Company Registration Number: 07732888 (England & Wales)

COTHAM SCHOOL

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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Bishop Fleming

COTHAM SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	James Bowyer Dora Alderson John Bass Svetlana Bajic Raymond (appointed 10 December 2020) Jane Chamberlin Jo Feather Sandra Fryer Paula Bradshaw (appointed 10 December 2020) Lucy Hunt David Yorath William Greenslade
Governors	Emma Sheppard (appointed 19 March 2021) Dora Alderson[2,3,4] Jack Barber[1,2,4] John Bass[1,3] Emma Smith (appointed 26 November 2020)[1,2] Fatima Mahamad Ali (appointed 19 March 2021) Joanne Butler, Headteacher[1,2,3,4] Edward Carpenter (resigned 22 March 2021)[1,2] Andrew Chadwick[3] Jane Chamberlin[2,3] Jo Feather, Vice Chair[3,4] Sandra Fryer, Chair (resigned 19 July 2021)[1,2,3,4] Isabel Tobias (appointed 2 December 2020)[2,3] Lucy Hunt, Vice Chair[1] Morag Pirie (resigned 19 April 2021)[3,4] Richard Puttick[1,4] Rebecca Reid[1] Peter Huckle (appointed 6 May 2021) David Yorath (resigned 1 July 2021)[1,2] Pippa Gibbs Joubert (appointed 19 March 2021) James Bowyer (resigned 3 May 2021)[1,2,3,4] [1] Finance and Resources Committee [2] Personnel and Training Committee [3] Learning and Wellbeing Committee [4] Audit Committee
Company registered number	07732888
Company name	Cotham School
Principal and registered office	Cotham School Cotham Lawn Road Bristol BS6 6DT

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

Company secretary	Allison Crossland
Accounting officer	Joanne Butler
Senior Leadership Team	Joanne Butler, Headteacher Christopher Reed, Deputy Headteacher KS4 Domini Leong, Deputy Headteacher KS3 Abigail Tidball, Assistant Headteacher Aimi Potter, Director NBP16 Allison Crossland, Business Manager Julia Chapman, Assistant Headteacher Terry Watts, Assistant Headteacher
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 10 Temple Back Bristol BS1 6FL
Bankers	Lloyds Bank plc 284 Wells Road Knowle Bristol BS4 2PY
Solicitors	Veale Wasborough Vizards Orchard Court Orchard Lane Bristol BS1 5WS

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the period ended 31 August 2021. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Governing Body operates an academy for students aged 11 – 18 serving a catchment area in North Central Bristol. It has a student capacity of 1188 in years 7 – 11 and a roll of 1,156, with an additional 379 students in Post 16, as per the Spring 2021 census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Cotham School are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Cotham School.

It should be noted that on 29th September 2021 the Members passed a resolution to adopt the Department for Education Model Articles of Association for use by mainstream academies.

Details of the Trustees who served throughout the period, and to the date the accounts are approved are included in the Reference and Administration Details.

Trustees' Liability

Each Trustee 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 Trustee, or within one year after he/she ceases to be a Trustee, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a Trustee.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense 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, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £15,000,000.

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 cover up to £10,000,000 on any one loss in a membership year.

Method of recruitment and appointment or election of Trustees

The strategic management of the Academy is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association. When appointing new Governors, the board considers the skills and experience mix of existing Governors to ensure the Governing Body has the necessary skills to fully contribute to the school's development.

The term of office for any Governor shall be four years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor may be reappointed or re-elected provided that no Governor may serve more than three terms of office unless a resolution approving the arrangement is passed by the Forum. The Governors who were in office at 31 August 2021 and who served during the year are listed on page 1.

Policies and procedures adopted for the induction and training of Governors

When a new Governor is appointed a needs assessment is undertaken. The training and induction provided for each new Governor will be based on this assessment and may include training on educational, legal or financial matters. The Governing Body has access to funds to provide external training where necessary. All new Governors will be invited to meet with the Headteacher and Chair of Governors and given the opportunity to have a tour of the School, and to meet with staff and students. New Governors are provided with copies of key documents, such as policies, procedures, accounts, budgets, plans and other documents they need to undertake their role as Governors, this is through the Governor Hub portal. New Governors are also matched with a, 'buddy' Governor - an experienced Governor who acts as a mentor. As there is expected to be only a small number of new Governors in any one year, induction will be carried out informally and will be tailored specifically to the individual.

Organisational Structure

The Governing Body normally meets once each term. The Governing Body establishes an overall framework for the governance of the Academy and determines Governorship, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Governing Body may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 4 committees as follows;

- **The Finance and Resources Committee** - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management.
- **The Audit Committee** – this is part of the Finance, Premises and General Purposes Committee and meets 3 times a year and is responsible for compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels.
- **The Learning and Well-being Committee** meets at least three times per year to review student achievement, wellbeing and the curriculum.
- **The Personnel and Training Committee** meets at least three times per year to review human resources issues including the staffing structure, professional development, and policy

The following decisions are reserved to the Governing Body: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and the Governance Professional, to approve the School Improvement Plan and budget.

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

The Governors and the Governing Body have devolved responsibility for day to day management of the School to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, Deputy Headteachers, the Business Manager, the Director of Post 16 and the Assistant Headteachers. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The SLT controls the Academy at an executive level, implementing the policies laid down by the Governors and reporting back to them. The Headteacher, Business Manager and Finance, Premises and General Purposes Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff.

The Head Teacher is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The Governors consider the governing body and the senior leadership team comprise the key management personnel of the school in charge of directing and controlling, running and operating the school on a day to day basis. All Governors give their time freely and no Governors received remuneration in the year.

Details of Governors expenses and related party transactions where they exist are disclosed in the notes to the accounts.

The school complies with the School Teachers Pay and Conditions and the National Joint Council Pay and conditions in conjunction with its pay policies. The pay of the Senior Leadership Team is set in accordance with these policy documents. Once in post pay progression within is dependent upon satisfactory performance against objectives. Recommendations for pay progression, in accordance with the schools appraisal policy and pay policy are presented to the Remuneration Committee, which consists of the Chairs of the Governing Body Committees and the Chair of Governors, for ratification.

The Governors benchmark against pay levels in other Academy schools of a similar size. The benchmark is the midpoint of the range paid for similar roles.

Trade union facility time

The school employed 3 employees who were relevant union officials during the year, representing 2.6 full time equivalent employees. All 3 of these employees spent between 1 and 50% of the time on facility time.

The total cost of facility time to the Academy was £2,633 being less than 0.1% of the total pay bill of £6.9m. The time spent on paid trade union activities was 100% of the total paid facility time hours.

Related Parties and other Connected Charities and Organisations

The North Bristol Post 16 Centre is managed in a federation with Redland Green School. The Centre enables a wide and diverse range of course choices and combinations across the two school sites. Enrichment activities such as student exchanges, visits, performing arts, maths & computing activities make a significant contribution to learners' enjoyment, achievement and wider personal development.

Cotham School is a Cooperative Academy and the Schools Cooperative Society (SCS) has the right to appoint a Governor. The SCS can nominate a person to fill the post of Governor and the Governing Body can confirm this appointment after carrying out due diligence with regards to safeguarding and external interests.

