



South Charnwood High School
'Encouraging excellence, valuing people'



(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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SOUTH CHARNWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

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SOUTH CHARNWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2020

Members

Andrew Morris
Rev. Geoffrey Suart
Rachael Underwood
David Critchley
Alan May

Trustees

Andrew Morris, Headteacher and Accounting Officer
Rachael Underwood, Chair of Governors
David Sprason, Community Governor
Julie Shellard, Community Governor
Annalea Quare-Wighton, Staff Governor
Lara Coney, Staff Governor
Kate Everest, Parent Governor
Jill Massingham, Community Governor (Resigned 26 October 2020)
Steven Goddard, Community Governor (Resigned 18 September 2019)
Atish Vadher, Community Governor (Appointed 6 January 2020)
David Critchley, Community Governor, Vice-Chair of Governors
Alan May, Community Governor
Rev. Geoffrey Suart, Community Governor

Company Secretary

Angela Preston

Senior Management Team

Andrew Morris (Headteacher)
Simon Andrews (Deputy Headteacher)
Abigail Lear (Deputy Headteacher)
Kathryn Juskiewicz (Assistant Headteacher)
Angela Preston (Business Manager)

Company Name

South Charnwood High School

Principal and Registered Office

Broad Lane, Markfield, Leicestershire LE67 9TB

Company Registered Number

08423539 (England & Wales)

Independent Auditor

MHA MacIntyre Hudson, 11 Merus Court, Meridian Business Park, Leicester, LE19 1RJ

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

Bankers

Lloyds Bank PLC, Belvoir Road, Coalville, Leicestershire, LE67 3QH

Solicitors

Browne Jacobson LLP, Victoria Square House, Victoria Square, Birmingham, B2 4BU

SOUTH CHARNWOOD HIGH SCHOOL

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

The Trustees present their Annual Report together with the financial statements and Auditor's Report of the charitable company for the year 1 September 2019 to 31 August 2020. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Academy Trust operates an Academy for pupils aged 11 to 16 serving a catchment area in Markfield, Thornton, Stanton under Bardon, Leicester Forest East and Bagworth. It has a pupil capacity of 870 and had a roll of 877 in the Population Analysis of 28 August 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

Details of the Trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

The Board of Governors of South Charnwood High School is constituted as laid down in its Articles of Association and is made up of not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum, allowing the school to adjust the membership to reflect the needs of the school as it evolves. All Governors serve for a term of four years, other than the Headteacher. When their term of office comes to an end they are required to be re-elected / re-appointed if the Governor wishes to stand for a further term.

Community Governors

The school endeavors to follow a 'skills based' approach in order to appoint Community Governors and will advertise the position specifying the particular skills required by the Governing Body. Community Governors are appointed by the Parent Governors on the Governing Body. Following an initial expression of interest, potential candidates will be invited to present themselves to the Headteacher, Chair of Governors and even other members of the Governing Body and explain the particular qualities and skills they would bring to the Governing Body. A decision is then made by the Parent Governors of the Governing Body as to whether the candidate is suitable.

Parent Governors

Parent Governors are elected by the Parents/Carers of pupils attending the school. Established procedures are always followed. The role is advertised to parents/carers of the school with a time limit for applications. A single candidate is automatically approved, but if more than one parent/carer applies then a ballot is held following all correct guidelines and procedures.

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

Policies and Procedures Adopted for the Induction and Training of Trustees

As soon as possible after a new Governor's appointment has been ratified by the Full Governing Body, the Clerk to the Governors will send out a Governors' induction pack. The Clerk will then arrange for the new Governor to visit the school, meet with the Headteacher and have a tour of the school. The new Governor will also complete all necessary paperwork. The Clerk will also contact the Link Governor who will draw up a training plan program depending on the skills and requirements of the new Governor. The school subscribes to the Governors Development Service based at Leicestershire County Council. Governors' induction training, alongside a menu of extensive specialised training, is available through this service. The Link Governor will inform the Board of Governors at all full meetings about the courses / training available.

Organisational Structure

The Board of Governors' determines the overall direction of the school. The day-to-day running of the school is delegated to the Headteacher and Senior Leadership Team. The Headteacher undertakes the key leadership role in consultation with Governors and Staff, and in line with the agreed policies. The Board of Governors meet at least five times per year and additional strategy meetings may be convened when new strategic plans are at a draft stage. The Board of Governors is supported by sub-committees covering Finance, Audit and Risk, Quality of Education, Staffing and Infrastructure and Personal Development, Behaviour and Welfare. Each sub-committee has terms of reference. The Headteacher is also the Accounting Officer. The Headteacher oversees the recruitment of all staff and is an ex-officio Governor.

Arrangements for setting pay and remuneration of key management personnel

The pay for members of the Senior Leadership Team who are on the Teachers pay scale is dictated by the calculation for the school group in which South Charnwood High School is currently located. The Governing Body then sets the Individual School Range (ISR) within the school group for each role, ensuring that the required gaps are present between the various roles within a school group. The pay scale for the School Business Manager is in line with the Hays job evaluation pay scale. The Headteacher is working through his payscale. One of the Deputy Headteachers and Business Manager are at the top of their pay group. A Deputy Headteacher who started Autumn term 2017 is working through the job ISR. The Assistant Headteacher is currently moving up an increment at a time through her ISR. All cost of living rises are in line with the agreed national body pay rates, which have been approved by the Unions. The Staff Governor rates of pay are identified by using the School Teachers' Pay and Conditions and are in line with the school pay policy. It is the responsibility of the Governing Body to establish a Pay Committee, of no fewer than 3 members, in order to monitor pay decisions. The Pay Committee will take responsibility, in consultation with the Headteacher, for making decisions concerning performance related pay awards for all eligible staff. The Headteacher will make recommendations to the Pay Committee regarding Performance Related Pay and staff pay progression and the Pay Committee will make a final decision taking into account the Headteacher's recommendations. No Staff Governors are on the Governors' Pay committee.

