

Company Registration Number: 08330173 (England & Wales)

# **HEDINGHAM SCHOOL AND SIXTH FORM**

(A company limited by guarantee)

## **TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**



**HEDINGHAM SCHOOL AND SIXTH FORM**  
**(A company limited by guarantee)**

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**HEDINGHAM SCHOOL AND SIXTH FORM**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Members**

Mrs S Ford  
Mr M Lee  
Mr D Lee (Appointed 25 November 2020)

**Trustees**

Mrs S Ford, Chair of Trustees  
Mr A Harvison, Head Teacher and Accounting Officer

Mr S Jarvis  
Mr M Lee  
Mr D Lee  
Mrs N Barton  
Mr D Batch  
Mr J Carlton  
Mrs E Brown (resigned 28 April 2021)  
Mr M Scrivens (resigned 25 November 2020)  
Mr J Canton (appointed 1 September 2021, resigned 30 September 2021)

Mr A Illingworth (appointed 19 May 2021)  
Ms R Duffy-Wyatt (appointed 17 September 2021)  
Mr R Gough (appointed 1 September 2021)  
Mr R Hammond (appointed 1 September 2021)

**Company registered  
number**

08330173

**Company name**

Hedingham School and Sixth Form

**Principal and registered  
office**

Yeldham Road  
Sible Hedingham  
Halstead  
Essex  
CO9 3QH

**Company Secretary**

Mrs H Carter

**Senior Management  
Team**

Mr A Harvison, Headteacher  
Mr P Finch, Senior Deputy Headteacher  
Mr D Nash, Assistant Headteacher  
Mr J Pearson, Assistant Headteacher  
Mrs K Hillman, Assistant Headteacher  
Mrs N Cook, Assistant Headteacher  
Mr R Daniels, Assistant Headteacher  
Mrs H Carter, Bursar

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

<b>Independent Auditors</b>	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
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**HEDINGHAM SCHOOL AND SIXTH FORM**  
**(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 Hedingham School and Sixth Form (the Academy, The Trust or the Charitable Company) for the year ended 31 August 2021. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates an Academy School (the School or the Academy) for pupils aged 11 to 19 serving a catchment area in North West Essex. It has a pupil capacity of 1,230 and had a roll of 1,119 in the Summer 2021 school census.

**Structure, Governance and Management**

The Trust is a Company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Charitable Company is known as Hedingham School and Sixth Form.

Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

**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 and Officers' Indemnities**

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and details of the costs are disclosed in Note 12 to the accounts.

**Method of Recruitment and Appointment or Election of Trustees**

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term. The Headteacher is an ex officio member of the Governing Body (also referred to as the Board of Trustees). Parent Trustees and the staff Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for 15 Trustees (5 Parents, 2 Staff – Teaching, 1 Staff non-teaching, 6 others plus the Headteacher).

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

**Policies and Procedures Adopted for the Induction and Training of Trustees**

The Charitable Company is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust provides an internal programme continued professional development led by School staff and links with a number of local training providers.

Trustees will complete a skills audit, based on National Governance Association Template, as a useful way of assessing the skills, knowledge and experience of the Governing Body. The results are used to identify training needs, when recruiting new Trustees, when reviewing the Trustees Self Evaluation Form and for succession planning.

All new Trustees are entitled to an induction to the role, according to their need, which may include, introductory sessions, mentoring and formal courses. This process will involve a meeting with the Chair of Trustees and Headteacher or Deputy Headteacher. All Trustees are provided with a handbook plus copies of policies and procedures documents that are appropriate to the role they undertake as Trustees with particular emphasis on the committee work that they will undertake.

**Organisational Structure**

The governance of the Academy is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Governing Body, which meets on at least 3 occasions per year and the two main committees (Finance and Premises Committee and Personnel and Curriculum Committee) at least 3 times per year and the Pay and Headteacher's Pay Committees which meet at least once a year, is responsible for the strategic direction of the Trust. The Governing Body reviews progress towards educational objectives and results; approves major expenditure requests; sets the budget for the following year; sets the organisational staffing structure; agrees the performance objectives of the Headteacher with the School Improvement Partner, and reviews them.

The Headteacher is the designated Accounting Officer and has overall responsibility for the day to day financial management of the Charitable Company. The Headteacher has delegated responsibility for low values of expenditure to specific budget holders who are responsible for managing their own departments within their allocated budgets. A system of financial controls is in place to manage this process.

The Headteacher manages the Academy on a daily basis supported by a Senior Leadership Team (SLT). The SLT meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher and the Board of Trustees as required for approval. Each Member of the SLT has specific responsibilities to assist the Headteacher to manage certain aspects of the Academy.

**Arrangements for setting pay and remuneration of the key management personnel**

Key management personnel include Academy Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Key Management Personnel at the School have been identified as its Senior Management Team (Headteacher, 1 Deputy Headteacher, 5 Assistant Headteachers and the Bursar). The process for determining the pay and remuneration of the Academy's key management personnel is laid out in the School's pay policy.

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

**Progression**

Progression within the salary range for all Key Management Personnel, will be subject to the individual demonstrating a sustained high quality of performance having regard to the most recent review carried out under the performance management policy.

**Senior Leadership Team**

The Headteacher will be responsible for determining the starting salary, and for making pay progression recommendations, following annual performance management, for posts on the leadership pay ranges. Such decisions will be ratified by the Governing Body Pay Committee.

**Headteacher**

The Headteacher's Pay Committee will approve annual pay progression for the Headteacher having carried out an annual performance review, supported by an independent external advisor. When determining annual pay progression they take account of the outcome and recommendations arising from the annual review.

