

Company Registration Number: 07776910 (England & Wales)

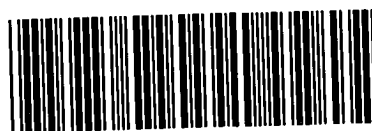
SOUTHBOROUGH HIGH SCHOOL

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

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SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

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SOUTHBOROUGH HIGH SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Michael Armstrong John Azah Tony Elsdon Paul Maguire Chris Upton Jonathan Walters
Trustees	Clare Henderson, Chair of Governors Niall Smith, Head Teacher Kish Aravinthan, Community Governor Michael Armstrong, Community Governor (resigned 1 December 2021) Trudy Church, Parent Governor Jemma Finglass, Community Governor (appointed 1 June 2022) Malcolm Gregory, Co-opted Governor Joanne Hemmings, Parent Governor Robin Kent, Vice-Chair of Governors Jamie-Lee King, Staff Governor Tim Neale, Community Governor Chloe Parsons, Staff Governor Lucy Philpot, Parent Governor Michael Renwick, Parent Governor (appointed 1 July 2022) Astral Roberts, Staff Governor (resigned 1 March 2022) Mike Rose, Community Governor James Skeels, Community Governor (appointed 1 July 2022) Bob Steed, Community Governor Jonathan Walters, Parent Governor (resigned 1 April 2022)
Company registered number	07776910
Company name	Southborough High School
Principal and registered office	Hook Road Surbiton Surrey KT6 5AS
Company secretary	Brian Burns
Senior management team	Niall Smith, Headteacher Brian Burns, Deputy Headteacher Daniel Edwards, Senior Assistant Headteacher David Sanders, Senior Assistant Headteacher Nataliya Bennett, Business Manager Alal Haque, Assistant Headteacher Rebecca Linney, Assistant Headteacher Ian Needs, Assistant Headteacher

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Independent auditors Landau Baker Limited
Chartered Accountants
Statutory Auditors
154 Brent Street
London
NW4 2DR

Bankers Lloyds Bank Plc
64 High Street
Epsom
Surrey
KT19 8AT

Solicitors Winckworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

SOUTHBOROUGH HIGH SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2021 to 31st of August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and was set up by a Trust deed. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company was incorporated on 16 September 2011. The school converted to Academy status on 1 March 2012. Between these dates no transactions took place in the company.

The Governors act as the Trustees for the charitable activities of Southborough High School Academy Trust Limited and are also directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Southborough High School.

Details of the Trustees who served during the year except as noted are included in the Reference and Administrative Details on page 1.

b. Members' liability

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

c. Trustees' indemnities

Subject to the provisions of the Companies Act, every governor or other officer of the academy shall be indemnified out of the assets of the academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy.

d. Method of recruitment and appointment or election of Trustees

The Governors are appointed under the terms of the Academy's articles of association:

- The Headteacher
- Chair of Governors
- Vice Chairman and Chair of the Resources Personnel and Finance Committee
- Total number of Staff governors including the Headteacher does not exceed one third of the total number of Governors
- The governing body may appoint up to 20 Governors

The term of office for any Governor shall be four years. The Headteacher's term of office runs parallel with his contract of employment. Subject to remaining eligible to be a particular type of Governor any Governor may be reappointed or re-elected.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

During the period under review the Governors held four Full Governing Body meetings. All the new Governors are provided with an induction pack and are also sent on a variety of courses held by Achieving for Children and other providers of suitable training. All new governors are given a tour of the academy and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the academy.

f. Organisational structure

The Charitable Company has established a management structure to enable its efficient running. The structure consists of two levels: Headteacher and Governors.

The Governing Body has considered its role thoughtfully and decided that the role of the Governors is to approve the strategic direction and objectives of the Charitable Company and monitor its progress towards these objectives.

The Governing Body has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities and terms of reference.

Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Charitable Company by use of budgets and making major decisions about the direction of the Charitable Company, including capital expenditure and senior staff appointments.

The Headteacher assumes the Accounting Officer role.

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

Pay and remuneration for the key academy personnel is set in line with published School Teacher's Pay and Conditions Document and Pay Policy. The Headteachers payscale group is determined according to formula set out in the Pay and Conditions document. The group size of school is determined according to a weighted total of pupils attending the school. The group size then determines the minimum and maximum pay ranges. The Deputy Head's and Assistant Head's pay is determined according to recommendations set in Pay and Condition document.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £

Total cost of facility time	-
Total pay bill	4,036,379
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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i. Related parties and other connected charities and organisations

The Academy does not have related parties or other connected charities and organisations.

Objectives and activities

a. Objects and aims

The principal object and activity of the academy is the operation of Southborough High School Academy to provide a broad and balanced education for pupils of all abilities in the local area. The governors have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the academy.

In accordance with the articles of association, the academy has adopted a "Scheme of Government" approved by the Secretary of State for Education.

The Scheme of Government specifies, amongst other things, that the Academy will be at the heart of the community promoting community cohesion and sharing facilities; the basis for admitting students to the Academy, that the curriculum should be broad and balanced; there will be an emphasis on the needs of individual pupils including pupils with SEN; the basis for charging pupils.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

b. Objectives, strategies and activities

Self-Evaluation: Narrative

Intent

The intent, or mission, of the school is clear: "To make the difference for all of our students". This is important because we are a boys' comprehensive school and many of our students belong to groups vulnerable to underachievement. Put simply, our mission is to change their lives for the better. What will that look like, i.e. what is the vision? Aspiration (aiming high), Commitment (working hard), Excellence (achieving our best). Thus, we will have achieved our purpose, vision and intent when every student aims high, works hard and achieves their best.

