,544</u>	<u>(15,457)</u>	<u>(219,375)</u>	<u>42,575</u>	<u>-</u>	<u>6,852,287</u>
<b>Total Restricted funds</b>	<u>5,050,032</u>	<u>4,026,588</u>	<u>(4,278,312)</u>	<u>-</u>	<u>(80,000)</u>	<u>4,718,308</u>
<b>Total funds</b>	<u>5,358,914</u>	<u>4,205,483</u>	<u>(4,446,603)</u>	<u>-</u>	<u>(80,000)</u>	<u>5,037,794</u>

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**19. Statement of funds (continued)**

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

**Restricted fixed asset fund**

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

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

**Transfers**

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

**Gains and losses**

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

**Restricted general funds**

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

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**19. Statement of funds (continued)**

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General Funds	277,828	419,423	(388,369)	-	-	308,882
<b>Restricted general funds</b>						
General Annual Grant (GAG)	158,966	3,292,765	(3,324,852)	62,609	-	189,488
Other DfE/ESFA grants	-	138,174	(138,174)	-	-	-
Local Authority grants	-	98,711	(98,711)	-	-	-
Other income	-	88,464	(88,464)	-	-	-
Pension reserve	(1,352,000)	-	(125,000)	-	(707,000)	(2,184,000)
	<u>(1,193,034)</u>	<u>3,618,114</u>	<u>(3,775,201)</u>	<u>62,609</u>	<u>(707,000)</u>	<u>(1,994,512)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds	5,134,732	82,204	(174,076)	1,925,179	-	6,968,039
Capital Funding Contribution	2,102,540	-	(38,247)	(1,987,788)	-	76,505
	<u>7,237,272</u>	<u>82,204</u>	<u>(212,323)</u>	<u>(62,609)</u>	<u>-</u>	<u>7,044,544</u>
<b>Total Restricted funds</b>	<u>6,044,238</u>	<u>3,700,318</u>	<u>(3,987,524)</u>	<u>-</u>	<u>(707,000)</u>	<u>5,050,032</u>
<b>Total funds</b>	<u><u>6,322,066</u></u>	<u><u>4,119,741</u></u>	<u><u>(4,375,893)</u></u>	<u><u>-</u></u>	<u><u>(707,000)</u></u>	<u><u>5,358,914</u></u>

**THE CHANTRY SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**20. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	6,852,287	6,852,287
Current assets	319,486	476,068	-	795,554
Creditors due within one year	-	(219,887)	-	(219,887)
Creditors due in more than one year	-	(3,160)	-	(3,160)
Provisions for liabilities and charges	-	(2,387,000)	-	(2,387,000)
<b>Total</b>	<b>319,486</b>	<b>(2,133,979)</b>	<b>6,852,287</b>	<b>5,037,794</b>

**Analysis of net assets between funds - prior period**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	6,968,039	6,968,039
Current assets	308,882	564,471	76,505	949,858
Creditors due within one year	-	(370,559)	-	(370,559)
Creditors due in more than one year	-	(4,424)	-	(4,424)
Provisions for liabilities and charges	-	(2,184,000)	-	(2,184,000)
<b>Total</b>	<b>308,882</b>	<b>(1,994,512)</b>	<b>7,044,544</b>	<b>5,358,914</b>

**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**21. Reconciliation of net expenditure to net cash flow from operating activities**

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(241,120)	(256,152)
<b>Adjustments for:</b>		
Depreciation	219,375	212,323
Capital grants from DfE and other capital income	15,457	(82,204)
Defined benefit pension scheme cost less contributions payable	85,000	90,000
Defined benefit pension scheme finance cost	38,000	35,000
Decrease in debtors	178,505	393,620
Decrease in creditors	(150,672)	(65,023)
Interest receivable	(425)	(488)
<b>Net cash provided by operating activities</b>	<b>144,120</b>	<b>327,076</b>

**22. Cash flows from financing activities**

	2020 £	2019 £
Repayments of borrowing	(1,264)	(1,264)
Interest receivable	425	488
<b>Net cash used in financing activities</b>	<b>(839)</b>	<b>(776)</b>