**Trade Union Facility Time**

During the year the three employees of the Trust acted as union officials on a 100% full time equivalent contract. The employees spent 152 hours (equating to 6.15%) of their time on union facility. The total cost of facility time is £4,820 for the year, this equates to 0.128% of the total pay bill spent on facility time.

**Related Parties and other Connected Charities and Organisations**

Owing to the nature of the Trust's operations and the composition of the Governing Body being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which members of the Governing Body may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust co-operated with the following organisations during the academic year in pursuit of its charitable activities:

- Association of Secondary Headteachers in Essex
- Behaviour and Attendance Partnership
- Colne Valley Consortium
- Earls Colne Educational Trust
- Essex County Council Road Safety
- Essex Music Services
- Essex Youth Services
- Families and Schools Together
- Football Foundation
- Jack Petchey Awards Scheme
- Make Happen
- Saffron Alliance – as a strategic partner of this teaching school
- Sible Hedingham Parish Council
- St Peter's Primary School, Sible Hedingham

The Trust does not have a formal sponsor.

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

**Objectives and Activities**

The principal object and aim of the Charitable Company is the operation of the School to provide free education and care for pupils of different abilities between the ages of 11 and 19.

Hedingham School seeks to create a challenging and stimulating learning environment that encourages high expectations for all learners. Students are prepared for life in the 21st century through a safe, caring and supportive environment. We strive to foster positive relationships with students and staff, offering mutual respect for all members of the community.

Our School Motto is: 'Ready Respect Safe'

This Vision is driven through our school curriculum. Our aim is to ensure that the curriculum delivers the following principles:

- To provide the knowledge and skills required to be successful learners
- To create resilient and independent learners who are able to meet the challenges of the 21st century
- To prepare learners for the next step in their education
- To broaden their horizons through a rich and varied enrichment programme
- To encourage learners to be active citizens who contribute positively to the community

**Public Benefit**

The Trustees believe that by working towards the objects and aims of the School as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

**Strategic Report**

**Achievements and Performance**

The Trust continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left the School.

This has been an extremely challenging year due in main to the COVID19 Pandemic. Trustees have focused on ensuring continuity of education throughout this period and are delighted with the response of the Staff and Students of Hedingham School in these difficult times. On line tuition was available for all students during lockdown periods. During this period the safety, wellbeing and education of student was a priority. The Staff ensured students were fully supported throughout the countrywide difficulties that arose with the external examination results. Trustees would like to acknowledge the outstanding work of all involved.



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

**Key Performance Indicators**

The Trustees serving on the Finance and Premises Committee and the SLT receive monthly financial information to enable them to monitor the financial performance of the Trust compared to aims, strategies and financial budgets.

Governors unanimously agreed the Key Performance Indicators as below:

- Achieve the attainment targets set for all students within the context of Covid-19 Lockdown
- To achieve the Key Priorities Identified within the School Development Plan

**Five Year Budget Plan**

Included in the Budget Plan is a five year forecast representing anticipated pupil numbers and known changes in staffing. The plan demonstrates the Trust's continued financial viability over time. The plan will be kept under review and careful financial planning monitoring will continue to ensure a balanced budget can be set in the future.

**Going Concern**

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

**Financial Review**

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education and Skills Funding agency (ESFA). For the year ended 31 August 2021 the Trust received £7,008,248 of GAG and other income. A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. During the year the Trust spent £7,259,381 on general running costs, including £44,581 on items specific to the COVID pandemic (£13,390 of which was reclaimed from the Government) and £121,698 to support capital maintenance and improvement projects on the School site. There is an in-year surplus of £121,291 on restricted funds and £59,799 on unrestricted funds. The carry forward at 31 August 2021 is £256,286 restricted funding (excluding pension reserve and restricted fixed asset funds) and £199,109 unrestricted funding. There are also reserves of restricted fixed asset funds of £11,810,466 which includes £11,685,081 of fixed asset net book values and £125,385 of condition improvement funding not yet spent at the balance sheet date.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £4,300,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

**Reserves Policy**

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees will monitor estimated year-end carry forward figures via the monthly reports from the Bursar. The budget plan will identify how any carry forward will be allocated in the budget plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose eg. sink fund for artificial pitch. The Trustees earmark restricted and unrestricted reserves where they feel it is appropriate.

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

The carry forward at 31 August 2021 is £256,286 restricted funding (excluding pension reserve and restricted fixed asset funds) and £199,109 unrestricted funding.

**Reserves**

The budget plan 2020/21 has been prepared based on current and known staffing changes which indicates that a balanced budget can be set with a small unallocated funds.

The cash balance of the Academy has been very healthy all year, ending the year with a balance of £723,364. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the Finance and Premises Committee Business Manager reports and attempt to hold a minimum of £94,000 to cover short term cash flow variances.

**Investment Policy**

An investment policy was reviewed and approved by the Governing Body on 22nd March 2017 as part of the Trust's financial regulations.

The aim of the policy is to ensure funds that the Academy does not immediately need to cover anticipated expenditure, are invested to maximise the Academy's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk.

The Academy has no investments at the present time.

**Principal Risks and Uncertainties**

The Trustees maintain a risk register identifying the major risks to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees by the Finance and Premises Committee. The principal risks facing the Trust are outlined below; those facing the School at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy school, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- Presence of other organisations with similar objects and little scope for differentiation. This risk is mitigated by having an effective marketing strategy and forward financial planning. Maximising students numbers has been a priority since incorporation.
- Change of funding policy and introduction of new education priorities by Government – This risk is mitigated as policy is monitored by the Senior Management Team and core strategy is checked for compliance. Sound forward financial planning supports this.
- Risk that budget will be in a deficit position that cannot be met by reserves. This risk is mitigated by effective budget planning and forecasting against staffing model and pupil numbers.

