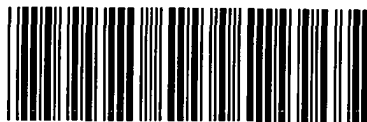


Company Registration Number: 07776910 (England & Wales)

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

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

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SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

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SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATION DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021

Members

Chris Upton
Tony Elsdon
Paul Maguire

Trustees

Clare Henderson, Chair of Governors
Niall Smith, Headteacher
Michael Armstrong, Community Governor
Sampa Bhasin, Community Governor
Trudy Church, Parent Governor
Malcolm Gregory, Co-opted Governors
Joanne Hemmings, Parent Governor (appointed 28 September 2020)
Robin Kent, vice-chair of Governor
Jamie-Lee King, Staff Governor
Paul Maguire, Community Governor (resigned 08 July 2021)
Tim Neale, Community Governor
Chloe Parsons, Staff Governor (appointed 28 May 2021)
Lucy Philpot, Parent Governor (appointed 28 September 2020)
Astral Roberts, Staff Governor (appointed 28 May 2021)
Mike Rose, Parent Governor
Bob Steed, Community Governor
Patricia Thorne, Staff Governor (appointed on 22 September 2020, resigned on 1 February 2021)
Jonathan Walters, Parent Governor
Rebecca White, Staff Governor (resigned 09 May 2021)

Company registered number

07776910

Company name

Southborough High School

Registered office

Hook Road, Surbiton, Surrey, KT6 5AS

Principal operating office

Hook Road, Surbiton, Surrey, KT6 5AS

Company secretary

Brian Burns

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

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

Senior Management Team

Niall Smith, Headteacher
Brian Burns, Deputy Headteacher
Daniel Edwards, Senior Assistant Headteacher
David Sanders, Senior Assistant Headteacher
Nataliya Bennett, Business Manager
Alai Haque, Assistant Headteacher
Rebecca Linney, Assistant Headteacher
Ian Needs, Assistant Headteacher

Independent auditors

Landau Baker Limited, Mountcliff House, 154 Brent Street, London, NW4 2QR

Bankers

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

Barclays Bank, Leicestershire, LE87 2BB

Solicitors

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

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2020 to 31st of August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, governance and management

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 Governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' Liability

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

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 favor 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.

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.

Policies and Procedures 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.

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

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

Structure, governance and management (continued)

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.

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. The Headteachers pay scale 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.

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period 2

Full-time equivalent employee number 1.6

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

Provide the total cost facility time	-
Provide the total pay bill	£3,996,799
Provide the percentage of the total pay bill spent on facility time calculated as:	-

(total cost of facility time / total pay bill) * 100

Paid Trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:	-
--	---

(total hours spent on trade union activities by relevant union officials during the relevant period / total paid facility time hours) * 100

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

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

Structure, governance and management (continued)

Related Parties and other Connected Charities and Organisations

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

Objectives, Strategies and Activities

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.

The Governors' School Improvement Plan 2019-21

The governors established the School's narrative, aims and priorities for 2019-21 in Self-Evaluation and School Improvement Plan.

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).

Implementation

We achieve our aims via the curriculum. This means what we do in lessons and beyond lessons.

In lessons we teach a broad 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. 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 is not consistently excellent and have prioritised this area for sustained intervention in our School Improvement Plan. By doing this, we aim to improve student progress across all year groups and decrease the urgency and intensity of our interventions at GCSE and A Level.

We are also aware that some of our pastoral intervention in the past has not been timely, so we have prioritised this area in order to remove barriers to learning and improve educational outcomes.

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

Impact

Our examination results have shown fluctuation over the last five years, with the majority of students making very good progress. We aim to have better impact with a small minority of mobile or socially and psychologically vulnerable students.

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

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

Objectives, Strategies and Activities (continued)

School Improvement Plan 2020-21

School Improvement Plan 2019-21 - 11th May 2021

Purpose

To make the difference for all of our students

Vision

Aspiration, Commitment, Excellence

Strategic Aims

- A. To be oversubscribed
- B. To be an excellent school

Identified Priorities:

- 1) Quality of Learning
- 2) Early Intervention

Ofsted Action Points 2017:

- a) Ensure that teachers have high expectations of what students can achieve;
- b) Ensure that teachers plan activities that challenge students, particularly high attainers, so that they make substantial progress;
- c) Ensure that teachers consistently apply the school assessment policy so that all students know how to improve their work.