The land and buildings were transferred to the Academy from Bristol City Council who have the right to appoint a Governor

There are no related parties which either control or significantly influence the decisions and operations of Cotham School. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

Objectives, Strategies and Activities

The principal object and activity of the charitable company is the operation of Cotham School to advance, for the public benefit, education for students of different abilities between the ages of 11 and 19.

The Governors confirm they have complied with the duty in Section 17(5) of the Charities Act 2011 and have due regard to the Charity Commission's general guidance on public benefit when reviewing the School's aims and objectives and in planning its future activities.

The charitable company has agreed within the provisions of the Funding Agreement between the Trustees and Secretary of State the following characteristics of the School:

• The School will be at the heart of its community, promoting community cohesion and sharing facilities with their schools and the wider community

• The School will offer a broad and balanced curriculum

• The School will provide education for students of different abilities; and

• The School will provide education for students who are mainly drawn from the area in which the School is situated.

• Leadership – To build on existing and develop new strategies to secure the main aims and objectives of the School.

The main aims and objectives of the School during the year ended 31 August 2021 are summarised below:

Strategic Plan Priority	Focus for School Improvement Plan	So that ... Intended outcomes and success criteria by the end of the academic year
SPP1: Quality of Education: Excellent Teaching, Learning and Assessment (TLA)	Consistent implementation of the **Cotham Principles of Teaching, Learning and Assessment**	**Cotham Principles of *Teaching, Learning* and *Assessment* are implemented through:** • Consistent application of the Cotham Lesson Structure • Quality assurance mechanisms: regular low-stakes learning walks and work scrutiny • Whole-school and personalised CPD to support the Principles of TLA, with a focus on embedding formative assessment strategies and adaptation strategies to meet learning needs. • Targeted instructional coaching for ALL teachers • A triangulated and long-view approach to professional development and appraisal • We are identifying and closing the Covid gaps
	Curriculum Implementation Intervention and Inclusion (implementation of the curriculum)	**PP/ SEND/ EAL/ Most Able- Stretch and challenge for all:** • Whole School Literacy Strategy including a focus on oracy and reading including through the KS3 Tutor Reading programme • There is increased whole staff training on strategies to support the key areas of need of SEND and EAL students and targeted training for specific students as required • A clear framework and provision map are in place for the role of 'additional support' and how this informs classroom practice with regards to quality first teaching • Regular quality assurance, through learning walks and student pursuits, is undertaken focusing on the provision of teaching in the classroom and in intervention lessons for SEND and EAL students • There is clarity and consistency in using the graduated response and Assess, Plan, Do, Review cycle to support SEND students, particularly those with high-level SEMH needs

		• The National Tutoring Programme is incorporated into interventions during 2020-21 on confirmation of funding • We are identifying and closing the Covid gaps
	Assessment (implementation of the curriculum)	• FLs standardise assessment across their Faculties from Years 7- 13 consistently well. Teachers make consistent and accurate judgements about students' progress and attainment within subject areas, across year groups and between year groups. Faculty Predictions are accurate. • Middle Leaders use SISRA Analytics to manage, interpret and use data effectively to monitor students' progress and intervene to tackle underachievement and improve student outcomes. • Achievement data is used to inform planning, teaching and assessment within depts and across the school. Feedback and assessment methods effectively prepare students for terminal examinations as evidenced by progress data and student voice. • Teachers consistently use assessment information to diagnose need, apply therapy, and test understanding. • Every Faculty has subject examiners • We are identifying and closing the Covid gaps • We are teaching effective preparation assessment and exam preparation strategies to students which allows them to effectively prepare at home for assessments / exams
	Digital Learning	We have a longer term plan and structure for digital and remote learning that includes: • a robust online learning provision that enables to students to continue their learning when away from school • a core set of online learning platforms that we will use to support the implementation of our curriculum • staff feel comfortable using our online learning platforms to extend and continue the learning of our students when they are away from school. • students understand how to competently use our selected online learning platforms to continue \ extend their learning. • parents are aware of our selected online learning platforms and can access them
SPP3: Quality of Education: Personal Development (Welfare and Well-being)	**SMSC** **British Values** **RSE**	QA evidence demonstrates • That high quality provision and the school's open culture are promoting and supporting personal development, and all aspects of student welfare and safety to the highest standards, including in implementing the new 'Relationships Education, Relationships and Sex Education (RSE) and Health Education' September 2020 statutory guidance • The school commits to being a Healthy School and the new National Food Strategy • There is a culture of supporting mental health and wellbeing for students and staff that is evident across the school. • There is a culture of positive relationships built on restorative principles between, and within, students and staff.

		• diversity of ethnicity, gender, sexuality and disability is accepted and celebrated across the school, demonstrating best practice in our duties under the Equalities Act 2010. • assemblies and elements of the tutor programme develop students to become caring, conscientious and active citizens engaging with issues that affect society • The House System and School Council (Yrs 7-13) is enhancing and enabling student voice and assemblies, charity fundraising days, Inter-house competitions, Youth Voice Conference continue to run throughout the year. • Student surveys/ voice on a range of topics is conducted throughout the year to support closing the Covid gaps
SPP4:Quality of Education: Behaviour and Attitudes	**Ready for Learning** - behaviour strategy and systems,	QA evidence demonstrates • We are identifying and closing the Covid gaps • Students behaviour during unstructured times is excellent • Students have positive attitudes to learning. • The school procedures for managing behaviour are consistently and fairly applied. o Reviewed Graduated Response systems are in place o A new Rewards Policy is in place o Restorative and anti-racist approaches (and a restorative room) are embedded • Exclusion numbers and High Level sanctions for targeted groups continue to fall
	Attendance and Punctuality	• 96% attendance target in all year groups has been met • All absence and punctuality for targeted groups is improved • PA absence has been reduced and is below national average
SPP5: Highly Effective Leadership and Governance **'Persistent, Insistent, Consistent'**	**Leaders, Governors** The Leeds Beckett CRED Anti-Racist School Award	Achieve the Anti-Racist School award which focuses on the following areas: • Governance, Leadership and Management • School Environment • Professional Learning and Development • Hidden Curriculum • Pedagogy and Curriculum • Parents/Carers and Community Partnerships • Supporting BAME staff and students
	SLT and Teaching staff Leaders Professional Development and Appraisal (PDA) and Quality Assurance (QA	Leadership Structure and Quality Assurance is delivering impact on the Core School Improvement Priorities (CSIPs). Leadership CPD and leadership meetings / forums are delivering measurable impact in securing consistently good middle and senior leadership across the school. • The SLT, Extended Leadership Group (ELG) and other Middle Leaders assess the quality of teaching, learning and assessment in their faculties accurately and with measurable impact • Subject knowledge and delivery priorities are informed by triangulated assessment of teaching/ assessment quality

