

Registered number: 07727974

**Cannock Chase High School**

Trustees' Report and Financial Statements

For the Year Ended 31 August 2019



**Cannock Chase High School**  
**(A company limited by guarantee)**

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**Cannock Chase High School**  
(A company limited by guarantee)

**Reference and Administrative Details**

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<b>Members</b>	I Turnbull C Squire K Conde J Miles
<b>Trustees</b>	C Squire, Chair <sup>1</sup> J Miles, Vice Chair <sup>1</sup> C Aldridge H Allen, Staff Governor R Brain (resigned 29 August 2019) <sup>1</sup> P Bury K Conde <sup>1</sup> E Hale, Staff Governor D Jinks, Staff Governor A Mallen D Merrick <sup>1</sup> S O'Farrell (resigned 28 August 2019) L Pritchard (resigned 28 August 2019) I Turnbull, Head Teacher and Accounting Officer <sup>1</sup> C Worrall, Staff Governor  <sup>1</sup> Member of the Finance Committee
<b>Company registered number</b>	07727974
<b>Company name</b>	Cannock Chase High School
<b>Principal and registered office</b>	Cannock Chase High School Hednesford Road Cannock Staffordshire WS11 1JT
<b>Company secretary</b>	C Galpin
<b>Head Teacher</b>	I Turnbull
<b>Senior leadership team</b>	I Turnbull, Head Teacher J Keates, Deputy Head Teacher G McAuley, Assistant Head Teacher C Worthy, Assistant Head Teacher D Reynolds, Assistant Head Teacher R Howes, Assistant Head Teacher (until 28 April 2019) T White, Assistant Head Teacher H Daniel, Executive Business Manager
<b>Independent auditors</b>	Dains LLP 15 Colmore Row Birmingham B3 2BH

**Cannock Chase High School**  
**(A company limited by guarantee)**

**Reference and Administrative Details (continued)**  
**For the Year Ended 31 August 2019**

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<b>Bankers</b>	Lloyds TSB Bank plc 3 Market Place Cannock Staffordshire WS11 1BD
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**Cannock Chase High School**  
**(A company limited by guarantee)**

**Trustees' Report**  
**For the Year Ended 31 August 2019**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

Cannock Chase High School is an 11-19 state funded comprehensive school with Academy Status and around 883 students on roll. Our school is a vibrant and ambitious learning community with a relentless focus on the highest standards of academic achievement, personal development and equality of opportunity. In everything we do, we are dedicated to reaching our school goal – 'Achievement for All'.

**Structure, governance and management**

**a. Constitution**

The academy is a charitable company limited by guarantee and an exempt charity. The Academy was incorporated by a Memorandum of Association on 3 August 2011.

The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy. The Academy has exempt charity status and its principal regulator is the Department for Education.

The Governors act as Trustees for the charitable activities of Cannock Chase High School and are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Cannock Chase 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.

The principal object of the Academy is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. There have been no changes in the objectives since the last annual report.

**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.

**Structure, governance and management (continued)**

**c. Method of recruitment and appointment or election of Trustees**

The management of the Academy is the responsibility of the Trustees who are elected and co opted under the terms of the Articles of Association, subject to articles 48, 49 and 64.

The members may appoint up to six Trustees. The members may appoint staff Trustees through such process as they may determine, provided that the total number of Trustees (including the Headteacher) who are employees of the Academy does not exceed one third of the total number of Trustees.

Parent Trustees shall be elected by parents of registered pupils at the Academy. A parent Trustee must be a parent of a pupil at the Academy at the time when he/ she is elected.

The Local Authority (LA) may appoint the LA Trustee.

The minimum number of Trustees allowed at any time is three.

**d. Policies adopted for the induction and training of Trustees**

The induction and training provided for new Trustees is critical to and will depend on their existing experience. Where necessary, induction will provide training on educational, legal and financial matters.

All new Trustees will be given a tour of key areas of the Academy and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. All Trustees are subject to DBS checks.

**e. Organisational structure**

The Board of Trustees are responsible for the overall strategic direction of the academy. The Trustees have a duty to act in the fulfilment of the academy trust objectives. They set the strategic direction, and determine the policies and procedures of the academy and hold the academy to account.

The Trustees will meet at least four times a year and sub committees will report to the board of trustees throughout the year. The Board of Trustees does not exercise a managerial role. The leadership and management of the academy is delegated to the Senior Leadership Team. The Senior Leadership Team are responsible at an executive level for implementing the policies laid down by the Trustees and reporting back to them through various committees. This includes actions concerning the school improvement plan, the budget and staffing.

The Head Teacher is the Accounting Officer and is responsible for the authorisation of expenditure within agreed budgets. Some spending control is devolved to designated budget holders, within the delegated limits set out in the approved Financial Regulations and the Financial Scheme of Delegation.

**f. Arrangements for setting pay and remuneration of key management personnel**

The Governing Body will determine pay and remuneration for all leadership posts from within the leadership scale contained in the School Teachers' Pay and Conditions Document. Progression within the leadership scale is subject to a review of performance set against the annual appraisal review.

**Cannock Chase High School**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

**Structure, governance and management (continued)**

**g. Trade union facility time**

**Relevant union officials**

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

**Percentage of time spent on facility time**

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

**Percentage of pay bill spent on facility time** £

Total cost of facility time	490
Total pay bill	3,739,631
Percentage of total pay bill spent on facility time	0.013 %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	100.000 %
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**h. Related parties and other connected charities and organisations**

The Members, Trustees, Accounting Officer, leadership team and all academy staff all complete a pecuniary interests declaration on an annual basis. This declaration sets out any relationship with the academy that is not directly related to their duties within their school roles. Each individual is required to declare any conflict of interest if anything should arise between declarations. Once the declaration has been made, the individual concerned takes no further part in any decision relating to the matter declared.