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

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

**Fundraising**

The Trust only held small fundraising events during the year in addition to minor events to raise funds for donating to charities. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

**Plans for Future Periods**

The Trust will continue striving to improve the levels of performance of its students at all levels, and will attempt to maintain its recent progress in ensuring the number of students on roll properly reflects the demand for places.

The Trustees intend to enhance and expand facilities in pursuance of the School's commitment to ensure that all students achieve their potential. It is recognised that students with differing abilities and aptitudes will have differing curriculum requirements and that a greater diversity of learning environments will be required to deliver these.

The Trust continues to seek opportunities to engage with local schools with the ultimate aim of building a family of schools of exceptional quality.

**Funds Held as Custodian Trustee on Behalf of Others**

The Trust hold funds for the Colne Valley Consortium which includes this School and a group of local Primary Schools from the School's Catchment Area. These funds are used to provide CPD and Partnership Work for the Staff in these schools to the benefit of the students. Any funds being held at year end are carried forward into the following year. This year £14,162 was carried forward.

**Auditor**

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a Strategic Report, was approved by of the Board of Trustees, on 01 Dec 2021 and signed on its behalf by:

SJFord

.....  
Sarah Ford (Dec 1, 2021, 10:57am)

**Mrs S Ford**  
Chair of Trustees

**HEDINGHAM SCHOOL AND SIXTH FORM**  
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**GOVERNANCE STATEMENT**

**Scope of responsibility**

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

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

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body 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 Governing Body has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mr M Scrivens	1	1
Mrs S Ford, Chair of Trustees	6	6
Mr A Harvison, Head Teacher and Accounting Officer	6	6
Mrs E Brown	3	4
Mr S Jarvis	6	6
Mr M Lee	6	6
Mr D Lee	5	6
Mrs N Barton	4	6
Mr D Batch	6	6
Mr J Carlton	5	6
Mr A Illingworth	1	1
Ms R Duffy-Wyatt	0	0
Mr R Gough	0	0
Mr R Hammond	0	0
Mr J Canton	0	0

There have been some changes to the Board of Governors. Miles Scrivens retired in November 2020 after many years of service. Emma Brown resigned in April 2021. Four New Governors will take up posts in September 2021.

This has been an extremely challenging year due in main to the COVID19 Pandemic. Trustees have focused on ensuring continuity of education throughout this period and are delighted with the response of the Staff and Students of Hedingham School in these difficult times. On line learning was available for all students during lockdown periods. During this period the safety, wellbeing and education of students was a priority. The Staff ensured students were fully supported throughout the countrywide difficulties that arose with the external examination results. Trustees would like to acknowledge the outstanding work of all involved.

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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

**Governance reviews**

The Governing Board undertook training based against the competency framework. The outcome of this review has been used to create an action plan. It has informed the training programme and Governors recruitment process.

**Committees**

The Finance and Premises Committee is a sub-committee of the main Governing Body. The Committee meets termly and it's main areas of responsibility are:

- budget setting;
- budget monitoring;
- premises – maintenance and improvement;
- health and safety;
- risk management.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs S Ford	3	3
Mr A Harvison	3	3
Mr S Jarvis	3	3
Mr D Lee	2	3
Mr M Lee	3	3
Mr M Scrivens	1	1

The Audit Committee is also a sub-committee of the main Governing Body. It is responsible for keeping under review the strategic objectives of the School and to be responsible for advising the Governing Body through the Finance & Premises Committee in matters relating to the accounting function. They have in particular, a responsibility for internal and external audit. The Committee received three internal audit reports and the Report of the external Auditor arising from 11 days of audit visits. There were few management letter points which reflects the high level of financial compliance the School delivers. Trustees were pleased to note all management letter points were swiftly addressed and recommendations fully implemented.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr D Lee	2	2
Mr M Lee	3	3
Mr M Scrivens	1	1
Mr A Harvison	3	3

**HEDINGHAM SCHOOL AND SIXTH FORM**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**Review of value for money**

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

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

- Student outcomes were good despite the challenging circumstances.
- Tendering of Capital Projects for Roof and Asbestos Works.
- Review of Benchmarking data demonstrated lower core costs than comparators and ranks 1 on the efficiency metric.

**The purpose of the system of internal control**

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

**Capacity to handle risk**

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

**The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Governing Body has decided to buy-in an internal audit service from Juniper Education.

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**GOVERNANCE STATEMENT (CONTINUED)**

**The risk and control framework (continued)**

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

- Governance and Financial Management
  - o Financial Oversight, Planning and Monitoring and Reporting to Trustees
  - o Transparency, Expenses and Gifts (received and given)
  - o Risk Management
  - o Financial Management & Governance Self-Assessment
  - o Internal Scrutiny and Control
  - o Data Protection
  - o VAT
- Banking
  - o Internal Control and Cash Management
- Payroll
  - o Payroll Processing
  - o Mileage and Subsistence
  - o Payments including for Additional Hours Worked and Special Payments
- Income
  - o Receipt of Payments from Students and Parents and Generated Income
  - o Internal Control
- Assets
  - o Fixed Assets & Inventory and Disposals
- Expenditure
  - o Internal Procedure and Controls
  - o Related Parties and Proper and Regular Use of Public Funds
  - o Tax Implications

On a termly basis, the Internal Auditor reports to the Governing Body, through the Audit and Risk Committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities and prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The Internal Auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of their work.