Trade union facility time

One employee was a relevant union official during the year 1 September 2019 to 31 August 2020. No time has been spent on facility time and therefore there were no cost implications to the Trust.

Related Parties and other Connected Charities and Organisations

South Charnwood High School is an Academy in its own legal identity with no connected charities or organisations.

SOUTH CHARNWOOD HIGH SCHOOL

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

South Charnwood High School's objective is to advance education for the public benefit by establishing, maintaining, managing and developing a school offering a broad and balanced curriculum. Also, the school promotes the provision of facilities for recreation or other leisure time occupations for individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances.

South Charnwood is an 11-16 co-educational comprehensive high school. The school currently has 877 pupils who come from diverse cultures and backgrounds. The Governors want the school to continue to provide an outstanding secondary education for all pupils. The school works as an optimistic, affirmative learning community, seeking continuous improvement. We particularly value high academic achievement and pupils' success in terms of personal growth and confidence. We aim to foster aspiration and give all pupils lifelong resources to achieve their full potential and will work with all pupils to:

- achieve high standards in all areas of the curriculum;
- develop them as self-reliant lifelong learners;
- make effective use of current technology;
- foster powers of imagination and creativity, of questioning and reasoning;
- teach good citizenship, encouraging responsible and compassionate attitudes towards all members of the community;
- teach awareness of enduring moral and spiritual values;
- teach appreciation of the strengths of multi-cultural diversity; and
- provide opportunities for pupils to exercise responsibility.

Objectives, Strategies and Activities

The Strategic Plan 2019-2022 sets out the following objectives and strategies amongst many others:

- To ensure all elements of safeguarding are highly effective and an example of outstanding practice by appointing a Safeguarding and Vulnerable Pupils (including PP and LAC pupils) Manager (SVPM);
- To ensure impact of all interventions for Pupil premium pupils and pupils involved in LPUs and NPUs (catch up) is evaluated and interventions reassessed in light of findings(to enable leaders, including governors, to prioritise spending) by ensuring the SVPM role includes monitoring and mentoring of identified pupils and a rigorous evaluation of interventions;
- To increase capacity within the pastoral staffing structure to ensure all pupils, especially those considered to be vulnerable, are further supported to fulfil their potential and to ensure appropriate data is routinely analysed to support this target by appointing a Behaviour, Inclusion and Attendance Manager to further support HoYs, Senco, Pastoral Assistant, Attendance Officer and Assistant Headteacher;
- To improve further the clerical support staff structure to recognise the greater demands of a larger school and increase SLT capacity by appointing a Data and Exams Assistant and an SLT Admin and Finance Officer;
- To review and develop the KS3 curriculum in all subjects to ensure breadth and depth, Seamless progression into KS4 and the maintenance of outstanding outcomes at KS4 by reviewing & evaluating the current KS3 curriculum and by developing clear KS3 assessment portfolios in each subject linked to KS3 assessment criteria;
- To reduce gaps in progress and attainment for identified groups by using data to identify specific underperforming groups (eg Middle ability disadvantaged boys); and
- To implement a systematic whole school approach to the monitoring, evaluation and improvement of Teaching and Learning by implementing a new T&L Monitoring and Evaluation cycle incorporating learning walks, pupil voice and book looks fully.

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

Public Benefit

South Charnwood High School is a charitable trust which seeks to benefit the school users through the pursuit of its stated aims above. The Governors 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 school continues to perform outstandingly well. It achieved excellent GCSE results in 2019, putting it in the top 4% of the country for Progress 8. The academic year 2019-2020 was interrupted by the Coronavirus pandemic which shut the school from the 23rd March. Results for year 11 pupils were based on Centre Assessed Grades (CAGs) or the government algorithm (whichever was highest). The school was very pleased with the outstanding results achieved by its pupils. In the limited time between September and March 23rd, the school satisfied many of the objectives set out in the Annual Plan which involved ensuring all elements of safeguarding are highly effective and an example of outstanding practice and introducing a systematic whole school approach to the monitoring, evaluation and improvement of Teaching and Learning.

Key Performance Indicators

The school is rated as Good by Ofsted. GCSE results in 2019 were outstanding in English, Maths and Science and were well above national averages. Progress 8 was outstanding. Attendance 2018 – 2019 was very high at 95%. The Parental Questionnaire showed a very high level of parental satisfaction with the school. The academic year 2019-2020 was interrupted by the Coronavirus pandemic which shut the school from the 23rd March 2020.

Going Concern

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

Good management of finances, resources and staffing throughout the partial closure due to COVID-19 has had minimal impact on the 2019/20 budget.

FINANCIAL REVIEW

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The expenditure ensures the Academy meets its key objectives, with expenditure also linked to the three year Strategic Plan.

There is a material pension liability for the Academy Trust arising from obligations to a defined benefit pension scheme.

The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's Finance policy.

At 31 August 2020 the net book value of fixed assets was £9,749,000. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The in-year deficit figure is £55,000 which is the change in balance of restricted general funds (excluding pension reserve) plus the change in unrestricted funds.

The school has committed 22% of the total financial commitments towards the 3G pitch project. The school completed the construction and refurbishment of the Maths/Science extension at a cost of £310,701. The school

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

also completed the much needed resurfacing of the car park at a cost of £80,280 with a contribution of £63,000 still to be paid by the Football Association. Construction commenced on a new toilet block costing £98,770.