**i. Risk management**

A risk register is in place at the Academy and is reviewed annually by Governors. Financial risk is reviewed by the Finance Committee. The risk register details aspects of procedure and practice that contains risk, the extent of the impact were the risk to manifest itself, the likelihood of the Academy's exposure to such an incidence, and the control mechanisms in place to mitigate likelihood and impact.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those related to the operations and finances of the Academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The budget is monitored on a regular basis by the Executive Business Manager and the Headteacher through the production of reports that are generated from the school's financial management system. Remedial action is taken to address any significant variances that may have an impact on the budget outturn.

The principal risks and uncertainties currently facing the Academy relate to the reduction in income due to lower student numbers on roll.

**Objectives and activities**

**a. Objects and aims**

The Academy holds a firm belief that in order to achieve our aims we should work in partnership with stakeholders and external organisations.

The principal activity of the Academy is the provision of high quality education for students of all abilities between the ages of 11 and 19.

**b. Objectives, strategies and activities**

The main objectives for 2019-20 are to continue to raise achievement and standards at GCSE and A level, to improve attendance of students and to improve the teaching and learning in the Academy.

These and other objectives are to be found in more detail in our School Improvement Plan.

**c. Public benefit**

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'. The Trustees consider that the Academy can clearly demonstrate that its aims are to advance the education of young people in the Cannock district.



**Cannock Chase High School**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

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**Strategic report**

**Achievements and performance**

**a. Key performance indicators**

The Academy's KPIs are:

1. GCSE results annually
2. A level results annually
3. Ofsted inspection reports (between every 2 and 5 years)
4. Annual balanced budget

**Review of activities**

The achievement and performance of Cannock Chase High School are measured principally through the external examination results at GCSE and A level. Full details of our achievements are posted on our website. We remain a vibrant and ambitious learning community with a relentless focus on the highest standards of academic achievement, personal development and equality of opportunity. We achieve this vision through the operation of routine and procedures, an unwavering focus on results and by offering the very best teaching and support. In our achievement orientated culture, all students work hard and aspire to be the best that they can be. This focus has seen a rapid improvement in all areas of school life as evidenced by the 2016, 2017, 2018 and 2019 results and latest Ofsted Report, February 2018. The trajectory of improvement that was already evident at the time of the previous inspection has continued and accelerated in the intervening time. The headteacher, senior and middle leaders and governors are all committed to seeing the school improve. Their improvement plans and actions have had considerable impact. See full Ofsted report on the academy website.

Standards of achievement at the end of Year 11 have improved considerably over the last four years. Pre-validated results for 2019 suggest that standards have again been above national for Progress.

'The headteacher has a deep-seated commitment to the school community. This has been the driving force since the last inspection. As a result, all pupils are encouraged to do their very best, aspirations have risen and outcomes are improving.' (Ofsted 2018)

Overall the school's outcomes have improved significantly over the previous 4 years for both attainment and progress. Attainment has increased for both the basics measure, 9-4, and the 9-5 in English and maths. All 3 Core subjects of maths, English and science have seen improvements in both progress and attainment over the past 4 years. A level results for vocational progress were better than national for the fourth consecutive year.

'Pupils' behaviour in lessons is exemplary. Their attitudes to work are consistently positive. They listen to teachers and work hard in lessons. They show great enthusiasm for the curriculum they are offered.' (Ofsted 2018)

'Teachers have high expectations of pupils and develop very positive relationships. Teachers check pupils' understanding effectively and provide support and intervention when pupils fall behind. Pupils speak very highly of the support that is given, and appreciate the encouragement and belief that teachers show in them.' (Ofsted 2018)

**Equal Opportunities**

The trust is committed to employment policies which follow best practice based on equal opportunities for all employees irrespective of sex, race, colour, disability or marital status. The trust gives full and fair consideration to applications for employment from disabled persons having regard to their particular aptitudes and abilities.

**Cannock Chase High School**  
**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

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**Strategic report (continued)**

**Achievements and performance (continued)**

**b. Going concern**

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**c. Financial review**

**Financial report for the year**

Most of the Academy's income is obtained from the DfE, via the ESFA, in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as restricted general funds in the Statement of Financial Activities.

The Academy also receives capital grants from the DfE, via the ESFA. In accordance with 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 (FRS102) (Charities SORP (FRS102)), such grants are shown in the Statement of Financial Activities as restricted income in the restricted fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges. Assets are depreciated over their expected useful lives.

During the year ended 31 August 2019, the Academy received recurrent revenue grant funding from the DfE/ESFA, together with other incoming resources, of £4,586,241 (2018 - £4,578,348). Expenditure totalled £4,561,703 (2018 - £4,736,415) (excluding movements on the Fixed Asset Fund and movements on the pension reserve). In 2019 £Nil of revenue funding was used to purchase fixed assets (£925 in 2018). The Academy has therefore increased funds by £24,538 (2018 - used funds of £158,992).

At 31 August 2019 the net book value of fixed assets was £7,417,601 (2018 - £7,650,352) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy pension liability has increased in year to £3,867,000 (2018 - £2,436,000) due to a fall in the scheme discount rate.

The Academy has significant reliance on Department for Education grant income for its principle funding source. In 2019 DfE recurrent funding amounted to £4,273,885 and represented 95% of restricted revenue income (2018 - £4,318,940, 94.9%). The Academy generated £30,822 from letting out facilities, (compared to £21,057 in 2018) and excess income has been used to support educational purposes.

Operating cash outflow was £11,957 compared to a cash outflow of £168,575 in 2018. Total cash in the bank increased from £891,979 at 31 August 2018 to £930,238 at 31 August 2019.

The academy complies with the principles of financial control outlined in the Academies Financial Handbook and Accounts Direction.

**Cannock Chase High School**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

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**Strategic report (continued)**

**(continued)**

**a. Reserves policy**

The Trustees have reviewed the financial statements of the trust. The review encompassed the nature of income and expenditure streams, the need to match them with commitments and the nature of reserves.