		through learning walks, work scrutiny and student voice. These are acted upon through the FIP and CPD at faculty level • The CPD programme is balanced in favour of the CSIPs. It is delivering impact on the CSIPs • Revised appraisal procedures are implemented: o 'Objectives through FIP' approach is implemented so that there is full alignment with CSIP and DIP o Evidence demonstrates that all appraisal is consistently robust across teams, supportive, ensures accountability and delivers impact on the CSIPs
	Staff and Parent/ Carer voice and engagement	• Staff reps meetings and JGSC are evolved and utilised as required • More effective systems implemented for parent (and community voice) engagement strategies inc. re-implementing parent forum meetings and exploring the 'Parent Partnership Award' • Annual Staff, Parent / Carer surveys conducted
	Safeguarding	• We are identifying and closing the Covid gaps • All CP and safeguarding requirements are fully met, as evidenced in the annual BSCB Safeguarding Audit. • Student awareness and involvement in ensuring their own safeguarding demonstrates best practice. • A regular drip-feed approach to staff training on CP and Safeguarding is provided • A 'live' CP and Safeguarding action plan is in place, rigorously reviewed by the DSL, and shared regularly with the Core Safeguarding team, wider pastoral staff and SLT • There is a strong response to current specific national safeguarding concerns around sexual abuse and harassment in schools, peer-on-peer harm and online safety.
	School roll	• Academic transition informs Yr 7 curriculum, grouping and interventions • A full school roll has been maintained throughout the year in Years 7-13 • PR / Positive publicity is 'upped' so the school is constantly promoted in Bristol and beyond.
SPP6: Resources HR and staff Site and Facilities maintenance and development Income and expenditure	**HR and Staffing**	• Ensure the provision of ongoing HR Policy review cycle, facilitating the development of policies that align with the schools strategic, operational and statutory requirements. • Implement a recruitment management strategy that represents value for money and ensures that Cotham is a school of choice for those seeking employment in the education sector • Review recruitment processes and develop strategies that will increase applications from a more diverse cohort of applicants and under-represented groups. • Develop the staff well-being strategy including more internal / online CPD courses and support mechanisms to improve staff engagement and satisfaction; continue to upskill Line Managers to provide support to assist them in the management of staff. This will be evidenced with an annual

		activity plan
	Site and Facilities	• Stoke Lodge Playing Fields are developed appropriately and compliantly to conserve their use for the students • The main school site is maintained and improved • Outsourcing of the school catering function to achieve the proposed financial and risk reduction benefits is monitored and is successful. • Letting income is increased by10% on last year's receipt of income.
	Income and Expenditure	• Ensure that income and expenditure plans support the achievement of the school's key financial performance indicators; through: o Monitoring, evaluation and continued reporting of the three year budget forecast and the school's financial performance. o The assessment and review of the fundraising strategy, implementing new initiatives to ensure the long term sustainability of these types of income stream, volunteer support and resource banks.

Public Benefit

The school aims to advance for the public benefit, education in Cotham and the surrounding area. In particular, but without prejudice to the generality of the forgoing by estimating, maintaining, managing and development of the school, offering a broad curriculum.

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

Strategic Report

Achievements and Performance

Cotham School has high aspirations for its students and a drive for continuous improvement. The School's analysis of examination performance is thorough, and much use is made of performance and benchmarking data from a range of sources.

Analysis of public examination outcomes for the academic year 2020/2021

Key Stage 4 results

The Progress 8 measure is the key measure used internally and by the Department for Education to show improvement across whole school cohorts. This measure at its current level is in line with the current national average.

- notional P8 figure based on SISRA Data Collaboration (no data released by DfE as a result of the changes to examinations)

GCSE / L2 BTEC 2020-21 Cotham School			
ALL STUDENTS	2018/19	2019/20	2020/21
Progress 8	-0.061	+0.26	+0.15*
Basics (4+ in English and Maths)	60.3%	71.0%	77.1%
Basics (5+ in English and Maths)	42.1%	52.8%	60.3%
EBACC (Standard Pass 4+/C+)	30.4%	35.5%	16.8%
EBACC (Strong Pass 5+)	21.5%	22.9%	15.0%
Attainment 8	45.95	49.33	54.94
Average Grade	C+	B	B+

Key Stage 5 results

The VA measure is the key measure used internally and by the Department for Education to show improvement across whole school cohorts. This measure at its current level is in line with the current national average.

		2019	2020	2021
Average Grade	**Academic**	C+	B-	B-
	Applied	Merit+	Merit	Dist-
Value Added	**All**	0.12	0.39	0.58
	Academic	0.14	0.43	0.63
	Applied	-0.02	0.15	0.41
No. Students *(now incl. addbacks)*		212	190	181
A*-A (%)		26	30	33
A*-B (%)		51	57	59
A*-E (%)		97	99	97

OFSTED INSPECTION

In March 2018, the School was graded 'Good' in all categories, and we are especially delighted with the many incredibly positive observations made by the inspection team about our staff and students. Strong relationships between students and staff are valued features of Cotham and staff continue to strive to ensure the best possible school experience, achievement and outcomes for every student who studies here. Key messages from the report support the school's continued capacity for further improvement and are noted:

"Since her appointment in 2015, the headteacher has acted with great purpose to address the changing needs of the school. The school is responding well to the changing social context of the community which the school serves. The headteacher's vision and her focus on meeting the needs of all pupils have been at the heart of the school's transformation.

The Headteacher is successfully leading the school through a period of significant change. As a result of her vision and her skilful and determined leadership, the school is now steadily improving.

Governors and school leaders have a strong commitment to serving the needs of their diverse community. They are determined to make sure that the needs of all their pupils are met so that all can maximise their potential.

Pupils make good progress because teaching is typically good. Teachers are well-qualified subject specialists who make sure that they highlight key points and set appropriate work to reinforce them. They use questioning skilfully to make pupils think hard.

Pupils who have SEN and/or disabilities receive the support they require to make good progress.

Leaders and teachers put a strong emphasis on supporting pupils to improve their literacy skills. Leaders require almost all subjects to focus on literacy and provide stimulating opportunities for writing.

The leadership of pupil premium is good. Pupils who need support are identified and appropriate help is put in place for them. Their progress is monitored and Teachers and Higher Level Teaching Assistants intervene if required. A significant proportion of disadvantaged pupils also speak English as an additional language. Leaders have ensured that these pupils are well supported by a knowledgeable and committed team. As a result of their work, these pupils are overcoming the barriers they face and are able to thrive in school.

The behaviour of pupils is good. Pupils behave well around the school site. They enjoy coming to school and the atmosphere in the playground and in social areas is positive and friendly. Pupils are respectful and courteous to staff. They welcome those from different backgrounds or who hold different beliefs.

Relationships between staff and pupils are good. Pupils are respectful when talking with adults and courteous to visitors.

Pupils are keen to take part in lessons. They answer teachers' questions enthusiastically and they want to do their best. They are keen to respond to teachers' advice and correct and improve their work where they can.

Leaders have ensured that the curriculum is appropriate for all pupils. They have insisted that the curriculum is designed to ensure that there is academic challenge for all pupils and that there are no 'soft options'. A very high proportion of pupils, including disadvantaged pupils, take a foreign language option in key stage 4. Pupils are given additional support to achieve success in these courses rather than being put on less demanding courses.

Students in the sixth form make better progress with their A levels than students in other schools. They are achieving well across a broad range of subjects. They are also making better-than-average progress with the English and mathematics GCSE courses they are retaking. Disadvantaged students are making similar progress to other students across the country."

