

**Davenant Foundation
School**

**Annual Report and Financial
Statements**

31 August 2021

Company Limited by Guarantee
Registration Number
7540256 (England and Wales)

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Reference and administrative information

Members	M Vine Morris G Anthony M Hicks S Temple A Olapade
Trustees/Governors	M Vine-Morris (Chair of Governors) (1) J Anderson G Anthony (Vice Chair of Governors) (1) C Davies J Doherty O Fatoye C Folkes (2) M Hicks (Chair of Finance Committee) (1) (2) A Olapade (1) (2) D Prosser (2) H Smith (2) S Temple (1) A Thorne D Lee
Key to committees	(1) Member of Standing Committee (2) Member of Finance Committee
Head Teacher	A Thorne
Company Secretary	J Beaumont
Senior Leadership Team	A Thorne – Head Teacher D Lake – Deputy Head Teacher E Browne – Assistant Head Teacher J Escott – Assistant Head Teacher K Fisher – Assistant Head Teacher D Parker – Assistant Head Teacher
Clerk to the Governing Body	J McCallig
Registered address	Davenant Foundation School Chester Road Loughton Essex IG10 2LD
Company registration number	7540256 (England and Wales)

Reference and administrative information

Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers Lloyds plc
11 The Broadway Loughton
Essex IG10 3SW

Solicitors Winckworth Sherwood LLP Minerva House
5 Montague Close London
SE1 9BB

The governors of Davenant Foundation School ('the School') present their statutory report together with the financial statements of the charitable company for the year ended 31 August 2021.

The report has been prepared in accordance with Part VIII of the Charities Act 2011.

The financial statements have been prepared in accordance with the accounting policies set out on pages 31 to 35 of the attached financial statements and comply with the School's memorandum and articles of association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The School is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the School.

Members of the charitable company comprise:

- ◆ the signatories to the Memorandum, the Chair of Governors, the Vice Chair of Governors and the Chair of the Finance Committee; and
- ◆ appointments made under Article 16 of the Academy's Articles of Association: Mrs S Temple and Mrs A Olapade.

Governance arrangements

The governors act as trustees for charitable activities of Davenant Foundation School and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Davenant Foundation School.

Method of recruitment and appointment or election of governors

The School's Governing Body comprises 3 staff governors, 3 parents of pupils at the School, the Headteacher (ex-officio), 11 Foundation governors and 2 governors appointed by the Governing Body through an application and interview process.

Governors' indemnities

The School is a member of the ESFA's Risk Protection Arrangements which provides £10 million cover for governors' liability. The cost of this is met from a £19 per pupil charge for all cover provided; it is not possible to separately identify the cost of governor cover.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governance arrangements (continued)

Policies and procedures adopted for the induction and training of governors

Governor recruitment is geared to fill skill gaps on the Governing Body. Therefore the training and induction provided for new governors will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new governors will be given a tour of the School and the chance to meet with staff and students. The Chair of the Governing Body, the Clerk to the Governing Body and the Head Teacher meet with them to provide an introduction to the school and the work of the Governing Body. Governors are given the Governors' Handbook and registered with Essex Governor Services so that they can receive updates and opportunities for training. Online access to resources and training offered by the National Governors Association is also provided. As there are normally only one or two new governors a year, induction tends to be done informally and is tailored specifically to the individual. When considered necessary due to developments in the sector, update sessions are held for the whole board of governors.

Organisational structure

The School's organisational structure consists of four levels: the members, the governors, the sub-committees and the Senior Leadership Team. A governance review is planned for 2021-22 to consider the recommendations contained in the 2021 Academy Trust Handbook.

The members comprise the Chair and Vice Chair of Governors, and the Chairs of each Committee. Together they make up the Standing Committee, which meets to strategically plan the work of the Governing Body and co-ordinate the work of the other Committees. The governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the School by the use of budgets and making major decisions about the direction of the School, capital expenditure and senior staff appointments. The governors meet regularly during the year.

Specific responsibilities have been delegated to the committees by the governors. The Responsible Officer (RO) role has been replaced by a programme of internal scrutiny. In line with the Academies Financial Handbook the Finance/Audit Committee determines a programme of internal scrutiny to provide independent assurance to the board that its financial and others controls, and risk management procedures, are operating effectively. In the light of the pandemic and subsequent lockdown and remote working, governors asked for an assessment on how the school had managed its key financial procedures and controls and the scrutiny reports concluded that despite the challenges, operations continued uninterrupted and financial integrity was maintained. To meet the requirement to separate internal scrutiny and external audit, the contract for 2020-21 was awarded to Juniper Education.