Implementation

We achieve our aims via the curriculum. This means what we do in lessons and beyond lessons. In lessons we teach a broad, well-sequenced curriculum, consistent with the National Curriculum, delivering a broad range of qualifications. Our Key Stage 4 and 5 academic courses are adapted dynamically to meet the needs of our students and enable them to make progress towards higher education or vocational training. We teach mostly in mixed attainment groups. This ethical stance is aimed at having the maximum impact on students' achievement. By moving away from setting, we have aimed to remove the cap on aspiration for our least resilient students, while endeavouring to maintain the attainment of our higher attainers.

We are aware that the quality of learning in lessons has not been consistently excellent and have prioritised this area for sustained intervention via rigorous Quality Assurance processes: our Quality of Learning Reviews, combined with our Quality of Teaching Support Programme and the Southborough Seven.

We are also aware that some of our Pupil Premium students, as well as students in other Key Groups, need to make more rapid progress and we have prioritised this by using the research and recommendations of the Education Endowment Fund (EEF) in creating our School Improvement Plan.

Our curriculum beyond the classroom is outstanding: we work hard to enrich the curriculum and build cultural capital.

Our work on improving the school can be understood best via our School Improvement Plan.

Impact

The quality of teaching and learning in the school is now consistently better than it was at the last inspection: we have improved challenge for all students and are applying the school's Assessment Policy more consistently. Students and teachers are committed to their learning and teaching, as shown by the outstanding attendance figures for both students and staff, which are well above national figures.

Our performance during the coronavirus crisis was responsive, dynamic and effective: we ensured that our vulnerable students were prioritised and that learning loss was minimised. We have ensured that intervention continues for impacted students as part of Priority 1 of our School Improvement Plan.

In terms of examination results there has been some fluctuation over the last five years, with the majority of students making very good progress. We consistently aim to achieve better impact with our Pupil Premium students and other Key Group students. Our latest set of results (2022), at both Key Stage 4 and 5, demonstrate above target attainment and progress well above the national average for boys.

Our broader educational outcomes are excellent: our students leave Southborough and go on to a range of purposeful destinations.

We make the difference.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

c. Public benefit

In setting the objectives, the governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. As an academy we make the best use of our skills, expertise and experience with regards to the community. Some examples are:

- Raising money for local and national charities
- Hosting community events
- Primary outreach program

Strategic report

Achievements and performance

Southborough High School continued to develop its reputation for academic, pastoral care and co-curricular excellence in comprehensive boys' education. The number of students has been steadily increasing year-on-year and the school was oversubscribed for the 2019-2020, 2020-2021 and 2021-22 intakes. In the 2022-2023 academic year the school had the highest number of students (848 students) on record since converting to academy status, reflecting the increasing success and popularity of Southborough High School.

The latest Ofsted inspection in November 2017 rated the school as "Good".

a. Key performance indicators

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

Trends in Pupil Progress at Key Stage 4

	Progress 8	Progress 8 English	Progress 8 Maths
2018	+0.20	+0.01	+0.43
2019	-0.23	-0.40	+0.15
2020 (CAG)	-0.17	-0.29	+0.07
2021 (TAG)	-0.05	+0.08	+0.07
2022	-0.20	-0.41	+0.19
5 Year Average	-0.09	-0.20	+0.18

The national average Progress 8 score for boys in 2022 is -0.21 and was -0.27 in 2019. Southborough students make slightly above average progress, therefore, compared to their peers.

35% of Year 11 entered the English Baccalaureate in 2022, compared to the national average of 38.7%. We provide an appropriate, broad and balanced curriculum for our students.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

Trends in Pupil Attainment at Key Stage 4

	Attainment 8	Attainment 8 English	Attainment 8 Maths
2018	4.8	4.9	4.9
2019	4.4	4.6	4.7
2020 (CAG)	4.8	4.8	5.0
2021 (TAG)	4.8	4.8	5.0
2022	4.7	4.9	4.9
5 Year Average	4.7	4.8	4.9

The national average Attainment 8 score for boys in 2022 was 4.62. Southborough students, therefore, attain slightly higher than the national average.

Effectiveness of Sixth Form

Success at KS5 can be measured against many benchmarks, with academic performance, progress, destinations and course completion all being used to tell this story.

