

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

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WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--|--|
| Members | S Eccles E Hogg R Poston |
| Trustees | S Eccles (resigned 25 February 2021) T Forty (appointed 4 September 2020) E Hogg, Chair of Governors (resigned 25 February 2021) C Gallant (appointed 25 February 2021) S Parsons (resigned 25 February 2021) R Poston (resigned 25 February 2021) A Roll, Accounting Officer (resigned 1 April 2021) C Swalwell H Williams L Wise (resigned 26 February 2021) G Griffiths (appointed 25 February 2021) B Lockett (appointed 25 February 2021) M Michalakis (appointed 25 February 2021) T Lawson (resigned 30 September 2020) M Z Khan (appointed 25 February 2021, resigned 31 March 2021) |
| Company registered number | 08160225 |
| Company name | Waseley Hills High School |
| Principal and registered office | School Road Rubery Birmingham B45 9EL |
| Chief executive officer | A Roll (retired 31 March 2021) |
| Senior management team | A Roll, Headteacher (Retired 31 March 2021) A Boot, Deputy Headteacher (Acting Headteacher from 1 April 2021) S Purewal, Assistant Headteacher (Resigned 31 August 2021) N Baker, Assistant Headteacher J Arnold, Assistant Headteacher J Nelson, Assistant Headteacher E Dodds, Assistant Headteacher |
| Independent auditor | Cooper Parry Group Limited Chartered Accountants One Central Boulevard Blythe Valley Business Park Solihull West Midlands B90 8BG |
| Bankers | Lloyds Bank plc 138 New Road Rubery Birmingham B45 9JA |

WASELEY HILLS HIGH SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 12BL

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

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

The Trust operates as an Academy Trust for pupils aged 11 to 18 serving a catchment area in Rubery and the surrounding area with a pupil capacity of 950 and 763 pupils currently enrolled based on the October 2021 Census.

This year has been challenging as we have had to deal with COVID-19 and all the issues that came with it, including lockdowns, student testing, staff illness and Teacher Assessed Grading for examinations. Distance and Home Learning programmes were put into place to support students during the lockdown periods.

Trustees continued to meet virtually throughout this period.

In addition, we continued our discussions with the Central Region Schools Trust ("CRSAAT") and joined the Trust on 1 November 2021. The transition into the CRSAAT has been the main work of the Trust in this year. As we anticipated that this would be the case early in Autumn 2021, we held off from appointing a new CEO and put into place a temporary Chief Finance Officer to tide us until we joined the MAT. A new Headteacher has been appointed to take up post on 1 January 2022.

In February 2021, four new Trustees joined the Board to support progress towards joining the CRSAAT MAT and to assist to support the financial management of the school. It should be noted that the school has been operating with a deficit budget position for some years, a situation that has been addressed in this financial year.

The incumbent Headteacher (Alan Roll) resigned his position on 31 March 2021 to take effect on 31 August 2021 and the Chair of Trustees (Eric Hogg) resigned his position in February 2021.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the Academy.

The Trustees of Waseley Hills High School are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Waseley Hills 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.

b. Members' liability

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

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

Structure, governance and management (continued)

c. Trustees' indemnities

The Trustees benefit from indemnity insurance purchased by the Academy Trust to cover the liability of the Trustees arising from negligent acts, errors or commissions occurring whilst on Academy Trust business. The limit of this indemnity is £5,000,000.

d. Method of recruitment and appointment or election of Trustees

The Trust shall have the following Trustees, as set out in its Articles of Association and funding agreement:

- up to 5 Trustees appointed by the Members;
- up to 2 Parent Trustees who are elected by parents of registered pupils at the Academy Trust;
- up to 2 Staff Trustees appointed by the staff etc;
- up to 2 Co-opted Trustees who are appointed by the Board of Trustees; and
- the Headteacher who is treated for all purposes as being an ex-officio Trustee.

Trustees are appointed for a 4 year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board of Trustees give consideration to the skills and experience mix of existing Trustees in order to ensure the Board of Trustees has the necessary balance of skills to contribute fully to the Academy Trust's ongoing development.

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but will always include a tour of the School and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Trustees. All new Trustees also have the opportunity to undertake National Governor Association training and all Trustees receive regular National Governor Association updates. As there are normally only a few new Trustee appointments each year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by various external organisations as appropriate.

A bespoke governance development program is operated throughout the year which allows Trustees to meet informally as a team for training, so as to keep the Trustees updated on relevant developments impacting on their roles and responsibilities, and to contribute to the strategic leadership and direction of the Academy Trust.

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

Structure, governance and management (continued)

f. Organisational structure

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

The full Board of Trustees meets formally six to seven times per year at times to coincide with the school performance review process. The Board establishes an overall framework for the governance of the Academy and determines terms of reference, membership and procedures for nominated and project groups. It receives reports, including policy documents on which discussion is held and decisions are made or ratified as appropriate. Other, ad hoc meetings have been held throughout the year to update and enhance governors' knowledge and understanding of key issues.

The Trustees had previously agreed to disband committees in favour of involving all Trustees in all issues through additional meetings. This model was carried into the 2020-2021 academic year. Meetings are designed to cover specific topics at times to fit in with the school's review processes, these include:

- Outcomes for previous year (overall school performance);
- Finance and General Purpose;
- HR, student voice, performance management, staff development;
- Curriculum review and school development plan; and
- Safeguarding and Pupil Premium are standing items on all agendas.

Other issues are covered on an ad hoc basis include: Pupil Premium, Parent Forum and community engagement; Multi Academy Trust; Policy review and approval; Behaviour, absence and exclusions; Pupil Forecasting and budget implications; Data protection; Health and Safety issues; Project reviews. These are typical but not exhaustive of the topics covered at meetings.

The meeting structure allows the opportunity for detailed discussion and policy development involving all Trustees and avoids duplication of discussion as decisions are made with all governors present.

Members of the SLT are invited to attend Board meetings to contribute to issues but are not allowed to vote.

The following decisions are reserved to the full Board of Trustees:

- to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure;
- to appoint or remove the Chair and / or Vice Chair; and
- to appoint and/or consider the performance management of the Headteacher.

The Trustees have devolved the day-to-day management of the Academy Trust to the Senior Leadership Team ('SLT'), which is led by the Headteacher. From 1 April 2021 the Trust appointed an acting Headteacher until such time as a permanent Headteacher could be appointed. The SLT comprises the Headteacher, Deputy Headteacher and Assistant Headteachers. The Headteacher is the Academy Trust's Accounting Officer and has overall responsibility for the day to day financial management of the Academy Trust. Following the resignation of the previous Headteacher this role was taken on by the Chair of Trustees and the Chief Financial Officer working with the Chief Financial Officer of the CRSAAT (the receiving MAT) to ensure that finances were managed on a day-to-day basis.

The SLT implements the policies laid down by the Trustees and reports back to them on performance.

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

Structure, governance and management (continued)

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

The Trustees consider the Board of Trustees and the senior management team to comprise the key management personnel of the Academy Trust in charge of directing and controlling, running and operating the Academy Trust on a day-to-day basis. All Trustees give of their time freely and no Trustee received any remuneration in the current or prior year, other than those Trustees who are also employees of the Academy Trust. Details of Trustees' remuneration and expenses are disclosed in note 11 of the financial statements respectively.

The pay of the senior management team is reviewed annually by the Pay Committee in line with the Academy Trust's pay and remuneration policy and by reference to published pay scales for both teaching and administrative support staff.