**HEDINGHAM SCHOOL AND SIXTH FORM**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**Review of effectiveness**

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

- the work of the Internal Auditor ;
- the work of the external Auditors;
- the school resource management self-assessment tool;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place. No significant control issues were identified. Any points raised have been addressed.

Approved by order of the members of the Governing Body on 01 Dec 2021  
their behalf by:

and signed on

*SJFord*  
.....  
Sarah Ford (Dec 1, 2021, 10:57am)  
**Mrs S Ford**  
Chair of Trustees

*A Harvison*  
.....  
Andy Harvison (Dec 6, 2021, 9:37am)  
**Mr A Harvison**  
Accounting Officer



**HEDINGHAM SCHOOL AND SIXTH FORM**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Hedingham School and Sixth Form I have considered my responsibility to notify the Governing Body 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 Governing Body 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 Governing Body and ESFA.

*A Harrison*

**Mr A Harrison** (Dec 6, 2021, 9:37am)

Accounting Officer

Date: 06 Dec 2021

**HEDINGHAM SCHOOL AND SIXTH FORM**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

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

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

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

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

Approved by the Governing Body on 01 Dec 2021 and signed  
on its behalf by:

*SJFord*

.....  
Sarah Ford (Dec 1, 2021, 10:57am)  
**Mrs S Ford**  
Chair of Trustees

**HEDINGHAM SCHOOL AND SIXTH FORM**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HEDINGHAM SCHOOL AND SIXTH FORM**

**Opinion**

We have audited the financial statements of Hedingham School and Sixth Form (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.

**HEDINGHAM SCHOOL AND SIXTH FORM**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HEDINGHAM SCHOOL AND SIXTH FORM (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 Charitable Company 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.

**HEDINGHAM SCHOOL AND SIXTH FORM**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HEDINGHAM SCHOOL AND SIXTH FORM (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 gained an understanding of the legal and regulatory framework applicable to the Academy and the sector in which it operates and considered the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. This included those regulations directly related to the financial statements, including financial reporting and tax legislation and academy sector regulations including GDPR, employment law, health and safety and safeguarding.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of any large or unusual transactions to determine whether they were significant to our assessment.
- We reviewed key controls, authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee Board meetings and other relevant sub-committees of the Board such as the Finance Committee and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of the Accounting Officer and senior management team to identify laws and regulations applicable to the Academy. We assessed details of any breaches where applicable in order to assess the impact upon the Academy.
- We reviewed the risk management processes and procedures in place including a review of the Risk Register and Board Assurance Reporting and the Internal Scrutiny Reports.
- We have reviewed any correspondence with the ESFA / DfE and the procedures in place for the reporting of incidents to the Trustees including reporting of any serious incidents to the Regulator if necessary.

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

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

**HEDINGHAM SCHOOL AND SIXTH FORM**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HEDINGHAM SCHOOL AND SIXTH FORM (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.

**Gary Miller (senior statutory auditor)**

for and on behalf of

**Price Bailey LLP**

**Chartered Accountants**

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

Date: 9 December 2021

**HEDINGHAM SCHOOL AND SIXTH FORM**  
**(A company limited by guarantee)**

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

In accordance with the terms of our engagement letter dated 5 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hedingham School and Sixth Form 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 Hedingham School and Sixth Form and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Hedingham School and Sixth Form 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 Hedingham School and Sixth Form and ESFA, for our work, for this Report, or for the conclusion we have formed.

**Respective responsibilities of Hedingham School and Sixth Form's Accounting Officer and the Reporting Accountant**

The Accounting Officer is responsible, under the requirements of Hedingham School and Sixth Form's funding agreement with the Secretary of State for Education dated 31 December 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.

**HEDINGHAM SCHOOL AND SIXTH FORM**  
**(A company limited by guarantee)**

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

**Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance
- Consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance and how the Academy complies with the framework of authorities.
- Evaluation of the general control environment of the Academy, extending the procedures required for financial statements to include regularity, propriety and compliance
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

**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.

Reporting Accountant  
**Price Bailey LLP**  
**Chartered Accountants**  
Chartered Accountants  
Statutory Auditors

Date: 9 December 2021



**HEDINGHAM SCHOOL AND SIXTH FORM**  
(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 £
<b>Income from:</b>						
Donations and capital grants	3	-	3,714	338,213	341,927	277,335
Other trading activities	5	72,137	1,765	-	73,902	67,396
Investments	6	88	-	-	88	340
Charitable activities	4	50,516	6,541,815	-	6,592,331	5,965,200
<b>Total income</b>		<u>122,741</u>	<u>6,547,294</u>	<u>338,213</u>	<u>7,008,248</u>	<u>6,310,271</u>
<b>Expenditure on:</b>						
Charitable activities	7	62,942	6,741,003	455,436	7,259,381	6,767,488
<b>Total expenditure</b>		<u>62,942</u>	<u>6,741,003</u>	<u>455,436</u>	<u>7,259,381</u>	<u>6,767,488</u>
<b>Net movement in funds before other recognised gains/(losses)</b>		59,799	(193,709)	(117,223)	(251,133)	(457,217)
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	23	-	(33,000)	-	(33,000)	(252,000)
<b>Net movement in funds</b>		<u>59,799</u>	<u>(226,709)</u>	<u>(117,223)</u>	<u>(284,133)</u>	<u>(709,217)</u>
<b>Reconciliation of funds:</b>						
Total funds brought forward		139,310	(3,817,005)	11,927,689	8,249,994	8,959,211
Net movement in funds		59,799	(226,709)	(117,223)	(284,133)	(709,217)
<b>Total funds carried forward</b>		<u>199,109</u>	<u>(4,043,714)</u>	<u>11,810,466</u>	<u>7,965,861</u>	<u>8,249,994</u>

The notes on pages 26 to 50 form part of these financial statements.