The Governors consider that significant progress was achieved in each focus area with the senior leadership team targeting particular areas for further review and development.

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

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 2019-20 and 2020-2021 intakes. In the 2020-2021 academic year the school had the highest number of students (815 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".

Student achievements are good and improving.

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

Strategic Report (continued)

Due to COVID-19 pandemic the exams in the Summer of 2021 were cancelled once again and, as a consequence, the school awarded Centre Assessed Grades, in line with the guidance from Ofqual. The guidance stated that 'for summer 2021, exam boards will ask exam centres to generate, for each subject, teacher assessed grades for their students. These grades should be based on a range of evidence completed as part of the course, including evidence produced in the coming months, which demonstrates the student's performance on the subject content they have been taught. The grades submitted to exam boards must reflect a fair, reasonable and carefully considered judgement of the student's performance across a range of evidence, on the curriculum content that they have been taught (or, for private candidates who undertook self-study, the content that they have studied). Heads of centre should emphasise the need for judgements to be objective and fair.

Trends in Pupil Progress

	Progress 8	Progress 8 English	Progress 8 Maths
2017	-0.14	-0.24	+0.33
2018	+0.20	+0.01	+0.43
2019	-0.23	-0.40	+0.15
2020	-0.17	-0.29	+0.07
2021	-0.05	+0.08	+0.07
5 Year Average	-0.08	-0.17	+0.21

Trends in Pupil Attainment

	Attainment 8	Attainment 8 English	Attainment 8 Maths
2017	4.4	4.7	4.8
2018	4.8	4.9	4.9
2019	4.4	4.5	4.6
2020	4.8	4.8	4.9
2021	4.8	4.9	5.0
5 Year Average	4.6	4.8	4.8

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. Attainment at KS5 has improved greatly since 2015.

Just as in 2020, students in their last year of study did not sit formal examinations but were awarded Centre Assessed Grades (see above).

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

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

Strategic Report (continued)

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.

Attendance

Absence Y7-11	2016-17, %	2017-18, %	2018-19, %	2019-20, %	2020-21, %
Authorised	3.08	3.57	3.40	3.61	4.19
Unauthorised	1.07	1.35	1.34	1.19	1.64
Total	4.15	4.92	4.74	4.8	5.83

The school was awarded capital funding bid through ESFA Condition Improvement Fund (CIF) for the replacement of security fencing on the main school site. The capital grant of £121,059 will that ensure safeguarding of the students and security of the main school

Additional devolved capital formula funding and school fund contributions allowed the school to:

- Refurbish sixth form common rooms
- Create an Inclusion center
- Refurbish music rooms and purchase full sets of musical instruments

Of a particular concern to the Governing body are maintaining upward trajectory in the number of students on roll, impact of COVID-19 restrictions on ability to generate funds, projected grant funding levels as well as the increased unfunded costs being borne by school. 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.

Going Concern

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

Financial Review

During the period, ESFA grants received and other government grants (excluding CIF grants) funds totalled to £5,242,075 (2020: £4,800,890). Substantial increase in GAG compared to the previous academic year is mainly a result of the higher number of students on roll in September 2019, particularly in Y7. Migration to NFF resulted in increased AWPU for our school. Other government grants, such as COVID-19 catch up fund and 16-19 tuition fund further increased GAG allocation for 2020-21.

Expenditure increased in line with the increase in pupil numbers and GAG income.

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 pandemic.

Unrestricted funds received totalled to £92,373 (2020: £87,531). The level of lettings income remained stable compared to the previous year. There was a decrease in the level of unrestricted income generated from external exam candidates due to cancellations of formal examinations and inability of school staff to grade the students they did not teach.

Educational visits did not take place in 2020-21 which in turn led to sharp decrease in income and expenditure for them.

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

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

Financial Review (continued)

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 2021 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 fairly 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.

DfE has issued a revaluation certificate dated 31/08/2021 and the total value of land and buildings has increased from £8,421,526 to £30,505,000, it accounts for £22,083,473 gains on revaluation of fixed assets.

Teaching staff costs have increased overall by about 4 %. Cost of living pay increase for teachers awarded in September 2020 as well as more teaching members of staff on roll contributed to the increase in costs. Support staff costs increased due to cost of living increase. Support costs year on year remained stable which evidenced good financial controls in place.