In previous years, the curriculum offer at KS5 primarily catered for students wishing to follow an academic pathway. However, over the past 3-4 years, the school has offered an increasing number of more vocational learning pathways e.g. BTEC Level 2 and Level 3 courses and Applied A Levels.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

Level 3 Examination Results

	2018	2019	2020	2021	2022
A* / A	13.0	11.0	27.7	30.1	28.1
A* / B	24.0	25.0	48.7	47.5	51.0
A* / C	44.0	49.0	75.5	76.4	79.6
A* / E	87.0	95.0	93.8	96.3	95.2
U	13.0	5.0	6.2	3.7	4.8
No. of candidates / entries	85 / 237	59 / 169	86 / 224	60 / 166	47 / 147

Attendance

Absence Y7-11	2017-18, %	2018-19, %	2019-20, %	2020-21, %	2021-22 %
Authorised	3.57	3.40	3.61	4.19	5.58
Unauthorised	1.35	1.34	1.19	1.64	2.37
Total	4.92	4.74	4.8	5.83	7.95

Of a particular concern to the Governing body are maintaining upward trajectory in the number of students on roll, managing significant increases in cost of energy, managing unfunded cost of living pay increases and projected grant funding levels. The challenge for the school is to maintain its high standards within these funding restrictions. The Governors remain confident that the school will be able to meet these challenges.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Financial review

During the period, ESFA grants received and other government grants (excluding CIF grants) funds totalled to £5,152,032 (2021: £5,242,075).

The main sources of unrestricted income are: lettings and miscellaneous income. The ability of the trust to generate income was impacted by the restrictions associated with the pandemic. Unrestricted funds received totalled to £178,657 (2021: £70,805)

Recourses Personnel and Finance committee of the Governing board regularly reviews key performance indicators (KPI) and benchmarking reports to ensure that KPIs are within expectations and the school ensures value for money.

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the 12 month period ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2015), such grants are shown in the Statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the academy. It should be noted that this does not present the academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

Overall, the Academy has a healthy balance sheet and cash flow and will be using the reserves to maintain the current assets and also to invest back into the school in the form of additional resources and facilities both in the long term and short term in conjunction with the school development plan and school aims.

Within the reserves policy users should note that, because of accounting for the Local Government Pension Scheme (LGPS), the Academy recognises a significant pension fund deficit totalling to £836,000 (2021: £2,383,000). This deficit is included within restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there were a pension surplus included in the restricted funds this would not create an immediately realisable asset that can be released straight away and expended for the specific purposes of that fund.

Users should also note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Academy Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Academy Trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Academy Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Academy Trust due to the recognition of the deficit.

The Governors through the Resources, Personnel and Finance Committee (RPF) and Business Manager receive financial progress reports throughout the year and compare against budgets submitted to the Education Funding Agency. RPF also reviews longer term financial models (up to 3 years) to plan and organise resources most effectively to fulfil the aims of the Academy.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

a. Reserves policy

Reserves are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'reserves' are income which becomes available to the Academy and is to be spent at the trustees' discretion in furtherance of any of the Academy's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (ie is 'free').

The level of reserves held takes into account the nature of income and expenditure streams, they need to match them with commitments, including future capital projects, and the nature of reserves. The Governors will keep this level of reserves under review. One of the priorities of the school improvement plan is to build up sufficient reserves to ensure long term financial viability of the school.

Total reserves at the end of the period amounted to £760,054 (2021: £569,340). This does not reflect outstanding Salix loan of £36,000.

b. Investment policy

It should be noted that the Academy has substantial power with regards to investments due to cash balances held. Investment policies are determined by the Governing Body. This ensures the level of funds the Academy holds can cover any immediate expenditure, without exposing the Academy to additional risk. Should any potential investment opportunity arise this would be escalated to the Board for consideration. The most typical investments that are held by academies are the Special Interest Deposit accounts which are immediately available to draw against. At 31 August 2022, no investments were held.

c. Principal risks and uncertainties

The Companies Act 2006 s417 (3b) requires disclosure of the principal risks and uncertainties facing a company. The Academy is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the Academy faces. Internal control risks are minimized by the implementation of procedures for authorization of all transactions and projects.

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimize risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with health and safety of staff and pupils.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme at 31 August 2022.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Fundraising

The academy engages in fundraising in collaboration with Southborough PTA throughout the academic year, both for specific projects and to augment the annual education budget.

Plans for future periods

Maintain 5 form intake at Y7

We intend to maintain 5 forms of entry into Year 7, which will give an 11-16 roll of 750. We intend our Sixth Form to have approximately 150 – 180 students. The projected target roll of the school, therefore is just over 900 students.

This size is consistent with the capacity of our site and buildings and also enables us to deliver on one of our key values: Relationships. We want every student to be known, rather than a "face in the crowd". Our strong relationships empower excellent outcomes, both academic and pastoral.

Ensure Sixth Form Recruitment

We intend to build our Sixth Form so that student numbers are sufficient to facilitate a broad, relevant curriculum, while maintaining a "human" size, so that we can deliver on another of our key values: Support.

We would like to increase our recruitment of girls in order to strengthen our inclusive ethos and prepare all of our students for further study or the workplace.

Joining a Multi-Academy Trust

In the 2019-20 academic year, the Southborough Trust Board worked with the school leadership team to refresh the strategy for the Trust over the 5-10 year horizon. It became clear from analysis that joining or forming a local MAT could offer the school some attractive opportunities for the future. These included: a larger curriculum offer for the sixth form; greater CPD and career opportunities for staff; leveraging teaching and learning best practice; and more efficient and effective central services. It would also make the school more robust against any unforeseen financial or educational issues in the future.

Following approval from the Board, representatives of the school's senior leadership and the Board initiated discussions and negotiations with a nearby secondary school. Following an 18-month process, which identified significant potential benefits for the students, staff and the wider community, unfortunately the discussions ended as it had not been possible to reach agreement on some significant governance and leadership principles, a position fully supported by the Southborough Board.

