

Registered number: 07727974

Cannock Chase High School

Trustees' Report and Financial Statements

for the year ended 31 August 2021



Cannock Chase High School
(A company limited by guarantee)

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Cannock Chase High School
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Reference and Administrative Details

	C Squire K Conde (resigned 10 November 2021) J Miles (resigned 10 November 2021) I Turnbull (resigned 10 November 2021) C Aldridge (appointed 10 November 2021) J Handley (appointed 10 November 2021)
Trustees	C Squire, Chair ¹ J Miles, Vice Chair (resigned 1 November 2021) ¹ C Aldridge H Allen, Staff Governor N Westwood ¹ P Bury K Conde (resigned 3 October 2021) ¹ E Hale, Staff Governor D Jinks, Staff Governor ¹ J Handley (appointed 11 November 2020) D Merrick ¹ I Turnbull, Head Teacher and Accounting Officer ¹ C Worrall, Staff Governor ¹

¹ Member of the Finance Committee

Company registered number	07727974
Company name	Cannock Chase High School
Principal and registered office	Cannock Chase High School Hednesford Road Cannock Staffordshire WS11 1JT
Company secretary	C Galpin
Head Teacher	I Turnbull
Senior leadership team	I Turnbull, Head Teacher J Simpson, Deputy Head Teacher G McAuley, Assistant Head Teacher C Mills, Assistant Head Teacher D Reynolds, Assistant Head Teacher T White, Assistant Head Teacher H Daniel, Executive Business Manager C Worrall, Director of Student Services
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH

Cannock Chase High School
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Reference and Administrative Details (continued)
for the year ended 31 August 2021

Bankers	Lloyds TSB Bank plc 3 Market Place Cannock Staffordshire WS11 1BD
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Cannock Chase High School
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Trustees' report
for the year ended 31 August 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2020 to 31 August 2021. 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. The academy has a net capacity of 1,818 students and had 926 students on roll at the funding census date in October 2020. 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.

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Trustees' report (continued)
for the year ended 31 August 2021

Structure, governance and management (continued)

g. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time	£
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Total cost of facility time	-
Total pay bill	4,442,325
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

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

The Members, Trustees, Accounting Officer, leadership team and all academy staff 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.

Structure, governance and management (continued)

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 recruitment and retention of students which secures GAG funding to support the operation of the school and the size and condition of the school estate, where excess space results in issues relating to the affordability of running and maintaining buildings to an appropriate standard. The size and complexity of the site may also result in issues of supervision where staff numbers are not sufficient to effectively oversee the entire site.

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 2020-21 are to continue to raise achievement and standards at GCSE and A level through a range of strategies to improve the quality of education, including a particular focus on literacy, PHSE, character education and attendance of students.

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.

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 and financial KPIs

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 consistently by results over the preceding six year period 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 five years. Pre-validated results for 2021 suggest that standards, based on centre assessed grades, were comparable to 2019 for Progress, both at Key Stage 4 and Key Stage 5.

'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 5 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 5 years. '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)

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.

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Trustees' report (continued)
for the year ended 31 August 2021

Strategic report (continued)

Financial review

Most of the Academy's income is obtained from the DfE, via the ESFA, in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2021 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 2021, the Academy received recurrent revenue grant funding from the DfE/ESFA, together with other incoming resources, of £5,502,280 (2020 - £5,028,354). Expenditure totalled £5,125,073 (2020 - £4,744,460) (excluding movements on the Fixed Asset Fund and movements on the pension reserve). In 2021 £Nil of revenue funding was used to purchase fixed assets (£109,608 in 2020). The Academy has therefore increased funds by £377,207 (2020 - £174,286).

At 31 August 2021 the net book value of fixed assets was £7,124,495 (2020 - £7,314,741) and movements in tangible fixed assets are shown in note 14 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 £5,070,000 (2020 - £3,925,000).

The Academy has significant reliance on Department for Education grant income for its principle funding source. In 2021 DfE recurrent funding amounted to £5,300,522 and represented 96.3% of restricted revenue income (2020 - £4,802,725, 96.5%). The Academy generated £51,590 (2020 - £36,657) from letting out facilities with excess income has been used to support educational purposes.