Reserves are held as follows:

- To cover working capital requirements (forming part of restricted and unrestricted general funds)
- As a contingency to meet unforeseeable expenditure (forming part of the restricted and unrestricted general funds)
- To fund planned and specific future capital expenditure (forming part of the restricted fixed asset fund).

The level of reserves is reviewed annually by the Trustees and they assess it in relation to these three purposes. The Trustees have reviewed the level of reserves held at 31 August 2019 and recognise that there is a need to build reserves going forward to meet the needs of the policy.

The Academy held fund balances at 31 August 2019 of £4,033,895 (2018 - £5,625,280) consisting of £3,658,584 (2018 - £5,284,579) restricted funds and £375,311 (2018 - £340,701) unrestricted funds. Included in restricted funds is an amount of £7,494,021 (2018 - £7,690,601) invested in fixed assets and a pension reserve deficit of £3,867,000 (2018 - £2,436,000).

**b. Investment policy**

Cannock Chase High School does not hold any long-term investments. The Academy manages its cash requirements through review of short and medium term cashflow needs. Any surplus funds are held as cash with large listed banks and operate within Charity Commission guidance.

**c. Principal risks and uncertainties**

The Academy receives its principal funding from the government through the ESFA.

The principal risks and uncertainties currently facing the Academy relate to reduced income as a result of lower student numbers on roll.

Reputational risk is necessarily linked to financial performance and student recruitment, with the levels of funding generated. The Ofsted report published in March 2018 has had a very positive impact on the reputation of the school. The overall outcome was good and the report contains excellent comments in relation to all aspects of the management and operation of the school and the outcomes for students. Student behaviour was highlighted as a significant strength in the report and this change is recognised with a positive impact on the school's reputation in the local community.

Following improvements in the school's performance and reputation, recruitment has risen and income, in line with lagged funding, should rise over the next 3-5 years. Financial monitoring by Governors and the Leadership Team has been strengthened with regular reporting to highlight areas of budget risk and actions are promptly assigned to address these and to manage the overall financial position of the school.

**Cannock Chase High School**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

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### **Fundraising**

Cannock Chase High School is committed to its charitable aims and fundraises where possible to help achieve these. The Trustees ensure that the school complies with the charity legislation and regulation in this area and it is expected that any fundraising activities are carried out in adherence to this legislation. Fundraising will be legal, respectful, honest and properly administered. Where possible all costs of fundraising events will be covered by the participants to ensure that as much of the fundraising income received will go directly to cover the charitable aims. Cannock Chase High School will not undertake business with companies or individuals which would cause detriment to the reputation; which will disproportionately decrease the amount of donations to the Academy. All fundraising activities are monitored and information of the donor will be handled properly and carefully.

## **Plans for future periods**

### Future developments

The Academy will continue to:

- Provide high quality education and provision for young people in the district;
- Raise aspirations, attainment, achievement and attendance among our young people;
- Attract high quality teachers and staff to work at the Academy;
- Work with its partner schools and local businesses to further the aims of the Academy; and
- Maintain and improve the buildings and site where grants and funds permit.

The School Improvement Plan has the following headlines:

### 1. Achievement and Standards

- Positive Progress 8 score in 2019-20 results for Year 11 students.
- Continued diminishing of the difference between the achievement of girls and boys.

### 2. Quality of Learning and Teaching

- Lesson observation cycles and work scrutinies continue to be used to identify individual teachers' strengths as well as areas to develop in order to ensure teaching across the school is highly effective for all students, with a particular focus on boys. This data will continue to be used as part of teacher's performance appraisal.
- Continue to provide rigorous and regular CPD to all staff in order to ensure that lessons are effective, allowing students to develop, understand and practise their learning, for example through CPD in relation to strategies to support all students, particularly boys including: quality questioning, interleaving content, challenge, effective response to feedback, modelling and metacognition.

### 3. Personal Development, Behaviour and Welfare

- To maintain attendance across all year groups, with a specific focus on PP, as a result of reviewed attendance procedures and greater intervention from middle and senior leaders from September 2018 onwards. Target 95%, met in 2018-19
- The DSL and Deputy DSL to continue to develop and devise 'Bitesize' Safeguarding updates to staff, regular Safeguarding briefings to ensure that staff awareness and understanding of safeguarding incidents is outstanding.

### 4. Leadership and Management

- To further develop the aspiration of success for all students, particularly boys, through a clear and focused CIAG package from Year 7-11.
- Develop and provide a professional development pathway (PDP) that is focused on key aspects of leadership for staff who are aspiring, current or new middle and senior leaders.
- Continue to review the curriculum offer in December for the following academic year, including options' choices for Year 8 students, to ensure that it is wholly appropriate for all students. Also, continue to offer a curriculum that is broad and inspires students by offering a full range of subjects including the arts, science, technology and languages.

**Cannock Chase High School**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

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**Disclosure of information to auditors**

Insofar as the Trustees are aware:

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

**Auditors**

The auditors, Dains LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 27 November 2019 and signed on its behalf by:



**C Squire**  
**Chair of Trustees**



**I Turnbull**  
**Head Teacher and Accounting Officer**

**Cannock Chase High School**  
**(A company limited by guarantee)**

**Governance Statement**

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**Scope of responsibility**

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

The board of Trustees has delegated the day-to-day responsibility to the Head Teacher, 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 Cannock Chase 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.