Key Performance Indicators

The main financial performance indicator is the level of revenue reserves (excluding pension reserve) held at the Balance Sheet date which at 31 August 2021 was £1,620,052 (31 August 2020: £1,237,231).

Funding based on student numbers is a key performance indicator. Student numbers for 2020/2021 were 1,535 with 1,156 students in Y7-11 and 379 in Post 16 (as per the Spring 2021 census). The school increased its Published Admission Number (PAN) from the academic year 2018/2019 with an intake of 243 students to Year 7 beginning in the Autumn of 2018. This has been repeated in subsequent years and will continue until each year group has the capacity to accommodate 243 students. This has provided a capacity of 1,188 in the forthcoming academic year, and the number will continue to increase over the next year as subsequent intakes to Year 7 will continue to be 243, rather than 216. This will lead to a capacity of 1215 students in years 7 - 11 in the 2022-23 academic year.

Other Key Performance Indicators are:

Financial Performance

Cash balances at year end:2020/2021 £1,930,347 : 2019/2020 £1,987,630;

% of revenue income from Government funds: 2020/2021 98.5% 2019/2020 97%:

Teachers pay as a % of income: 2020/2021 50.3% 2019/2020 53.6%:

Other staff as a % of pay: 2020/2021 34.1% 2019/2020 32.8%:

Total staff pay as a % of income: 2020/2021 76.3% 2019/2020 79.8%

Cash and bank balances as a % of annual spending: 2020/2021 22.0% 2019/2020 23.9%:

Operational Performance

Total students on roll as at April 2021 = 1,535

Full time equivalent teaching staff = 80

Full time equivalent non-teaching staff = 63

Going Concern

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

FINANCIAL REVIEW

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

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2021, the Academy received total revenue income into the Restricted General Fund and Unrestricted Fund of £9,591,437. It incurred total revenue expenditure from these funds of £9,218,046 giving a net operating surplus of £373,391. After transferring £419,570 to the Restricted Fixed Asset Fund and after adding back the Pension adjustment of £429,000 the resulting surplus for the year is £382,821 on the Restricted and Unrestricted Revenue Funds (excluding pension fund).

At 31 August 2021 the net book value of fixed assets was £20,109,698 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy. During the year capital investment was mainly in refurbishment of the sports pavilion at Stoke Lodge and in new computer equipment.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 24 to the financial statements.

The scheme of delegation was reviewed and approved during the year.

Reserves Policy

The school reviews the reserve levels annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees take into consideration the future plans of the school, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be approximately £500,000 to £600,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide financial capacity to deal with unexpected emergencies that may occur such as emergency maintenance. Total reserves of the academy, excluding the pension deficit, amount to £21,729,750 although £20,109,698 of this is invested in fixed assets. The remaining £1,620,052 (representing £662,089 unrestricted funds and £957,963 unspent Restricted General fund income) is the balance that the governing body monitors in accordance with the Board's reserves policy. This represents 2.1 months of normal recurring expenditure.

The Trustees have reviewed the future plans of the Academy and have set designated reserves as follows:

- £28,945 has been set aside to fund the new school minibus that is available for delivery in September.
- £170,000 to be spent on the annual Information Technology replacement plan.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect. Due to the nature and timing of receipt of funding, the school may at times hold cash balances surplus to its short term requirements. The Trustees have previously authorised the opening of additional bank investment accounts to take advantage of higher interest rates. The School invested £200,000 in the Virgin Charity Account and £85,000 in Cambridge and Counties. £50,000 is held on a monthly money market fixed term deposit. All other funds have been held in the Academy current account in readiness for their utilisation as part of the pavilion project.

The Trustees, Finance, Premises, and General Purposes Committee aims to ensure that funds which the School does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the schools income without risk.

The aim is to spend public monies with which the School is entrusted for the direct educational benefit of students as soon as is prudent. The School does not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow.

Purposes:

- To ensure adequate cash balances are maintained in the current account to cover day-to-day working requirements
- To minimise the risk of loss in the value of any cash funds invested
- To optimise returns on invested funds

Guidelines:

Ethical Considerations:

Cotham School operates a socially responsible investment system. This encompasses the following principles:

- Avoiding arms trade and manufacturers
- Avoiding all tobacco products
- Avoiding any company that is in violation of an international sanction
- Avoiding any company that would present a severe reputational risk to the School

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 98.5% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed a number of organisations to carry out internal scrutiny including checks on financial systems and records as required by the Academy Financial

Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy is over-subscribed, risks to revenue funding from a falling roll are small. However, the reduction in post 16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly challenged in coming years.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 25 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

FUNDRAISING

The school did not launch a new fundraising campaign in 2020 - 2021 that was a whole school, whole year continued campaign due to the coronavirus pandemic. The school still benefits from the legacy of the 'Pay it Forward' campaign with regular monetary donations from parents and carers paid into the school bank account or through the Wisepay system. In addition the school continues to receive the donation of 'upcycled' goods such as spare uniforms and pre-loved books.

There was also no fundraising activity through the various arts events that the school has previously showcased as these ceased in the year also due to coronavirus.

The school did undertake a 'Go Fund me' campaign to tackle the digital divide and alleviate digital poverty to enable all Cotham students to be able to access online learning during the coronavirus pandemic. This was very successful and raised funds that coupled with the equipment the community of Bristol donated enabled the school to equip all students to be able to access their online learning during this difficult time.

PLANS FOR FUTURE PERIODS

Cotham 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 continuing education or employment. Cotham School has a diverse student community, the development of skills, personal attributes, creativity, sense of purpose, ambition and belonging will continue to be at the heart of the curriculum.

In the past, the Governors have scoped the potential for the School to form or join a Multi-Academy Trust. The Governors have concluded through this scoping exercise that the current needs of the school and the learning community are best served by the school remaining as a stand-alone Academy Trust.

The school continues to admit the extra 27 students into year 7 as agreed with the Local Authority in 2017 to assist with the shortfall in secondary school places in the city. This will continue each year until the school PAN in all year groups is 243. To accommodate this expansion the school and the Local Authority in partnership jointly funded an additional classroom block and a FIFA/RFU standard All Weather Pitch. Both of these facilities are now complete and in operation.

The Trustees undertook a review of its Articles of Association, it is currently a Co-operative Academy but since 2012 the school and its community has changed significantly and the school has found it progressively more difficult to meet the legal requirements of the Co-operative Articles although it still retains its unreserved commitment to being a school at the heart of its community.

After careful consideration the Governors decided at their meeting on 25th February 2021, to move to the Department of Education's Standard Model of Academy Articles of Association. The Governors are very clear that the governance arrangements need to be streamlined. The Department for Education has now approved that Cotham School adopts the new model Articles of Association and revised funding agreement. This is as of 30th September 2021.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Neither Cotham School nor the Governors are acting as third party custodial trustees.

AUDITOR

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 9th Dec and signed on the board's behalf by:

S Fryer.

Sandra Fryer
Chair of Trustees

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Cotham 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 Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Cotham School and the Secretary of State for Education. They are also responsible for reporting to the board of Governors any material weaknesses or breakdowns in internal control.