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

| | |
|--|----------|
| Percentage of pay bill spent on facility time | £ |
|--|----------|

| | |
|---|-----------|
| Total cost of facility time | - |
| Total pay bill | 3,849,451 |
| Percentage of total pay bill spent on facility time | - % |

Paid trade union activities

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

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

Objectives and activities

a. Objects and aims

The principal objects of the Academy Trust, as set out in its Articles of Association, are to:

- advance, for the public benefit, education in Rubery and the surrounding area, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school, offering a broad and balanced curriculum; and
- promote for the benefit of the inhabitants of Rubery and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, disablement, financial hardship or social and economic circumstances for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The aims of the Academy Trust during the year ended 31 August 2021 are summarised below:

The principal aim of Academy Trust is to provide free education and care for students with a range of different abilities. We aim to provide a broad and balanced curriculum that will engage all our students and provide the opportunity for them to fulfil their potential in terms of academic achievement whilst at Waseley Hills High School. We do this in a safe and secure environment where students can be totally committed to their learning. Pastoral care and student support are at the heart of everything we do and students are encouraged to respect each other and conduct themselves at all times in accordance with the behavioural standards set by the school. To this end we encourage the development of well rounded, resilient young people with high aspirations achieved by diligence and application to hard work and self-development. Other key objectives during the year included:

- Continue to raise the educational achievement of all students
- Develop students to be more effective learners
- Provide a broad and balanced curriculum to include extra-curricular activities
- Treat all children without discrimination and encourage them to fulfil their potential
- Develop our curriculum and organisational structure to meet changing needs
- Comply with all appropriate statutory and curriculum requirements
- Provide value for money for funds expended
- Engage with parents/carers and the local community to improve our offering
- Develop closer links with the business community
- Maintain fairness, clarity and effectiveness in school systems
- Develop our capacity to innovate and manage change
- Maintain the highest standards of integrity, transparency and probity in all our activities

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

Objectives and activities (continued)

b. Objectives, strategies and activities

The key priorities for the period are contained in the Academy Trust's Development Plan which is available from the Headteacher

The key activities of the Academy Trust for the year ended 31 August 2021 were focused as follows:

- to review and restructure the staffing and leadership within the school to achieve significant financial savings;
- to review and restructure key areas of spend in order to achieve significant financial savings;
- to implement the actions raised in the previous audit report;
- ensure that the trend of improvement in Key Performance Indicators for examination subjects and our outcomes for students continues;
- offer a broad and balanced curriculum that affords a range of opportunities to our learners both in and outside of the curriculum;
- strengthen the pastoral support so that all students regardless of background are able to feel safe, enjoy school and make progress towards their aspirational goals; and
- join a Multi Academy Trust to take advantage of the mutual benefit gained from such a move.

c. Public benefit

The Academy Trust aims to advance for the public benefit education in Rubery and the surrounding area, offering a broad curriculum and an excellent education environment for its pupils. The Academy Trust also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

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

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

Objectives and activities (continued)

Achievements and performance

This summer, qualifications at both KS4 and KS5 were awarded through a process of centre assessed grades. Work undertaken by subject leaders and the assistant headteacher for attainment and progress ensured a fair and rigorous process. The key aims were to ensure awards at GCSE and A-level were fair and in line with the national picture, while accounting for the impact of COVID-19 on the educational experience for our students since March 2020.

Several subjects were sampled through the exam boards' verification process and were returned without adjustment. There was a total of three appeals (from over one thousand student qualifications that were awarded), with only one progressing to a "Stage 2" appeal which went to the exam board for review. This upheld our original grade decision.

With limited national data being published based on the centre assessed grades, appraising the progress of students from a starting point is difficult. Analysis figures used below are from the market-leading SISRA package. This uses a collaboration of anonymised results from its large school usership to generate equivalent progress figures at KS4 and KS5, as well as a qualification-level "subject progress index" (SPI) which allows analysis of progress at an individual qualification level.

Key Stage 5: A-level and other Level 3 qualifications

The results awarded showed continued increases from 2020. From a cohort of 43 students in Year 13, students achieved an average point score of 36.8 (or an average grade of a B-). As a cohort, this represented a significant positive value added of +0.35 calculated using the standard Level 3 Value Added tables, which is significantly above average. This compares favourably with a figure of -0.37 in the last set of examinations in 2019. However, it is important that this level of progress is replicated with the anticipated return of examinations in the summer of 2022.

The top achieving subjects included a small cohort of Art students, Physics, Geography and Chemistry. Only three subjects failed to record a positive value added: Sociology, Biology and English Language. Additionally, 42% of the cohort (18 students) achieved a level 3 maths qualification.

Significantly, all those requiring specific grades to progress to university ultimately progressed to either a first or reserve choice, with only one student accepting a place through clearing. Other students have gone on to a range of destinations including apprenticeships and employment.

Key Stage 4: GCSE and other Level 1/2 qualifications

The outcomes here showed an overall progress 8 figure of -0.17 which is slightly – but not significantly – below average. This is also in line with the last nationally recognised figure from GCSE exams in 2019, in which the school achieved the exact same figure. The level 2 success rate (5 grades at 4 and above including Maths and English) was 57% which is below the national average from data collaboration of 70%, largely on account of the grades achieved in Maths. The figures for our Pupil Premium cohort were below the whole cohort average, with a progress 8 figure of -0.30 and 53% achieving 5 GCSEs at grade 4 or above including Maths and English. As the school implements the trust-wide pupil premium strategy, we will be looking to see this gap decrease.

In core subjects, results were clearly divided. English results further increased upon 2020 figures, with an average English progress 8 figure of +0.05. However, the centre-assessed grades for Maths yielded a progress 8 figure of -0.42. This difference is represented in pass rates with 82% of students achieving a grade 9 to 4 in English, but only 61% achieving the same measure in Maths.

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

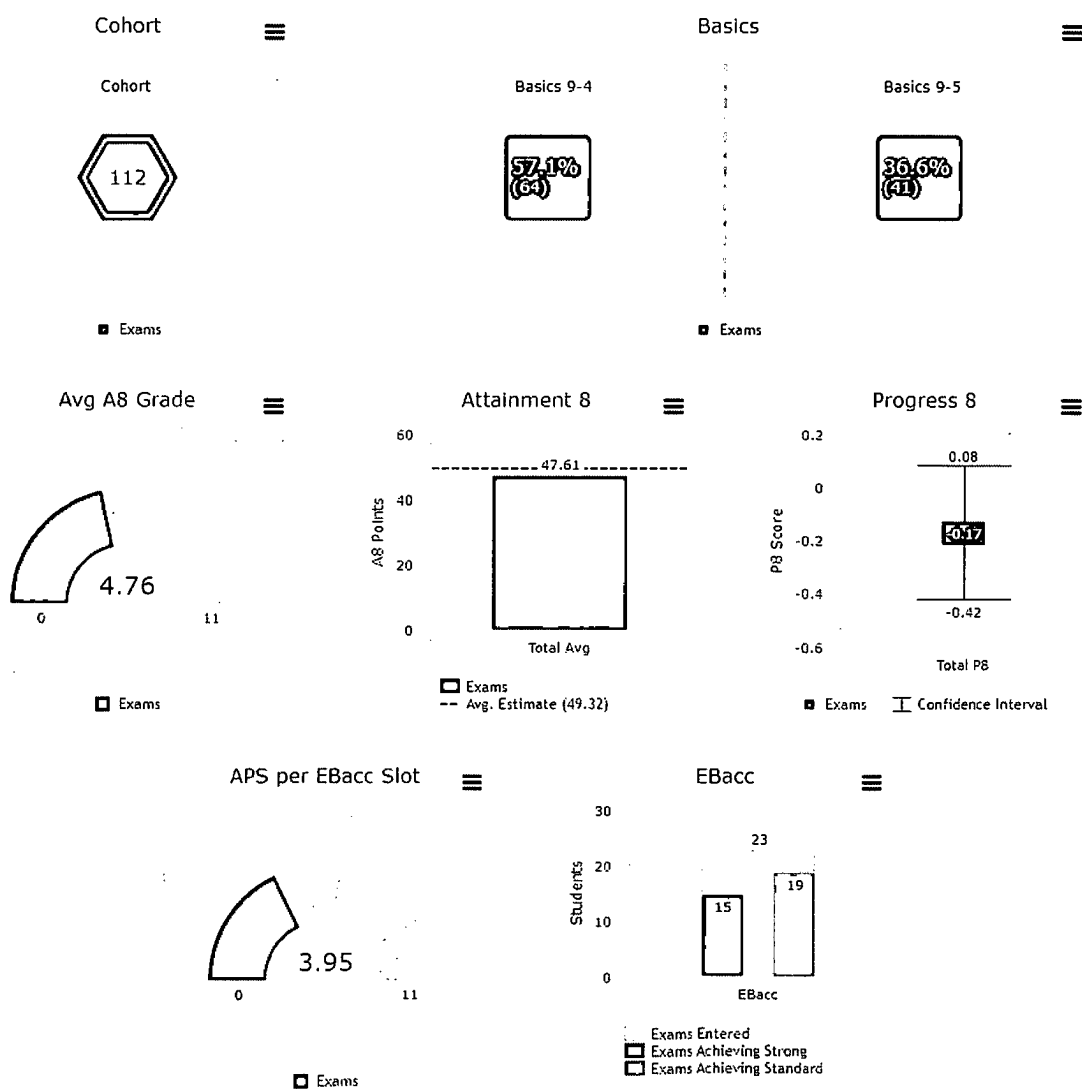
Objectives and activities (continued)

The overall average point score in the EBacc qualifications was below the national average, but in large part due to a low uptake in Modern Foreign languages. This was the final year of students taking GCSE German, with the current Y11 cohort taking GCSE Spanish in the summer of 2022. There is a significant increase in the uptake here, with three groups of Spanish students compared to a solitary group of students taking German in last year's cohort, despite similar year group sizes and starting points. Average points scores in Science and Humanities were slightly below national average, but in line with other school results.