**23. Cash flows from investing activities**

	2020 £	2019 £
Purchase of tangible fixed assets	(103,623)	(375,498)
Capital grants from DfE Group	(15,457)	82,204
<b>Net cash used in investing activities</b>	<b>(119,080)</b>	<b>(293,294)</b>



**THE CHANTRY SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**24. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	692,521	668,320
<b>Total cash and cash equivalents</b>	<b>692,521</b>	<b>668,320</b>

**25. Analysis of changes in net debt**

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	668,320	24,201	692,521
Debt due within 1 year	(1,264)	-	(1,264)
Debt due after 1 year	(4,424)	1,264	(3,160)
	<b>662,632</b>	<b>25,465</b>	<b>688,097</b>

**26. Capital commitments**

	2020 £	2019 £
<b>Contracted for but not provided in these financial statements</b>		
Purchase of tangible assets	37,493	-

**27. 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 Worcestershire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £67,828 were payable to the schemes at 31 August 2020 (2019 - £49,176) and are included within creditors.

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**27. Pension commitments (continued)**

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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.

**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 £460,618 (2019 - £298,207).

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.

**THE CHANTRY SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**27. Pension commitments (continued)**

**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 2020 was £198,443 (2019 - £163,000), of which employer's contributions totalled £162,114 (2019 - £131,000) and employees' contributions totalled £ 36,329 (2019 - £32,000). The agreed contribution rates for future years are 20.90 per cent for employers and 5.5 to 12.5 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.

As the scheme is in deficit position the Academy Trust is making additional contributions. Future contributions for 2020/21, 2021/22 & 2022/23 are £171,000, £178,000 & £185,000 respectively.

**Principal actuarial assumptions**

	2020 %	2019 %
Rate of increase in salaries	3.90	3.60
Rate of increase for pensions in payment/inflation	2.50	2.20
Discount rate for scheme liabilities	1.80	1.80
Inflation assumption (CPI)	2.40	2.10

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	22.6	22.8
Females	25	25.8
<i>Retiring in 20 years</i>		
Males	24.2	25.1
Females	27	28.2

**THE CHANTRY SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**27. Pension commitments (continued)**

**Sensitivity analysis**

	2020 £000	2019 £000
Discount rate +0.1%	2,305,000	2,103,000
Mortality assumption - 1 year increase	2,506,000	2,249,000
CPI rate +0.1%	2,471,000	2,775,000

**Share of scheme assets**

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

	2020 £	2019 £
Equities	1,203,000	1,073,000
Gilts	122,000	114,000
Corporate bonds	97,000	76,000
Property	99,000	91,000
Cash and other liquid assets	77,000	44,000
Other	228,000	117,000
<b>Total market value of assets</b>	<b>1,826,000</b>	<b>1,515,000</b>

The actual return on scheme assets was £26,000 (2019 - £60,000).

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

	2020 £	2019 £
Current service cost	245,000	162,000
Past service cost	-	57,000
Interest cost	38,000	35,000
Administrative expenses	2,000	2,000
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>285,000</b>	<b>256,000</b>

**THE CHANTRY SCHOOL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**27. Pension commitments (continued)**

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

	2020 £	2019 £
<b>At 1 September</b>	<b>3,699,000</b>	<b>2,659,000</b>
Current service cost	245,000	162,000
Interest cost	67,000	74,000
Employee contributions	36,000	32,000
Actuarial losses	174,000	728,000
Benefits paid	(8,000)	(13,000)
Past service cost	-	57,000
<b>At 31 August</b>	<b>4,213,000</b>	<b>3,699,000</b>

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

	2020 £	2019 £
<b>At 1 September</b>	<b>1,515,000</b>	<b>1,307,000</b>
Interest income	29,000	39,000
Actuarial gains	94,000	21,000
Employer contributions	162,000	131,000
Employee contributions	36,000	32,000
Benefits paid	(8,000)	(13,000)
Administrative expenses	(2,000)	(2,000)
<b>At 31 August</b>	<b>1,826,000</b>	<b>1,515,000</b>

**28. Operating lease commitments**

At 31 August 2020 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	4,606	4,606
Later than 1 year and not later than 5 years	5,758	10,364
	<b>10,364</b>	<b>14,970</b>

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**THE CHANTRY SCHOOL**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**29. 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.

**30. 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 in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 13.