The actual position of reserves (restricted general funds, excluding pension reserves, plus unrestricted funds) as at 31 August 2020 is £176,000.

Key financial policies adopted or reviewed during the year were:

- Academy Discretionary Pension Policy
- Data Protection Policy
- Finance Policy
- Records Management Policy
- Whistleblowing Policy
- Charging and Remissions Policy
- Conflicts of Interest Policy
- Risk Management Policy

The Academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the academy aims to invest surplus cash funds to optimise returns, but ensuring the investments are such that there is no risk to the loss of these cash funds. The amount of the surplus is identified on the cash flow spreadsheets.

Reserves Policy

The Governors' Finance, Audit and Risk Committee review all reserve levels at all of their meetings. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trustees ask for 1% of the General Annual Grant to be kept as an accessible contingency in the event of a major premises breakdown e.g. Boiler, sewerage works, roof, etc.

At 31 August 2020 the total funds comprised:

Unrestricted		£176,000
Restricted:	Fixed asset funds	£9,749,000
	Pension reserve	(£1,306,000)
		<hr/>
		£8,619,000
		<hr/>

Investment Policy

The Academy has an investment policy. It aims to invest surplus cash funds to optimise returns, but ensuring the investments are such that there is no risk to the loss of these cash funds. The amount of the surplus is identified on the cash flow spreadsheets. The Academy keeps a running cash flow spreadsheet. Where possible, if the Academy invests money, this would be up to the FSCS protection limit of £85,000 per authorised bank / building society.

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

Principal Risks and Uncertainties

A thorough Risk Management Assessment has been conducted and has been assessed and approved via the Finance and Audit Committee along with the Statement of Internal Control. The assessment involved identifying the types of risk the school faces, prioritising them into operational and financial impacts, accessing the likelihood of the occurrence and the impact that the occurrence will have on the school and putting in place controls to mitigate such risks. Whilst reviewed via the Finance and Audit Committee on an annual basis, the Risk Register is a live document which is reviewed regularly with Governors and Management.

The principal risks for the school during the future are:

- A reduction in the pupil numbers on roll – the school closely monitors applications for places in each year group and models the financial implications of any trends; and
- Funding formula changes – The Headteacher, Business Manager and Governors Finance and Audit Committee monitor and analyse any national or local changes and adjust the management of the school accordingly.

The school and the Governors are aware of the significant Local Government Pension Scheme pension fund deficit of £1,224,000 as at 31 August 2020. This does not mean that this is an immediate liability as employer contributions have been set at a level which responds to the deficit level and is reviewed three yearly to ensure that this continues to be the case. The school has also mitigated its risk in relation to this pension scheme by taking out insurance against early retirement on the grounds of ill health.

FUNDRAISING

The school usually undertakes an annual charity sponsored walk and one non-uniform day per term for nominated charities. Unfortunately due to inclement weather and COVID-19 the sponsored walk has not taken place in the year 2019-20.

The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

PLANS FOR FUTURE PERIODS

The Academy will continue its primary objective to foster aspiration and give all pupils lifelong resources to achieve their full potential. The Trust's strategic plan details how its objectives will be achieved over a period of time.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The school does not hold any such funds on behalf of any other organisations.

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

AUDITOR


Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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 Finance, Audit and Risk committee agreed at its meeting of the 18 November 2019 to continue using the services of McIntyre Hudson as its external auditors.

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company

directors, on 11 January 2021 and signed on the board's behalf by:


.....

R Underwood
Chair of Trustees

Date: 11/01/ 2021

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GOVERNANCE STATEMENT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

SCOPE OF RESPONSIBILITY

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Andrew Morris, 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 South Charnwood High School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met six times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
Rachael Underwood, Parent Governor/Chair of Governors	6	6
David Sprason, Community Governor	6	6
Julie Shellard, Community Governor	3	6
Annalea Quare-Wighton, Staff Governor	6	6
Lara Coney, Staff Governor	6	6
Kate Everest, Parent Governor	6	6
Jill Massingham, Community Governor	5	6
Steven Goddard, Community Governor (resigned 18 September 2019)	0	1
Atish Vadher, Community Governor (appointed 6 January 2020)	2	3
Andrew Morris, Headteacher and Accounting Officer	6	6
Geoff Suart, Community Governor	6	6
David Critchley, Community Governor/Vice Chair	5	6
Alan May, Community Governor	5	6

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GOVERNANCE STATEMENT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

The Governing body has reduced in number slightly from the previous year. Governor community vacancies at the school were advertised on 2 occasions and particular skills were requested. Each time the applicants were invited to school for a discussion with the Headteacher and Chair of Governors/ Vice Chair of Governors. One new community governor was invited to join.

Governors were particularly proactive last year in ensuring their contribution to the strategic direction of the school, especially as regards spending on infrastructure. All sub committees continued until such time as the pandemic prevented meetings Even then some meetings were held virtually.

The Governing Body is supportive and challenges and questions senior leaders to check their own understanding and to ensure they are fully aware of developments. The obvious challenge for the governing body this year was the partial closure of the school due to Covid-19. Full Governing Body meetings and Finance, Audit and Risk meetings continued virtually.

Governors were kept fully informed of the attainment and progress data from the exams in 2019 and the Centre Assessed Grades awarded in summer 2020. Financial data is presented at each meeting of the Finance, Audit and Risk sub-committee and is accessible to, and welcomed by, members of this committee

The Finance, Audit and Risk committee is a sub-committee of the main Board of Trustees. Its purpose is to have a strategic role in the financial management in schools. Its key responsibilities include:

- Setting financial priorities through the School Improvement Plan, Three-year financial plan, Annual Budget;
- Deciding on how the school's budget should be spent in accordance with the School Improvement Plan and the statutory curriculum requirements laid down by government;
- Approving the annual budget and monitoring expenditure;
- Ensuring the school budget is managed effectively;
- Ensuring the school meets all its statutory obligations and that there is compliance with financial Regulations;
- Determining virement and expenditure thresholds through the schools finance policy; and
- Evaluating the effectiveness of spending decision.