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

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The Governing Body has formally met six times during the year.

Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Emma Sheppard	2	2
Dora Alderson	6	6
Jack Barber	5	6
John Bass	4	6
Emma Smith	2	3
Fatima Mahamad Ali	2	2
Joanne Butler, Headteacher	5	6
Edward Carpenter	4	4
Andrew Chadwick	6	6
Jane Chamberlin	6	6
Jo Feather, Vice Chair	6	6
Sandra Fryer, Chair	6	6
Isabel Tobias	3	3
Lucy Hunt, Vice Chair	5	6
Morag Pirie	4	4
Richard Puttick	6	6
Rebecca Reid	6	6
Peter Huckle	2	2
David Yorath	1	5
Pippa Gibbs Joubert	1	2
James Bowyer	4	4

In July 2020, the current Chair of Governors, Sandra Fryer's third term of office came to an end and Jo Feather, Vice Chair was appointed 'Acting' Chair of Governors for the remaining months of the academic year.

The Finance, Premises and General Purposes Committee is a sub committee of the main governing body. The main responsibilities of the Finance, Premises and General Purposes Committee are detailed in written terms of reference which have been authorised by the governing body. The main responsibilities include:

- the initial review and authorisation of the annual budget;
- the regular monitoring of actual expenditure and income against budget;

GOVERNANCE (CONTINUED)

- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the ESFA guidance issued to academies;
- authorising changes to the academy staffing structure in conjunction with the Personnel and Training Committee;
- reviewing the audit and risk reports by those that are committee members on the Finance, Premises and General Purposes Committee that undertake the audit and risk requirements scrutinising the effectiveness of the financial procedures and controls. These reports are also to be reported to the full governing body; and
- consider resources available within the School for the management of the buildings, and make recommendations for maintenance, improvement or development of the site and playing fields.

During the year Rebecca Reid, Richard Puttick and Emma Smith joined the committee. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Sandra Fryer (Chair FP&GP Committee)	3	5
James Bowyer (Chair)	1	3
Joanne Butler (Headteacher)	5	5
John Bass	3	5
Lucy Hunt	3	5
Edward Carpenter	3	3
Jack Barber	3	5
David Yorath	1	5
Rebecca Reid	5	5
Richard Puttick	4	5
Emma Smith	2	5

The Audit Committee is a sub-committee of the Finance, Premises and General Purposes Committee. Its purpose is to determine a programme of internal, external and risk management. During the year Rebecca Reid, Richard Puttick and Emma Smith joined the committee.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
James Bowyer	1	3
Sandra Fryer	3	5
Lucy Hunt	3	5
Rebecca Reid	5	5
Richard Puttick	4	5
David Yorath	1	5
John Bass	3	5
Emma Smith	2	5

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY

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

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

Delivering strong educational results for all learners with results meeting and in some areas exceeding national averages, with a particularly consistent record of delivering 'value added' or progress which is in line and in some cases above the national average.

Collaboration with Redland Green School to provide a wide range of subjects at Post 16 which would not be cost effective for one school alone;

Continued use of staff appointed on a fixed term basis to undertake specific time limited projects as opposed to the use of external tutors for intervention work.

Comprehensive continued review of the curriculum to ensure subject and class size viability.

Keeping the staffing structure and level of resource continually under review to balance the needs of providing excellent quality learning and teaching and the financial resources available. This included taking a full review of the school's staffing structure during 2018 resulting in the rationalising of a number of posts from the structure and managing down staff numbers in certain areas of the school. This rationalisation continues to take place in the consideration of each vacancy as it becomes available, reviewing the grade and the job role. In addition to this, the school outsourced its catering provision through a successful tender process with the contract awarded to Caterlink. This contract came into force on 1st September 2020.

Having in place robust governance and financial controls validated by excellent internal control for the past few years and running a balanced budget enabling secure levels of reserves to be maintained for future capital investment;

Generating additional income through the increased use of school facilities by external hirers to increase non government income is an area of expansion for the school and the increase in income generated in this way is a key performance indicator in the school improvement plan. The school has successfully brought most of the letting customers back to Cotham after the pandemic, some have not continued with us or continued at all but where vacancies exist new customers are now working with us to use the school facilities outside of the school day to its maximum potential.

Having robust procedures in place for placing of contracts and purchasing of goods and services to ensure best value for money underpins all of the activity that the school undertakes. Previous examples of this have been undertaking tendering exercises for major items of spending, these include the outsourcing of the catering services, the collective tendering for cleaning services through Bristol City Council, the maintenance contract for the school playing field at Stoke Lodge, where a significant year on year saving has been achieved and last year the expansion of the food technology classroom to enable more students to be accommodated. A more recent example of this has been the print contract which has been tendered to create savings.

The return to the Stoke Lodge playing fields for the provision of P E lessons in 2019 and the installation at the main site of the All Weather Pitch has enabled the school to cease the use of hiring external facilities. This has made a significant year on year saving to the school's annual expenditure. In addition to these significant savings the school has ensured access to competitive pricing from suppliers through market testing and obtaining written quotations for any purchase in excess of £5,000.

GOVERNANCE STATEMENT (CONTINUED)

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 Cotham School for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Governing Body 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 Governing Body 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 Governing Body.

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 prepared using the BPS budgeting software and are reviewed and agreed by the Governing Body;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

The Board of Governors has decided to employ Bristol City Council, One West and other organisations who provide the specialist audit services that the internal programme of scrutiny requires as internal auditor.

This decision has been made in response to the requirements of the FRC ethical standards and the Academies Financial Handbook requirements.

The purpose of these organisations' audit role at Cotham includes giving advice on financial matters, compliance and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Information Systems
- Payroll including the delegation of financial duties

The school continues to work towards the Cyber essentials Plus which is a balance of self assessment and external assessment.

Three times a year the Chief Financial Officer reports to the Board of Trustees, through the Audit Committee which is part of the Finance, Premises and General Purposes Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Academy Trust can confirm that the Audit Committee has delivered their schedule of work for 2020 - 2021 and there have been no material control issues arising as a result of the internal audit work each organisation has undertaken on behalf of the Trust. This is as detailed in the committee minutes and in the audit report

THE RISK AND CONTROL FRAMEWORK (CONTINUED)

provided to the committee.

REVIEW OF EFFECTIVENESS

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

- the work of the external auditors
- ongoing actions derived in the report from the review of governance performed by the National Governance Association;
- the work of the senior managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Governors on 9th December '21 and signed on their behalf by:

Sandra Fryer
Trustee

Joanne Butler
Accounting Officer

COTHAM SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Cotham 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 2020.