Staff costs as a percentage of total Grant income is 82% (84% in 2020), which shows a positive trajectory to the target of 80%. Staff costs as a percentage of total expenditure is 73% (72% in 2020) and is close to the target of 70%.

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 £2,383,000 (2020: £1,952,000). 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.

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.

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

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

Reserves Policy (continued)

Total reserves at the end of the period amounted to £617,764 (2020: £406,881) and include £48,424 of restricted income (CIF grant).

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 2020, no investments were held.

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.

Principal Risks and Uncertainties (continued)

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 2021.

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

The Academy has an ongoing programme of repairs and maintenance. We will be applying for capital grants from the Department of Education to carry our high value capital improvement works. Over the coming year priority will be given to the upgrade of our electrical intake and to replace and repair the drainage system. The Academy is working on the long-term objective of installing artificial pitch on our sports fields and some of our unrestricted surplus has been ring-fenced to facilitate the delivery of the project.

Funds held as Custodian Trustee on Behalf of Others

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

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

Auditor

Insofar as the Trustees are aware:

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

The Trustees' report incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 7 December 2021 and signed on the board's behalf by:



Clare Henderson
Chair of Trustees

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

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 possible
Clare Henderson	9	11
Niall Smith	11	11
Michael Armstrong	9	12
Sampa Bhasin	7	10
Trudy Church	10	11
Malcolm Gregory	10	10
Joanne Hemmings	11	11
Robin Kent	11	12
Jamie-Lee King	10	12
Paul Maguire	11	11
Tim Neale	8	10
Chloe Parsons	2	2
Lucy Philpot	10	10
Astral Roberts	2	2
Mike Rose	10	11
Bob Steed	9	10
Patricia Thorne	3	4
Jonathan Walters	11	11
Rebecca White	4	9

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.

SOUTHBOROUGH HIGH SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance at the meetings as follows:

Trustee	Meetings attended	Out of possible
Niall Smith, Headteacher	5	5
Trudy Church, Parent Governor	5	5
Paul Maguire, Community Governor	5	5
Mike Rose, Parent Governor	5	5
Jonathan Walters, Parent Governor	5	5

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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

SOUTHBOROUGH HIGH SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2018 to 31 August 2019 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 monthly budget monitoring reports
- regular reviews by the Resources, Personnel and Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has 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:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

Twice a year the reviewer reports to the Board of trustees, through the RPF committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The Board can confirm that the internal reviewer has delivered their schedule of work as planned, provided details of any material control issues arising as a result of their work. During the current and previous period, there were no material control issues noted and thus no remedial action was required to be taken.

Review of Effectiveness

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

- the work of the external auditors;
- the work of the internal reviewer;
- the financial management and governance self-assessment process;
- the work of the 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.

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

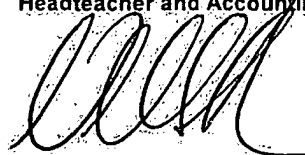
GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Trustees on 7 December 2021 and signed on their behalf by:

Clare Henderson
Chair of Trustees



Niall Smith
Headteacher and Accounting Officer



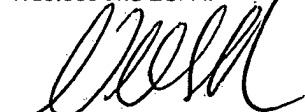
SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

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

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

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



Niall Smith
Accounting Officer
Date: 7 December 2021

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

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

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

Company law requires the Trustees to prepare financial statements for each financial 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 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 7 December 2021 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 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

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

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.

Carly Pinkus (Senior statutory auditor)



FOR LANDAU BAKER LIMITED

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

154 Brent Street
London
NW4 2DR

7 December 2021

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 2020 to 2021, 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 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Landau Baker Limited