Operating cash inflow was £464,200 compared to £313,225 in 2020. Total cash in the bank increased from £1,127,951 at 31 August 2020 to £1,544,058 at 31 August 2021.

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

Trustees' report (continued)
for the year ended 31 August 2021

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 2021 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 2021 of £3,031,855 (2020 - £4,038,364) consisting of £2,553,217 (2020 - £3,610,725) restricted funds and £478,638 (2020 - £427,639) unrestricted funds. Included in restricted funds is an amount of £7,143,488 (2020 - £7,382,204) invested in fixed assets and a pension reserve deficit of £5,070,000 (2020 - £3,925,000).

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.

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

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 for the academic year 2021-22 has the following headlines:

1. Quality of Education – to ensure the continued focused implementation of the recovery strategy and spending of catch up premium to ensure an impactful approach to the 'Recovery Curriculum'.
2. Personal Development - Support the mental health of all students as a result of the global pandemic. Ensure that all students have access to relevant agencies, day to day support and participate in a range of appropriate PHSE programmes that support their needs.
3. Leadership and Management – Formalise a structured approach to professional development, providing a challenging and purposeful programme that supports staff progression and training.
4. Leadership and Management – Implement a structured support programme for staff wellbeing and mental health.

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.

Cannock Chase High School
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Trustees' report (continued)
for the year ended 31 August 2021

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 8 December 2021 and signed on its behalf by:



C Squire
Chair of Trustees



I Turnbull
Head Teacher and Accounting Officer

Governance Statement

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.

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

The Board of Trustees has delegated the day-to-day responsibility to the 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.

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	4	4
N Westwood	3	4
P Bury	2	4
K Conde	0	4
E Hale, Staff Governor	4	4
D Jinks, Staff Governor	4	4
J Handley	3	3
D Merrick	4	4
I Turnbull, Head Teacher and Accounting Officer	4	4
C Worrall, Staff Governor	4	4

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Governance Statement (continued)

Governance (continued)

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 at meetings in the year was as follows (during the summer term period of remote and partial opening of the school, all Governors were invited to attend all meetings, standing committee members are identified with # in the table below:

Trustee	Meetings attended	Out of a possible
C Aldridge	1	3
H Allen	3	3
P Bury #	3	3
K Conde #	0	3
D Jinks #	3	3
D Merrick #	1	3
J Miles #	2	3
C Squire #	3	3
I Turnbull #	3	3
N Westwood #	2	3
C Worrall #	3	3
E Hale	3	3
J Handley	3	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. The committee has 2 scheduled per annum and additional meetings may be scheduled as required. During the summer term, the scheduled meeting was cancelled and all business critical agenda items were dealt with at monthly meetings of the Board.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
C Aldridge	0	1
H Allen	1	1
K Conde	0	1
E Hale	1	1
D Jinks	1	1
D Merrick	0	1
C Squire	1	1
I Turnbull	1	1
J Miles	1	1
C Worrall	1	1
N Westwood	1	1

Governance Statement (continued)

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

- 73% of sixth form cohort from 2021 progressed to HE provision, with 22% of students progressing to a Russell Group University.
- 2021 NEET figures were 0% for KS5
- Published GCE A Level results for 2019 demonstrate that CCHS is the best performing Post-16 provider in Cannock.
- Students have continued to benefit from a range of adapted experiences within national restrictions, including virtual work experience and open days when in-person attendance was not possible.
- Close links with a variety of Post-18 providers ensures that students have high aspirations and are supported in their transition to higher education.
- Published GCSE outcomes for 2019 demonstrate the reduction in the disadvantaged gap, where the difference in achievement of disadvantaged and on-disadvantaged students is statistically insignificant.
- The school has significantly improved the Progress 8 performance measure from -0.15 in 2015 to +0.02 in 2019. Published national statistics remain unavailable for 2020 and 2021 due to cancellation of public examinations during these academic years.
- 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 and provide new students with support in adapting to secondary school. This provision was supported and strengthened by the national Summer Schools Programme in 2021.