By qualification, traditional areas of strength were maintained in Geography and Art, with additional high results in PE and RPE, which have had weaker results in recent years. In addition to the lower results in Maths, students made significantly below average progress in Music and German.

From a small cohort of 114 students, we have managed to increase our % retention from 2020, with 37 students in our new Year 12 cohort. This is something we seek to build on as the KS5 curriculum offer is reviewed.

Headline measures are outlined in the dashboard below:



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

Objectives and activities (continued)

Key Stage 3: New student intake

Total student numbers are now on the increase, despite having been below PAN in all year groups for several years. The Year 7 intake in September 2021 was the largest in recent years, with 164 students at present, and a total school population of 763 students up from 745 at the last report.

Initial numbers from Worcestershire County Council suggests we will have an admission cohort of around 160 students in September 2022, which will lead to further increases as we have an outgoing Year 11 of only 111 students and we hope to retain more in Sixth Form. We project that this will have implications for net staffing.

COVID-19

COVID-19 virus has continued to have a significant effect on staff and students at Waseley Hills High School. Senior leaders have followed the advice from Government and Local Health agencies in regard to the operation of bubbles through to full school closure.

The operation of the school continues to be affected with increased spending on anti viral measures. This involves regular deep cleaning along with the introduction of day cleaners for all touch points and investment in hygiene and cleaning materials.

Remote Learning – Lockdown Learning Feedback Summary

Pupil engagement was significantly increased with the roll out of MS Teams and online virtual lessons. The school maintained a system by which a 50% timetable was provided with remote learning virtual lessons throughout lockdown and additional tasks set using Satchel for pupils to complete in between remote lessons. The introduction of weekly assessment submission tasks enabled pupils to receive quick feedback and remain more engaged.

Rewards were introduced with weekly subject postcards sent via email. Parents also received tutor contact to increase and maintain engagement.

Pupils still lost a significant amount of learning in some cases – the outcome of online learning was positively received and led to significant progress for those who engaged with our offer. Hard to reach pupils did not make as much progress and this was reported to parents via engagement point ATLs which were shared with parents.

Parents and pupils completed the online survey below – this indicated significant positive feedback with the introduction of virtual learning via MS Teams and overall open comments were positive with parents and pupils feeling our offer was successful.

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

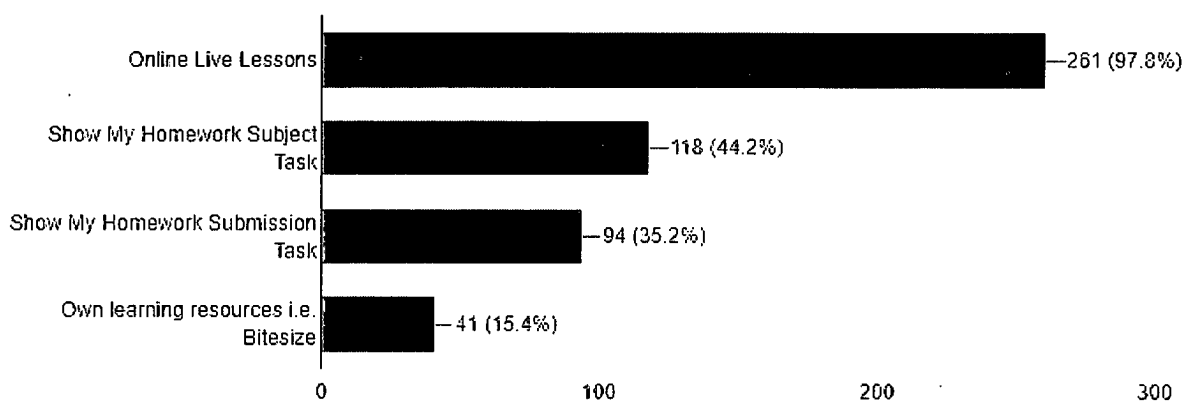
Objectives and activities (continued)

Types of Online Learning Accessed

This shows that engagement was highest in Live Lessons via MS Teams.

Types of online learning you have accessed (in your household)

267 responses



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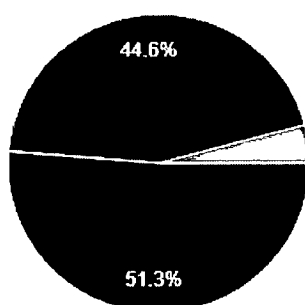
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

We received positive feedback with the majority reporting Live Lessons to be very effective or fairly effective at supporting learning.

Live Lessons - Assisting pupils with learning

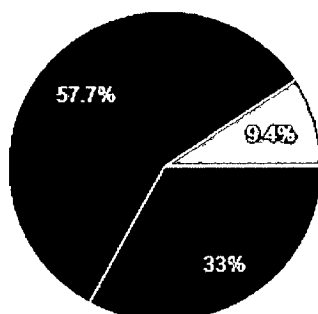
267 responses



- Very effective at supporting learning
- Fairly effective at supporting learning
- Not very effective at supporting learning

Live Lessons - Engagement and enjoyment

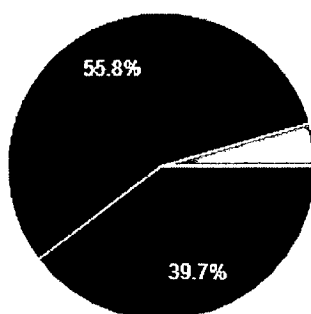
267 responses



- Very engaging and enjoyable
- Fairly engaging and enjoyable
- Not very engaging / enjoyable

Live Lessons - Overall Quality

267 responses



- High quality experience
- Satisfactory quality experience
- Low quality experience

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

(continued)

Strategic Report

a. Key Performance Indicators

The Academy Trust uses a number of benchmarks or performance indicators to evaluate its financial performance and drive budgetary control and monitoring.

A key financial performance indicator for the Trust is the level of reserves held at the balance sheet date and, in particular, the amount of unrestricted reserves plus restricted income reserves at year end. At 31 August 2021, the balance of the unrestricted and restricted income reserves was £155,362 (2020: £112,758). Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted earlier in this report, pupil numbers at the most recent census were 763 which is an increase of 18 from the previous census.

Staffing costs are another key performance indicator for the Academy Trust and the percentage of total staff costs to total educational grant funding (being GAG funding plus other operating educational grants from the ESFA and / or Local Authority) for the year was 89% (2020: 94%), while the percentage of staff costs to total costs (excluding depreciation and LGPS FRS102 pension cost charges) was 88% (2020: 87%).

Promoting the Success of the Academy Trust

The Trustees have acted in the way which they consider, in good faith, promotes the success of the Academy Trust for the benefit of its pupils and their parents, the Department for Education and the Education and Skills Funding Agency as principal funders and regulators, its suppliers and local wider school community as a whole.

Our educational business relationships and community

With a highly committed and dedicated workforce, the Academy Trust takes great pride in listening to what our pupils, parents and local community want and continues to provide the level of education outcomes and results that they have come to expect. The Academy Trust continues to evolve and to adapt to the ever-changing educational environment, leading to the continued increase in the awareness of the Academy Trust's overall activities and educational performance.

As an educational focused charitable organisation, public benefit is also at the heart of all we do. The details in the "Objectives and Activities" and "Achievements and Performance" section of the Trustees' report above provide full details of the impact of our activities and our achievements for the year.

With respect to suppliers, the Academy Trust's policy for the payment of suppliers is to agree to terms of payment in advance in line with normal commercial practices and, provided a supplier performs in accordance with the agreement, to abide by such terms.