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 7 December 2021

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	21,475	29,956	116,260	167,691	181,568
Charitable activities	4	-	5,242,075	-	5,242,075	4,800,890
Other trading activities	5	70,805	5,927	-	76,732	136,291
Investments	6	93	-	-	93	668
Total income		92,373	5,277,958	116,260	5,486,591	5,119,417
Expenditure on:						
Raising funds		13,224	8,727	-	21,951	58,689
Charitable activities	8	-	5,076,264	786,631	5,862,895	5,561,657
Total expenditure		13,224	5,084,991	786,631	5,884,846	5,620,346
Net income/(expenditure)		79,149	192,967	(670,371)	(398,255)	(500,929)
Transfers between funds	18	-	(234,233)	234,233	-	-
Net movement in funds before other recognised gains/(losses)		79,149	(41,266)	(436,138)	(398,255)	(500,929)
Other recognised gains/(losses):						
Gains on revaluation of fixed assets		-	-	22,083,473	22,083,473	-
Actuarial losses on defined benefit pension schemes	25	-	(258,000)	-	(258,000)	(72,000)
Net movement in funds		79,149	(299,266)	21,647,335	21,427,218	(572,929)
Reconciliation of funds:						
Total funds brought forward		829,234	(2,374,353)	11,000,100	9,454,981	10,027,910
Net movement in funds		79,149	(299,266)	21,647,335	21,427,218	(572,929)
Total funds carried forward		908,383	(2,673,619)	32,647,435	30,882,199	9,454,981

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 27 to 50 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	32,707,435	11,084,100
		<u>32,707,435</u>	<u>11,084,100</u>
Current assets			
Debtors	15	96,212	100,933
Cash at bank and in hand		812,826	484,930
		<u>909,038</u>	<u>585,863</u>
Creditors: amounts falling due within one year	16	(315,274)	(202,982)
Net current assets		<u>593,764</u>	<u>382,881</u>
Total assets less current liabilities		<u>33,301,199</u>	<u>11,466,981</u>
Creditors: amounts falling due after more than one year	17	(36,000)	(60,000)
Net assets excluding pension liability		<u>33,265,199</u>	<u>11,406,981</u>
Defined benefit pension scheme liability	25	(2,383,000)	(1,952,000)
Total net assets		<u><u>30,882,199</u></u>	<u><u>9,454,981</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	18	32,647,435	11,000,100
Restricted income funds	18	(290,619)	(422,353)
		<u>32,356,816</u>	<u>10,577,747</u>
Restricted funds excluding pension asset	18	32,356,816	10,577,747
Pension reserve	18	(2,383,000)	(1,952,000)
Total restricted funds	18	<u>29,973,816</u>	<u>8,625,747</u>
Unrestricted income funds	18	<u>908,383</u>	<u>829,234</u>
Total funds		<u><u>30,882,199</u></u>	<u><u>9,454,981</u></u>

The financial statements on pages 24 to 50 were approved by the Trustees, and authorised for issue on 07 December 2021 and are signed on their behalf, by:

Clare Henderson
Chair of Trustees



The notes on pages 27 to 50 form part of these financial statements.

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	20	562,129	223,607
Cash flows from investing activities	22	(210,233)	31,040
Cash flows from financing activities	21	(24,000)	(24,000)
Change in cash and cash equivalents in the year		327,896	230,647
Cash and cash equivalents at the beginning of the year		484,930	254,283
Cash and cash equivalents at the end of the year	23, 24	<u>812,826</u>	<u>484,930</u>

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

1.3 Income

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

• **Grants**

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

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

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

• **Sponsorship income**

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

• **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.

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

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

1.4 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.

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

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

Freehold property	- 10 to 25 years
Plant and machinery	- 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.

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

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 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

SOUTHBOROUGH HIGH SCHOOL
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.10 Taxation

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

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

1.11 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.

1.12 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.

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2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	21,475	29,956	-	51,431	49,226
Capital Grants	-	-	116,260	116,260	132,342
	<u>21,475</u>	<u>29,956</u>	<u>116,260</u>	<u>167,691</u>	<u>181,568</u>
Total 2020	<u>18,749</u>	<u>30,477</u>	<u>132,342</u>	<u>181,568</u>	

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4. Funding for the academy's educational activities

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants			
General Annual Grant (GAG)	4,168,541	4,168,541	3,794,449
Other DfE/ESFA grants			
Pupil Premium	131,735	131,735	147,671
Others	786,968	786,968	734,115
	-	5,087,244	4,676,235
Other Government grants			
Local Authority Grants	79,134	79,134	83,015
Other Government Grants	14,451	14,451	30,003
	93,585	93,585	113,018
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	51,920	51,920	11,637
Other DfE/ESFA COVID-19 funding	9,326	9,326	-
	61,246	61,246	11,637
	5,242,075	5,242,075	4,800,890

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

The academy received £51,920 of funding for catch-up premium and costs incurred in respect of this funding totalled £21,566 with the remaining funds to be spent in 2021/22.