**Cannock Chase High School**  
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**Governance Statement (continued)**

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**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 4 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
C Squire, Chair	4	4
J Miles, Vice Chair	4	4
C Aldridge	3	4
H Allen, Staff Governor	1	3
R Brain	1	4
P Bury	4	4
K Conde	4	4
E Hale, Staff Governor	4	4
D Jinks, Staff Governor	4	4
A Mallen	3	4
D Merrick	3	4
S O'Farrell	2	4
L Pritchard	1	4
I Turnbull, Head Teacher and Accounting Officer	4	4
C Worrall, Staff Governor	4	4

The Finance Committee is a sub committee of the main Board of Trustees. Its purpose is to regulate and control the financial affairs of the Academy. The committee is responsible for setting the Academy's annual budget in the light of the School's Development Plan, conducting an annual review of the Academy's financial management arrangements and financial procedures, entering into and monitoring contract performance and reviewing any charges that the Academy makes, ensuring that they comply with the statutory limitations.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
R Brain	2	3
P Bury	0	3
K Conde	2	3
D Jinks	3	3
D Merrick	0	3
J Miles	3	3
C Squire	3	3
I Turnbull	3	3
C Worrall	2	3

The Strategy Committee is a sub committee of the main Board of Trustees and is open to all Governors to attend. Its purpose is to provide governor involvement on a range of strategic matters relevant to the direction of the school and to undertake tasks delegated to them by the Governing Body. The committee is responsible for the review of governor skills and training audit and to evaluate the effectiveness of Governing Body Committee meetings.



**Cannock Chase High School**  
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**Governance Statement (continued)**

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**Governance (continued)**

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
C Aldridge	2	2
H Allen	2	2
R Brain	0	2
K Conde	1	2
E Hale	2	2
D Jinks	0	2
A Mallen	1	2
D Merrick	2	2
J Miles	2	2
S O'Farrell	0	2
L Pritchard	0	2
C Squire	2	2
I Turnbull	2	2
C Worrall	2	2

**Cannock Chase High School**  
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**Governance Statement (continued)**

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**Review of value for money**

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

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

Improving Education Outcomes

- 70% of 2019 Sixth Form cohort progressing to HE.
- 2019 NEET figures were at 0%.
- GCSE improvement in outcomes.
- The school has significantly improved the new Progress 8 performance measure from 0.15 in 2015 to positive 0.01 in 2018 and 0.02 in 2019.
- Sixth Form Collaboration with Cardinal Griffin allows both schools to share staffing and reduce costs.
- Provision of summer school to support smooth transition from junior schools.

Financial Governance and Oversight

The Academy's Governing Body has oversight of the financial management of the budget. The Finance Committee meet termly to review the financial position, to receive reports and to challenge decisions. The external auditors review financial processes and test internal controls. The full Governing Body approves the budget each year and is mindful of the need to balance expenditure against income to ensure that the Academy Trust remains a going concern. The Governing Body also receives and approves the Annual Accounts and the External Auditors Management Report to measure performance.

All Governors and members of staff are required to complete a Register of Pecuniary Interests form annually.

Financial savings

- Review and streamlining of the staffing structure across the organisation
- Undertaking a tender process for catering services
- A programme of targeted cost savings across the academy through close scrutiny of all expenditures, enabling an improved financial out turn position against plan
- The Academy is continuously looking for the most competitive deals using various procurement tools such as internet shopping, advice from other schools and economies of scale.

Maximising Income Generation

The Academy has increased income generation through the hire of sports and drama facilities for the benefit of the local community.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Cannock Chase High School for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**Governance Statement (continued)**

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**Capacity to handle risk**

The board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

**The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Staffordshire County Council to perform additional checks.

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

- financial management
- income arrangements
- expenditure processes
- payroll controls
- bank reconciliations and reconciliation of control accounts
- inventory controls

On an annual basis, the reviewer reports to the board of Trustees through the Finance Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

**Governance Statement (continued)**

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**Review of effectiveness**

As accounting officer, the Head Teacher 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 peer reviewer and the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of Trustees on 27 November 2019 and signed on their behalf by:



**C Squire**  
**Chair of Trustees**



**I Turnbull**  
**Accounting Officer**

**Cannock Chase High School**  
**(A company limited by guarantee)**

**Statement on Regularity, Propriety and Compliance**

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As accounting officer of Cannock Chase High School I have considered my responsibility to notify the academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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 2018.

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



**I Turnbull**  
**Accounting Officer**

Date: 27 November 2019

**Cannock Chase High School**  
**(A company limited by guarantee)**

**Statement of Trustees' responsibilities**  
**For the Year Ended 31 August 2019**

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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 & 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 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 on 27 November 2019 and signed on its behalf by:



**C Squire**  
**Chair of Trustees**

**Cannock Chase High School**  
(A company limited by guarantee)

**Independent Auditors' Report on the financial statements to the Members of Cannock Chase High School**

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**Opinion**

We have audited the financial statements of Cannock Chase High School (the 'academy') for the year ended 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Cannock Chase High School**  
**(A company limited by guarantee)**

**Independent Auditors' Report on the financial statements to the Members of Cannock Chase High School (continued)**

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**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, the Governance statement, the Statement on regularity, propriety and compliance, and the Statement of Trustees' responsibilities. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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



**Cannock Chase High School**  
**(A company limited by guarantee)**

**Independent Auditors' Report on the financial statements to the Members of Cannock Chase High School (continued)**

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**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.

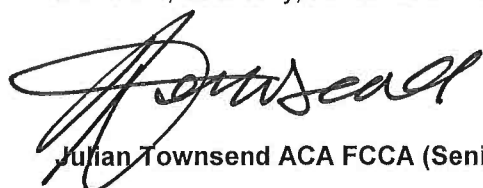
**Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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



**Julian Townsend ACA FCCA (Senior statutory auditor)**

for and on behalf of  
**Dains LLP**

Statutory Auditor  
Chartered Accountants

Birmingham

11 December 2019

**Cannock Chase High School**  
**(A company limited by guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Cannock Chase High School and the Education & Skills Funding Agency**

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In accordance with the terms of our engagement letter dated 16 October 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cannock Chase High School during the year 1 September 2018 to 31 August 2019 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 Cannock Chase High School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cannock Chase 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 Cannock Chase High School and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Cannock Chase High School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Cannock Chase High School's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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.