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

- Continued review of the staffing structure across the organisation to meet the needs of a growing student cohort effectively
- Employment of Cover Supervisors to reduce reliance on agency staff and provide higher quality support for students along with additional staffing resource for the pastoral systems in school.
- A culture of targeted cost savings across the academy through close scrutiny of all expenditures, enabling an improved financial out turn position against plan.
- Strengthening of Financial Regulations to support procurement processes.
- Use of purchasing consortia for procurements, including a reprographics tender.
- Introduction of a SIP telephone system has resulted in significant cost reduction.
- 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.
- Online cash collection systems implemented for all income, resulting in staff time savings and improved

Governance Statement (continued)

Review of value for money (continued)

security arrangements.

Maximising Income Generation

The Academy has increased income generation through the hire of sports and drama facilities for the benefit of the local community. Activities have been curtailed in year as a result of the COVID-19 pandemic.

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

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the 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 and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees have appointed Staffordshire County Council to perform annual audit healthcare and compliance 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 external auditors report to the Board of Trustees through the Finance committee on the

Governance Statement (continued)

The risk and control framework (continued)

operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Review of effectiveness

As accounting officer, the 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 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 8 December 2021 and signed on their behalf by:



C Squire
Chair of Trustees



I Turnbull
Accounting Officer

Cannock Chase High School
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Statement on Regularity, Propriety and Compliance

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

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

I confirm that 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: 8 December 2021

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Statement of Trustees' responsibilities
for the year ended 31 August 2021

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

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

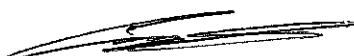
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the Board of Trustees on 8 December 2021 and signed on its behalf by:



C Squire
Chair of Trustees

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

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the Academies sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

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

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

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

8 December 2021

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**

In accordance with the terms of our engagement letter dated 4 October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cannock Chase High School during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Cannock Chase High School and 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 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

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)**

Conclusion

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

Dains LLP

Statutory Auditor
Chartered Accountants

Date: 8 December 2021

Cannock Chase High School
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 August 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	4	4,651	-	30,294	34,945	34,322
Other trading activities	6	52,222	-	-	52,222	37,167
Investments	7	370	-	-	370	3,053
Charitable activities:	5					
Funding for the academy trust's educational operations		5,468	5,439,569	-	5,445,037	4,984,170
Total income		62,711	5,439,569	30,294	5,532,574	5,058,712
Expenditure on:						
Charitable activities:						
Academy trust educational operations		11,712	5,352,361	269,010	5,633,083	5,242,243
Total expenditure		11,712	5,352,361	269,010	5,633,083	5,242,243
Net income/(expenditure) before transfers		50,999	87,208	(238,716)	(100,509)	(183,531)
Transfers between funds	17	-	-	-	-	-
Net movement in funds before other recognised gains/(losses)		50,999	87,208	(238,716)	(100,509)	(183,531)
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	24	-	(906,000)	-	(906,000)	188,000
Net movement in funds		50,999	(818,792)	(238,716)	(1,006,509)	4,469
Reconciliation of funds:						
Total funds brought forward		427,639	(3,771,479)	7,382,204	4,038,364	4,033,895
Net movement in funds		50,999	(818,792)	(238,716)	(1,006,509)	4,469
Total funds carried forward		478,638	(4,590,271)	7,143,488	3,031,855	4,038,364

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

The notes on pages 28 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 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	7,124,488	7,314,741
Current assets			
Debtors	15	126,309	145,027
Cash at bank and in hand	21	1,544,058	1,127,951
		<u>1,670,367</u>	<u>1,272,978</u>
Creditors: amounts falling due within one year	16	(693,000)	(624,355)
Net current assets		<u>977,367</u>	<u>648,623</u>
Total assets less current liabilities		<u>8,101,855</u>	<u>7,963,364</u>
Defined benefit pension scheme liability	24	(5,070,000)	(3,925,000)
Total net assets		<u><u>3,031,855</u></u>	<u><u>4,038,364</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	7,143,488	7,382,204
Restricted income funds	17	479,729	153,521
		<u>7,623,217</u>	<u>7,535,725</u>
Restricted funds excluding pension asset	17	7,623,217	7,535,725
Pension reserve	17	(5,070,000)	(3,925,000)
Total restricted funds	17	<u>2,553,217</u>	<u>3,610,725</u>
Unrestricted income funds	17	<u>478,638</u>	<u>427,639</u>
Total funds		<u><u>3,031,855</u></u>	<u><u>4,038,364</u></u>

The financial statements on pages 25 to 53 were approved by the Trustees, and authorised for issue on 08 December 2021 and are signed on their behalf, by:


C Squire
Chair of Trustees

The notes on pages 28 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 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	19	464,200	313,225
Cash flows from investing activities	20	(48,093)	(115,512)
Change in cash and cash equivalents in the year		416,107	197,713
Cash and cash equivalents at the beginning of the year		1,127,951	930,238
Cash and cash equivalents at the end of the year	21, 22	<u>1,544,058</u>	<u>1,127,951</u>

The notes on pages 28 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), judgments 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 2020 to 2021 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.