**HEDINGHAM SCHOOL AND SIXTH FORM**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08330173**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	13	11,685,081	11,927,689
		<u>11,685,081</u>	<u>11,927,689</u>
<b>Current assets</b>			
Debtors	14	242,477	124,564
Cash at bank and in hand		723,364	456,700
		<u>965,841</u>	<u>581,264</u>
Creditors: amounts falling due within one year	15	(385,061)	(306,959)
<b>Net current assets</b>		<u>580,780</u>	<u>274,305</u>
<b>Total assets less current liabilities</b>		<u>12,265,861</u>	<u>12,201,994</u>
Defined benefit pension scheme liability	23	(4,300,000)	(3,952,000)
<b>Total net assets</b>		<u><u>7,965,861</u></u>	<u><u>8,249,994</u></u>
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	16	11,810,466	11,927,689
Restricted income funds	16	256,286	134,995
		<u>12,066,752</u>	<u>12,062,684</u>
Restricted funds excluding pension asset	16	12,066,752	12,062,684
Pension reserve	16	(4,300,000)	(3,952,000)
<b>Total restricted funds</b>	16	<u>7,766,752</u>	<u>8,110,684</u>
<b>Unrestricted income funds</b>	16	<u>199,109</u>	<u>139,310</u>
<b>Total funds</b>		<u><u>7,965,861</u></u>	<u><u>8,249,994</u></u>

The financial statements on pages 23 to 50 were approved by the Trustees, and authorised for issue on 01 Dec 2021 and are signed on their behalf, by:

*SJFord*

**Mrs S Ford**  
(Signed on behalf of the Trustees on 1 Dec 1, 2021, 10:57am)  
Chair of Trustees

The notes on pages 26 to 50 form part of these financial statements.

**HEDINGHAM SCHOOL AND SIXTH FORM**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	604,789	58,878
<b>Cash flows from investing activities</b>	20	88	340
<b>Cash flows from financing activities</b>	19	(338,213)	-
<b>Change in cash and cash equivalents in the year</b>		266,664	59,218
Cash and cash equivalents at the beginning of the year		456,700	397,482
<b>Cash and cash equivalents at the end of the year</b>	21, 22	<u>723,364</u>	<u>456,700</u>

The notes on pages 26 to 50 form part of these financial statements

**HEDINGHAM SCHOOL AND SIXTH FORM**  
**(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), judgements and key sources of estimation uncertainty, is set out below.

**1.1 Basis of preparation of financial statements**

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

**1.2 Going concern**

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

The Academy derives the majority of its income from local and national government grant funding which is secured for a number of years, under the terms of the Academy Funding Agreement with the Secretary of State for Education. This will ensure that the Academy can continue operating for a period of at least 12 months following the date of this report. The financial statements do not contain any adjustments that would be required if the Academy were not able to continue as a going concern.

**1.3 Company status**

The Academy is a company limited by guarantee. Those Members who are Trustees are noted on page 3. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per Member.

**1.4 Income**

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

**• Grants**

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account 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.

**HEDINGHAM SCHOOL AND SIXTH FORM**  
**(A company limited by guarantee)**

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

**1. Accounting policies (continued)**

**1.4 Income (continued)**

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

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

- **Donations**

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

- **Other income**

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

**1.5 Expenditure**

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

- **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.

**1.6 Interest receivable**

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

**HEDINGHAM SCHOOL AND SIXTH FORM**  
**(A company limited by guarantee)**

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

**1. Accounting policies (continued)**

**1.7 Tangible fixed assets**

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

The estimated useful lives are as follows:

Long-term leasehold property	- 50 - 125 years straight line
Furniture and equipment	- 5 - 20 years straight line
Plant and machinery	- 20 years straight line

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

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

**1.8 Debtors**

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

**1.9 Cash at bank and in hand**

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

**1.10 Liabilities and provisions**

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

**HEDINGHAM SCHOOL AND SIXTH FORM**  
**(A company limited by guarantee)**

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

**1. Accounting policies (continued)**

**1.11 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.12 Pensions**

The Academy operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Academy to the fund in respect of the year.

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

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

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

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

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**FOR THE YEAR ENDED 31 AUGUST 2021**

**1. Accounting policies (continued)**

**1.13 Fund accounting**

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

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

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

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

**2. Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

The Trustees make 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 23, 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.



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**3. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	3,714	-	3,714	253,383
Capital grants	-	338,213	338,213	23,952
<b>Total 2021</b>	<u>3,714</u>	<u>338,213</u>	<u>341,927</u>	<u>277,335</u>
Total 2020	<u>253,383</u>	<u>23,952</u>	<u>277,335</u>	

In 2020, income from donations was £253,383, all of which was restricted.

In 2020, capital grants of £23,952 were all in relation to restricted fixed assets.

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**4. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	5,702,210	5,702,210	5,298,893
Other DfE/ESFA grants				
Teacher Pay Grant	-	78,986	78,986	78,522
Teachers Pension Grant	-	223,196	223,196	221,871
Pupil Premium	-	153,874	153,874	154,123
Other grants	-	83,040	83,040	60,717
	-	-	6,241,306	5,814,126
<b>Other Government grants</b>				
Local authority grants	-	134,323	134,323	111,133
	-	134,323	134,323	111,133
<b>Catering Income</b>	50,516	-	50,516	13,728
<b>COVID-19 additional funding (DfE/ESFA)</b>				
COVID 19 Catch-up Premium	-	16,885	16,885	13,563
Pupil Premium COVID 19 Catch Up	-	77,520	77,520	12,650
COVID 19 Summer School	-	43,581	43,581	-
COVID 19 Mass Testing	-	28,200	28,200	-
	-	166,186	166,186	26,213
<b>Total 2021</b>	<b>50,516</b>	<b>6,541,815</b>	<b>6,592,331</b>	<b>5,965,200</b>
<b>Total 2020</b>	<b>13,728</b>	<b>5,951,472</b>	<b>5,965,200</b>	

In 2020, income from DfE/ESFA grants was £5,840,339 all of which was restricted.