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

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

Joanne Butler
Accounting Officer
Date: 9th December 2021

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 Governors and signed on its behalf by:

Sandra Fryer
Trustee

Joanna Butler
Accounting Officer

Date: 9th December 2021

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF COTHAM SCHOOL

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Academy's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;

- how the Academy ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Academy will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Academy ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Academy operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Financial Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

Use of our report

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

David Butler FCA DChA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL
Date: 14 December 2021

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

In accordance with the terms of our engagement letter dated 16 April 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cotham School during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Cotham School's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

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

Conclusion

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

David Butler FCA DChA (Senior Statutory Auditor)
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: 14 January 2021

COTHAM SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	-	21,356	65,496	86,852	(120,672)
Other trading activities		56,208	-	-	56,208	54,065
Investments	6	1,542	-	-	1,542	3,754
Charitable activities		35,614	9,476,717	-	9,512,331	8,682,913
Total income		93,364	9,498,073	65,496	9,656,933	8,620,060
Expenditure on:						
Charitable activities		21,099	9,196,947	589,328	9,807,374	9,270,369
Total expenditure		21,099	9,196,947	589,328	9,807,374	9,270,369
NET INCOME/ (EXPENDITURE)		72,265	301,126	(523,832)	(150,441)	(650,309)
Transfers between funds	17	-	(419,570)	419,570	-	-
Net movement in funds before other recognised gains/(losses)		72,265	(118,444)	(104,262)	(150,441)	(650,309)
Actuarial losses on defined benefit pension schemes	24	-	(644,000)	-	(644,000)	(28,000)
Net movement in funds		72,265	(762,444)	(104,262)	(794,441)	(678,309)
Reconciliation of funds:						
Total funds brought forward		589,824	(5,199,593)	20,213,960	15,604,191	16,282,500
Net movement in funds		72,265	(762,444)	(104,262)	(794,441)	(678,309)
Total funds carried forward		662,089	(5,962,037)	20,109,698	14,809,750	15,604,191

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

The notes on pages 35 to 59 form part of these financial statements.

COTHAM SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07732888

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note		2021 £		2020 £
Fixed assets					
Tangible assets	13		**20,109,698**		19,809,173
Current assets					
Stocks	14	-		3,075	
Debtors	15	**493,215**		360,161	
Cash at bank and in hand		**1,930,347**		1,987,630	
		2,423,562		2,350,866	
Creditors: amounts falling due within one year	16	**(803,510)**		(708,848)	
Net current assets			**1,620,052**		1,642,018
Total assets less current liabilities			**21,729,750**		21,451,191
Defined benefit pension scheme liability	24		**(6,920,000)**		(5,847,000)
Total net assets			**14,809,750**		15,604,191
Funds of the Academy					
Restricted funds:					
Fixed asset funds	17	**20,109,698**		20,213,960	
Restricted income funds	17	**957,963**		647,407	
Restricted funds excluding pension asset	17	**21,067,661**		20,861,367	
Pension reserve	17	**(6,920,000)**		(5,847,000)	
Total restricted funds	17		**14,147,661**		15,014,367
Unrestricted income funds	17		**662,089**		589,824
Total funds			**14,809,750**		15,604,191

The financial statements on pages 32 to 59 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

Sandra Fryer
Trustee
Date: 9/12/21

The notes on pages 35 to 59 form part of these financial statements.

COTHAM SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	19	**763,552**	795,129
Cash flows from investing activities	20	**(820,835)**	(336,800)
Change in cash and cash equivalents in the year		**(57,283)**	458,329
Cash and cash equivalents at the beginning of the year		**1,987,630**	1,529,301
Cash and cash equivalents at the end of the year	21, 22	**1,930,347**	1,987,630

The notes on pages 35 to 59 form part of these financial statements

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

1.2 GOING CONCERN

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

1.3 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.

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

All resources expended are inclusive of irrecoverable VAT.

1.4 INTEREST RECEIVABLE

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

1. ACCOUNTING POLICIES (continued)

1.5 INCOME

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

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

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

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

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

- **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.

- **Donated fixed assets (excluding transfers on conversion or into the Academy)**
  Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's accounting policies.

1.6 TANGIBLE FIXED ASSETS

All assets, other than computer equipment, costing more than £2,500 are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Computer equipment costing £500 or more is capitalised.

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.

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS (CONTINUED)

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 these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	- 2% straight line
Furniture and equipment	- 10% straight line
Motor vehicles	- 20% straight line
Computer equipment	- 20% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchases on a first in first out basis.

1.8 DEBTORS

Trade and other debtors with no stated interest rate and due within one year recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.10 LIABILITIES

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

1. 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 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 OPERATING LEASES

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

1.13 PENSIONS

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

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

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

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

1. ACCOUNTING POLICIES (continued)

1.14 AGENCY ARRANGEMENTS

The Academy acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy does not have control over the charitable application of the funds. The Academy can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in Note 28.

1.15 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.

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The 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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance leases requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	21,356	-	**21,356**	2,104
Capital Grants	-	65,496	**65,496**	(122,776)
	21,356	65,496	**86,852**	(120,672)
TOTAL 2020	2,104	(122,776)	(120,672)	

All income in the prior year was restricted.

4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants				
OTHER DFE/ESFA GRANTS				
General Annual Grant	-	8,105,239	**8,105,239**	7,393,854
Pupil Premium	-	384,527	**384,527**	364,113
Other DfE/EFSA grants	-	476,875	**476,875**	487,393
Local authority grants	-	251,412	**251,412**	186,133
Internal catering income	-	-	-	127,303
Trips income	-	-	-	2,916
Other	35,614	24,748	**60,362**	72,227
Coronavirus funding	-	141,756	**141,756**	48,974
COVID Catch-up premium	-	92,160	**92,160**	-
	35,614	-	**9,512,331**	8,682,913
	35,614	9,476,717	**9,512,331**	8,682,913
TOTAL 2020	163,378	8,519,535	8,682,913	

4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS (CONTINUED)

The Academy has been eligible to claim additional funding in year from government support schemes in repsonse to the coronavirus outbreak.

The Academy received £92k of funding for catch-up premium and costs incurred in respect of this funding totalled £40k, with the remaining £52k to be spent in 2021/22.

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

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lettings	56,208	**56,208**	54,065

All income in the prior year was unrestricted.

6. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	1,542	**1,542**	3,754

All income in the prior year was unrestricted.

7. EXPENDITURE

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Education:					
Direct costs	4,796,594	396,314	402,188	**5,595,096**	5,403,651
Support costs	2,666,626	906,600	639,052	**4,212,278**	3,866,718
	7,463,220	1,302,914	1,041,240	**9,807,374**	9,270,369
TOTAL 2020	7,061,609	1,245,822	962,938	9,270,369	

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Education	5,595,096	4,212,278	**9,807,374**	9,270,369
TOTAL 2020	5,403,651	3,866,718	9,270,369	

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Total funds 2021 £	Total funds 2020 £
Staff costs	**4,685,843**	4,549,994
Depreciation	**396,314**	390,458
Educational supplies	**156,411**	116,066
Examination fees	**139,988**	152,898
Staff development	**34,092**	37,223
Other costs	**68,474**	104,604
Supply teachers	**113,974**	52,408
TOTAL 2021	**5,595,096**	5,403,651

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2021 £	Total funds 2020 £
Pension finance costs	**113,000**	105,000
Staff costs	**2,663,404**	2,459,207
Depreciation	**193,014**	186,834
Recruitment and support	**22,428**	29,384
Maintenance of premises and equipment	**246,403**	221,856
Cleaning	**209,187**	204,269
Rent and rates	**60,126**	59,982
Energy costs	**149,696**	146,002
Insurance	**38,910**	55,768
Security and transport	**48,172**	36,422
Catering	**113,939**	89,699
Technology costs	**181,002**	135,006
Office overheads	**38,444**	41,348
Legal and professional	**103,858**	76,241
Bank interest and charges	**951**	3,148
(Profit) / Loss on disposal of fixed assets	**(1,980)**	(748)
Governance	**31,724**	17,300
TOTAL 2021	**4,212,278**	3,866,718