- **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. Accounting policies (continued)

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:

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. Accounting policies (continued)

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.

2.12 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.

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.

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. Accounting policies (continued)

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.

2.15 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 judgment

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

Critical accounting estimates and assumptions:

The Academy 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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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.

4. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	4,651	-	4,651
Capital Grants	-	30,294	30,294
	<u>4,651</u>	<u>30,294</u>	<u>34,945</u>

Cannock Chase High School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2021

4. Income from donations and capital grants (continued)

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	3,964	-	3,964
Capital Grants	-	30,358	30,358
	<u>3,964</u>	<u>30,358</u>	<u>34,322</u>

5. Funding for the Academy's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	4,699,058	4,699,058
Other DfE/ESFA grants			
Pupil Premium	-	236,519	236,519
Teachers' pay & pension grants	-	240,550	240,550
Others	-	58,072	58,072
	<u>-</u>	<u>5,234,199</u>	<u>5,234,199</u>
Other Government grants			
Local Authority grants	-	89,256	89,256
	<u>-</u>	<u>89,256</u>	<u>89,256</u>
Other income from the Academy's educational operations	5,468	19,904	25,372
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	67,760	67,760
Other DfE/ESFA COVID-19 funding	-	28,450	28,450
	<u>-</u>	<u>96,210</u>	<u>96,210</u>
	<u>5,468</u>	<u>5,439,569</u>	<u>5,445,037</u>

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Notes to the financial statements
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5. Funding for the Academy's educational operations (continued)

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	4,302,297	4,302,297
Other DfE/ESFA grants			
Pupil Premium	-	228,098	228,098
Teachers' pay & pension grants	-	228,893	228,893
Others	-	43,437	43,437
	-	4,802,725	4,802,725
Other Government grants			
Local Authority grants	-	68,784	68,784
	-	68,784	68,784
Other income from the Academy's educational operations	8,930	103,731	112,661
	8,930	4,975,240	4,984,170

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Teachers' pay & pension grant is no longer reported under the Other DfE Group grants heading, but as a separate line under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy received £67,760 of funding for catch-up premium and costs incurred in respect of this funding totalled £1,437, with the remaining £66,323 carried forward to be spent in 2021/22.

The academy received £28,450 of funding for COVID-19 mass testing and costs incurred in respect of this funding totalled £28,450.

6. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Hire of facilities	51,590	51,590
Other income	632	632
	52,222	52,222

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6. Income from other trading activities (continued)

	Unrestricted funds 2020 £	Total funds 2020 £
Hire of facilities	36,657	36,657
Other income	510	510
	<u>37,167</u>	<u>37,167</u>

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest receivable	<u>370</u>	<u>370</u>

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest receivable	<u>3,053</u>	<u>3,053</u>

8. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Educational Operations:				
Direct costs	3,929,668	253,540	241,991	4,425,199
Support costs	556,081	345,129	306,674	1,207,884
	<u>4,485,749</u>	<u>598,669</u>	<u>548,665</u>	<u>5,633,083</u>

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Notes to the financial statements
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8. Expenditure (continued)

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Educational Operations:				
Direct costs	3,601,387	241,400	303,638	4,146,425
Support costs	508,646	299,310	287,862	1,095,818
	<u>4,110,033</u>	<u>540,710</u>	<u>591,500</u>	<u>5,242,243</u>

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Educational Operations	<u>4,425,199</u>	<u>1,207,884</u>	<u>5,633,083</u>

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Educational Operations	<u>4,146,425</u>	<u>1,095,818</u>	<u>5,242,243</u>