In 2019-20 the committee spent much time discussion improvements to the school's infrastructure and buildings and ensuring best value.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Rachael Underwood	5	6
Alan May	5	6
David Critchley	6	6
Andrew Morris	6	6
Angela Preston (Company Secretary)	6	6

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GOVERNANCE STATEMENT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

REVIEW OF VALUE FOR MONEY

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

The Academy ensures value for money on all building projects by gaining three quotes for each major building projects, assessing the quote in depth prior to awarding the work.

The Academy was successful in gaining a Salix grant for green energy which will enable the school to repay the grant and make additional and ongoing savings.

The Academy encourages the use of on-line resources, this was particularly the case during lockdown, hence saving large sums in printing costs.

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 South Charnwood High School for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year from 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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GOVERNANCE STATEMENT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

THE RISK AND CONTROL FRAMEWORK

The Academy 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 Board of Trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint the Audit department at Leicestershire County Council as internal auditor.

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

- testing of payroll systems;
- testing of purchase systems;
- testing of petty cash transactions;
- testing of charge card transactions; and
- testing of control account/ bank reconciliations.

Reports are given to the Board of Governors, through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually 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.

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

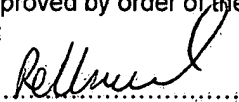
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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020**

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the finance and audit committee and a plan to address weaknesses if relevant and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 11/01/2021 and signed on its behalf by:


.....
R Underwood
Chair of Trustees


.....
A Morris
Accounting Officer

SOUTH CHARNWOOD HIGH SCHOOL

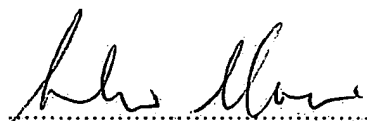
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2020**

As Accounting Officer of South Charnwood High School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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



A Morris

Accounting officer

11/01/2021

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- 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; and
- 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 DfE/ESFA have been applied for the purposes intended.

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

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



R Underwood
Chair of Trustees

Date: 11/01/2021

SOUTH CHARNWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH CHARNWOOD HIGH SCHOOL

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

SOUTH CHARNWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and the Directors' 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.

SOUTH CHARNWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the Trustees (who are also the Directors of the Academy Trust 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Academy Trust'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 Trust'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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

MHA MacIntyre Hudson

Helen Blundell LLB FCA FCIE DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Date: 18 January 2021

SOUTH CHARNWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 24 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by South Charnwood High School during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of South Charnwood High School's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of South Charnwood High School's funding agreement with the Secretary of State for Education dated 1 April 2013 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

SOUTH CHARNWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

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

The work undertaken to draw our conclusions includes:

- a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors of the Academy Trust;
- testing of a sample of grants received and other income streams;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of payroll payments to staff;
- evaluating the internal control procedures and reporting lines, testing as appropriate;
- reviewing the Minutes of the meetings of the Board of Trustees and other evidence made available to us, relevant to our consideration of regularity; and
- considerations of governance issues.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Date: 18 January 2021

SOUTH CHARNWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

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

		Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
	Note					
Income from:						
Donations and capital grants	3	-	-	6	6	841
Funding for the Academy Trust's educational operations	4	-	4,584	18	4,602	4,166
Other trading activities	5	25	-	-	25	18
Total income		25	4,584	24	4,633	5,025
Expenditure on:						
Raising funds	6	7	-	-	7	-
Academy Trust educational operations	7	-	4,582	231	4,813	4,272
Total expenditure	8	7	4,582	231	4,820	4,272
Net income/ (expenditure)		18	2	(207)	(187)	753
Transfers between funds	18	(32)	(219)	251	-	-
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	94	-	94	(342)
Net movement in funds		(14)	(123)	44	(93)	411
Reconciliation of funds:	18					
Total funds brought forward		190	(1,183)	9,705	8,712	8,301
Net movement in funds		(14)	(123)	44	(93)	411
Total funds carried forward		176	(1,306)	9,749	8,619	8,712

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

The notes on pages 26 to 55 form part of these financial statements.

SOUTH CHARNWOOD HIGH SCHOOL

(A Company Limited by Guarantee)
REGISTERED NUMBER: 08423539

**BALANCE SHEET
AS AT 31 AUGUST 2020**

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	14	9,749	9,336
		<u>9,749</u>	<u>9,336</u>
Current assets			
Stocks	15	2	2
Debtors	16	199	201
Cash at bank and in hand	23	277	628
		<u>478</u>	<u>831</u>
Liabilities			
Creditors: amounts falling due within one year	17	(302)	(231)
		<u>176</u>	<u>600</u>
Net current assets			
		<u>9,925</u>	<u>9,936</u>
Net assets excluding pension liability			
Defined benefit pension scheme liability	26	(1,306)	(1,224)
		<u>8,619</u>	<u>8,712</u>
Total net assets			
		<u>8,619</u>	<u>8,712</u>
Funds of the Academy			
Restricted funds:			
Restricted fixed asset funds	18	9,749	9,705
Restricted income funds	18	-	41
		<u>9,749</u>	<u>9,746</u>
Restricted funds excluding pension asset	18	9,749	9,746
Pension reserve	18	(1,306)	(1,224)
		<u>8,443</u>	<u>8,522</u>
Total restricted funds	18		
Unrestricted income funds	18	176	190
		<u>8,619</u>	<u>8,712</u>
Total funds			
		<u>8,619</u>	<u>8,712</u>

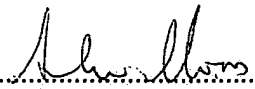
SOUTH CHARNWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 22 to 55 were approved and authorised for issue by the Trustees and are signed on their behalf by:


.....
R Underwood
Chair of Trustees


.....
A Morris
Accounting Officer

Date: 11/01/2021

The notes on pages 26 to 55 form part of these financial statements.