Subsequently, the Trust Board has renewed its commitment to pursuing options for forming or joining a MAT as this remains a strategic objective to strengthen the offer to students and staff.

A working group of Trustees, together with the school leadership team are developing a prospectus of benefits that Southborough would like to gain from being part of a MAT, as well as presenting the contributions we believe Southborough can bring to any MAT partnership. Whilst short term and longer-term prospective partners have already been identified, the Trust will continue to evaluate its strategic options with a view to identifying preferred MAT partners and starting discussions to explore opportunities and alignment in the 2022-23 academic year,

Building all weather sport facility on the playing fields

The school has an extensive playing field site on the west side of Hook Road. Unfortunately, large parts of it are subject to waterlogging during the winter months which compromises its value to the school and limits the ability to offer a full calendar programme of outdoor sports to all year groups.

There is the potential to install a full-size 3G all-weather pitch within the site whilst preserving sufficient grass areas for training and other sports. This would offer both a material improvement in sporting opportunities for the school's current students and a significant increase in the attractiveness of the school to prospective students. Furthermore, the school would intend to pursue a full lettings programme to provide a unique benefit to local community groups as the only full size 3G pitch in the Borough. It would also provide an income stream for the

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Plans for future periods (continued)

ongoing maintenance of the facility and, potentially, cover some of the costs of the school's investment.

The Board has worked with the school to explore and identify potential funding sources. A full review of likely contributors identified that the Football Foundation were the most likely major sponsor, and a productive series of conversations has been held with them since. In addition to other potential but smaller third-party sponsors, the school also has options for funding the project, both from its financial surplus and the possible sale of a domestic property which it owns. The Board has approved the ring fencing of £250,000 of the surplus as a commitment in principle to support this project, ahead of more specific and detailed costings and funding options being established.

Over the last 18 months the school Business Manager, with the support of a Board sub-committee, has worked with the Local Planning Authority, potential funding partners and a planning consultant to develop a proposal for the project. The proposal was submitted for pre-planning which identified several surveys and other steps that would be required prior a full planning submission.

The Board will continue to work with school leadership to evaluate and agree to the optimum approach for the major decisions. The necessary surveys will be complete in 2022 and the subsequent detailed design and business plan development should enable a Planning submission during 2023. Once planning permission has been obtained, the Board will consider the optimum financing strategy and seek to implement that in line with the agreements required to proceed to the construction phase.

Funds held as custodian on behalf of others

The Academy and its trustees did not act as custodian trustee during the current or previous period.

Auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 6 December 2022 and signed on its behalf by:



Clare Henderson
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The Board of Trustees has formally met 11 times during the year.

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

Trustee	Meetings attended	Out of a possible
Clare Henderson, Chair of Governors	11	11
Niall Smith, Head Teacher	11	11
Kish Aravinthan, Community Governor	6	9
Michael Armstrong, Community Governor	0	4
Trudy Church, Parent Governor	8	11
Jemma Finglass, Community Governor	2	2
Malcolm Gregory, Co-opted Governor	9	10
Joanne Hemmings, Parent Governor	9	11
Robin Kent, Vice-Chair of Governors	11	11
Jamie-Lee King, Staff Governor	5	10
Tim Neale, Community Governor	5	10
Chloe Parsons, Staff Governor	9	10
Lucy Philpot, Parent Governor	8	10
Michael Renwick, Parent Governor	1	1
Astral Roberts, Staff Governor	6	7
Mike Rose, Community Governor	10	11
James Skeels, Community Governor	0	1
Bob Steed, Community Governor	8	10
Jonathan Walters, Parent Governor	6	8

The Resources, Personnel and Finance Committee is a sub-committee of the main board of trustees. Its purpose is to manage the finances of the Academy, carry out the function of the audit committee and ensure that resources are applied for the purposes of the Academy.

Attendance at the meetings as follows:

Trustee	Meetings attended	Out of a possible
Niall Smith, Headteacher	5	5
Trudy Church, Parent Governor	4	5
Jemma Finglass, Community Governor	1	1
Robin Kent, Vice-Chair of Governors	5	5
Mike Rose, Community Governor	5	5
Jonathan Walters, Parent Governor	4	4

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

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

- continuous improvement in the educational outcomes of our students
- economic, efficient and effective use of all resources to improve educational results
- the prudent and economical administration of our Academy
- the establishment and maintenance of financial governance, including robust controls on expenditure, keeping and reporting of up to date financial records, continuous financial monitoring and reporting to all concerned parties
- value for money in all financial transactions

Whilst the school operates within our funding levels and utilises resources correctly and with probity, we also continuously strive for improved educational and wider societal outcomes for our students with the resources available to us. We take very seriously our responsibilities as a caring employer, and work tirelessly to make our Academy an outstanding place to learn, work and develop in a professional manner.

We are confident that our recruitment levels will remain stable even though there is currently an overcapacity of school places in the borough. The quality of provision our students continuously receive and the caring, nurturing and competitive environment within the school community creates the formula for outstanding success.

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 ongoing 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 Southborough High School for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes

SOUTHBOROUGH HIGH SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and decided not to appoint an internal auditor. However the trustees have appointed Jonathan Walters, a trustee, to carry out a programme of internal checks.