**Cannock Chase High School**  
**(A company limited by guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Cannock Chase High School  
and the Education & Skills Funding Agency (continued)**

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**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Dains LLP**

Date: 11 December 2019

Cannock Chase High School  
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)  
For the Year Ended 31 August 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	4	1,512	-	64,023	65,535	273,363
Charitable activities:	5					
Funding for the academy trust's educational operations		17,322	4,496,918	-	4,514,240	4,552,028
Other trading activities	6	31,004	-	-	31,004	21,057
Investments	7	2,388	-	-	2,388	576
<b>Total income</b>		<b>52,226</b>	<b>4,496,918</b>	<b>64,023</b>	<b>4,613,167</b>	<b>4,847,024</b>
<b>Expenditure on:</b>						
Raising funds		-	-	-	-	3,405
Charitable activities:						
Academy trust educational operations	8,9	2,045	4,678,561	248,946	4,929,552	5,191,046
<b>Total expenditure</b>		<b>2,045</b>	<b>4,678,561</b>	<b>248,946</b>	<b>4,929,552</b>	<b>5,194,451</b>
<b>Net income/(expenditure) before transfers</b>		<b>50,181</b>	<b>(181,643)</b>	<b>(184,923)</b>	<b>(316,385)</b>	<b>(347,427)</b>
Transfers between funds	17	(15,571)	27,228	(11,657)	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>34,610</b>	<b>(154,415)</b>	<b>(196,580)</b>	<b>(316,385)</b>	<b>(347,427)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	22	-	(1,275,000)	-	(1,275,000)	512,000
<b>Net movement in funds</b>		<b>34,610</b>	<b>(1,429,415)</b>	<b>(196,580)</b>	<b>(1,591,385)</b>	<b>164,573</b>

**Cannock Chase High School**  
**(A company limited by guarantee)**

**Statement of financial activities (incorporating income and expenditure account) (continued)**  
**For the Year Ended 31 August 2019**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Reconciliation of funds:</b>					
Total funds brought forward	340,701	(2,406,022)	7,690,601	5,625,280	5,460,707
Net movement in funds	34,610	(1,429,415)	(196,580)	(1,591,385)	164,573
<b>Total funds carried forward</b>	<b>375,311</b>	<b>(3,835,437)</b>	<b>7,494,021</b>	<b>4,033,895</b>	<b>5,625,280</b>

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

The notes on pages 30 to 53 form part of these financial statements.

**Cannock Chase High School**  
(A company limited by guarantee)  
Registered number: 07727974

**Balance Sheet**  
For the Year Ended 31 August 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	14	7,417,601	7,650,352
<b>Current assets</b>			
Debtors	15	120,581	106,518
Cash at bank and in hand	21	930,238	891,979
		<u>1,050,819</u>	<u>998,497</u>
Creditors: amounts falling due within one year	16	(567,525)	(587,569)
<b>Net current assets</b>		<u>483,294</u>	<u>410,928</u>
<b>Total assets less current liabilities</b>		<u>7,900,895</u>	<u>8,061,280</u>
Defined benefit pension scheme liability	22	(3,867,000)	(2,436,000)
<b>Total net assets</b>		<u><u>4,033,895</u></u>	<u><u>5,625,280</u></u>
<b>Funds of the academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	7,494,021	7,690,601
Restricted income funds	17	31,563	29,978
Restricted funds excluding pension asset	17	<u>7,525,584</u>	<u>7,720,579</u>
Pension reserve	17	(3,867,000)	(2,436,000)
<b>Total restricted funds</b>	17	<u>3,658,584</u>	<u>5,284,579</u>
<b>Unrestricted income funds</b>	17	<u>375,311</u>	<u>340,701</u>
<b>Total funds</b>		<u><u>4,033,895</u></u>	<u><u>5,625,280</u></u>

The financial statements on pages 26 to 53 were approved by the Trustees, and authorised for issue on 27 November 2019 and are signed on their behalf, by:



**C Squire**  
Chair of Trustees

The notes on pages 30 to 53 form part of these financial statements.

**Cannock Chase High School**  
**(A company limited by guarantee)**

**Statement of Cash Flows**  
**For the Year Ended 31 August 2019**

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	<b>Note</b>	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	19	<b>(11,957)</b>	(168,575)
<b>Cash flows from investing activities</b>	20	<b>50,216</b>	19,006
<b>Change in cash and cash equivalents in the year</b>		<b>38,259</b>	(149,569)
Cash and cash equivalents at the beginning of the year		<b>891,979</b>	1,041,548
<b>Cash and cash equivalents at the end of the year</b>	21	<b>930,238</b>	891,979

The notes on pages 30 to 53 form part of these financial statements

**1. General information**

Cannock Chase High School is a company limited by guarantee incorporated in England and Wales. The registered number of the company is 07727974 and its registered office is Hednesford Road, Cannock, Staffordshire, WS11 1JT. The principal activity of the Academy is given in the Trustees' Report.

**2. 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.

**2.1 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Cannock Chase High School meets the definition of a public benefit entity under FRS 102.

**2.2 Going concern**

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



## 2. Accounting policies (continued)

### 2.3 Income

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

- **Grants**

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

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

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

- **Sponsorship income**

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

- **Donations**

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

- **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.

### 2.4 Expenditure

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

- **Expenditure on raising funds**

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

**2. Accounting policies (continued)**

**2.4 Expenditure (continued)**

• **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.

**2.5 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.

**2.6 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.

**2.7 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 basis over its expected useful life, as follows:

**2. Accounting policies (continued)**

**2.7 Tangible fixed assets (continued)**

Depreciation is provided on the following bases:

Freehold land	- Not depreciated
Freehold buildings	- 2% straight line
Improvements to property	- 10% straight line
Furniture and fixtures	- 10% straight line
Computer equipment	- 33.3% 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.