SOUTH CHARNWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

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

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	289	204
Cash flows from investing activities	22	(620)	238
Cash flows from financing activities	21	(20)	(20)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(351)	422
Cash and cash equivalents at the beginning of the year		628	206
Cash and cash equivalents at the end of the year	23	277	628
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 26 to 55 form part of these financial statements.

SOUTH CHARNWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

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

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 Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

South Charnwood High School constitutes a public benefit entity as defined by FRS 102.

South Charnwood High School is a company limited by guarantee, incorporated in England and Wales. The address of the registered office, principal place of operation and registered number are detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees' Report.

The Financial Statements are prepared in British Pound Sterling (£), the functional and presentational currency, rounded to the nearest £1,000.

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 Trust 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

This consideration has taken into account the expected impact of Covid-19 on the Academy Trust, as far as it can be determined, and the Trustees remain satisfied that the going concern principle remains appropriate.

SOUTH CHARNWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the Period in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other income**

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

1.4 Expenditure

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

- **Expenditure on raising funds**

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

SOUTH CHARNWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure (continued)

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

Assets costing £1,000 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.

Depreciation is provided on all tangible fixed assets, other than assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Long leasehold land	- 125 years over life of lease
Long leasehold property	- 2% Straight-line per annum
Furniture and equipment	- 15% Straight-line per annum
Computer equipment	- 20% Straight-line per annum

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

SOUTH CHARNWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.7 Taxation

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

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

1.8 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

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

1.11 Provisions

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

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

1.12 Pensions

Retirement benefits to employees of the Academy Trust 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 Trust 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. As stated in note 26, TPS is an unfunded multi-employer scheme with no

SOUTH CHARNWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.12 Pensions (continued)

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 Trust 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 net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.14 Fund accounting

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

SOUTH CHARNWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

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

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. See note 14 for the carrying amount of the tangible fixed assets, and note 1.5 for the useful economic lives for each class of assets.

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 26, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The judgements that have had a significant effect on the amounts recognised in the financial statements are those concerning the choice of depreciation policies and asset lives.

3. Donations and capital grants

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Other capital grants	-	-	6	6
Total 2020	-	-	6	6

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

3. Donations and capital grants (continued)

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Donations	1	-	-	1
Government capital grants	-	-	251	251
Other capital grants	-	-	573	573
CIF Funding	-	16	-	16
Total 2019	1	16	824	841

4. Funding for the Academy Trust's educational operations

	Restricted funds 2020 £000	Total funds 2020 £000
DfE/ESFA grants		
General Annual Grant (GAG)	4,047	4,047
Pupil Premium	121	121
Devolved Formula Capital	18	18
Other DfE/ESFA grants	256	256
	4,442	4,442
Other Government grants		
Local Authority grants	95	95
	95	95
Other funding		
Other income including parental contributions	44	44
	44	44
Exceptional government funding		
Coronavirus exceptional support	21	21
	21	21
Total 2020	4,602	4,602

SOUTH CHARNWOOD HIGH SCHOOL**(A Company Limited by Guarantee)**

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

4. Funding for the Academy Trust's educational operations (continued)

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The funding received for coronavirus exceptional support covers £21,386 of additional premises cost, providing free school meals and transport costs. These costs are included in notes 7 and 8 below as appropriate.

	Restricted funds 2019 £000	Total funds 2019 £000
DfE/ESFA grants		
General Annual Grant (GAG)	3,653	3,653
Pupil Premium	124	124
Devolved Formula Capital	56	56
Other DfE/ESFA grants	65	65
	<hr/> 3,898	<hr/> 3,898
Other Government grants		
Local Authority grants	80	80
	<hr/> 80	<hr/> 80
Other funding		
Other income including parental contributions	188	188
	<hr/> 188	<hr/> 188
Total 2019	<hr/> <hr/> 4,166	<hr/> <hr/> 4,166

There are no unfulfilled conditions or other contingencies attached to the Government grants above.

5. Other trading activities

	Unrestricted funds 2020 £000	Total funds 2020 £000
Hire of facilities	20	20
Other income	5	5
	<hr/> 25	<hr/> 25
Total 2020	<hr/> <hr/> 25	<hr/> <hr/> 25

SOUTH CHARNWOOD HIGH SCHOOL

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

5. Other trading activities (continued)

	Unrestricted funds 2019 £000	Total funds 2019 £000
Hire of facilities	9	9
Other income	9	9
Total 2019	<u>18</u>	<u>18</u>

6. Expenditure on raising funds

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Uniform purchases	1	1	-
3G pitch salary costs	6	6	-
Total 2020	<u>7</u>	<u>7</u>	<u>-</u>

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

	Direct costs 2020 £000	Support costs 2020 £000	Total funds 2020 £000
Educational operations	<u>3,575</u>	<u>1,238</u>	<u>4,813</u>

	Direct costs 2019 £000	Support costs 2019 £000	Total funds 2019 £000
Educational operations	<u>3,262</u>	<u>1,010</u>	<u>4,272</u>