The Senior Leadership Team includes the Headteacher, the Deputy Headteachers and Assistant Headteachers. The Senior Leadership Team implements the policies as laid out by the Governors and, as authorised, takes day-to-day decisions on all matters that relate to the smooth running of the School's operations including set-up of operational systems, staff appointments, budget monitoring and stakeholder engagement.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Arrangements for setting pay and remuneration of key management personnel

Arrangements for setting pay and remuneration of key management personnel are governed by the School's Pay Policy. The policy complies with the School Teachers' Pay & Conditions Document ('STPCD') and the accompanying statutory guidance and with national and local pay agreements for support staff. The Governing Body has established a Salaries Committee and a Salaries Appeals Committee which have fully delegated powers to make decisions on pay, and (except in relation to the Headteacher's pay) will be advised by the Headteacher as appropriate.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
0	0

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	£0
Total pay bill	£4.8 million
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0%
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Members' liability

Each member of the School 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)

Governors

The following governors were in office at 31 August 2021 and served throughout the period.

Governor	From/until	Category	Appointing body
J Anderson		Parent	Parent Body
G Anthony		Foundation	Whitechapel Education Foundation
C Davies		Foundation	Ex-officio (Rector of Loughton)
O Fatoye		Staff	Staff
C Folkes		Foundation	Whitechapel Education Foundation
M Hicks		Foundation	Whitechapel Education Foundation
D Lee		Parent	Parent Body
A Olapade		Community	Governing Body
D Prosser		Foundation	Whitechapel Education Foundation
H Smith		Foundation	Whitechapel Education Foundation
S Temple		Foundation	Whitechapel Education Foundation
A Thorne		Headteacher	Ex-officio (Headteacher)
M Vine-Morris		Foundation	Whitechapel Education Foundation

There are currently seven vacancies on the Governing Body: one community, three foundation, one parent and two staff governors. Recruitment is actively under consideration but has temporarily been paused pending the outcome of the forthcoming governance review.

The Board met regularly during the year and is well supported by an effective Committee structure: The Standing Committee (chairs of Committees) oversees the work of the Governing Body; the other Committees are Finance, Curriculum, Estates, Personnel and Admissions. As a Single Academy Trust the Board finds this an effective model to use, but this will be reviewed in the forthcoming governance review. More information is provided in the Governance Statement later in this report.

There are two charities whose trustees are also governors of the School, the Reynolds Fund and the Whitechapel Educational Foundation.

The Reynolds Fund and Whitechapel Educational Foundation are charities established to assist in the provision of facilities and activities at the School not normally provided for by Government funding. The School does not have the right to appoint trustees to either charity, or to alter their governing documents.

Decisions on how the funds of each are spent are taken independently by the trustees at separate meetings. The School, on occasion, makes information available to the charities to assist their operation. The charities consider this information but remain independent in their decision making concerning the application of their funds and thus there is no exercise of dominant influence by the School. As a result the governors have concluded that there is no requirement for the preparation of consolidated accounts.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management

The governors have assessed the major risks to which the School is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the School, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, the Covid pandemic and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to manage the risks to which the School is exposed. The exceptional circumstances of the pandemic clearly demonstrated the effectiveness of the Board's approach to risk management in that it swiftly changed how it operated and its business was geared to overseeing the school's response to its ever changing responsibilities.

OBJECTIVES AND ACTIVITIES

Objects, aims and objectives

In setting the School's objectives and planning its activities, the Governing Body has given careful consideration to the Charity Commission's general guidance on public benefit.

The objects of the School are to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad curriculum for students between the ages of 11 to 18.

The School has adopted the policies approved by the Secretary of State for Education. These policies specify, among other things, the basis for admitting students to the School and that the curriculum should comply with the substance of the national curriculum, albeit with the School able to exercise freedoms which allow it to offer alternatives to the National Curriculum if this is deemed appropriate.

The whole school aims are that Davenant will be a school where:

- ◆ All staff and students feel safe and secure.
- ◆ All students make outstanding progress.
- ◆ All students are sensitive to the world in which they live.
- ◆ All students have a passion for lifelong learning and are fully prepared for life after school.
- ◆ All staff are supported to fulfil their potential.
- ◆ The school manages its resources for the long term to benefit all its community.