The Academy Trust is also committed to contributing towards combating the threat of global warming by using energy efficient measures to reduce CO2 emissions throughout its buildings, facilities and operations.

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

(continued)

Our stakeholders

In addition to our pupils, parents, suppliers and wider local community, the Trustees also recognise the importance of their relationship with the Department for Education (DfE) and the Education and Skills Funding Agency (ESFA), as principal funders, regulators and stakeholders. The Trustees are committed to the effective engagement with the DfE and the ESFA (and their representatives) and recognise that its success depends on the Trustees and senior management's ability to engage with them effectively and to work with them constructively, taking into account their guidance and best practice initiatives, whilst also working in line with the specific requirements of the Academy Trust's funding agreement and the Academies Financial Handbook.

Our people

The Academy Trust's key asset is its people. It employs over 116 staff, including agency workers, and it is only through the combined effort of this workforce, together with our supporters and volunteers, that we can change the lives of the children under our care. The Academy Trust encourages the involvement of all employees in decision making processes that impact on them directly and further details on our engagement with our people is detailed in the "Engagement with Employees (including Disabled Persons)" section of the Trustees' report above.

Our Members

Under our current Articles of Association Members are also Trustees albeit this is under review following updated guidance from the ESFA. As such the Members are fully engaged as Trustees and are actively engaged in understanding our strategy and vision for the future, our culture and ethos, our people and our educational performance and standards.

Maintaining a reputation for high standards

The Academy Trust has been in existence for 9 years, and is committed to continual improvement, which it achieves in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning. The Academy Trust also continually develops strategies to maintain and grow its pupil base, including looking for new schools and academies to join the Trust, and further improve relationships with our suppliers.

The information in the "Achievements and Performance" section of the Trustees' report above provide full details of our achievements during the year and the standards of educational performance we have achieved for all our stakeholders.

b. Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern.

As stated in note 27, on 1 November 2021 the Academy joined the Central Region Schools Trust and all of its assets, liabilities and activities transferred to the Trust on that date. From this date, the legal entity known as Waseley Hills High School ceased to operate and for this reason the Trustees consider this legal entity will no longer be a going concern. The financial statements have therefore been prepared on a basis other than going concern.

The assets and liabilities transferred to Central Region Schools Trust at their book values on 1 November 2021.

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

Financial review

During the year ended 31 August 2021, total income received was £4,367,038 (excluding capital) (2020: £4,094,929) with total expenditure of £4,487,171 (excluding depreciation and LGPS FRS 102 pension cost charges) (2020: £4,220,088). This resulted in a net revenue surplus of £42,604 (2020: £125,159 deficit).

a. Reserves policy

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

The Trustees have determined that the appropriate level of free cash reserves should be approximately one month of staffing costs (£320,000). The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, long term staff absences etc.

The Academy Trust's current level of revenue reserves at 31 August 2021 is £155,362 (2020: £112,758) of which £45,975 (2020: £45,208) is unrestricted reserves.

Trustees are aware that the current level of reserves is below the target identified above and have taken action to address this in the coming year.

The value of the restricted fixed asset fund at 31 August 2021 is £7,297,779 (2020: £7,369,902), which is represented by the fixed assets that are used exclusively for providing education and associated support services to the pupils of the Trust. These funds can only be realised by disposing of the associated tangible fixed assets.

The pension reserve fund has a deficit balance at 31 August 2021 of £1,901,000 (2020: £1,940,000), which represents the deficit in the LGPS at the balance sheet date. The effect of the LGPS deficit is that Academy Trust is required to make additional pension contributions over a number of years in order to fund the deficit. These additional pension contributions will be funded from the Trust's annual recurring income, which may significantly impact its ability to continue to deliver its educational outcomes with the available public funding it receives. The Trustees have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

b. Investment policy

All funds surplus to immediate requirements are invested to optimal effect by the Academy Trust with the objective of ensuring maximum return on assets invested but with minimal risk.

c. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Academy Trust is exposed, especially in the operational areas, such as teaching, health & safety, safeguarding and school trips, and in relation to the control of finances and strategic development of the Trust. It was recognised during the assessment that our internal scrutiny of operational procedures and financial controls did not meet the requirements of the ESFA. This has been acknowledged and systems, including operational procedures and internal financial controls, are being introduced in order to minimise risk. A Risk Management Strategy and Risk Management Plan, which incorporates a Risk Register has been introduced.

Where significant financial risk still remains, the Trustees have ensured the Academy Trust has adequate insurance cover in place. The Risk Management Plan is constantly reviewed in light of any new information and formally reviewed annually.

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

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

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

Educational

The continuing success of the Academy Trust is dependent on continuing to attract pupil applicants in sufficient numbers by maintaining the highest educational standards across all key stages. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed, with corrective actions embedded at an early stage, and that relationships and partnerships with parents, the local community and other organisations and groups are maintained and are effective in producing a cohesive and supportive community.

Safeguarding and child protection

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

Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA (and Local Authority). In the year, approximately 99% of the Academy Trust's income was ultimately Government funded. Whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms, particularly in light of continuing changes in to the National Funding Formula for schools.

Continuing increases in employment costs, including pension costs association with both the Teachers' Pension Scheme and the Local Government Pension Scheme and premises costs will also continue to place significant pressure on the Trust's financial position and its ability to deliver balance budgets in the future.

The Trustees examine the financial health of the Academy Trust formally on a regular basis, reviewing performance against budgets and overall expenditure by means of regular update reports at full Trustees meetings. Trustees have recognised a significant risk to our finances and have identified a course of action to address the risk and more closely monitor the financial performance of the Academy.

Staffing

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

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees have conducted a review and have taken action to ensure appropriate measures are in place to mitigate these risks, which includes those relating to fraud and mismanagement of funds.

Fraud and mismanagement of funds

As part of the internal review trustees recognised that our internal scrutiny process requires strengthening. Plans are now in place to introduce on a 'Peer Review' basis, an independent process of scrutiny aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

At the balance sheet date, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy Trust's liquidity.

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

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

The Trustees recognise that the LGPS deficit represents a significant potential liability to the Academy Trust. However, as the Trustees consider the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Fundraising

The Academy does not use any external fundraisers. All fundraising undertaken during the year was in accordance with the charitable objectives.

Plans for future periods

The Academy Trust strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it is into further and higher education or employment, as well as promoting the continued professional development of its staff.

The Academy Trust's plans for future periods are:

- Continuing the trend of improvement in Key Performance Indicators for examination subjects and our outcomes for students;
- Continuing to offer a broad and balanced curriculum that affords a range of opportunities to our learners both in and outside of the curriculum;
- Strengthening the pastoral support so that all students regardless of background are able to feel safe, enjoy school and make progress towards their aspirational goals; and
- Take advantage of the mutual benefit gained from joining a Multi-Academy Trust.

Funds held as custodian on behalf of others

The Academy Trust and its Trustees do not act as Custodian Trustees of any other charity.

The Academy does however hold Post 16 Bursary Funds on behalf of the ESFA, which are distributed to students as required and in line with the terms and conditions of the funds.

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

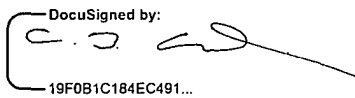
WASELEY HILLS HIGH SCHOOL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Auditor

Cooper Parry Group Limited have expressed their willingness to continue in office as auditors and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 14 December 2021 and signed on its behalf by:

DocuSigned by:

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C Gallant
Chair of Trustees

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Waseley Hills 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 Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Waseley Hills High School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of trustees' responsibilities. The Board of Trustees has formally met 10 times during the year.

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

| Trustee | Meetings attended | Out of a possible |
|------------------------------|-------------------|-------------------|
| S Eccles | 5 | 6 |
| E Hogg, Chair of Governors | 6 | 6 |
| C Gallant, Chair of Trustees | 5 | 5 |
| T Forty | 8 | 8 |
| S Parsons | 5 | 6 |
| R Poston | 6 | 6 |
| A Roll, Accounting Officer | 7 | 7 |
| C Swalwell | 10 | 10 |
| H Williams | 10 | 10 |
| L Wise | 6 | 6 |
| G Griffiths | 5 | 5 |
| B Lockett | 5 | 5 |
| M Michalakakis | 5 | 5 |
| T Lawson | 1 | 1 |

During the Autumn Term 2020, the Board of Trustees needed to deal with a serious safeguarding concern and an audit report that showed that accounting procedures were failing.