Analysis of direct costs

	Educational Operations 2020 £000	Total funds 2020 £000
Educational supplies	91	91
Staff development	17	17
Other direct costs	63	63
Depreciation	231	231
Staff costs	3,169	3,169
Insurance	4	4
Total 2020	<u>3,575</u>	<u>3,575</u>

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

7. Analysis of expenditure by activities (continued)**Analysis of direct costs (continued)**

	Educational Operations 2019 £000	Total funds 2019 £000
Educational supplies	67	67
Staff development	12	12
Other direct costs	172	172
Insurance	15	15
Depreciation	224	224
Staff costs	2,772	2,772
	<hr/>	<hr/>
Total 2019	3,262	3,262
	<hr/>	<hr/>

Analysis of support costs

	Educational Operations 2020 £000	Total funds 2020 £000
Pension finance cost (note 13)	23	23
Recruitment and support	8	8
Travel and subsistence	26	26
Maintenance of premises and equipment	234	234
Cleaning	88	88
Rent and rates	22	22
Energy costs	41	41
Insurance	19	19
Catering	20	20
Professional fees	2	2
Other support costs	285	285
Governance costs	16	16
Staff costs	454	454
	<hr/>	<hr/>
Total 2020	1,238	1,238
	<hr/>	<hr/>

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

7. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Educational Operations 2019 £000	Total funds 2019 £000
Pension finance cost (note 13)	22	22
Travel and subsistence	76	76
Recruitment and support	9	9
Maintenance of premises and equipment	113	113
Cleaning	66	66
Rent and rates	26	26
Energy costs	42	42
Insurance	14	14
Catering	28	28
Professional fees	2	2
Other support costs	226	226
Governance costs	16	16
Staff costs	370	370
Total 2019	1,010	1,010

8. Expenditure

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000
Expenditure on raising funds				
Direct costs	-	-	7	7
Academy Trust's educational operations:				
Direct costs	3,169	177	229	3,575
Allocated support costs	477	289	472	1,238
Total 2020	3,646	466	708	4,820

SOUTH CHARNWOOD HIGH SCHOOL**(A Company Limited by Guarantee)**

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

8. Expenditure (continued)

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000
Academy Trust's educational operations:				
Direct costs	2,772	177	313	3,262
Allocated support costs	392	225	393	1,010
Total 2019	<u>3,164</u>	<u>402</u>	<u>706</u>	<u>4,272</u>

9. Net income/(expenditure)

This is stated after charging:

	2020 £000	2019 £000
Depreciation of tangible fixed assets	231	224
Fees paid to auditors for:		
Audit	13	13
Other services	2	2
Governance internal audit costs	<u>1</u>	<u>1</u>

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

10. Staff**a. Staff costs**

Staff costs during the year were as follows:

	2020 £000	2019 £000
Wages and salaries	2,586	2,345
Social security costs	251	224
Pension costs	725	511
	<u>3,562</u>	<u>3,080</u>
Agency staff costs	61	62
Pension finance costs (note 13)	23	22
	<u>3,646</u>	<u>3,164</u>

b. Staff numbers

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

	2020 No.	2019 No.
Teaching	46	45
Administration and support	42	41
Management	5	5
	<u>93</u>	<u>91</u>

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	2	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
	<u>3</u>	<u>2</u>

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10. Staff (continued)

c. Higher paid staff (continued)

The above employees contributed to the Teachers' Pension Scheme. During the year ended 31 August 2020, pension contributions for these members of staff amounted to £52,449 (2019: £25,112).

d. Key management personnel

The Key Management Personnel of the Academy Trust 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 Trust was £538,829 (2019: £482,043).

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**NOTES TO THE FINANCIAL STATEMENTS
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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 Trust. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of Trustees' remuneration and other benefits was as follows:

		2020	2019
		£000	£000
A Morris, Headteacher	Remuneration	90 - 95	85 - 90
	Pension contributions paid	20 - 25	10 - 15
A Quare-Wigton, Staff Trustee	Remuneration	30 - 35	25 - 30
	Pension contributions paid	5 - 10	0 - 5
L Coney, Staff Trustee	Remuneration	35 - 40	25 - 30
	Pension contributions paid	5 - 10	0 - 5

During the year, retirement benefits were accruing to 3 Trustees (2019 - 3) in respect of defined benefit pension schemes.

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

Other related party transactions involving the Trustees are set out in note 26.

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2020 was £712 (2019: £681). The cost of this insurance is included in the total insurance cost.

13. Pension finance cost

	2020	2019
	£000	£000
Expected return on pension scheme assets	30	39
Interest on pension scheme liabilities	(53)	(61)
	(23)	(22)

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

14. Tangible fixed assets

	Long leasehold land and property £000	Assets under construction £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 September 2019	9,678	608	174	166	10,626
Additions	96	496	12	40	644
Transfers between classes	1,095	(1,095)	-	-	-
At 31 August 2020	10,869	9	186	206	11,270
Depreciation					
At 1 September 2019	1,088	-	94	108	1,290
Charge for the year	177	-	25	29	231
At 31 August 2020	1,265	-	119	137	1,521
Net book value					
At 31 August 2020	9,604	9	67	69	9,749
At 31 August 2019	8,590	608	80	58	9,336

Included in Long leasehold land and property is long leasehold land valued at £1,314,000 (2019: £1,314,000) on conversion in 2013 by Andrea Hopkins MRICS, using the depreciated replacement cost method. The Trustees consider that the valuation remains appropriate for the purposes of these Financial Statements.

The freehold of the land and buildings is owned by Leicestershire County Council. The Academy holds a 125 year lease on a peppercorn rent from 2013.