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

Review of effectiveness

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

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

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

Approved by order of the members of the Board of Trustees on 6 December 2022 and signed on their behalf by:



Clare Henderson
Chair of Trustees



Niall Smith, Head Teacher
Accounting Officer

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Southborough High School I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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.


Niall Smith
Accounting Officer,
Date: 6 December 2022

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 6 December 2022 and signed on its behalf by:



Clare Henderson
Chair of Trustees

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Southborough High School (the 'academy') for the year ended 31 August 2022 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 2021 to 2022 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 2022 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 2021 to 2022 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.

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

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

Auditors' responsibilities for the audit of the financial statements

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

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

We considered the nature of the industry and its control environment, and reviewed the academy's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the academy's operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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.

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

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

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.



FOR LANDAU BAKER LIMITED

Carly Pinkus (Senior Statutory Auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

154 Brent Street
London
NW4 2DR

6 December 2022

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 27 April 2012 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Southborough High School during the year 1 September 2021 to 31 August 2022 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 Southborough High School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Southborough High School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Southborough High School and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Southborough High School's funding agreement with the Secretary of State for Education dated 1 March 2012 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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.

The work undertaken to draw to our conclusion includes:

- review of management reporting documents.
- review of Trustees/Governors meeting minutes.
- confirming compliance with the Academy Trust's Scheme of Delegation.
- compliance with delegated authorities.
- consideration of whether any personal benefit has been derived from the Academy Trust's transactions by staff or related parties.
- adherence to tendering policies.

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
SOUTHBOROUGH HIGH 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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Landau Baker Limited

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 6 December 2022

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	20,728	40,305	17,725	78,758	167,691
Other trading activities	5	178,657	22,921	-	201,578	76,732
Investments	6	412	-	-	412	93
Charitable activities	4	-	5,152,032	-	5,152,032	5,242,075
Total income		199,797	5,215,258	17,725	5,432,780	5,486,591
Expenditure on:						
Raising funds		11,047	27,979	-	39,026	21,951
Charitable activities	8	-	5,209,135	833,597	6,042,732	5,862,895
Total expenditure		11,047	5,237,114	833,597	6,081,758	5,884,846
Net income/(expenditure)		188,750	(21,856)	(815,872)	(648,978)	(398,255)
Transfers between funds	17	-	(281,604)	281,604	-	-
Net movement in funds before other recognised gains/(losses)		188,750	(303,460)	(534,268)	(648,978)	(398,255)
Other recognised gains/(losses):						
Gains on revaluation of fixed assets		-	-	-	-	22,083,473
Actuarial gains/(losses) on defined benefit pension schemes	24	-	1,804,000	-	1,804,000	(258,000)
Net movement in funds		188,750	1,500,540	(534,268)	1,155,022	21,427,218
Reconciliation of funds:						
Total funds brought forward		908,383	(2,673,619)	32,647,435	30,882,199	9,454,981
Net movement in funds		188,750	1,500,540	(534,268)	1,155,022	21,427,218
Total funds carried forward		1,097,133	(1,173,079)	32,113,167	32,037,221	30,882,199

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

The notes on pages 31 to 51 form part of these financial statements.

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07776910

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	32,149,167	32,707,435
		<u>32,149,167</u>	<u>32,707,435</u>
Current assets			
Debtors	14	150,003	96,212
Cash at bank and in hand		1,007,796	812,826
		<u>1,157,799</u>	<u>909,038</u>
Creditors: amounts falling due within one year	15	(421,745)	(315,274)
Net current assets		<u>736,054</u>	<u>593,764</u>
Total assets less current liabilities		<u>32,885,221</u>	<u>33,301,199</u>
Creditors: amounts falling due after more than one year	16	(12,000)	(36,000)
Net assets excluding pension liability		<u>32,873,221</u>	<u>33,265,199</u>
Defined benefit pension scheme liability	24	(836,000)	(2,383,000)
Total net assets		<u><u>32,037,221</u></u>	<u><u>30,882,199</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	32,113,167	32,647,435
Restricted income funds	17	(337,079)	(290,619)
		<u>31,776,088</u>	<u>32,356,816</u>
Restricted funds excluding pension asset	17	31,776,088	32,356,816
Pension reserve	17	(836,000)	(2,383,000)
Total restricted funds	17	<u>30,940,088</u>	<u>29,973,816</u>
Unrestricted income funds	17	1,097,133	908,383
Total funds		<u><u>32,037,221</u></u>	<u><u>30,882,199</u></u>

The financial statements on pages 27 to 51 were approved by the Trustees, and authorised for issue on 06 December 2022 and are signed on their behalf, by:



Clare Henderson
Chair of Trustees

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07776910

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The notes on pages 31 to 51 form part of these financial statements.

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	19	476,574	562,129
Cash flows from investing activities	21	(257,604)	(210,233)
Cash flows from financing activities	20	(24,000)	(24,000)
Change in cash and cash equivalents in the year		194,970	327,896
Cash and cash equivalents at the beginning of the year		812,826	484,930
Cash and cash equivalents at the end of the year	22, 23	<u>1,007,796</u>	<u>812,826</u>

The notes on pages 31 to 51 form part of these financial statements

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **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.