As a result in February 2021, a number of Trustees resigned and were replaced with Trustees who had been recommended to the Trust by Academy Ambassadors. The Chair resigned and was replaced with one of the Ambassadors.

The Trust was under pressure from the ESFA to join a MAT with some urgency given the financial and safeguarding position that the school was experiencing.

The incoming Chair and Acting Headteacher worked with Local and National Safeguarding organisations to resolve the safeguarding issue.

The incoming Chair worked closely with the ESFA, the outgoing Headteacher and Acting Headteacher to execute the staff restructure to reduce overall costs and present the school as a going concern to the receiving Central Region Schools Trust.

The Trust Board were involved in discussions about both situations and approved the restructure plan and eventual move to the Central Region Schools Trust.

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- reviewing all existing suppliers and services annually to establish benchmarks for provision are competitive and give value for money;
- ensuring that 3 quotations are received for all projects and that meet the delegated budget thresholds; and
- ensuring that the DFE (Deals for schools) purchasing lists are used, where possible, as first priority for all new supplies and services.

In 2020/21 COVID-19 has adversely impacted on the Academy Trust being able to achieve value for money, in that on occasions supplies of essential sanitising equipment need to be provided quickly to meet the school's needs. On these occasions speed of supply also became a key factor.

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 was introduced with effect from September 2020 The system introduced is fully compliant with the requirements of the ESFA Financial Handbook.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees has identified weaknesses in the formal process for identifying, evaluating and managing the Academy's significant risks and has addressed those for the year 1 September 2021 to 31 August 2022. This process is now regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance, Audit and Risk 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; and
- identification and management of risks.

The Trustees have previously appointed the external auditors to undertake the internal scrutiny services for the Academy Trust. As a result of the changes introduced by the Financial Reporting Council's revised Ethical Standard for Auditors, the Trustees have to appoint another organisation or independent individual to undertake the internal scrutiny work for the Academy Trust for the 2020/21 academic year onwards.

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees have secured the part time services for 2020/21 of a peer 'School Business Manager' to provide additional support in reviewing and addressing the issues of non-compliance.

No external review took place for the year ended 31 August 2021 as planned. This was at least in part due the COVID-19 pandemic.

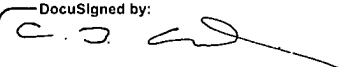
Review of effectiveness

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:

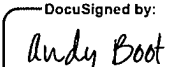
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework;
- the work of the external auditor; and
- the financial management and governance self assessment process, including the School Resource.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

DocuSigned by:

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C Gallant
Chair of Trustees

DocuSigned by:

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A Boot
Accounting Officer

Date: 14 December 2021

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Waseley Hills High School I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Board of Trustees and ESFA. If any instances are identified after the date of this Statement, these will be notified to the Board of Trustees and ESFA.

MATTER 1:


The Academy failed to maintain an up to date register of its Members' and Trustees' Interests and did not publish this on the Academy's website.

MATTER 2:

The Academy did not arrange for a programme of internal scrutiny (internal audit) to be carried out during the year.

MATTER 3:

The Academy did not produce formal management accounts throughout the year (containing an income and expenditure account, balance sheet and cash flow) and hence these were not provided to the Trustees with sufficient regularity to enable them to maintain financial oversight. In addition, the Academy's financial policies date back to March 2015 and have not been reviewed and updated for some time.

DocuSigned by:

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A Boot
Accounting Officer

Date: 14 December 2021

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

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

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

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

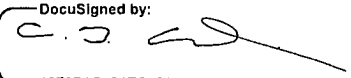
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

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

DocuSigned by:

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C Gallant

Date: 14 December 2021

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WASELEY HILLS HIGH SCHOOL**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that the Trustees intend to wind down the Academy following the transfer of the Academy to Central Regions Schools Trust on 1 November 2021. As stated in note 1.2, these events or conditions, along with the other matters as set forth in note 1.2, confirm that the Academy will not continue to operate for a period of at least 12 months from the date of approval of these accounts. The Trustees have therefore prepared the financial statements on the basis that the Academy is no longer a going concern.

Our opinion is not modified in respect of this matter.

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

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WASELEY HILLS HIGH SCHOOL (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WASELEY HILLS HIGH SCHOOL (CONTINUED)**

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

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

Our assessment focussed on key laws and regulations the Academy Trust has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Education Act 2011, Academies Act 2010, Companies Act 2006, Charities Act 2011, Academy Financial Handbook 2020, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Academy Trust and how the Academy Trust is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Academy Trust's control environment and how the Academy Trust has applied relevant control procedures, through discussions with Trustees and other management, consideration of the results of the internal scrutiny function and by performing walkthrough testing over key areas;
- obtaining an understanding of the Academy Trust's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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

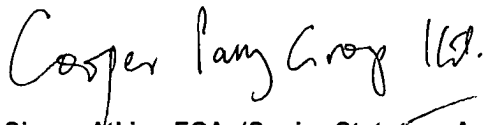
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

WASELEY HILLS HIGH SCHOOL
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WASELEY HILLS HIGH SCHOOL (CONTINUED)**

Use of our report

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



Simon Atkins FCA (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants

Statutory Auditor

One Central Boulevard

Blythe Valley Business Park

Solihull

West Midlands

B90 8BG

14 December 2021

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 2 August 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Waseley Hills High School during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Waseley Hills High School's funding agreement with the Secretary of State for Education dated 30 August 2012 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

- Reviewing the internal control policies and procedures implemented by the Academy Trust and evaluating their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities;
- Reviewing the minutes of meetings of the Trustees, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;
- Enquiries of the Accounting Officer, including reviewing the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

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

- Detailed testing of the income and expenditure of the Academy Trust based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

Conclusion

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

MATTER 1:

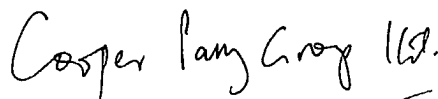
The Academy failed to maintain an up to date register of its Members' and Trustees' Interests and did not publish this on the Academy's website.

MATTER 2:

The Academy did not arrange for a programme of internal scrutiny (internal audit) to be carried out during the year.

MATTER 3:

The Academy did not produce formal management accounts throughout the year (containing an income and expenditure account, balance sheet and cash flow) and hence these were not provided to the Trustees with sufficient regularity to enable them to maintain financial oversight. In addition, the Academy's financial policies date back to March 2015 and have not been reviewed and updated for some time.



Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor
One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

Date: 14 December 2021

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

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

| | | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Restricted fixed asset funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|--|-------------|--|--|--|---------------------------------------|---------------------------------------|
| | Note | | | | | |
| Income from: | | | | | | |
| Donations and capital grants | 3 | 163 | - | 16,614 | 16,777 | 16,780 |
| Other trading activities | 5 | 560 | - | - | 560 | 120,040 |
| Investments | 6 | 44 | - | - | 44 | 196 |
| Charitable activities | 4 | - | 4,366,271 | - | 4,366,271 | 3,974,423 |
| Total income | | 767 | 4,366,271 | 16,614 | 4,383,652 | 4,111,439 |
| Expenditure on: | | | | | | |
| Charitable activities | | - | 4,398,434 | 88,737 | 4,487,171 | 4,404,609 |
| Total expenditure | 7 | - | 4,398,434 | 88,737 | 4,487,171 | 4,404,609 |
| Net movement in funds before other recognised gains | | 767 | (32,163) | (72,123) | (103,519) | (293,170) |
| Other recognised gains: | | | | | | |
| Actuarial gains on defined benefit pension schemes | 22 | - | 113,000 | - | 113,000 | 203,000 |
| Net movement in funds | | 767 | 80,837 | (72,123) | 9,481 | (90,170) |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 45,208 | (1,872,450) | 7,369,902 | 5,542,660 | 5,632,830 |
| Net movement in funds | | 767 | 80,837 | (72,123) | 9,481 | (90,170) |
| Total funds carried forward | | 45,975 | (1,791,613) | 7,297,779 | 5,552,141 | 5,542,660 |

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

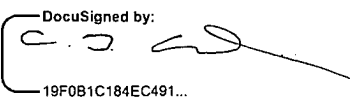
The notes on pages 34 to 57 form part of these financial statements.