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Notes to the financial statements
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9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2021 £	Total funds 2020 £
Net interest on LGPS pension	68,000	71,000
Staff costs	3,929,668	3,599,247
Depreciation	269,010	251,783
Educational supplies	31,314	25,609
Examination fees	67,146	79,422
Staff development	3,433	6,434
Technology costs	7,020	8,469
Consultancy	27,592	28,335
Other direct costs	9,105	64,805
Recruitment and other staff expenses	12,051	11,321
Apprenticeship Levy expenditure	860	-
	4,425,199	4,146,425

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Notes to the financial statements
for the year ended 31 August 2021

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Staff costs	556,081	510,786
Educational supplies / Catering	69,465	52,263
Technology costs	125,395	113,109
Maintenance of premises	67,432	48,902
Cleaning and caretaking	16,161	8,696
Operating lease rentals	19,040	20,389
Rates	24,253	25,373
Security	13,997	7,952
Energy	139,439	132,720
Legal and professional	37,321	35,575
Transport	2,065	3,066
Other premises costs	66,748	53,603
Other costs	58,857	73,158
Governance costs	11,630	10,226
	<u>1,207,884</u>	<u>1,095,818</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	19,040	17,417
Depreciation of tangible fixed assets	269,010	251,783
Fees paid to auditors for:		
- audit	7,570	7,350
- other services	2,260	1,270
	<u>288,880</u>	<u>277,820</u>

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Notes to the financial statements
for the year ended 31 August 2021

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	3,185,506	2,899,323
Social security costs	315,709	282,462
Pension costs	941,110	858,568
	<u>4,442,325</u>	<u>4,040,353</u>
Agency staff costs	43,424	69,680
	<u><u>4,485,749</u></u>	<u><u>4,110,033</u></u>

b. Staff numbers

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

	2021 No.	2020 No.
Management	8	8
Teachers	53	53
Teaching Assistants	11	9
Cleaning	15	15
Caretaking	3	3
Admin and Clerical	12	12
Technicians	5	5
Librarian	1	1
Exam Invigilators	17	17
	<u><u>125</u></u>	<u><u>123</u></u>

Notes to the financial statements
for the year ended 31 August 2021

11. Staff (continued)

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	4	1
In the band £90,001 - £100,000	1	1

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £697,473 (2020 - £613,604).

12. Trustees' remuneration and expenses

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

		2021 £'000	2020 £'000
I Turnbull, Head Teacher and Accounting Officer	Remuneration	95 - 100	95 - 100
	Pension contributions paid	20 - 25	20 - 25
C Worrall, Staff Governor	Remuneration	40 - 45	40 - 45
	Pension contributions paid	10 - 15	10 - 15
E Hale, Staff Governor	Remuneration	45 - 50	45 - 45
	Pension contributions paid	10 - 15	10 - 15
H Allen, Staff Governor	Remuneration	20 - 25	20 - 25
	Pension contributions paid	5 - 10	5 - 10
D Jinks, Staff Governor	Remuneration	30 - 35	35 - 40
	Pension contributions paid	5 - 10	5 - 10

During the year ended 31 August 2021, expenses totalling £427 were reimbursed or paid directly to 1 Trustee (2020 - £244 to 1 Trustee) for telephone expenses incurred through Trust related activity.

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 2021 was £138 (2020 - £138). The cost of this insurance is included in the total insurance cost.

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Notes to the financial statements
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14. Tangible fixed assets

	Freehold land and buildings £	Improvements to property £	Furniture and fixtures £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2020	7,987,966	1,164,827	91,503	123,250	9,367,546
Additions	-	76,600	-	2,157	78,757
At 31 August 2021	7,987,966	1,241,427	91,503	125,407	9,446,303
Depreciation					
At 1 September 2020	1,178,780	706,271	54,760	112,994	2,052,805
Charge for the year	137,058	116,483	10,852	4,617	269,010
At 31 August 2021	1,315,838	822,754	65,612	117,611	2,321,815
Net book value					
At 31 August 2021	6,672,128	418,673	25,891	7,796	7,124,488
At 31 August 2020	6,809,186	458,556	36,743	10,256	7,314,741

Included in land and buildings is freehold land at a valuation of £1,135,079 (2020 - £1,135,079), which is not depreciated.