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of these assets, less their estimated residual value, over their estimated expected useful lives on the following bases:

Freehold property	- 10 to 25 years
Furniture and equipment	- 5 years
Computer equipment	- 2 years
Motor vehicles	- 5 years

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.

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FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.6 Debtors

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

1.7 Cash at bank and in hand

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

1.8 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.

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 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.

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1. Accounting policies (continued)

1.10 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.

1.11 Fund accounting

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

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	20,728	40,305	-	61,033	51,431
Capital Grants	-	-	17,725	17,725	116,260
	<u>20,728</u>	<u>40,305</u>	<u>17,725</u>	<u>78,758</u>	<u>167,691</u>
<i>Total 2021</i>	<u>21,475</u>	<u>29,956</u>	<u>116,260</u>	<u>167,691</u>	

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4. Funding for the Academy's charitable activities

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
DfE/ESFA grants			
General Annual Grant (GAG)	4,166,109	4,166,109	4,168,541
Other DfE/ESFA grants			
Pupil Premium	133,618	133,618	131,735
Others	665,624	665,624	786,968
	<u>4,965,351</u>	<u>4,965,351</u>	<u>5,087,244</u>
Other Government grants			
Local Authority Grants	105,576	105,576	79,134
Other Government Grants	4,200	4,200	14,451
	<u>109,776</u>	<u>109,776</u>	<u>93,585</u>
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	-	51,920
Other DfE/ESFA COVID-19 funding	76,905	76,905	9,326
	<u>76,905</u>	<u>76,905</u>	<u>61,246</u>
	<u>5,152,032</u>	<u>5,152,032</u>	<u>5,242,075</u>
	<u>5,152,032</u>	<u>5,152,032</u>	<u>5,242,075</u>

5. Income from other trading activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Exam Fee	2,080	889	2,969	(304)
School Trips	-	22,032	22,032	5,927
Lettings	106,270	-	106,270	62,619
Miscellaneous Income	70,307	-	70,307	8,490
	<u>178,657</u>	<u>22,921</u>	<u>201,578</u>	<u>76,732</u>
Total 2021	<u>70,805</u>	<u>5,927</u>	<u>76,732</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	412	412	93

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Expenditure on raising voluntary income:					
Direct costs	-	-	39,026	39,026	21,951
Educational Activities:					
Direct costs	3,473,968	-	264,328	3,738,296	3,754,163
Allocated support costs	851,778	237,917	1,214,741	2,304,436	2,108,732
	<u>4,325,746</u>	<u>237,917</u>	<u>1,518,095</u>	<u>6,081,758</u>	<u>5,884,846</u>
Total 2021	<u>4,276,957</u>	<u>306,671</u>	<u>1,301,218</u>	<u>5,884,846</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational Activities	3,738,296	2,304,436	6,042,732	5,862,895
Total 2021	<u>3,754,163</u>	<u>2,108,732</u>	<u>5,862,895</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Activities 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	3,473,968	3,473,968	3,516,221
Educational supplies	122,143	122,143	105,742
Other staff costs	17,925	17,925	16,135
Educational consultancy	36,778	36,778	26,769
Other direct costs	87,482	87,482	89,296
	<u>3,738,296</u>	<u>3,738,296</u>	<u>3,754,163</u>

Analysis of support costs

	Educational Activities 2022 £	Total funds 2022 £	Total funds 2021 £
Pension finance costs	41,000	41,000	34,000
Staff costs	635,778	635,778	621,736
Depreciation	833,597	833,597	786,631
Other staff costs	11,790	11,790	8,044
Maintenance costs	37,965	37,965	46,008
Cleaning	78,343	78,343	76,256
Rates	13,400	13,400	26,492
Insurance	16,008	16,008	15,428
Other support costs	172,387	172,387	127,811
ICT costs	112,570	112,570	105,826
Energy costs	71,377	71,377	69,218
Water and sewerage	20,824	20,824	10,304
Other professional services	29,161	29,161	29,495
Non cash pension costs	216,000	216,000	139,000
Governance costs	14,236	14,236	12,483
	<u>2,304,436</u>	<u>2,304,436</u>	<u>2,108,732</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	4,951	4,951
Depreciation of tangible fixed assets	833,597	786,631
Fees paid to auditors for:		
- audit	4,000	4,000
- other services	4,000	4,560
	<u>4,000</u>	<u>4,560</u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	3,100,664	3,066,932
Social security costs	328,097	313,962
Pension costs	607,616	626,906
	<u>4,036,377</u>	<u>4,007,800</u>
Supply teacher costs	73,369	130,157
Non cash pension costs	216,000	139,000
	<u>4,325,746</u>	<u>4,276,957</u>

b. Staff numbers

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

	2022 No.	2021 No.
Senior Management	8	8
Teachers	47	44
Support Staff	41	37
	<u>96</u>	<u>89</u>

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10. Staff (continued)

c. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	4	4
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	1

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £697,009 (2021 - £719,585).