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Exam Fee	(304)	-	(304)	3,964
School Trips	-	5,927	5,927	48,760
Lettings	62,619	-	62,619	69,025
Miscellaneous Income	8,490	-	8,490	14,542
	<u>70,805</u>	<u>5,927</u>	<u>76,732</u>	<u>136,291</u>
Total 2020	<u>87,246</u>	<u>49,045</u>	<u>136,291</u>	

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	<u>93</u>	<u>93</u>	<u>668</u>

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

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Expenditure on raising voluntary income:					
Direct costs	-	-	21,951	21,951	58,689
Educational Activities:					
Direct costs	3,516,221	-	237,942	3,754,163	3,585,113
Allocated support costs	760,736	306,671	1,041,325	2,108,732	1,976,544
	<u>4,276,957</u>	<u>306,671</u>	<u>1,301,218</u>	<u>5,884,846</u>	<u>5,620,346</u>
Total 2020	<u>4,040,321</u>	<u>269,069</u>	<u>1,310,956</u>	<u>5,620,346</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Educational Activities	<u>5,862,895</u>	<u>5,862,895</u>	<u>5,561,657</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Educational Activities	<u>3,754,163</u>	<u>2,108,732</u>	<u>5,862,895</u>	<u>5,561,657</u>
Total 2020	<u>3,585,113</u>	<u>1,976,544</u>	<u>5,561,657</u>	

Analysis of direct costs

	Educational Operations 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	3,516,221	3,516,221	3,338,628
Educational supplies	105,742	105,742	105,871
Other staff costs	16,135	16,135	8,355
Educational consultancy	26,769	26,769	23,431
Other direct costs	89,296	89,296	108,828
	<u>3,754,163</u>	<u>3,754,163</u>	<u>3,585,113</u>

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2021 £	Total funds 2021 £	Total funds 2020 £
Pension finance costs	34,000	34,000	32,000
Staff costs	621,736	621,736	566,693
Depreciation	786,631	786,631	708,475
Other staff costs	8,044	8,044	10,320
Non cash pension costs	139,000	139,000	135,000
Maintenance costs	46,008	46,008	74,089
Cleaning	76,256	76,256	66,160
Rates	26,492	26,492	26,337
Insurance	15,428	15,428	16,719
Other support costs	127,811	127,811	93,309
ICT costs	105,826	105,826	120,603
Energy costs	69,218	69,218	77,808
Water and sewerage	10,304	10,304	7,956
Other professional services	29,495	29,495	24,786
Governance costs	12,483	12,483	16,289
	<u>2,108,732</u>	<u>2,108,732</u>	<u>1,976,544</u>

In the current year, the non-cash pension costs have been re-allocated to a separate line within the support costs note 9. This cost used to be included within the staff costs line within this note. In turn, the expenditure note 7 and the staff costs note 11a have both been updated to reflect this change. The prior year figures have also been updated for comparison. This is a better reflection of the actual staff costs incurred by the Academy Trust and enhances the user's understanding of the financial statements.

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

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	4,951	5,950
Depreciation of tangible fixed assets	786,631	708,475
Fees paid to auditors for:		
- audit	4,000	4,000
- other services	4,560	2,960
	<u>4,912</u>	<u>8,385</u>

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	3,066,932	2,936,679
Social security costs	313,962	301,216
Pension costs	626,906	623,495
	<u>4,007,800</u>	<u>3,861,390</u>
Supply teacher costs	130,157	43,931
Non cash pension costs	139,000	135,000
	<u>4,276,957</u>	<u>4,040,321</u>

In the current year, the non-cash pension costs have been re-allocated to a separate line within the support costs note 9. This cost used to be included within the staff costs line within this note. In turn, the expenditure note 7 and the staff costs note 11a have both been updated to reflect this change. The prior year figures have also been updated for comparison. This is a better reflection of the actual staff costs incurred by the Academy Trust and enhances the user's understanding of the financial statements.

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11. Staff (continued)

b. Staff numbers

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

	2021 No.	2020 No.
Senior Management	8	6
Teachers	44	45
Support Staff	37	37
	<u>89</u>	<u>88</u>

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Senior Management	8	6
Teachers	41	42
Support Staff	26	25
	<u>75</u>	<u>73</u>

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	4	2
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	1
	<u>1</u>	<u>1</u>

d. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on pages 1-2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £719,585 (2020: £581,156).