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	**32,544**	26,079
Depreciation of tangible fixed assets	**589,328**	577,293
Gain on disposal of fixed assets	**(1,980)**	(748)
Fees paid to auditors for:		
- audit	**10,600**	10,200
- other services	**2,285**	2,285

10. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	**5,306,772**	5,083,530
Social security costs	**521,984**	497,249
Pension costs	**1,502,725**	1,418,299
	7,331,481	6,999,078
Agency staff costs	**113,974**	52,408
Staff restructuring costs	**17,766**	10,123
	7,463,221	7,061,609

Staff restructuring costs comprise:

	2021 £	2020 £
Redundancy payments	**1,088**	-
Severance payments	**16,678**	10,123
	17,766	10,123

b. NON-STATUTORY/NON-CONTRACTUAL STAFF SEVERANCE PAYMENTS

Included in staff restructuring costs are non statutory/non contractual severance payments totalling £3,014 (2020: £3,374). This was one individual payment.

10. STAFF (CONTINUED)

c. STAFF NUMBERS

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

	2021 No.	2020 No.
Teachers	86	88
Administration and Support	86	84
Management	8	8
	180	180

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Teachers	73	73
Administration and Support	62	61
Management	8	8
	143	142

d. HIGHER PAID STAFF

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	2	1
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-

e. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £730,386 (2020: £719,582).

11. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors. The value of Governors' remuneration and other benefits was as follows: J Butler: Remuneration £110,000 - £115,000 (2020: £105,000 - £110,000), Employer's pension contributions £25,000 - £30,000 (2020: £25,000 - £30,000); J Barber: Remuneration £35,000 - £40,000 (2020: £30,000 - £35,000), Employer's pension contributions £5,000 - £10,000 (2020: £5,000 - £10,000); E Carpenter: Remuneration £45,000 - £50,000 (2020: £35,000 - £40,000), Employer's pension contributions £5,000 - £10,000 (2020: £5,000 - £10,000); M Pirie: Remuneration £10,000 - £15,000 (2020: £20,000 - £25,000), Employer's pension contributions £0 - £5,000 (2020: £0 - £5,000); and E Sheppard:Remuneration £35,000 - £40,000 (2020: £Nil), Employer's pension contributions £5,000 - £10,000 (2020: £Nil).

During the year ended 31 August 2021, expenses totalling £907 were reimbursed or paid directly to 3 Trustees (2020 - £1,095 to 3 Trustees).

12. TRUSTEES' AND OFFICERS' INSURANCE

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

13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture & equipment £	Plant & machinery £	Motor vehicles £	Computer equipment £	Assets under constr-uction £	Total £
COST OR VALUATION							
At 1 September 2020	21,476,646	308,616	224,544	15,590	1,271,454	30,443	23,327,293
Additions	597,312	82,455	14,768	-	156,587	38,731	889,853
Disposals	-	-	-	(10,840)	(124,400)	-	(135,240)
Assets under construction	30,443	-	-	-	-	(30,443)	-
At 31 August 2021	22,104,401	391,071	239,312	4,750	1,303,641	38,731	24,081,906
DEPRECIATION							
At 1 September 2020	2,393,552	143,806	109,430	11,394	859,938	-	3,518,120
Charge for the year	357,963	32,374	22,958	950	175,083	-	589,328
On disposals	-	-	-	(10,840)	(124,400)	-	(135,240)
At 31 August 2021	2,751,515	176,180	132,388	1,504	910,621	-	3,972,208
NET BOOK VALUE							
At 31 August 2021	19,352,886	214,891	106,924	3,246	393,020	38,731	20,109,698
At 31 August 2020	19,083,094	164,810	115,114	4,196	411,516	30,443	19,809,173

14. STOCKS

	2021 £	2020 £
Catering	-	3,075

15. DEBTORS

	2021 £	2020 £
DUE WITHIN ONE YEAR		
Trade debtors	**20,233**	3,179
Other debtors	**22,321**	33,157
Prepayments and accrued income	**339,160**	273,057
VAT recoverable	**111,501**	50,768
	493,215	360,161

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	**255,593**	171,534
Other taxation and social security	**124,811**	115,451
Other creditors	**218,213**	217,935
Accruals and deferred income	**204,893**	203,928
	803,510	708,848

	2021 £	2020 £
Deferred income at 1 September 2020	**87,330**	43,292
Resources deferred during the year	**31,981**	87,330
Amounts released from previous periods	**(87,330)**	(43,292)
Deferred income at 31 August 2020	**31,981**	87,330

At the balance sheet date the academy trust was holding funds received in advance relating to trips due to take place in 2020/21 and for rates relief.

17. STATEMENT OF FUNDS

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
General Funds - all funds	589,824	93,364	(21,099)	-	-	662,089
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	642,426	8,105,239	(7,433,763)	(419,570)	-	894,332
Pupil Premium	-	384,527	(384,527)	-	-	-
Other DfE/ESFA Grants	358	476,875	(477,233)	-	-	-
Other Government Grants	-	251,412	(251,412)	-	-	-
Other restricted funding	4,623	46,104	(39,049)	-	-	11,678
COVID catch-up premium	-	92,160	(40,207)	-	-	51,953
Other ESFA COVID funding	-	141,756	(141,756)	-	-	-
Pension reserve	(5,847,000)	-	(429,000)	-	(644,000)	(6,920,000)
	(5,199,593)	9,498,073	(9,196,947)	(419,570)	(644,000)	(5,962,037)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	15,590,747	-	(295,244)	-	-	15,295,503
Fixed assets purchased from GAG and other restricted funds	1,165,312	34,351	(168,029)	-	-	1,031,634
DfE/ESFA Capital Grants	737,874	31,145	(52,310)	419,570	-	1,136,279
Local Authority Grants	171,349	-	(21,285)	-	-	150,064
Local Authority Donations	2,548,678	-	(52,460)	-	-	2,496,218

17. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
	20,213,960	65,496	(589,328)	419,570	-	20,109,698
TOTAL RESTRICTED FUNDS	15,014,367	9,563,569	(9,786,275)	-	(644,000)	14,147,661
TOTAL FUNDS	15,604,191	9,656,933	(9,807,374)	-	(644,000)	14,809,750

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

General Annual Grant (GAG) is the main grant receivable from the Education and Skills Funding Agency (ESFA) and is used for the Academy's normal running costs. Under the Funding Agreement with the Secretary of State, GAG funding is restricted for use only on the Academy's educational operations. Pupil Premium funding is additional funding from the ESFA to raise the attainment of disadvantaged pupils.

Other grants include funding for statemented support and Catch Up funding. This income is restricted based on the requirements of the specific grant arrangements. The pension fund also sits in restricted funds, further details can be found in note 24. These are restricted as these resources were provided with specific restrictions imposed by the funder or donor.