**2.8 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.

**2.9 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.

**2.10 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.

**2.11 Provisions**

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

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

## 2. Accounting policies (continued)

### 2.12 Financial instruments

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

### 2.13 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

### 2.14 Pensions

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

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

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

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

**2. Accounting policies (continued)**

**2.15 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.

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

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

Critical accounting estimates and assumptions:

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

The 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

**Depreciation and residual values**

Tangible fixed assets are depreciated over their 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.

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4. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	1,512	-	1,512	4,687
Capital Grants	-	64,023	64,023	268,676
	<u>1,512</u>	<u>64,023</u>	<u>65,535</u>	<u>273,363</u>
<b>Total 2018</b>	<u><u>4,687</u></u>	<u><u>268,676</u></u>	<u><u>273,363</u></u>	

5. Funding for the academy's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	4,020,634	4,020,634	4,112,669
Pupil Premium	-	216,154	216,154	215,164
Other DfE/ESFA grants	-	87,203	87,203	14,822
	<u>-</u>	<u>4,323,991</u>	<u>4,323,991</u>	<u>4,342,655</u>
<b>Other government grants</b>				
Local Authority grants	-	64,147	64,147	73,741
	<u>-</u>	<u>64,147</u>	<u>64,147</u>	<u>73,741</u>
<b>Other funding</b>				
Other income from the Academy Trust's Educational Operations	17,322	108,780	126,102	135,632
	<u>17,322</u>	<u>108,780</u>	<u>126,102</u>	<u>135,632</u>
	<u><u>17,322</u></u>	<u><u>4,496,918</u></u>	<u><u>4,514,240</u></u>	<u><u>4,552,028</u></u>
<b>Total 2018</b>	<u><u>8,234</u></u>	<u><u>4,543,794</u></u>	<u><u>4,552,028</u></u>	

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Notes to the Financial Statements  
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6. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Hire of facilities	30,822	30,822	21,057
Other income	182	182	-
	<u>31,004</u>	<u>31,004</u>	<u>21,057</u>

7. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest receivable	2,388	2,388	576
	<u>2,388</u>	<u>2,388</u>	<u>576</u>

8. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Expenditure on fundraising trading activities:					
Direct costs	-	-	-	-	3,405
Educational Operations:					
Direct costs	3,375,072	241,314	324,405	3,940,791	4,156,037
Support costs	466,285	279,755	242,721	988,761	1,035,009
	<u>3,841,357</u>	<u>521,069</u>	<u>567,126</u>	<u>4,929,552</u>	<u>5,194,451</u>
<b>Total 2018</b>	<u>4,015,185</u>	<u>536,000</u>	<u>643,266</u>	<u>5,194,451</u>	

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**9. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2019 £</b>	<b>Support costs 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Educational Operations	3,940,791	988,761	<b>4,929,552</b>	5,191,046
<b>Total 2018</b>	<b>4,156,037</b>	<b>1,035,009</b>	<b>5,191,046</b>	

**Analysis of direct costs**

	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Net interest on LGPS pension	<b>70,000</b>	70,000
Staff costs	<b>3,273,346</b>	3,397,536
Depreciation	<b>248,946</b>	248,036
Educational supplies	<b>112,272</b>	199,849
Examination fees	<b>90,691</b>	93,290
Staff development	<b>6,626</b>	10,457
Agency staff costs	<b>101,726</b>	88,088
Other occupancy costs	<b>37,184</b>	48,781
	<b>3,940,791</b>	<b>4,156,037</b>



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**9. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Staff costs	466,285	517,476
Technology costs	29,707	20,858
Educational consultancy	128,087	123,880
Recruitment and support	10,116	8,275
Maintenance of premises	71,990	55,451
Maintenance of equipment	5,356	12,836
Cleaning	3,734	4,714
Operating leases	11,151	6,036
Rates	24,829	23,643
Water rates	8,809	28,118
Energy	144,927	163,501
Insurance	25,030	25,206
Transport	2,235	3,089
Other occupancy costs	49,160	31,085
Governance costs	7,345	10,841
	<u>988,761</u>	<u>1,035,009</u>

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

Net income/(expenditure) for the year includes:

	<b>2019 £</b>	<b>2018 £</b>
Depreciation of tangible fixed assets	248,946	248,036
Fees paid to auditors for:		
- audit	7,150	6,950
- other services	700	675
	<u>7,850</u>	<u>7,625</u>

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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**11. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	2,872,289	2,969,307
Social security costs	279,131	284,086
Pension costs	588,211	661,620
	<u>3,739,631</u>	<u>3,915,013</u>
Agency staff costs	101,726	88,089
Staff restructuring costs	-	12,083
	<u><u>3,841,357</u></u>	<u><u>4,015,185</u></u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	-	12,083
	<u>-</u>	<u>12,083</u>

**b. Staff numbers**

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

	2019 No.	2018 No.
Management	8	8
Teachers	51	53
Teaching Assistants	10	13
Cleaning	15	18
Caretaking	3	4
Admin and Clerical	12	11
Technicians	5	5
Librarian	1	1
Exam Invigilators	19	21
	<u>124</u>	<u>134</u>

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**11. Staff costs (continued)**

**c. Higher paid staff**

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

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	<u>1</u>	<u>-</u>

**d. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior leadership team as listed on page 1. The total amount of employee benefits paid (including employer national insurance and pension contributions) for key management personnel for their services to the academy trust was £776,884 (2018 - £732,971).