The School's main strategy is encompassed in its mission statement which is:

'Reflect the love of God in all aspects of the community by nurturing mind, body and spirit'.

The plans recorded in last year's report could not anticipate the unprecedented events of 2020 and 2021. Many of the targets related to student progress and attainment and cannot be

OBJECTIVES AND ACTIVITIES (continued)

Objects, aims and objectives (continued)

evaluated as anticipated. Notwithstanding this, the school is proud of its GCSE and A levels results based on rigorously moderated Centre Assessed Grades. As results are not publicly available this year, it is not appropriate to include them in this document.

Notable achievements during 2020-21 were:

- ◆ High quality learning through Lockdown
- ◆ High quality care through lockdown
- ◆ Continued Teaching & Learning Continued Professional Development to improve the understanding of how students learn
- ◆ High student participation in Extra- curricular where allowed.
- ◆ Improved Personal, Health, Social and Economic education provision
- ◆ Improved leadership opportunities for students
- ◆ A balanced school budget
- ◆ Strong 6th form recruitment
- ◆ Strong staff recruitment and retention during challenging circumstances
- ◆ Successful Condition Improvement Fund (CIF) bid for new teaching block

During lockdown the school continued its education provision on line, as well as running a school for key workers and vulnerable students on site. The school ran regular on line lessons for all year groups with a significant focus on the exam classes. It had a well-established on line platform that facilitated quality lessons and learning, this in turn has ensured that Davenant students did not significantly lose out on their curriculum or learning during lockdown. Safeguarding and student welfare was paramount during this time with welfare calls for all and support put in place for key students and families. Full curriculum and specialist teaching has resumed since September in line with Government recommendations with full Risk Assessments in place.

Some extra-curricular activities continued on line, including music tuition. Parental support during this time was tremendous and feedback from stakeholders has been very encouraging. Governors wish to record their thanks to the staff, students and parents for managing so well during this difficult period.

FINANCIAL REVIEW

Financial report for the period

The majority of the School's income for the year ended 31 August 2021 was obtained from the ESFA in the form of a general annual grant. GAG income totalled £6,248k (2020 - £5,716k) and represents 80% (2020 - 79%) of the total income received in the period.

FINANCIAL REVIEW (continued)

Financial report for the period (continued)

Expenditure was £8,323k (2020 - £7,872k) on the School's educational operations and includes £16k (2020 - £18k) on governance costs.

During the year the School incurred an overall deficit of £537k (2020 £875k deficit), but this includes a deficit of £349k (2020 538k deficit) in the pension reserve and a £310k deficit (2020 £423k deficit) in the restricted fixed asset fund due to depreciation charges. This results in an overall deficit balance of £272k.

The following table shows that the overall deficit has arisen because the LGPS deficit has overtaken the value of the depreciated fixed assets:

	Opening Balance 1st Sept 2020 £000	Movement during the Year £000	Balances at 31st Aug 2021 £000
Buildings	3,599	(360)	3,239
Fixed Asset Fund (includes assets under construction)	132	106	238
Total Restricted Fixed Assets	3,731	(254)	3,477
LGPS deficit	(3,789)	(349)	(4,138)

Restricted Funds:

<i>Epping Forest Consortium</i>	6	-	6
<i>Sports Partnership</i>	36	14	50
<i>West Essex School Sports Association</i>	2	0	2
<i>Olympics Legacy Fund</i>	2	-	2
<i>Devolved Formula Capital grant</i>	28	(9)	19
Total Restricted Funds	74	5	79

Unrestricted Funds:

'Free' reserves	297	39	336
Earmarked funds	70	2	72
Salix loan	(118)	20	(98)
Total Unrestricted Funds	249	61	310
TOTAL	265	(537)	(272)

Reserves policy

At 31 August 2021 the School had unrestricted funds of £310k (2020 - £249k). This includes internal commitments to departmental budgets, teacher training initiatives and other specific school projects amounting to £72k (2020 - £70k) and the Salix loan liability of £97k (2020 - £117k).