15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	16,364	400
VAT repayable	27,834	44,393
Prepayments and accrued income	82,111	100,234
	126,309	145,027

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16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	314,641	347,249
Other taxation and social security	76,797	70,477
Other creditors	97,389	81,916
Accruals and deferred income	204,173	124,713
	<u>693,000</u>	<u>624,355</u>
	2021 £	2020 £
Deferred income at 1 September 2020	54,186	16,123
Resources deferred during the year	106,090	54,186
Amounts released from previous periods	(54,186)	(16,123)
	<u>106,090</u>	<u>54,186</u>

At the balance sheet date the Academy was holding grant funding in advance of the Academic year 2021/22 including rates relief grant and other deferred income.

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Notes to the financial statements
for the year ended 31 August 2021

17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	427,639	62,711	(11,712)	-	-	478,638
Restricted general funds						
General Annual Grant (GAG)	112,571	4,699,058	(4,406,910)	(17,950)	-	386,769
Pupil Premium	-	236,519	(236,519)	-	-	-
COVID-19 Catch-up premium	-	67,760	(1,437)	-	-	66,323
Other DfE/ESFA COVID-19 funding	-	28,450	(28,450)	-	-	-
Other DfE/ESFA grants	-	298,622	(316,572)	17,950	-	-
Other government grants	-	89,257	(89,257)	-	-	-
Other restricted income	-	34,492	(34,492)	-	-	-
School Fund	40,950	(14,589)	276	-	-	26,637
Pension reserve	(3,925,000)	-	(239,000)	-	(906,000)	(5,070,000)
	<u>(3,771,479)</u>	<u>5,439,569</u>	<u>(5,352,361)</u>	<u>-</u>	<u>(906,000)</u>	<u>(4,590,271)</u>
Restricted fixed asset funds						
Transfer from foundation school on conversion	6,382,383	-	(129,607)	-	-	6,252,776
Transfer from local authority on conversion	1,623	-	(1,623)	-	-	-
DfE/ESFA capital grants	803,377	30,294	(110,148)	-	-	723,523
Capital expenditure from GAG	194,821	-	(27,632)	-	-	167,189
	<u>7,382,204</u>	<u>30,294</u>	<u>(269,010)</u>	<u>-</u>	<u>-</u>	<u>7,143,488</u>
Total Restricted funds	<u>3,610,725</u>	<u>5,469,863</u>	<u>(5,621,371)</u>	<u>-</u>	<u>(906,000)</u>	<u>2,553,217</u>
Total funds	<u><u>4,038,364</u></u>	<u><u>5,532,574</u></u>	<u><u>(5,633,083)</u></u>	<u><u>-</u></u>	<u><u>(906,000)</u></u>	<u><u>3,031,855</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 2021.

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Notes to the financial statements
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17. Statement of funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	375,311	53,114	(786)	-	-	427,639
Restricted general funds						
General Annual Grant (GAG)	-	4,302,297	(4,080,118)	(109,608)	-	112,571
Pupil Premium	-	228,098	(228,098)	-	-	-
Other DfE/ESFA grants	-	272,330	(272,330)	-	-	-
Other government grants	-	68,784	(68,784)	-	-	-
Other restricted income	-	42,944	(42,944)	-	-	-
School Fund	31,563	60,787	(51,400)	-	-	40,950
Pension reserve	(3,867,000)	-	(246,000)	-	188,000	(3,925,000)
	<u>(3,835,437)</u>	<u>4,975,240</u>	<u>(4,989,674)</u>	<u>(109,608)</u>	<u>188,000</u>	<u>(3,771,479)</u>
Restricted fixed asset funds						
Transfer from foundation school on conversion	6,510,366	-	(127,983)	-	-	6,382,383
Transfer from local authority on conversion	3,247	-	(1,624)	-	-	1,623
DfE/ESFA capital grants	889,877	30,358	(105,062)	(11,796)	-	803,377
Capital expenditure from GAG	90,531	-	(17,114)	121,404	-	194,821
	<u>7,494,021</u>	<u>30,358</u>	<u>(251,783)</u>	<u>109,608</u>	<u>-</u>	<u>7,382,204</u>
Total Restricted funds	<u>3,658,584</u>	<u>5,005,598</u>	<u>(5,241,457)</u>	<u>-</u>	<u>188,000</u>	<u>3,610,725</u>
Total funds	<u><u>4,033,895</u></u>	<u><u>5,058,712</u></u>	<u><u>(5,242,243)</u></u>	<u><u>-</u></u>	<u><u>188,000</u></u>	<u><u>4,038,364</u></u>