11. Trustees' remuneration and expenses

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

		2022 £	2021 £
Niall Smith, Headteacher	Remuneration	100,000 - 105,000	95,000 - 100,000
	Pension contributions paid	20,000 - 25,000	20,000 - 25,000
Jamie-Lee King, Staff Governor	Remuneration	20,000 - 25,000	50,000 - 55,000
	Pension contributions paid	0 - 5,000	10,000 - 15,000
Rebecca White, Staff Governor	Remuneration	NIL	35,000 - 40,000
	Pension contributions paid	NIL	5,000 - 10,000
Chloe Parsons, Staff Governor	Remuneration	45,000 - 50,000	15,000 - 20,000
	Pension contributions paid	10,000 - 15,000	0 - 5,000
Astral Roberts, Staff Governor	Remuneration	15,000 - 20,000	5,000 - 10,000
	Pension contributions paid	NIL	NIL

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Trustees' and Officers' insurance

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

13. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2021	35,437,331	172,365	320,384	7,250	35,937,330
Additions	214,233	10,544	50,552	-	275,329
At 31 August 2022	<u>35,651,564</u>	<u>182,909</u>	<u>370,936</u>	<u>7,250</u>	<u>36,212,659</u>
Depreciation					
At 1 September 2021	2,844,341	125,207	253,555	6,792	3,229,895
Charge for the year	780,563	11,465	41,111	458	833,597
At 31 August 2022	<u>3,624,904</u>	<u>136,672</u>	<u>294,666</u>	<u>7,250</u>	<u>4,063,492</u>
Net book value					
At 31 August 2022	<u>32,026,660</u>	<u>46,237</u>	<u>76,270</u>	<u>-</u>	<u>32,149,167</u>
At 31 August 2021	<u>32,592,990</u>	<u>47,158</u>	<u>66,829</u>	<u>458</u>	<u>32,707,435</u>

14. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	3,080	2,795
Other debtors	32,062	32,333
Prepayments and accrued income	114,861	61,084
	<u>150,003</u>	<u>96,212</u>

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15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loans	24,000	24,000
Trade creditors	-	1,366
Other taxation and social security	84,338	84,704
Accruals and deferred income	313,407	205,204
	<u>421,745</u>	<u>315,274</u>
	2022 £	2021 £
Deferred income at 1 September 2021	38,293	25,188
Resources deferred during the year	59,420	38,293
Amounts released from previous periods	(38,293)	(25,188)
	<u>59,420</u>	<u>38,293</u>

At the balance sheet date the academy trust was holding funds received in advanced for ESFA grant income of £4,555 (2021:£19,546) and other income of £54,865 (2021:£18,747).

16. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Other loans	<u>12,000</u>	<u>36,000</u>

Included within creditors less than and greater than one year above is a Salix loan from the ESFA of £36,000 (2021: £60,000) as part of the ACMF capital funding. This is repayable over a term of 7.5 years.

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds - all funds	908,383	199,797	(11,047)	-	-	1,097,133
Restricted general funds						
GAG	(320,973)	4,166,109	(3,900,611)	(281,604)	-	(337,079)
Pupil premium	-	133,618	(133,618)	-	-	-
Other ESFA funding	-	665,624	(665,624)	-	-	-
SEN funding (LA)	-	105,576	(105,576)	-	-	-
Other government grants	-	4,200	(4,200)	-	-	-
Catch up Premium	30,354	-	(30,354)	-	-	-
Other DfE/ESFA COVID-19 funding	-	76,905	(76,905)	-	-	-
General funds	-	63,226	(63,226)	-	-	-
Pension reserve	(2,383,000)	-	(257,000)	-	1,804,000	(836,000)
	<u>(2,673,619)</u>	<u>5,215,258</u>	<u>(5,237,114)</u>	<u>(281,604)</u>	<u>1,804,000</u>	<u>(1,173,079)</u>
Restricted fixed asset funds						
Restricted Fixed Assets Funds-All Funds	32,647,435	17,725	(833,597)	281,604	-	32,113,167
Total Restricted funds	<u>29,973,816</u>	<u>5,232,983</u>	<u>(6,070,711)</u>	<u>-</u>	<u>1,804,000</u>	<u>30,940,088</u>
Total funds	<u><u>30,882,199</u></u>	<u><u>5,432,780</u></u>	<u><u>(6,081,758)</u></u>	<u><u>-</u></u>	<u><u>1,804,000</u></u>	<u><u>32,037,221</u></u>

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

Restricted Fixed Assets funds have been increased by capital grants provided by the DfE and reduced by depreciation charge. Restricted General funds have been increased by revenue grants provided by the DfE and reduced by expenditure incurred in the operation of the academy.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

The Restricted funds can only be used in the terms of limitations imposed by the Funding Agreement with the DfE and the terms of any specific grant. Unrestricted funds have been increased by voluntary contributions by parents and reduced by expenditure incurred in the operation of the academy.

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 2022.