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12. Trustees' remuneration and expenses

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

		2021 £	2020 £
Niall Smith, Headteacher	Remuneration	95,000 - 100,000	95,000 - 100,000
	Pension contributions paid	20,000 - 25,000	20,000 - 25,000
		25,000	25,000
Jamie-Lee King, Staff Governor	Remuneration	50,000 - 55,000	45,000 - 50,000
	Pension contributions paid	10,000 - 15,000	0 - 5,000
		15,000	15,000
Rebecca White, Staff Governor (resigned 09/5/2021)	Remuneration	35,000 - 40,000	45,000 - 50,000
	Pension contributions paid	5,000 - 10,000	10,000 - 15,000
		10,000	15,000
Chloe Parsons, Staff Governor (appointed 28/05/2021)	Remuneration	15,000 - 20,000	NIL
	Pension contributions paid	0 - 5,000	NIL
		5,000	NIL
Astral Roberts, Staff Governor (appointed 28/5/2021)	Remuneration	5,000 - 10,000	NIL
	Pension contributions paid	10,000	NIL
		NIL	NIL

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

13. Trustees' and Officers' insurance

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

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14. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2020	14,852,543	144,899	250,109	7,250	15,254,801
Additions	228,752	27,466	70,275	-	326,493
Disposals	(1,727,437)	-	-	-	(1,727,437)
Revaluations	22,083,473	-	-	-	22,083,473
At 31 August 2021	<u>35,437,331</u>	<u>172,365</u>	<u>320,384</u>	<u>7,250</u>	<u>35,937,330</u>
Depreciation					
At 1 September 2020	3,811,017	116,715	236,677	6,292	4,170,701
Charge for the year	760,761	8,492	16,878	500	786,631
On disposals	(1,727,437)	-	-	-	(1,727,437)
At 31 August 2021	<u>2,844,341</u>	<u>125,207</u>	<u>253,555</u>	<u>6,792</u>	<u>3,229,895</u>
Net book value					
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>
At 31 August 2020	<u>11,041,526</u>	<u>28,184</u>	<u>13,432</u>	<u>958</u>	<u>11,084,100</u>

15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	2,795	7,621
Other debtors	32,333	3,894
Prepayments and accrued income	61,084	89,418
	<u>96,212</u>	<u>100,933</u>

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16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	1,366	2,310
Other taxation and social security	84,704	81,873
Other creditors	24,000	24,000
Accruals and deferred income	205,204	94,799
	<u>315,274</u>	<u>202,982</u>
	2021 £	2020 £
Deferred income at 1 September 2020	25,188	41,874
Resources deferred during the year	38,293	25,188
Amounts released from previous periods	(25,188)	(41,874)
	<u>38,293</u>	<u>25,188</u>

At the balance sheet date the academy trust was holding funds received in advanced for ESFA grant income of £19,546 (2020:£10,995) and other income of £18,747 (2020:£14,193).

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

	2021 £	2020 £
Other creditors	36,000	60,000

Included within creditors less than and greater than one year above is a Salix loan from the ESFA of £60,000 (2020: £84,000) 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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18. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	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>
Restricted fixed asset funds						
Restricted Fixed Asset Funds- all funds	11,000,100	116,260	(786,631)	234,233	22,083,473	32,647,435
Total Restricted funds	<u>8,625,747</u>	<u>5,394,218</u>	<u>(5,871,622)</u>	<u>-</u>	<u>21,825,473</u>	<u>29,973,816</u>
Total funds	<u><u>9,454,981</u></u>	<u><u>5,486,591</u></u>	<u><u>(5,884,846)</u></u>	<u><u>-</u></u>	<u><u>21,825,473</u></u>	<u><u>30,882,199</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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18. 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 2021.

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds					
General Funds - all funds	729,910	106,663	(7,339)	-	829,234
Restricted general funds					
GAG	(572,273)	3,794,449	(3,644,529)	-	(422,353)
Pupil premium	-	159,308	(159,308)	-	-
Other ESFA funding	-	745,752	(745,752)	-	-
SEN funding (LA)	-	83,015	(83,015)	-	-
Other government grants	-	30,003	(30,003)	-	-
Catch-up premium	-	67,885	(67,885)	-	-
Pension reserve	(1,713,000)	-	(167,000)	(72,000)	(1,952,000)
	(2,285,273)	4,880,412	(4,897,492)	(72,000)	(2,374,353)
Restricted fixed asset funds					
Restricted Fixed Asset Funds- all funds	11,583,273	-	(583,173)	-	11,000,100
Devolved Formula Capital	-	18,434	(18,434)	-	-
Condition Improvement Fund	-	113,908	(113,908)	-	-
	11,583,273	132,342	(715,515)	-	11,000,100
Total Restricted funds	9,298,000	5,012,754	(5,613,007)	(72,000)	8,625,747
Total funds	10,027,910	5,119,417	(5,620,346)	(72,000)	9,454,981