In 2020, income from other Government grants was £111,133 all of which was restricted.

In 2020, income from catering was £13,728 all of which was unrestricted.

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**4. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS (continued)**

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the Academy's funding for teachers' pay, teachers' pensions, COVID 19 catch up, Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

**5. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Hire of facilities	-	1,765	1,765	19,879
Rental income	218	-	218	56
Other income	71,919	-	71,919	47,461
<b>Total 2021</b>	<b>72,137</b>	<b>1,765</b>	<b>73,902</b>	<b>67,396</b>
<b>Total 2020</b>	<b>47,517</b>	<b>19,879</b>	<b>67,396</b>	

In 2020, income from the hire of facilities was £19,879 all of which was restricted.

In 2020, rental income was £56, all of which was unrestricted.

In 2020, other income was £47,461 all of which was unrestricted.

**6. INVESTMENT INCOME**

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank Interest	88	88	340
<b>Total 2020</b>	<b>340</b>	<b>340</b>	

In 2020, all investment income was in relation to unrestricted funds.

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**7. EXPENDITURE**

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Direct costs	4,355,828	2,635	372,394	4,730,857	4,646,922
Support costs	1,383,983	503,722	640,819	2,528,524	2,120,566
<b>Total 2021</b>	<b>5,739,811</b>	<b>506,357</b>	<b>1,013,213</b>	<b>7,259,381</b>	<b>6,767,488</b>
<b>Total 2020</b>	<b>5,180,297</b>	<b>532,626</b>	<b>1,054,565</b>	<b>6,767,488</b>	

In 2020, of total expenditure, £55,963 related to unrestricted funds, £6,435,831 related to restricted funds and £275,694 related to restricted fixed asset funds.

**8. Charitable Activities**

	2021 £	2020 £
Direct costs	4,730,857	4,646,922
Support costs	2,528,524	2,120,566
	<b>7,259,381</b>	<b>6,767,488</b>
	2021 £	2020 £
<b>Analysis of support costs</b>		
Support staff costs	1,383,983	1,246,199
Depreciation	242,608	247,725
Technology costs	23,745	18,888
Premises costs	261,114	284,901
Other support costs	515,861	254,004
Governance costs	14,950	13,040
Legal costs	86,263	55,809
<b>Total</b>	<b>2,528,524</b>	<b>2,120,566</b>

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

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Depreciation of tangible fixed assets	242,608	247,725
Auditors' remuneration - audit	7,000	7,285
Auditors' remuneration - non-audit	4,805	4,595
Operating lease rentals	35,247	43,447
	<u>242,608</u>	<u>247,725</u>

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	4,061,076	3,802,776
Social security costs	398,575	361,826
Pension costs	1,190,356	1,015,527
	<u>5,650,007</u>	<u>5,180,129</u>
Supply teachers costs	38,660	168
Agency Supply Teachers	51,144	-
	<u>5,739,811</u>	<u>5,180,297</u>

**b. Staff numbers**

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

	2021 No.	2020 No.
Teachers	68	64
Administration and Support	79	84
Management	8	7
	<u>155</u>	<u>155</u>

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**10. Staff (continued)**

**c. Higher paid staff**

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	-	2
In the band £100,001 - £110,000	1	-
	<u>1</u>	<u>-</u>

**d. Key management personnel**

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £891,038 (2020: £801,187).

Included in the above are employer pension contributions of £156,780 (2020: £140,288) and employers national insurance contributions of £77,289 (2020: £71,010).

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**11. Trustees' remuneration and expenses**

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

		2021 £	2020 £
Mr J Panayi, Headteacher (Resigned 19 April 2020)	Remuneration		95,000 - 100,000
	Pension contributions paid		20,000 - 25,000
Mr A Harvison, Headteacher	Remuneration	100,000 - 105,000	95,000 - 100,000
	Pension contributions paid	20,000 - 25,000	20,000 - 25,000
Mr S Jarvis	Remuneration	30,000 - 35,000	30,000 - 35,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
Mrs S Ford	Remuneration		0 - 5,000
	Pension contributions paid		0 - 5,000
Mr D Batch	Remuneration	50,000 - 55,000	45,000 - 50,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
Mr A Illingworth	Remuneration	40,000 - 45,000	
	Pension contributions paid	10,000 - 15,000	

During the year ended 31 August 2021, no expenses were reimbursed or paid to any Trustees (2020 - £NIL).