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	829,234	92,373	(13,224)	-	-	908,383
Restricted general funds						
GAG	(422,353)	4,168,541	(3,832,928)	(234,233)	-	(320,973)
Pupil premium	-	131,735	(131,735)	-	-	-
Other ESFA funding	-	786,968	(786,968)	-	-	-
SEN funding (LA)	-	79,134	(79,134)	-	-	-
Other government grants	-	14,451	(14,451)	-	-	-
Catch up Premium	-	51,920	(21,566)	-	-	30,354
General funds	-	35,883	(35,883)	-	-	-
Other DfE/ESFA COVID-19 funding	-	9,326	(9,326)	-	-	-
Pension reserve	(1,952,000)	-	(173,000)	-	(258,000)	(2,383,000)
	<u>(2,374,353)</u>	<u>5,277,958</u>	<u>(5,084,991)</u>	<u>(234,233)</u>	<u>(258,000)</u>	<u>(2,673,619)</u>

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17. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Restricted fixed asset funds						
Restricted Fixed Assets Funds-All Funds	11,000,100	116,260	(786,631)	234,233	22,083,473	32,647,435
Total Restricted funds	8,625,747	5,394,218	(5,871,622)	-	21,825,473	29,973,816
Total funds	9,454,981	5,486,591	(5,884,846)	-	21,825,473	30,882,199

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	32,149,167	32,149,167
Current assets	1,097,133	60,666	-	1,157,799
Creditors due within one year	-	(397,745)	(24,000)	(421,745)
Creditors due in more than one year	-	-	(12,000)	(12,000)
Provisions for liabilities and charges	-	(836,000)	-	(836,000)
Total	1,097,133	(1,173,079)	32,113,167	32,037,221

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	-	32,707,435	32,707,435
Current assets	908,383	655	-	909,038
Creditors due within one year	-	(291,274)	(24,000)	(315,274)
Creditors due in more than one year	-	-	(36,000)	(36,000)
Provisions for liabilities and charges	-	(2,383,000)	-	(2,383,000)
Total	908,383	(2,673,619)	32,647,435	30,882,199

19. Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
Net expenditure for the year (as per Statement of financial activities)	(648,978)	(398,255)
Adjustments for:		
Depreciation	833,597	786,631
Capital grants from DfE and other capital income	(17,725)	(116,260)
Defined benefit pension scheme cost less contributions payable	216,000	139,000
Defined benefit pension scheme finance cost	41,000	34,000
(Increase)/decrease in debtors	(53,791)	4,721
Increase in creditors	106,471	112,292
Net cash provided by operating activities	476,574	562,129

20. Cash flows from financing activities

	2022 £	2021 £
Repayments of borrowing	(24,000)	(24,000)
Net cash used in financing activities	(24,000)	(24,000)

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21. Cash flows from investing activities

	2022 £	2021 £
Purchase of tangible fixed assets	(275,329)	(326,493)
Capital grants from DfE Group	17,725	116,260
Net cash used in investing activities	(257,604)	(210,233)

22. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	1,007,796	812,826
Total cash and cash equivalents	1,007,796	812,826

23. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	812,826	194,970	1,007,796
Debt due within 1 year	(24,000)	-	(24,000)
Debt due after 1 year	(36,000)	24,000	(12,000)
	752,826	218,970	971,796

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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 Royal Borough of Kingston Upon Thames.. 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 August 2022.

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £448,137 (2021 - £468,587).

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.

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FOR THE YEAR ENDED 31 AUGUST 2022**

24. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £202,000 (2021 - £194,000), of which employer's contributions totalled £161,000 (2021 - £156,000) and employees' contributions totalled £41,000 (2021 - £38,000). The agreed contribution rates for future years are 25 per cent for employers and between 5.5 - 8.5 per cent for employees.

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.

Principal actuarial assumptions

Royal Borough of Kingston Upon Thames Pension Fund

	2022	2021
	%	%
Rate of increase in salaries	3.60	3.30
Rate of increase for pensions in payment/inflation	3.20	2.90
Discount rate for scheme liabilities	4.25	1.65

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

	2022	2021
	Years	Years
<i>Retiring today</i>		
Males	21.7	21.9
Females	24.1	24.3
<i>Retiring in 20 years</i>		
Males	22.8	23.0
Females	26.0	26.2

Share of scheme assets

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

	At 31	At 31 August
	August 2022	2021
	£	£
Equities	1,349,920	1,665,360
Gilts	640,640	323,820
Property	205,920	138,780
Cash and other liquid assets	91,520	185,040
Total market value of assets	2,288,000	2,313,000

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

The actual return on scheme assets was £(215,000) (2021 - £367,000).

The amounts recognised in the Statement of financial activities are as follows:

	2022 £	2021 £
Current service cost	(377,000)	(295,000)
Interest income	39,000	32,000
Interest cost	(80,000)	(66,000)
Total amount recognised in the Statement of financial activities	(418,000)	(329,000)

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

	2022 £	2021 £
At 1 September	4,696,000	3,743,000
Current service cost	377,000	295,000
Interest cost	80,000	66,000
Employee contributions	41,000	38,000
Actuarial (gains)/losses	(2,019,000)	593,000
Benefits paid	(51,000)	(39,000)
At 31 August	3,124,000	4,696,000

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

	2022 £	2021 £
At 1 September	2,313,000	1,791,000
Interest income	39,000	32,000
Actuarial (losses)/gains	(215,000)	335,000
Employer contributions	161,000	156,000
Employee contributions	41,000	38,000
Benefits paid	(51,000)	(39,000)
At 31 August	2,288,000	2,313,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

25. Operating lease commitments

At 31 August 2022 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	4,951	4,951
Later than 1 year and not later than 5 years	7,908	12,859
	<u>12,859</u>	<u>17,810</u>

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

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

28. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent of the ESFA. In the accounting period ending 31 August 2022 the Trust had an income of £8,800 and disbursed £8,800 from the fund. An amount of £NIL is included within creditors relating to undistributed funds repayable to the ESFA.