Unrestricted funds include catering income, lettings income and investment income.

The restricted fixed asset funds comprise funding provided by the ESFA and Local Authority to support capital expenditure. It is restricted for use on capital items for the Academy's educational operations.

The transfer of £419,570 (2020: £107,563) between the restricted funds and the restricted fixed asset fund represents the value of fixed assets not funded by capital income, with the shortfall being funded by transfers from restricted and unrestricted funds.

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

17. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
General Funds - all funds	481,750	221,197	(113,123)	-	-	589,824
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	419,558	7,393,854	(7,063,423)	(107,563)	-	642,426
Pupil Premium	-	364,113	(364,113)	-	-	-
Other DfE/ESFA Grants	-	498,958	(498,600)	-	-	358
Other Government Grants	-	223,542	(223,542)	-	-	-
Other restricted funding	-	41,172	(36,549)	-	-	4,623
Pension reserve	(5,429,000)	-	(390,000)	-	(28,000)	(5,847,000)
	(5,009,442)	8,521,639	(8,576,227)	(107,563)	(28,000)	(5,199,593)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	15,886,444	-	(295,697)	-	-	15,590,747
Fixed assets purchased from GAG and other restricted funds	1,219,539	-	(161,790)	107,563	-	1,165,312
DfE/ESFA Capital Grants	907,675	(122,776)	(47,025)	-	-	737,874
Local Authority Grants	195,396	-	(24,047)	-	-	171,349
Local Authority Donations	2,601,138	-	(52,460)	-	-	2,548,678

17. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
	20,810,192	(122,776)	(581,019)	107,563	-	20,213,960
TOTAL RESTRICTED FUNDS	15,800,750	8,398,863	(9,157,246)	-	(28,000)	15,014,367
TOTAL FUNDS	16,282,500	8,620,060	(9,270,369)	-	(28,000)	15,604,191

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	20,109,698	**20,109,698**
Current assets	662,089	1,761,473	-	**2,423,562**
Creditors due within one year	-	(803,510)	-	**(803,510)**
Provisions for liabilities and charges	-	(6,920,000)	-	**(6,920,000)**
TOTAL	662,089	(5,962,037)	20,109,698	**14,809,750**

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	19,809,173	19,809,173
Current assets	589,824	1,356,255	404,787	2,350,866
Creditors due within one year	-	(708,848)	-	(708,848)
Provisions for liabilities and charges	-	(5,847,000)	-	(5,847,000)
TOTAL	589,824	(5,199,593)	20,213,960	15,604,191

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

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	**(150,441)**	(650,309)
ADJUSTMENTS FOR:		
Depreciation	**589,328**	577,292
Capital grants from DfE and other capital income	**(65,496)**	122,776
Interest receivable	**(1,542)**	(3,754)
Defined benefit pension scheme cost less contributions payable	**316,000**	285,000
Defined benefit pension scheme finance cost	**113,000**	105,000
Decrease in stocks	**3,075**	5,405
(Increase)/decrease in debtors	**(133,125)**	250,802
Increase in creditors	**94,733**	103,663
(Profit)/Loss on the sale of fixed assets	**(1,980)**	(746)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**763,552**	795,129

20. CASH FLOWS FROM INVESTING ACTIVITIES

	2021 £	2020 £
Interest received	**1,542**	3,754
Purchase of tangible fixed assets	**(889,853)**	(222,253)
Proceeds from the sale of tangible fixed assets	**1,980**	4,475
Capital grants from DfE Group	**65,496**	(122,776)
NET CASH USED IN INVESTING ACTIVITIES	**(820,835)**	(336,800)

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash at bank and in hand	**1,930,347**	1,987,630
TOTAL CASH AND CASH EQUIVALENTS	**1,930,347**	1,987,630

22. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,987,630	(57,283)	1,930,347
	1,987,630	(57,283)	1,930,347

23. CAPITAL COMMITMENTS

	2021 £	2020 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Acquisition of tangible fixed assets	34,968	29,451

24. 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 Bath and North East Somerset 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 £124,990 were payable to the schemes at 31 August 2021 (2020 - £118,303) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

24. PENSION COMMITMENTS (CONTINUED)

VALUATION OF THE TEACHERS' PENSION SCHEME

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

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

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

The employer's pension costs paid to TPS in the year amounted to £804,000 (2020 - £794,000).

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

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £485,000 (2020 - £434,000), of which employer's contributions totalled £379,000 (2020 - £337,000) and employees' contributions totalled £ 106,000 (2020 - £97,000). The agreed contribution rates for future years are 15.8 rising to 16.4 per cent for employers and 5.5 - 8.5 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.

24. PENSION COMMITMENTS (CONTINUED)

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2021 %	2020 %
Discount rate for scheme liabilities	**1.7**	1.8
Rate of increase in salaries	**4.3**	3.8
Rate of increase in pensions in payment / inflation	**2.9**	2.4
Inflation assumption	**2.8**	2.3

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

	2021 Years	2020 Years
Retiring today:		
Males	**23.3**	23.2
Females	**25.4**	25.3
Retiring in 20 years:		
Males	**24.8**	24.7
Females	**27.4**	27.3

SENSITIVITY ANALYSIS

	2021 £000	2020 £000
Discount rate +0.1%	**(266)**	(218)
Mortality assumption - 1 year increase	**391**	291
CPI rate +0.1%	**271**	222

SHARE OF SCHEME ASSETS

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

	2021 £	2020 £
Equities	**2,274,000**	1,857,000
Government bonds	**517,000**	303,000
Other bonds	**431,000**	113,000
Property	**336,000**	370,000
Cash	**96,000**	126,000
Other	**1,672,000**	1,433,000
Total market value of assets	**5,326,000**	4,202,000

24. PENSION COMMITMENTS (CONTINUED)

The actual return on scheme assets was £720,000 (2020 - £168,000).

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

	2021 £	2020 £
Current service cost	(696,000)	(628,000)
Interest income	69,000	62,000
Interest cost	(182,000)	(167,000)
Total	(809,000)	(733,000)

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

	2021 £	2020 £
At 1 September	10,049,000	9,200,000
Current service cost	696,000	628,000
Interest cost	182,000	167,000
Employee contributions	106,000	98,000
Actuarial losses/(gains)	1,284,000	(65,000)
Benefits paid	(71,000)	21,000
At 31 August	12,246,000	10,049,000

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

	2021 £	2020 £
At 1 September	4,202,000	3,771,000
Interest income	79,000	72,000
Actuarial gains	640,000	(93,000)
Employer contributions	380,000	343,000
Employee contributions	106,000	98,000
Benefits paid	(71,000)	21,000
Administration expenses	(10,000)	(10,000)
At 31 August	5,326,000	4,202,000

25. OPERATING LEASE COMMITMENTS

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

	2021 £	2020 £
Not later than 1 year	**24,485**	27,113
Later than 1 year and not later than 5 years	**41,147**	15,507
	65,632	42,620

26. 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.

27. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the 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.

28. AGENCY ARRANGEMENTS

The Academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2021 the Academy received £28,254 and disbursed £17,223 from the fund. An amount of £29,471 is included in other creditors relating to undistributed funds that are disbursable next year or repayable to ESFA.