15. Stocks

	2020 £000	2019 £000
Book stock	2	2

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

16. Debtors

	2020 £000	2019 £000
Trade debtors	12	2
VAT recoverable	67	6
Prepayments and accrued income	120	193
	199	201

17. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Other loans	-	20
Other taxation and social security	62	60
Other creditors	67	50
Accruals and deferred income	173	101
	302	231

	2020 £000	2019 £000
Deferred income at 1 September 2019	42	17
Resources deferred during the year	10	42
Amounts released from previous years	(42)	(17)
Deferred income at 1 September 2020	10	42

At the balance sheet date the Academy Trust was holding SEN Covid-19 top-up funding for the 2020/21 academic year.

Included within other loans is one loan totalling £Nil (2019: £20,000) for Salix Finance. The loan is interest free and repayable at an amount of £20,000 annually. The loan was fully repaid during 2020. The loan was pre-approved by the Secretary of State, and provided by The Education and Skills Funding Agency through the Conditional Improvement Fund.

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
Unrestricted funds	190	25	(7)	(32)	-	176
Restricted general funds						
General Annual Grant (GAG)	41	4,047	(3,869)	(219)	-	-
Pupil Premium	-	121	(121)	-	-	-
Other DfE/ESFA grants	-	256	(256)	-	-	-
Other Government grants	-	95	(95)	-	-	-
Other income	-	44	(44)	-	-	-
Exceptional government funding	-	21	(21)	-	-	-
Pension reserve	(1,224)	-	(176)	-	94	(1,306)
	<u>(1,183)</u>	<u>4,584</u>	<u>(4,582)</u>	<u>(219)</u>	<u>94</u>	<u>(1,306)</u>
Restricted fixed asset funds						
Net book value of fixed assets	9,336	-	(231)	644	-	9,749
Salix loan	(20)	-	-	20	-	-
Section 106	251	-	-	(251)	-	-
FA 3G Pitch Funding	135	6	-	(141)	-	-
Devolved formula capital	3	18	-	(21)	-	-
	<u>9,705</u>	<u>24</u>	<u>(231)</u>	<u>251</u>	<u>-</u>	<u>9,749</u>
Total Restricted funds	<u>8,522</u>	<u>4,608</u>	<u>(4,813)</u>	<u>32</u>	<u>94</u>	<u>8,443</u>
Total funds	<u>8,712</u>	<u>4,633</u>	<u>(4,820)</u>	<u>-</u>	<u>94</u>	<u>8,619</u>

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

Unrestricted funds

Unrestricted funds are to be used towards meeting any of the charitable objectives of the Academy Trust at the discretion of the Trustees. Transfers of £32,000 from unrestricted funds to restricted fixed asset funds represents the purchase of fixed assets by the Academy Trust.

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

18. Statement of funds (continued)

General Annual Grant (GAG)

Funds from the Education and Skills Funding Agency for the provision of education, in line with the funding agreement.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020. Transfers of £239,000 from restricted funds to the restricted fixed asset fund represents the purchase of fixed assets by the Academy Trust.

Pupil premium

Additional funds from the Education and Skills Funding Agency to support their disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

Other DfE/ESFA Grants

Other funds provided by the DfE/ESFA for particular purposes within the Academy Trust's educational operations.

Other Government Grants

This includes funds and grants received from the Local Authority and other institutions for use on specific educational projects.

Other income

These consist of income from all other sources to be used primarily for the Academy Trust's educational operations.

Pension reserve

Being the fund in relation to the defined benefit pension scheme liability included in the Balance Sheet. The fund is in deficit. Given the nature of the liability, however, this is not payable immediately. Plans are in place to address the deficit.

Restricted Fixed asset funds

The restricted fixed asset fund was funded predominately by the funds inherited on conversion to an Academy Trust from Local Authority following the transfer of assets. It includes further amounts invested in property improvements, furniture and equipment, and computer equipment. Also included in the funds is depreciation charged on fixed assets held.

Salix loan

This fund includes a loan from the ESFA which were taken out by the Academy Trust. The fund is in deficit and the balance is being paid off through the GAG over the terms of the loans. Transfers of £20,000 to restricted funds from restricted fixed asset funds represents allocations of GAG towards the repayment of the loan.

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

Section 106 funding

The Section 106 fund has been created to recognise Section 106 funding received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the restricted fixed assets fund.

FA 3G pitch funding

This consists of funding received from the football foundation. This fund has been created to recognise unspent funding received for the purpose of the acquisition of tangible fixed assets. As the tangible fixed assets are purchased a transfer is made to the restricted fixed assets fund.

Capital grants

This consists of Devolved Formula Capital (DFC) and other capital funding from the Education and Skills Funding Agency. The DFC is to be used for ICT items, improvements to building and other facilities or capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual terms of the agreement and for the specific capital projects as applied for.

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

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
General funds	171	19	-	-	-	190
Restricted general funds						
General Annual Grant (GAG)	(2)	3,653	(3,439)	(171)	-	41
Pupil Premium	-	81	(81)	-	-	-
Other DfE/ESFA grants	-	124	(124)	-	-	-
Other Government grants	-	80	(80)	-	-	-
Other income	-	188	(188)	-	-	-
Pension reserve	(746)	-	(136)	-	(342)	(1,224)
	<u>(748)</u>	<u>4,126</u>	<u>(4,048)</u>	<u>(171)</u>	<u>(342)</u>	<u>(1,183)</u>
Restricted fixed asset funds						
Net book value of fixed assets	8,918	-	(224)	642	-	9,336
Salix loan	(40)	-	-	20	-	(20)
Section 106	-	251	-	-	-	251
FA 3G Pitch Funding	-	573	-	(438)	-	135
Devolved formula capital	-	56	-	(53)	-	3
	<u>8,878</u>	<u>880</u>	<u>(224)</u>	<u>171</u>	<u>-</u>	<u>9,705</u>
Total Restricted funds	<u>8,130</u>	<u>5,006</u>	<u>(4,272)</u>	<u>-</u>	<u>(342)</u>	<u>8,522</u>
Total funds	<u>8,301</u>	<u>5,025</u>	<u>(4,272)</u>	<u>-</u>	<u>(342)</u>	<u>8,712</u>