**12. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2021 was included in the total insurance cost.

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**13. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Plant and machinery £	Total £
<b>Cost or valuation</b>				
At 1 September 2020	13,351,346	426,794	266,589	14,044,729
At 31 August 2021	13,351,346	426,794	266,589	14,044,729
<b>Depreciation</b>				
At 1 September 2020	1,620,732	365,020	131,288	2,117,040
Charge for the year	212,261	15,893	14,454	242,608
At 31 August 2021	1,832,993	380,913	145,742	2,359,648
<b>Net book value</b>				
At 31 August 2021	11,518,353	45,881	120,847	11,685,081
At 31 August 2020	11,730,614	61,774	135,301	11,927,689

**14. Debtors**

	2021 £	2020 £
<b>Due within one year</b>		
Trade debtors	1,339	2,828
VAT recoverable	29,065	20,886
Prepayments and accrued income	212,073	100,850
	242,477	124,564



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

	2021 £	2020 £
Trade creditors	132,351	86,454
Other taxation and social security	99,675	83,457
Other creditors	124,425	105,872
Accruals and deferred income	28,610	31,176
	<u>385,061</u>	<u>306,959</u>
	2021 £	2020 £
<b>Deferred income</b>		
Deferred income at 1 September 2020	5,218	96,907
Resources deferred during the year	1,350	5,218
Amounts released from previous periods	(5,218)	(96,907)
	<u>1,350</u>	<u>5,218</u>

Resources deferred at the period end relate to contributions from parents for future educational trips.

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2021 £
<b>Unrestricted funds</b>					
Unrestricted funds	139,310	122,741	(62,942)	-	199,109
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	5,702,210	(5,663,055)	-	39,155
Restricted ATP sink fund	122,842	1,765	(4,865)	-	119,742
Restricted donations	-	3,714	(3,714)	-	-
Other DfE/ESFA grants	12,153	705,282	(620,046)	-	97,389
Other Government Grants	-	29,228	(29,228)	-	-
SEND Funding via Local Authority	-	105,095	(105,095)	-	-
Pension reserve	(3,952,000)	-	(315,000)	(33,000)	(4,300,000)
	<u>(3,817,005)</u>	<u>6,547,294</u>	<u>(6,741,003)</u>	<u>(33,000)</u>	<u>(4,043,714)</u>
<b>Restricted fixed asset funds</b>					
Restricted fixed asset fund	11,927,689	-	(242,608)	-	11,685,081
Devolved Formula Capital	-	24,250	(24,250)	-	-
Condition Improvement Funding	-	303,713	(178,328)	-	125,385
Other ESFA Capital grants	-	10,250	(10,250)	-	-
	<u>11,927,689</u>	<u>338,213</u>	<u>(455,436)</u>	<u>-</u>	<u>11,810,466</u>
<b>Total Restricted funds</b>	<u>8,110,684</u>	<u>6,885,507</u>	<u>(7,196,439)</u>	<u>(33,000)</u>	<u>7,766,752</u>
<b>Total funds</b>	<u><u>8,249,994</u></u>	<u><u>7,008,248</u></u>	<u><u>(7,259,381)</u></u>	<u><u>(33,000)</u></u>	<u><u>7,965,861</u></u>

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

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

**Unrestricted funds**

This represents income received which may be used towards meeting any of the charitable objects of the Academy.

**Restricted donations**

This fund largely represents contributions made by parents to the running of educational visits for the pupils of the School and the associated costs of running the trips.

**Other Government grants**

This represents various grants from local and national Government bodies for the provision of specific services to pupils of the School. These grants are generally restrictive in nature.

**Other DfE/ESFA grants**

This represents funding to be used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

**Restricted ATP sink fund**

This represents the value of a sinking fund that the Academy has an obligation to build up under the agreement for funding in preparation for replacing the all weather pitch.

**Pension reserve**

This fund represents the Academy's share of the deficit on the Local Government Pension Scheme (LGPS) transferred on conversion from a state controlled school.

**Restricted fixed asset fund**

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

**Devolved Formula Capital grant**

This represents funding received from the ESFA specifically for the maintenance and improvement of the Academy's buildings and facilities.

**Conditional Improvement funding**

This represents funding for specific projects applied for under the ESFA Condition Improvement Fund.

**General Annual Grant (GAG)**

This represents funding from the ESFA to cover the costs of recurrent expenditure.

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

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

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 £
<b>Unrestricted funds</b>					
Unrestricted funds	133,688	61,585	(55,963)	-	139,310
<b>Restricted funds</b>					
General Annual Grant (GAG)	-	5,298,893	(5,298,893)	-	-
Other Government grants	1,000	111,133	(112,133)	-	-
Restricted ATP sink fund	109,150	19,879	(6,187)	-	122,842
Restricted donations	1,682	253,383	(255,065)	-	-
Other DfE/ESFA grants	6,260	527,883	(521,990)	-	12,153
Exceptional Government funding	-	13,563	(13,563)	-	-
Pension reserve	(3,472,000)	-	(228,000)	(252,000)	(3,952,000)
	<u>(3,353,908)</u>	<u>6,224,734</u>	<u>(6,435,831)</u>	<u>(252,000)</u>	<u>(3,817,005)</u>
<b>Restricted fixed asset funds</b>					
Restricted fixed asset fund	12,175,414	-	(247,725)	-	11,927,689
Devolved Formula Capital	4,017	23,952	(27,969)	-	-
	<u>12,179,431</u>	<u>23,952</u>	<u>(275,694)</u>	<u>-</u>	<u>11,927,689</u>
<b>Total Restricted funds</b>	<u>8,825,523</u>	<u>6,248,686</u>	<u>(6,711,525)</u>	<u>(252,000)</u>	<u>8,110,684</u>
<b>Total funds</b>	<u><u>8,959,211</u></u>	<u><u>6,310,271</u></u>	<u><u>(6,767,488)</u></u>	<u><u>(252,000)</u></u>	<u><u>8,249,994</u></u>

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

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

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	11,685,081	11,685,081
Current assets	199,109	633,003	133,729	965,841
Creditors due within one year	-	(376,717)	(8,344)	(385,061)
Provisions for liabilities and charges	-	(4,300,000)	-	(4,300,000)
<b>Total</b>	<b>199,109</b>	<b>(4,043,714)</b>	<b>11,810,466</b>	<b>7,965,861</b>