**12. Trustees' remuneration and expenses**

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

		<b>2019</b>	<b>2018</b>
		<b>£'000</b>	<b>£'000</b>
I Turnbull, Head Teacher and Accounting Officer	Remuneration	<b>90 - 95</b>	85 - 90
	Pension contributions paid	<b>15 - 20</b>	10 - 15
C Worrall, Staff Governor	Remuneration	<b>35 - 40</b>	35 - 40
	Pension contributions paid	<b>5 - 10</b>	5 - 10
E Hale, Staff Governor	Remuneration	<b>45 - 50</b>	45 - 50
	Pension contributions paid	<b>5 - 10</b>	5 - 10
H Allen, Staff Governor	Remuneration	<b>15 - 20</b>	20 - 25
	Pension contributions paid	<b>0 - 5</b>	5 - 10
D Jinks, Staff Governor	Remuneration	<b>35 - 40</b>	25 - 30
	Pension contributions paid	<b>5 - 10</b>	0 - 5
K Leeuwangh (resigned 31 December 2017)	Remuneration	<b>N/A</b>	10 - 15
	Pension contributions paid	<b>N/A</b>	0 - 5

During the year ended 31 August 2019, expenses totalling £307 were reimbursed or paid directly to 1 Trustee (2018 - £NIL) for telephone expenses incurred through Trust related activity.

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**13. 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 2019 was £181 (2018 - £187). The cost of this insurance is included in the total insurance cost.

**14. Tangible fixed assets**

	Freehold land and buildings £	Improvements to property £	Furniture and fixtures £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 September 2018	7,977,695	1,043,423	68,419	112,891	9,202,428
Additions	10,271	-	5,924	-	16,195
At 31 August 2019	<u>7,987,966</u>	<u>1,043,423</u>	<u>74,343</u>	<u>112,891</u>	<u>9,218,623</u>
<b>Depreciation</b>					
At 1 September 2018	904,750	497,587	36,848	112,891	1,552,076
Charge for the year	136,972	104,342	7,632	-	248,946
At 31 August 2019	<u>1,041,722</u>	<u>601,929</u>	<u>44,480</u>	<u>112,891</u>	<u>1,801,022</u>
<b>Net book value</b>					
At 31 August 2019	<u>6,946,244</u>	<u>441,494</u>	<u>29,863</u>	<u>-</u>	<u>7,417,601</u>
At 31 August 2018	<u>7,072,945</u>	<u>545,836</u>	<u>31,571</u>	<u>-</u>	<u>7,650,352</u>

Included in land and buildings is freehold land at a valuation of £1,135,079 (2018 - £1,135,079), which is not depreciated.

**15. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	1,160	3,938
VAT recoverable	20,617	33,769
Other debtors	657	852
Prepayments and accrued income	98,147	67,959
	<u>120,581</u>	<u>106,518</u>

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**For the Year Ended 31 August 2019**

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

	2019 £	2018 £
Trade creditors	341,036	329,939
Other taxation and social security	67,658	71,531
Other creditors	63,404	66,608
Accruals and deferred income	95,427	119,491
	<u>567,525</u>	<u>587,569</u>
	2019 £	2018 £
Deferred income at 1 September 2018	36,539	94,710
Resources deferred during the year	16,123	36,539
Amounts released from previous periods	(36,539)	(94,710)
	<u>16,123</u>	<u>36,539</u>

At the balance sheet date the Academy was holding grant funding in advance of the Academic year 2019/20 including Devolved Formula Capital grant funding and other deferred income.

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Notes to the Financial Statements  
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17. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General Funds	340,701	52,226	(2,045)	(15,571)	-	375,311
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	4,020,634	(4,042,137)	21,503	-	-
Pupil Premium	-	216,154	(216,154)	-	-	-
Other DfE/ESFA grants	-	87,203	(87,203)	-	-	-
Other government grants	7,033	64,147	(71,180)	-	-	-
Other restricted income	-	55,357	(61,082)	5,725	-	-
School Fund	22,945	53,423	(44,805)	-	-	31,563
Pension reserve	(2,436,000)	-	(156,000)	-	(1,275,000)	(3,867,000)
	<u>(2,406,022)</u>	<u>4,496,918</u>	<u>(4,678,561)</u>	<u>27,228</u>	<u>(1,275,000)</u>	<u>(3,835,437)</u>
<b>Restricted fixed asset funds</b>						
Transfer from foundation school on conversion	6,648,273	-	(127,983)	(9,924)	-	6,510,366
Transfer from local authority on conversion	7,985	-	(1,624)	(3,114)	-	3,247
DfE/ESFA capital grants	981,249	64,023	(102,225)	(53,170)	-	889,877
Capital expenditure from GAG	53,094	-	(17,114)	54,551	-	90,531
	<u>7,690,601</u>	<u>64,023</u>	<u>(248,946)</u>	<u>(11,657)</u>	<u>-</u>	<u>7,494,021</u>
<b>Total Restricted funds</b>	<u>5,284,579</u>	<u>4,560,941</u>	<u>(4,927,507)</u>	<u>15,571</u>	<u>(1,275,000)</u>	<u>3,658,584</u>
<b>Total funds</b>	<u><u>5,625,280</u></u>	<u><u>4,613,167</u></u>	<u><u>(4,929,552)</u></u>	<u><u>-</u></u>	<u><u>(1,275,000)</u></u>	<u><u>4,033,895</u></u>

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

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

**Restricted funds**

This fund represents grants and other income received for the academy's operational activities and development.

**Pension reserve**

The pension reserve included within restricted general funds represents the academy's share of the pension liability arising on the LGPS pension fund.

**Restricted fixed asset funds**

The fund represents grants received from the DfE and ESFA to carry out works of a capital nature.

**Transfers**

Transfers between funds relate to capital funding used on repairs and maintenance and the use of unrestricted reserves to cover the GAG deficit in year.

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 2019.