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

19. Analysis of net assets between funds

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	9,749	9,749
Current assets	176	302	-	478
Current liabilities	-	(302)	-	(302)
Pension scheme liabilities	-	(1,306)	-	(1,306)
Total 2020	176	(1,306)	9,749	8,619

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	9,336	9,336
Current assets	190	252	389	831
Current liabilities	-	(211)	(20)	(231)
Pension scheme liabilities	-	(1,224)	-	(1,224)
Total 2019	190	(1,183)	9,705	8,712

SOUTH CHARNWOOD HIGH SCHOOL**(A Company Limited by Guarantee)**

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

20. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2020 £000	2019 £000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(187)	753
Adjustments for:		
Depreciation charges (note 14)	231	224
Decrease/(increase) in debtors (note 16)	2	(97)
Increase in creditors (note 17)	91	68
Capital grants from DfE and other capital income (notes 3 and 4)	(24)	(880)
Defined benefit pension scheme cost less contributions payable (note 25)	153	114
Defined benefit pension scheme finance cost (note 13)	23	22
Net cash provided by operating activities	289	204

21. Cash flows from financing activities

	2020 £000	2019 £000
Repayments of borrowing (note 17)	(20)	(20)
Net cash used in financing activities	(20)	(20)

22. Cash flows from investing activities

	2020 £000	2019 £000
Purchase of tangible fixed assets (note 14)	(644)	(642)
Capital grants from DfE and other capital income (note 3 and 4)	24	880
Net cash (used in)/provided by investing activities	(620)	238

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

23. Analysis of cash and cash equivalents

	2020 £000	2019 £000
Cash in hand	277	628
Total cash and cash equivalents	277	628

24. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash at bank and in hand	628	(351)	277
Debt due within 1 year	(20)	20	-
	608	(331)	277

25. Capital commitments

	2020 £000	2019 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	82	164

26. Pension commitments

The Academy Trust'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 Leicestershire 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 2016.

Contributions amounting to £67,000 were payable to the schemes at 31 August 2020 (2019: £50,000) and are included within creditors.

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

26. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £434,000 (2019: £277,000).

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

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

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

26. Pension commitments (continued)**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £178,000 (2019: £151,000), of which employer's contributions totalled £142,000 (2019: £120,000) and employees' contributions totalled £36,000 (2019: £31,000). The agreed contribution rates for future years are 24.8% for employers and 5.5% - 12.5% for employees.

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.70	3.30
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.70	1.80
Inflation assumption (CPI)	2.20	2.30
Commutation of pensions to lump sums	50.00	50.00

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.5	21.2
Females	23.8	23.4
<i>Retiring in 20 years</i>		
Males	22.2	22.2
Females	25.2	24.7

SOUTH CHARNWOOD HIGH SCHOOL**(A Company Limited by Guarantee)**

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

26. Pension commitments (continued)**Sensitivity analysis**

	2020	2019
	£000	£000
Discount rate +0.1%	(70)	(69)
Discount rate -0.1%	70	69
Mortality assumption - 1 year increase	120	111
Mortality assumption - 1 year decrease	(120)	(111)
CPI rate +0.1%	64	57
CPI rate -0.1%	(64)	(57)

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

	2020	2019
	£000	£000
Equities	1,004	901
Bonds	494	481
Property	136	124
Cash	68	47
Total market value of assets	1,702	1,553

The Academy Trust expects to contribute £146,000 to its defined benefit pension scheme in 2021.

The actual return on scheme assets was £30,000 (2019: £90,000).

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

	2020	2019
	£000	£000
Current service cost	(289)	(195)
Past service cost	(6)	(39)
Interest income	30	39
Interest cost	(53)	(61)
Total amount recognised in the Statement of Financial Activities	(318)	(256)

SOUTH CHARNWOOD HIGH SCHOOL**(A Company Limited by Guarantee)**

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

26. Pension commitments (continued)

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

	2020	2019
	£000	£000
At 1 September	2,777	2,067
Past service cost	6	39
Current service cost	289	195
Interest cost	53	61
Employee contributions	36	31
Actuarial (gains)/losses	(143)	393
Benefits paid	(10)	(9)
At 31 August	3,008	2,777

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

	2020	2019
	£000	£000
At 1 September	1,553	1,321
Interest income	30	39
Actuarial (losses)/gains	(49)	51
Employer contributions	142	120
Employee contributions	36	31
Benefits paid	(10)	(9)
At 31 August	1,702	1,553

SOUTH CHARNWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

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

27. Related party transactions

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

Mayprint Limited is a company in which A May, a Trustee, has a majority interest. Transactions totalling £1,107 (2019: £1,950) for the purchase of uniforms and student organisers took place during the year. The contract with Mayprint Limited was entered into prior to 7 November 2013 and followed correct procurement procedures. A May neither participated in, nor influenced the decision for the procurement of these goods. All goods were supplied at cost. There were no amounts outstanding at 31 August 2020. In entering into the transaction the Trust has complied with the requirements of the Academies Financial Handbook 2019.

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

28. Company limited by guarantee

The Academy Trust is a company limited by guarantee and does not have share capital.

29. Members' liability

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