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 08160225

BALANCE SHEET
AS AT 31 AUGUST 2021

| | Note | 2021 £ | 2020 £ |
|--|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 13 | 7,271,770 | 7,359,110 |
| Current assets | | | |
| Debtors | 14 | 96,466 | 86,764 |
| Cash at bank and in hand | | 255,601 | 258,979 |
| | | <u>352,067</u> | <u>345,743</u> |
| Creditors: amounts falling due within one year | 15 | (170,696) | (222,193) |
| Net current assets | | 181,371 | 123,550 |
| Net assets excluding pension liability | | <u>7,453,141</u> | <u>7,482,660</u> |
| Defined benefit pension scheme liability | 22 | (1,901,000) | (1,940,000) |
| Total net assets | | <u><u>5,552,141</u></u> | <u><u>5,542,660</u></u> |
| Funds of the Academy | | | |
| Restricted funds: | | | |
| Fixed asset funds | 16 | 7,297,779 | 7,369,902 |
| Restricted income funds | 16 | 109,387 | 67,550 |
| | | <u>7,407,166</u> | <u>7,437,452</u> |
| Restricted funds excluding pension asset | 16 | 7,407,166 | 7,437,452 |
| Pension reserve | 16 | (1,901,000) | (1,940,000) |
| Total restricted funds | 16 | 5,506,166 | 5,497,452 |
| Unrestricted income funds | 16 | 45,975 | 45,208 |
| Total funds | | <u><u>5,552,141</u></u> | <u><u>5,542,660</u></u> |

The financial statements on pages 31 to 57 were approved by the Trustees, and authorised for issue on 14 December 2021 and are signed on their behalf, by:

DocuSigned by:

 19F0B1C184EC491...

Mrs C Gallant
 Chair of Trustees

The notes on pages 34 to 57 form part of these financial statements.

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

| | Note | 2021 £ | 2020 £ |
|---|--------|---------------------|---------------------|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 18 | (18,639) | (69,325) |
| Cash flows from investing activities | 19 | 15,261 | 10,988 |
| Cash flows from financing activities | | - | - |
| | | <hr/> | <hr/> |
| Change in cash and cash equivalents in the year | | (3,378) | (58,337) |
| Cash and cash equivalents at the beginning of the year | | 258,979 | 317,316 |
| Cash and cash equivalents at the end of the year | 20, 21 | <hr/> <hr/> 255,601 | <hr/> <hr/> 258,979 |

The notes on pages 34 to 57 form part of these financial statements

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Waseley Hills High School meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern.

As stated in note 27, on 1 November 2021 the Academy joined the Central Region Schools Trust and all of its assets, liabilities and activities transferred to the Trust on that date. From this date, the legal entity known as Waseley Hills High School ceased to operate and for this reason the Trustees consider this legal entity will no longer be a going concern. The financial statements have therefore been prepared on a basis other than going concern.

The assets and liabilities transferred to Central Region Schools Trust at their book values on 1 November 2021.

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

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

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

1.7 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 freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line and reducing balance basis over its expected useful life, as follows:

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

| | | |
|--------------------------|---|--|
| Long leasehold buildings | - | Depreciated over the life of the lease |
| Improvements to property | - | 4% straight line |
| Furniture and equipment | - | 15% reducing balance |
| Computer equipment | - | 33% straight line |

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

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

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 Financial instruments

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

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

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

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

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.12 Pensions

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to 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 Agency arrangements

The Academy acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds. The Trust can use a percentage of allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in note 26.

1.14 Fund accounting

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

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

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

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

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets are depreciated over their economic useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

Critical areas of judgement:

The classification of expenditure between restricted and unrestricted funds is considered a critical area of judgment as certain expenditure can be applied to both funds. Where this is the case and the amounts in question are considered material, the expenditure is apportioned to both funding streams on an appropriate basis.

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

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

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

3. Income from donations and capital grants

| | Unrestricted funds 2021 £ | Restricted fixed asset funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-------------------|------------------------------------|---|-----------------------------|-----------------------------|
| Donations | 163 | - | 163 | 270 |
| Capital Grants | - | 16,614 | 16,614 | 16,510 |
| | <u>163</u> | <u>16,614</u> | <u>16,777</u> | <u>16,780</u> |
| Total 2020 | <u>270</u> | <u>16,510</u> | <u>16,780</u> | |

4. Funding for the Academy's educational activities

| | Restricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|---|----------------------------------|-----------------------------|-----------------------------|
| DfE/ESFA grants | | | |
| General Annual Grant | 3,760,549 | 3,760,549 | 3,512,994 |
| Other DfE/ESFA grants | | | |
| Pupil Premium | 127,347 | 127,347 | 126,895 |
| Teachers' Pay grant | 50,777 | 50,777 | 49,508 |
| Teachers' Pension grant | 146,161 | 146,161 | 139,899 |
| Other DfE Group grants | 14,494 | 14,494 | 36,744 |
| | <u>4,099,328</u> | <u>4,099,328</u> | <u>3,866,040</u> |
| Other Government grants | | | |
| Local authority grants | 111,403 | 111,403 | 76,350 |
| | <u>111,403</u> | <u>111,403</u> | <u>76,350</u> |
| Other income from the Academy's educational activities | 52,714 | 52,714 | 32,033 |
| COVID-19 additional funding (DfE/ESFA) | | | |
| Catch-up Premium | 54,800 | 54,800 | - |
| Mass Testing | 26,640 | 26,640 | - |
| Emergency support | 21,386 | 21,386 | - |
| | <u>102,826</u> | <u>102,826</u> | <u>-</u> |
| Total 2021 | <u>4,366,271</u> | <u>4,366,271</u> | <u>3,974,423</u> |
| Total 2020 | <u>3,974,423</u> | <u>3,974,423</u> | |

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

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

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

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

The Academy Trust received £54,800 of funding for catch-up premium and costs incurred in respect of this funding totalled £17,826 during this financial year. These costs are included in note 7 below as appropriate.

5. Income from other trading activities

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|--|------------------------------------|-----------------------------|-----------------------------|
| Hire of facilities | - | - | 8,701 |
| Income from ancillary trading activities | 560 | 560 | 111,339 |
| | <u>560</u> | <u>560</u> | <u>120,040</u> |
| Total 2020 | <u>120,040</u> | <u>120,040</u> | |

6. Investment income

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|---------------------|------------------------------------|-----------------------------|-----------------------------|
| Short term deposits | 44 | 44 | 196 |
| | <u>44</u> | <u>44</u> | <u>196</u> |
| Total 2020 | <u>196</u> | <u>196</u> | |

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

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

7. Expenditure

| | Staff Costs 2021 £ | Premises 2021 £ | Other 2021 £ | Total 2021 £ | Total 2020 £ |
|-------------------------|---|--|---|---|---|
| Educational activities: | | | | | |
| Direct costs | 2,876,591 | - | 162,993 | 3,039,584 | 3,151,038 |
| Allocated support costs | 972,860 | 265,350 | 209,377 | 1,447,587 | 1,253,571 |
| Total 2021 | 3,849,451 | 265,350 | 372,370 | 4,487,171 | 4,404,609 |
| Total 2020 | 3,716,373 | 258,337 | 429,899 | 4,404,609 | |

8. Analysis of expenditure by activities

| | Activities undertaken directly 2021 £ | Support costs 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|------------------------|--|---|---|---|
| Educational activities | 3,039,584 | 1,447,587 | 4,487,171 | 4,404,609 |
| Total 2020 | 3,151,038 | 1,253,571 | 4,404,609 | |

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Educational activities 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|---------------------------------------|--|---------------------------------------|---------------------------------------|
| Pension cost | 33,000 | 33,000 | 37,000 |
| Staff costs | 972,860 | 972,860 | 738,206 |
| Depreciation | 88,737 | 88,737 | 88,521 |
| Recruitment and support | 9,740 | 9,740 | 12,051 |
| Maintenance of premises and equipment | 33,408 | 33,408 | 44,639 |
| Cleaning | 13,006 | 13,006 | 14,376 |
| Rent and rates | 38,741 | 38,741 | 35,680 |
| Energy costs | 75,358 | 75,358 | 54,253 |
| Insurance | 16,100 | 16,100 | 15,671 |
| Security and transport | 1,130 | 1,130 | 77,497 |
| Catering | 25,958 | 25,958 | 19,924 |
| Other support costs | 127,799 | 127,799 | 107,753 |
| Auditors remuneration | 11,750 | 11,750 | 8,000 |
| Total 2021 | 1,447,587 | 1,447,587 | 1,253,571 |

Included within other support costs are professional costs relating to academy conversions and transfers of £Nil (2020: £Nil) and legal costs relating to all other matters of £1,200 (2020: £3,833).