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

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds	355,110	34,554	(12,924)	(36,039)	-	340,701
<b>Restricted general funds</b>						
General Annual Grant (GAG)	174,561	4,103,776	(4,313,451)	35,114	-	-
Pupil Premium	-	215,164	(215,164)	-	-	-
Other DfE/ESFA grants	-	20,062	(20,062)	-	-	-
Other government grants	-	77,394	(70,361)	-	-	7,033
Other restricted income	-	24,396	(24,396)	-	-	-
School Fund	-	103,002	(80,057)	-	-	22,945
Pension reserve	(2,738,000)	-	(210,000)	-	512,000	(2,436,000)
	<u>(2,563,439)</u>	<u>4,543,794</u>	<u>(4,933,491)</u>	<u>35,114</u>	<u>512,000</u>	<u>(2,406,022)</u>
<b>Restricted fixed asset funds</b>						
Transfer from foundation school on conversion	6,776,256	-	(127,983)	-	-	6,648,273
Transfer from local authority on conversion	9,609	-	(1,624)	-	-	7,985
DfE/ESFA capital grants	812,964	268,676	(101,316)	925	-	981,249
Capital expenditure from GAG	70,207	-	(17,113)	-	-	53,094
	<u>7,669,036</u>	<u>268,676</u>	<u>(248,036)</u>	<u>925</u>	<u>-</u>	<u>7,690,601</u>
<b>Total Restricted funds</b>	<u>5,105,597</u>	<u>4,812,470</u>	<u>(5,181,527)</u>	<u>36,039</u>	<u>512,000</u>	<u>5,284,579</u>
<b>Total funds</b>	<u><u>5,460,707</u></u>	<u><u>4,847,024</u></u>	<u><u>(5,194,451)</u></u>	<u><u>-</u></u>	<u><u>512,000</u></u>	<u><u>5,625,280</u></u>



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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	7,417,601	7,417,601
Current assets	375,311	588,371	87,137	1,050,819
Creditors due within one year	-	(556,808)	(10,717)	(567,525)
Provisions for liabilities and charges	-	(3,867,000)	-	(3,867,000)
<b>Total</b>	<b>375,311</b>	<b>(3,835,437)</b>	<b>7,494,021</b>	<b>4,033,895</b>

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	7,650,352	7,650,352
Current assets	340,701	606,551	51,245	998,497
Creditors due within one year	-	(576,573)	(10,996)	(587,569)
Provisions for liabilities and charges	-	(2,436,000)	-	(2,436,000)
<b>Total</b>	<b>340,701</b>	<b>(2,406,022)</b>	<b>7,690,601</b>	<b>5,625,280</b>

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

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	<b>(316,385)</b>	(347,427)
<b>Adjustments for:</b>		
Depreciation	248,946	248,036
Capital grants from DfE and other capital income	<b>(64,023)</b>	(268,676)
Interest receivable	<b>(2,388)</b>	(576)
Defined benefit pension scheme cost less contributions payable	<b>86,000</b>	140,000
Defined benefit pension scheme finance cost	<b>70,000</b>	70,000
(Increase)/decrease in debtors	<b>(14,063)</b>	21,526
Decrease in creditors	<b>(20,044)</b>	(31,458)
<b>Net cash used in operating activities</b>	<b>(11,957)</b>	(168,575)

20. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	2,388	576
Purchase of tangible fixed assets	<b>(16,195)</b>	(250,246)
Capital grants from DfE Group	<b>64,023</b>	268,676
<b>Net cash provided by investing activities</b>	<b>50,216</b>	19,006

21. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	<b>930,238</b>	891,979
<b>Total cash and cash equivalents</b>	<b>930,238</b>	891,979

## **22. Pension commitments**

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

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

Contributions amounting to £61,182 were payable to the schemes at 31 August 2019 (2018 - £64,638) and are included within creditors.

### **Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

### **The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

### **Valuation of the Teachers' Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

## 22. Pension commitments (continued)

### Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the year amounted to £357,600 (2018 - £355,780).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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 2019 was £178,000 (2018 - £208,000), of which employer's contributions totalled £141,000 (2018 - £164,000) and employees' contributions totalled £ 37,000 (2018 - £44,000). The agreed contribution rates for future years are 24.2 per cent for employers and 5.5 - 12.5 per cent for employees.

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

### Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	2.70	2.80
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	1.80	2.80

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

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**22. Pension commitments (continued)**

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	22.1	22.1
Females	24.4	24.4
<i>Retiring in 20 years</i>		
Males	24.1	24.1
Females	26.4	26.4

**Sensitivity analysis**

	2019 £000	2018 £000
Discount rate -0.5%	914	678
Salary increase rate +0.5%	145	119
CPI rate +0.5%	749	549

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	2,218,000	2,076,000
Bonds	718,000	563,000
Property	261,000	237,000
Cash and other liquid assets	65,000	89,000
<b>Total market value of assets</b>	<b>3,262,000</b>	<b>2,965,000</b>

The actual return on scheme assets was £189,000 (2018 - £182,000).

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

	2019 £	2018 £
Current service cost	(227,000)	(304,000)
Interest income	84,000	68,000
Interest cost	(154,000)	(138,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(297,000)</b>	<b>(374,000)</b>

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**22. Pension commitments (continued)**

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

	2019 £	2018 £
<b>At 1 September</b>	<b>5,401,000</b>	5,385,000
Current service cost	227,000	304,000
Interest cost	154,000	138,000
Employee contributions	37,000	44,000
Actuarial losses/(gains)	1,380,000	(398,000)
Benefits paid	(70,000)	(72,000)
<b>At 31 August</b>	<b>7,129,000</b>	5,401,000

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

	2019 £	2018 £
<b>At 1 September</b>	<b>2,965,000</b>	2,647,000
Interest income	84,000	68,000
Actuarial gains	105,000	114,000
Employer contributions	141,000	164,000
Employee contributions	37,000	44,000
Benefits paid	(70,000)	(72,000)
<b>At 31 August</b>	<b>3,262,000</b>	2,965,000

**23. Operating lease commitments**

At 31 August 2019 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	23,458	16,968
Later than 1 year and not later than 5 years	21,501	29,815
	<b>44,959</b>	46,783

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**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 12.