**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	-	-	11,927,689	11,927,689
Current assets	139,310	441,954	-	581,264
Creditors due within one year	-	(306,959)	-	(306,959)
Provisions for liabilities and charges	-	(3,952,000)	-	(3,952,000)
<b>Total</b>	<b>139,310</b>	<b>(3,817,005)</b>	<b>11,927,689</b>	<b>8,249,994</b>

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

	2021 £	2020 £
Net expenditure for the year (as per statement of financial activities)	(251,133)	(457,217)
<b>Adjustments for:</b>		
Depreciation charges	242,608	247,725
Capital grants from DfE and other capital income	338,213	-
Interest	(88)	(340)
Decrease/(increase) in debtors	(117,913)	48,217
Increase/(decrease) in creditors	78,102	(7,507)
Pension adjustments	315,000	228,000
<b>Net cash provided by operating activities</b>	<b>604,789</b>	<b>58,878</b>

**19. Cash flows from financing activities**

	2021 £	2020 £
Capital grants received from DfE	(338,213)	-
<b>Net cash (used in)/provided by financing activities</b>	<b>(338,213)</b>	<b>-</b>

**20. Cash flows from investing activities**

	2021 £	2020 £
Interest received	88	340
<b>Net cash provided by investing activities</b>	<b>88</b>	<b>340</b>

**21. Analysis of cash and cash equivalents**

	2021 £	2020 £
Cash in hand and at bank	723,364	456,700
<b>Total cash and cash equivalents</b>	<b>723,364</b>	<b>456,700</b>

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

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	456,700	266,664	723,364
	<u>456,700</u>	<u>266,664</u>	<u>723,364</u>

**23. 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 Essex County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £110,263 were payable to the schemes at 31 August 2021 (2020 - £93,210) and are included within creditors.

**Introduction**

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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**23. 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; and
- 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 £679,586 (2020 - £624,217).

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 £316,000 (2020 - £277,000), of which employer's contributions totalled £255,000 (2020 - £222,000) and employees' contributions totalled £ 61,000 (2020 - £55,000). The agreed contribution rates for future years are 25 per cent for employers and 5.5 per cent for employees.

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

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



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**23. Pension commitments (continued)**

**Principal actuarial assumptions**

	2021 %	2020 %
Rate of increase in salaries	3.9	3.3
Rate of increase for pensions in payment/inflation	2.9	2.3
Discount rate for scheme liabilities	1.65	1.6
Inflation assumption (CPI)	2.9	2.3
Inflation assumption (RPI)	3.2	3.1

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	21.6	21.8
Females	23.6	23.8
Retiring in 20 years		
Males	22.9	23.2
Females	25.1	25.2

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**23. Pension commitments (continued)**

As at 31 August 2021 the Academy had a pension liability of £4,300,000 (2020 - £3,950,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way;

**Sensitivity analysis**

	2021 £	2020 £
Discount rate +0.1%	(190,000)	160,000
Discount rate -0.1%	194,000	164,000
Mortality assumption - 1 year increase	348,000	273,000
Mortality assumption - 1 year decrease	(334,000)	(263,000)
CPI rate +0.1%	170,000	143,000
CPI rate -0.1%	(166,000)	(140,000)
	<u>                    </u>	<u>                    </u>

**Share of scheme assets**

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

	2021 £	2020 £
Equities	2,670,000	1,980,000
Gilts	105,000	136,000
Corporate bonds	194,000	179,000
Property	291,000	248,000
Cash and other liquid assets	116,000	87,000
Alternative assets	463,000	371,000
Other managed funds	332,000	194,000
<b>Total market value of assets</b>	<u>4,171,000</u>	<u>3,195,000</u>

The actual return on scheme assets was £760,000 (2020 - £71,000).

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

	2021 £	2020 £
Current service cost	507,000	(386,000)
Interest income	53,000	49,000
Interest cost	(114,000)	(111,000)
Administrative expenses	(2,000)	(2,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<u>444,000</u>	<u>(450,000)</u>

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**23. Pension commitments (continued)**

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

	2021 £	2020 £
<b>At 1 September</b>	7,147,000	6,040,000
Interest cost	114,000	111,000
Employee contributions	61,000	55,000
Actuarial losses	740,000	637,000
Benefits paid	(98,000)	(82,000)
Current service cost	507,000	386,000
<b>At 31 August</b>	<u>8,471,000</u>	<u>7,147,000</u>

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

	2021 £	2020 £
<b>At 1 September</b>	3,195,000	2,568,000
Interest income	53,000	49,000
Actuarial gains	707,000	385,000
Employer contributions	255,000	222,000
Employee contributions	61,000	55,000
Benefits paid	(98,000)	(82,000)
Administrative expenditure	(2,000)	(2,000)
<b>At 31 August</b>	<u>4,171,000</u>	<u>3,195,000</u>

**24. 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 £
Within 1 year	39,074	33,854
Between 1 and 5 years	49,306	40,055
	<u>88,380</u>	<u>73,909</u>

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**25. 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.

**26. Related party transactions**

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

There were no related party transactions entered into during the year.

**27. Agency arrangements**

The Academy holds funds as an agent for the Colne Valley Consortium. In the accounting period ending 31 August 2021, the Academy received £3,000 (2020: £17,227) and disbursed £1,500 (2020: £4,565) from the fund. An amount of £14,162 (2020: £12,662) is included in other creditors relating to undistributed funds repayable to the Colne Valley Consortium.