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

| | 2021 £ | 2020 £ |
|---------------------------------------|-------------------|-------------------|
| Operating lease rentals | 18,843 | 12,362 |
| Depreciation of tangible fixed assets | 88,737 | 88,521 |
| Fees paid to auditor for: | | |
| - audit | 11,750 | 8,000 |

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

| | 2021 £ | 2020 £ |
|---------------------------|------------------|------------------|
| Wages and salaries | 2,764,866 | 2,723,429 |
| Social security costs | 273,171 | 259,894 |
| Pension costs | 719,708 | 706,057 |
| | <u>3,757,745</u> | <u>3,689,380</u> |
| Agency staff costs | 27,986 | 26,993 |
| Staff restructuring costs | 63,720 | - |
| | <u>3,849,451</u> | <u>3,716,373</u> |

Staff restructuring costs comprise:

| | 2021 £ | 2020 £ |
|---------------------|---------------|-----------|
| Redundancy payments | 12,643 | - |
| Severance payments | 51,077 | - |
| | <u>63,720</u> | <u>-</u> |

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £51,077 (2020: £Nil). Individually, the payments were: £36,743, £10,401, £3,933.

c. Staff numbers

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

| | 2021 No. | 2020 No. |
|----------------------------|-------------|-------------|
| Teachers | 41 | 47 |
| Administration and support | 53 | 47 |
| Management | 6 | 9 |
| | <u>100</u> | <u>103</u> |

WASELEY HILLS HIGH SCHOOL
(A company limited by guarantee)

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

10. Staff (continued)

d. Higher paid staff

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

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

e. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £538,310 (2020 - £585,568).

11. Trustees' remuneration and expenses

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

| | | 2021 £ | 2020 £ |
|---------------------------------------|----------------------------|--------------------|--------------------|
| A Roll (resigned 1 April 2021) | Remuneration | 50,000 - 55,000 | 85,000 - 90,000 |
| | Pension contributions paid | 5,000 - 10,000 | 20,000 - 25,000 |
| T Lawson (resigned 30 September 2020) | Remuneration | 0 - 5,000 | 10,000 - 15,000 |
| | Pension contributions paid | 0 - 5,000 | 0 - 5,000 |
| S Parsons (resigned 25 February 2021) | Remuneration | 25,000 - 30,000 | 45,000 - 50,000 |
| | Pension contributions paid | 0 - 5,000 | 10,000 - 15,000 |
| L Wise (resigned 26 February 2021) | Remuneration | 10,000 - 15,000 | 25,000 - 30,000 |
| | Pension contributions paid | 0 - 5,000 | 0 - 5,000 |

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

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

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

13. Tangible fixed assets

| | Long leasehold buildings £ | Improvements to property £ | Furniture and equipment £ | Computer equipment £ | Total £ |
|--------------------------|-------------------------------------|----------------------------------|------------------------------------|----------------------------|------------|
| Cost or valuation | | | | | |
| At 1 September 2020 | 7,319,000 | 614,092 | 99,718 | 453,287 | 8,486,097 |
| Additions | - | 1,397 | - | - | 1,397 |
| At 31 August 2021 | 7,319,000 | 615,489 | 99,718 | 453,287 | 8,487,494 |
| Depreciation | | | | | |
| At 1 September 2020 | 468,416 | 137,917 | 71,107 | 449,547 | 1,126,987 |
| Charge for the year | 58,552 | 24,631 | 3,648 | 1,906 | 88,737 |
| At 31 August 2021 | 526,968 | 162,548 | 74,755 | 451,453 | 1,215,724 |
| Net book value | | | | | |
| At 31 August 2021 | 6,792,032 | 452,941 | 24,963 | 1,834 | 7,271,770 |
| At 31 August 2020 | 6,850,584 | 476,175 | 28,611 | 3,740 | 7,359,110 |

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14. Debtors

| | 2021 | 2020 |
|--------------------------------|---------------|---------------|
| | £ | £ |
| Due within one year | | |
| Trade debtors | 31,396 | 7,761 |
| VAT | 28,792 | 10,906 |
| Prepayments and accrued income | 36,278 | 68,097 |
| | <u>96,466</u> | <u>86,764</u> |

15. Creditors: Amounts falling due within one year

| | 2021 | 2020 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 5,387 | 26,461 |
| Other taxation and social security | 62,975 | 65,912 |
| Other creditors | 83,011 | 115,820 |
| Accruals | 19,323 | 14,000 |
| | <u>170,696</u> | <u>222,193</u> |

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16. Statement of funds

| | Balance at 1 September 2020 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 August 2021 £ |
|-------------------------------------|--|-------------|------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | |
| Unrestricted funds | 45,208 | 767 | - | - | 45,975 |
| Restricted general funds | | | | | |
| General annual grant (GAG) | 67,550 | 3,760,549 | (3,779,317) | - | 48,782 |
| Pupil premium | - | 127,347 | (127,347) | - | - |
| Teachers' pay grant | - | 50,777 | (50,777) | - | - |
| Teachers' pension grant | - | 146,161 | (146,161) | - | - |
| Other DfE / ESFA grants | - | 14,494 | (14,494) | - | - |
| Local authority grants | - | 111,403 | (111,403) | - | - |
| COVID-19 Catch-up Premium | - | 54,800 | (17,826) | - | 36,974 |
| COVID-19 Mass Testing | - | 26,640 | (3,009) | - | 23,631 |
| COVID-19 - Emergency support | - | 21,386 | (21,386) | - | - |
| Other income | - | 52,714 | (52,714) | - | - |
| Pension reserve | (1,940,000) | - | (74,000) | 113,000 | (1,901,000) |
| | (1,872,450) | 4,366,271 | (4,398,434) | 113,000 | (1,791,613) |
| Restricted fixed asset funds | | | | | |
| Restricted fixed asset fund | 7,369,902 | 16,614 | (88,737) | - | 7,297,779 |
| Total Restricted funds | 5,497,452 | 4,382,885 | (4,487,171) | 113,000 | 5,506,166 |
| Total funds | 5,542,660 | 4,383,652 | (4,487,171) | 113,000 | 5,552,141 |

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

The General Annual Grant funding must be used for the normal running costs of the Academy Trust in line with the Trust's charitable objects and the terms and conditions of the Trust's funding agreement.

The pupil premium funding must be used to support children from families on low income or children in care.

Other grants and income, which include other ESFA / DfE grants (including Teacher Pay grants and Teachers' Pension grants), Local Authority funding, and other restricted income, are all used in accordance with the specific restrictions of the individual grants and funding provided.

The Pension reserve represents the Local Government Pension Scheme deficit.

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

16. Statement of funds (continued)

Restricted fixed asset funds represent the investment in fixed assets, net of accumulated depreciation, and includes the value of fixed assets transferred to the Academy Trust on conversion, together with any capital expenditure funded from restricted or unrestricted funds. Unspent capital grants and capital income are also held in this fund and their use is restricted to the capital projects for which the grant awarded.