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	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

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	11,084,100	11,084,100
Current assets	829,234	(243,371)	-	585,863
Creditors due within one year	-	(178,982)	(24,000)	(202,982)
Creditors due in more than one year	-	-	(60,000)	(60,000)
Provisions for liabilities and charges	-	(1,952,000)	-	(1,952,000)
Total	829,234	(2,374,353)	11,000,100	9,454,981

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

	2021 £	2020 £
Net expenditure for the year (as per Statement of financial activities)	(398,255)	(500,929)
Adjustments for:		
Depreciation	786,631	708,475
Capital grants from DfE and other capital income	(116,260)	(132,342)
Defined benefit pension scheme cost less contributions payable	139,000	135,000
Defined benefit pension scheme finance cost	34,000	32,000
Decrease in debtors	4,721	18,959
Increase/(decrease) in creditors	112,292	(37,556)
Net cash provided by operating activities	562,129	223,607

21. Cash flows from financing activities

	2021 £	2020 £
Repayments of borrowing	(24,000)	(24,000)
Net cash used in financing activities	(24,000)	(24,000)

22. Cash flows from investing activities

	2021 £	2020 £
Purchase of tangible fixed assets	(326,493)	(101,302)
Capital grants from DfE	116,260	132,342
Net cash (used in)/provided by investing activities	(210,233)	31,040

23. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	812,826	484,930
Total cash and cash equivalents	812,826	484,930

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

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	484,930	327,896	812,826
	<u>484,930</u>	<u>327,896</u>	<u>812,826</u>

25. 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 2021.

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.

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25. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £468,587 (2020 - £480,566).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £194,000 (2020 - £172,000), of which employer's contributions totalled £156,000 (2020 - £135,000) and employees' contributions totalled £ 38,000 (2020 - £37,000). The agreed contribution rates for future years are 25 per cent for employers and 5.5 to 8.5 per cent for employees.

As described in note 1.11 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

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

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25. Pension commitments (continued)

Principal actuarial assumptions

Royal Borough of Kingston Upon Thames Pension Fund

	2021 %	2020 %
Rate of increase in salaries	3.30	2.70
Rate of increase for pensions in payment/inflation	2.90	2.30
Discount rate for scheme liabilities	1.65	1.70

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

	2021 Years	2020 Years
Retiring today		
Males	21.9	21.7
Females	24.3	23.9
Retiring in 20 years		
Males	23.0	22.6
Females	26.2	25.5

Share of scheme assets

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

	2021 £	2020 £
Equities	1,665,360	1,307,430
Gilts	323,820	286,560
Property	138,780	71,640
Cash and other liquid assets	185,040	125,370
Total market value of assets	2,313,000	1,791,000

The actual return on scheme assets was £367,000 (2020 - £(87,000)).

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

	2021 £	2020 £
Current service cost	(295,000)	(270,000)
Interest income	32,000	33,000
Interest cost	(66,000)	(65,000)
Total amount recognised in the Statement of financial activities	(329,000)	(302,000)

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25. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	3,743,000	3,460,000
Current service cost	295,000	270,000
Interest cost	66,000	65,000
Employee contributions	38,000	37,000
Actuarial losses/(gains)	593,000	(48,000)
Benefits paid	(39,000)	(41,000)
At 31 August	<u>4,696,000</u>	<u>3,743,000</u>

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

	2021 £	2020 £
At 1 September	1,791,000	1,747,000
Interest income	32,000	33,000
Actuarial gains/(losses)	335,000	(120,000)
Employer contributions	156,000	135,000
Employee contributions	38,000	37,000
Benefits paid	(39,000)	(41,000)
At 31 August	<u>2,313,000</u>	<u>1,791,000</u>

26. Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	4,951	4,951
Later than 1 year and not later than 5 years	12,859	17,810
	<u>17,810</u>	<u>22,761</u>

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27. 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.

28. Related party transactions

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

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.