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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	7,124,488	7,124,488
Current assets	478,638	1,172,729	19,000	1,670,367
Creditors due within one year	-	(693,000)	-	(693,000)
Provisions for liabilities and charges	-	(5,070,000)	-	(5,070,000)
Total	478,638	(4,590,271)	7,143,488	3,031,855

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	7,314,741	7,314,741
Current assets	427,639	766,893	78,446	1,272,978
Creditors due within one year	-	(613,372)	(10,983)	(624,355)
Provisions for liabilities and charges	-	(3,925,000)	-	(3,925,000)
Total	427,639	(3,771,479)	7,382,204	4,038,364

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

	2021 £	2020 £
Net expenditure for the year (as per statement of financial activities)	(100,509)	(183,531)
Adjustments for:		
Depreciation	269,010	251,783
Capital grants from DfE and other capital income	(30,294)	(30,358)
Interest receivable	(370)	(3,053)
Defined benefit pension scheme cost less contributions payable	171,000	175,000
Defined benefit pension scheme finance cost	68,000	71,000
Decrease/(increase) in debtors	18,718	(24,446)
Increase in creditors	68,645	56,830
Net cash provided by operating activities	464,200	313,225

20. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	370	3,053
Purchase of tangible fixed assets	(78,757)	(148,923)
Capital grants from DfE Group	30,294	30,358
Net cash used in investing activities	(48,093)	(115,512)

21. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,544,058	1,127,951
Total cash and cash equivalents	1,544,058	1,127,951

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Notes to the financial statements
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22. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,127,951	416,107	1,544,058
	<u>1,127,951</u>	<u>416,107</u>	<u>1,544,058</u>

23. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>42,468</u>	<u>-</u>

24. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2019.

Contributions amounting to £87,197 were payable to the schemes at 31 August 2021 (2020 - £80,162) and are included within creditors.

Teachers' Pension Scheme

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

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

24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £572,610 (2020 - £522,972).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £245,000 (2020 - £203,000), of which employer's contributions totalled £198,000 (2020 - £162,000) and employees' contributions totalled £ 47,000 (2020 - £41,000). The agreed contribution rates for future years are 26.2 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

	2021	2020
	%	%
Rate of increase in salaries	3.30	2.60
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme liabilities	1.65	1.70

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24. Pension commitments (continued)

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

	2021 Years	2020 Years
Retiring today		
Males	21.4	21.2
Females	24.0	23.6
Retiring in 20 years		
Males	22.5	22.1
Females	25.7	25.0

Sensitivity analysis

	2021 £000	2020 £000
Discount rate -0.1%	237	191
Salary increase rate +0.1%	37	30
CPI rate +0.1%	196	157

Share of scheme assets

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

	2021 £	2020 £
Equities	3,233,000	2,465,000
Bonds	865,000	725,000
Property	319,000	290,000
Cash and other liquid assets	136,000	145,000
Total market value of assets	4,553,000	3,625,000

The actual return on scheme assets was £695,000 (2020 - £170,000).

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

	2021 £	2020 £
Current service cost	(369,000)	(337,000)
Interest income	63,000	60,000
Interest cost	(131,000)	(131,000)
Total amount recognised in the Statement of financial activities	(437,000)	(408,000)

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24. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	7,550,000	7,129,000
Current service cost	369,000	337,000
Interest cost	131,000	131,000
Employee contributions	47,000	41,000
Actuarial losses/(gains)	1,601,000	(18,000)
Benefits paid	(75,000)	(70,000)
At 31 August	9,623,000	7,550,000

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

	2021 £	2020 £
At 1 September	3,625,000	3,262,000
Interest income	63,000	60,000
Actuarial gains	695,000	170,000
Employer contributions	198,000	162,000
Employee contributions	47,000	41,000
Benefits paid	(75,000)	(70,000)
At 31 August	4,553,000	3,625,000

25. Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	17,825	19,338
Later than 1 year and not later than 5 years	940	2,163
	18,765	21,501

26. 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.

27. Related party transactions

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

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