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

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

| | Balance at 1 September 2019 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 August 2020 £ |
|-------------------------------------|--|-------------------------|---------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | |
| Unrestricted funds | 38,632 | 120,506 | (113,930) | - | 45,208 |
| | <u>38,632</u> | <u>120,506</u> | <u>(113,930)</u> | <u>-</u> | <u>45,208</u> |
| Restricted general funds | | | | | |
| General annual grant (GAG) | 199,285 | 3,512,994 | (3,644,729) | - | 67,550 |
| Other DfE / ESFA grants | - | 353,046 | (353,046) | - | - |
| Other grants | - | 76,350 | (76,350) | - | - |
| Other income | - | 32,033 | (32,033) | - | - |
| Pension reserve | (2,047,000) | - | (96,000) | 203,000 | (1,940,000) |
| | <u>(1,847,715)</u> | <u>3,974,423</u> | <u>(4,202,158)</u> | <u>203,000</u> | <u>(1,872,450)</u> |
| Restricted fixed asset funds | | | | | |
| Restricted fixed asset fund | 7,441,913 | 16,510 | (88,521) | - | 7,369,902 |
| | <u>7,441,913</u> | <u>16,510</u> | <u>(88,521)</u> | <u>-</u> | <u>7,369,902</u> |
| Total Restricted funds | 5,594,198 | 3,990,933 | (4,290,679) | 203,000 | 5,497,452 |
| | <u>5,594,198</u> | <u>3,990,933</u> | <u>(4,290,679)</u> | <u>203,000</u> | <u>5,497,452</u> |
| Total funds | 5,632,830 | 4,111,439 | (4,404,609) | 203,000 | 5,542,660 |
| | <u><u>5,632,830</u></u> | <u><u>4,111,439</u></u> | <u><u>(4,404,609)</u></u> | <u><u>203,000</u></u> | <u><u>5,542,660</u></u> |

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NOTES TO THE FINANCIAL STATEMENTS
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17. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Restricted fixed asset funds 2021 £ | Total funds 2021 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 7,271,770 | 7,271,770 |
| Current assets | 45,975 | 280,083 | 26,009 | 352,067 |
| Creditors due within one year | - | (170,696) | - | (170,696) |
| Defined benefit pension scheme liability | - | (1,901,000) | - | (1,901,000) |
| Total | <u>45,975</u> | <u>(1,791,613)</u> | <u>7,297,779</u> | <u>5,552,141</u> |

Analysis of net assets between funds - prior year

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Restricted fixed asset funds 2020 £ | Total funds 2020 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 7,359,110 | 7,359,110 |
| Current assets | 81,825 | 253,126 | 10,792 | 345,743 |
| Creditors due within one year | (36,617) | (185,576) | - | (222,193) |
| Defined benefit pension scheme liability | - | (1,940,000) | - | (1,940,000) |
| Total | <u>45,208</u> | <u>(1,872,450)</u> | <u>7,369,902</u> | <u>5,542,660</u> |

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NOTES TO THE FINANCIAL STATEMENTS
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18. Reconciliation of net expenditure to net cash flow from operating activities

| | 2021 £ | 2020 £ |
|---|------------------|------------------|
| Net expenditure for the year (as per statement of financial activities) | (103,519) | (293,170) |
| Adjustments for: | | |
| Depreciation | 88,738 | 88,521 |
| Capital grants from DfE and other capital income | (16,614) | (16,510) |
| Interest receivable | (44) | (196) |
| Defined benefit pension scheme cost less contributions payable | 74,000 | 96,000 |
| Increase in debtors | (9,702) | (33,491) |
| (Decrease)/increase in creditors | (51,498) | 89,521 |
| Net cash used in operating activities | (18,639) | (69,325) |

19. Cash flows from investing activities

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| Interest receivable | 44 | 196 |
| Purchase of tangible fixed assets | (1,397) | (5,718) |
| Capital grants from DfE Group | 16,614 | 16,510 |
| Net cash provided by investing activities | 15,261 | 10,988 |

20. Analysis of cash and cash equivalents

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| Cash in hand and at bank | 255,601 | 258,979 |
| Total cash and cash equivalents | 255,601 | 258,979 |

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

21. Analysis of changes in net debt

| | At 1 September 2020 £ | Cash flows £ | At 31 August 2021 £ |
|--------------------------|--------------------------------|-----------------|---------------------------|
| Cash at bank and in hand | 258,979 | (3,378) | 255,601 |
| | <u>258,979</u> | <u>(3,378)</u> | <u>255,601</u> |

22. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Worcestershire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £66,998 were payable to the schemes at 31 August 2021 (2020 - £70,498) and are included within creditors.

Teachers' Pension Scheme

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

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

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22. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £421,126 (2020 - £470,273).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £218,000 (2020 - £216,000), of which employer's contributions totalled £186,000 (2020 - £183,000) and employees' contributions totalled £32,000 (2020 - £33,000). The agreed contribution rates for future years are 21.5 per cent for employers and 5.5 - 12.5 per cent for employees.

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

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

In addition, in order to protect the fund, phased lump sum deficit contributions have been scheduled over the next 3 years at an average of £68,000 per annum. It is anticipated that the recovery period is 9 years.

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22. Pension commitments (continued)

Principal actuarial assumptions

| | 2021 | 2020 |
|--|-------------|-------------|
| | % | % |
| Rate of increase in salaries | 4.2 | 3.9 |
| Rate of increase for pensions in payment/inflation | 2.8 | 2.5 |
| Discount rate for scheme liabilities | 1.7 | 1.8 |
| Inflation assumption (CPI) | 2.7 | 2.4 |

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

| | 2021 | 2020 |
|----------------------|--------------|--------------|
| | Years | Years |
| Retiring today | | |
| Males | 22.7 | 22.6 |
| Females | 25.1 | 25.0 |
| Retiring in 20 years | | |
| Males | 24.4 | 24.2 |
| Females | 27.1 | 27.0 |

Sensitivity analysis

| | 2021 | 2020 |
|--|-------------|-------------|
| | £000 | £000 |
| Discount rate +0.1% | (77) | (69) |
| Discount rate -0.1% | 78 | 70 |
| Mortality assumption - 1 year increase | 139 | 114 |
| Mortality assumption - 1 year decrease | (135) | (111) |
| CPI rate +0.1% | 77 | 70 |
| CPI rate -0.1% | (76) | (69) |

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22. Pension commitments (continued)

Share of scheme assets

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

| | 2021 | 2020 |
|-------------------------------------|------------------|------------------|
| | £ | £ |
| Equities | 2,081,000 | 1,352,000 |
| Gilts | - | 138,000 |
| Corporate bonds | 3,000 | 109,000 |
| Property | 110,000 | 111,000 |
| Cash and other liquid assets | 63,000 | 86,000 |
| Other | 245,000 | 257,000 |
| Total market value of assets | 2,502,000 | 2,053,000 |

The actual return on scheme assets was £383,000 (2020 - £31,000).

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

| | 2021 | 2020 |
|---|-----------------|------------------|
| | £ | £ |
| Current service cost | (225,000) | (226,000) |
| Past service cost | 186,000 | (16,000) |
| Interest income | 38,000 | 35,000 |
| Interest cost | (71,000) | (70,000) |
| Administrative expenses | (2,000) | (2,000) |
| Total amount recognised in the Statement of Financial Activities | (74,000) | (279,000) |

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

| | 2021 | 2020 |
|--------------------------|------------------|------------------|
| | £ | £ |
| At 1 September | 3,993,000 | 3,899,000 |
| Current service cost | 225,000 | 226,000 |
| Interest cost | 71,000 | 70,000 |
| Employee contributions | 32,000 | 33,000 |
| Actuarial losses/(gains) | 232,000 | (232,000) |
| Benefits paid | (150,000) | (19,000) |
| Past service costs | - | 16,000 |
| At 31 August | 4,403,000 | 3,993,000 |

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22. Pension commitments (continued)

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

| | 2021 £ | 2020 £ |
|--------------------------|------------------|------------------|
| At 1 September | 2,053,000 | 1,852,000 |
| Interest income | 38,000 | 35,000 |
| Actuarial gains/(losses) | 345,000 | (29,000) |
| Employer contributions | 186,000 | 183,000 |
| Employee contributions | 32,000 | 33,000 |
| Benefits paid | (150,000) | (19,000) |
| Administration expenses | (2,000) | (2,000) |
| At 31 August | <u>2,502,000</u> | <u>2,053,000</u> |

23. Operating lease commitments

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

| | 2021 £ | 2020 £ |
|--|---------------|---------------|
| Not later than 1 year | 10,315 | 9,499 |
| Later than 1 year and not later than 5 years | 3,095 | 8,700 |
| | <u>13,410</u> | <u>18,199</u> |

24. 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.

25. Related party transactions

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

26. Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2021 the Trust received £4,531 (2020: £4,363) and disbursed £Nil (2020: £Nil) from the fund. An amount of £13,122 (2020: £8,591) is included in other creditors relating to undistributed funds that is repayable to ESFA.

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27. Post balance sheet events

On 1 November 2021 the Academy joined the Central Region Schools Trust.