As reported above, the overall funds position as shown on the balance sheet on page 28 is a deficit of £272k (2020 £265k surplus), this is entirely due to the long term position relating to the Local Government Pension Scheme for non-teaching staff, which shows a deficit of £4,138k (2020 £3,789k deficit). The school has however embarked on a capital project in relation to new classrooms which will complete next year and is expected to return overall funds to a positive position.

FINANCIAL REVIEW (continued)

Reserves policy (continued)

In 2018, the School entered into an agreement with SALIX for an interest free loan to fund the installation of energy efficient lighting. The loan is repayable over 8 years and, given its long term nature and that the School will fund repayments as they fall due, it has been calculated it has free reserves at 1 September 2021 to be £336k (2020 - £297k) represented by net current assets.

The way in which the School is being funded will continue to put severe pressure on the use of its resources and it will be an ongoing challenge to safeguard standards and properly meet its charitable objectives. For the year ending 31 August 2022, the School has set a surplus budget of £44,000 (2020 - surplus of £29k) compared to its expected ESFA funding and therefore free reserves are expected to be maintained in the short term and medium terms.

The School would prefer to have reserves at a level close to one month's salary costs, around £500,000, but not at the expense of its short to medium term educational goals. There are also many on-going challenges, uncertainties and cost pressures at the present time and the School will continue to look to increase free reserves to this level as soon as possible. For the present the level of free reserves held is adequate. After making appropriate enquiries, the Governing Body has a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. For this reason it considers that the going concern basis of preparing the financial statements is appropriate.

Investment policy

Governors have agreed an investment policy that allows the investment of surplus funds in risk free deposit accounts. Where funds are not readily accessible an assessment must be made to ensure that the school can meet its outgoings whilst the funds are on deposit.

PRINCIPAL RISKS AND UNCERTANTIES

At this stage, the principal risks of the School that have been subject to detailed review are:

- ◆ managing the academy in the light of the ongoing implications of the Covid19 pandemic – both operational and financial;
- ◆ the effect on Davenant of the introduction of the National Funding Formula (NFF), in particular how recent pay and pension grants will be incorporated;
- ◆ the effect on student achievement and wellbeing as a result of recent, and possible future, disruption to education;
- ◆ maintaining student recruitment in year 7 and increasing year 12 to 2020 numbers;
- ◆ ensuring compliance with relevant regulations, in particular GDPR.

The following actions have been taken to mitigate against the risks listed above:

- ◆ Trustees have overseen the plans for managing the school under restrictions; although the school has resumed near normal operations since September 2021, the school has suitable

PRINCIPAL RISKS AND UNCERTANTIES (continued)

systems in place to respond to any future Covid restrictions.

- ◆ The 2021-22 budget anticipates reduced income from trading operations, and increased pastoral, teaching and organisational costs as a result of Covid.
- ◆ Government funding for 2021-22 was disappointing; nevertheless a balanced budget was set; the budget will be reviewed on an ongoing basis to react to any changed circumstances.
- ◆ Training has been provided to equip relevant staff to manage the required educational, technological and structural changes;
- ◆ The academy has further enhanced its Student Services provision to meet the increased demand to tackle issues with student wellbeing; detailed curriculum reviews have been undertaken to identify gaps in learning as a result of lockdown and remote learning and strategies have been put in place to address these, e.g. additional conversation support in Modern Foreign Languages;
- ◆ Successful marketing, favourable reputation and parental feedback have ensured that the 2021 year 7 intake met expectations; year 12 recruitment was lower than anticipated but as funding is lagged, the effect of this will be factored into the 2022-23 budget. This together with increasing the student numbers in the other Key Stage 3 years, has resulted in additional income to maintain financial viability;
- ◆ the Compliance Officer and Link Governor adherence to relevant regulations, in particular Health and Safety, School trips and the new Data Protection regime has resulted in successful audits in these areas

FUNDRAISING

The academy has not undertaken fundraising during the year. The Reynolds (Private Fund) and the Parents' Association fundraise and provide welcome support to the academy.

PLANS FOR FUTURE PERIODS

The latest Development Plan covers the period 2021- 2026. Its targets relate to:

- ◆ Quality of Education
- ◆ Behaviour, Attitudes and Participation
- ◆ Personal Development
- ◆ Leadership and management
- ◆ School Environment

The key priority intended outcomes include:

- ◆ All students make outstanding progress because there is high quality teaching.

PLANS FOR FUTURE PERIODS (continued)

- ◆ All students make outstanding progress because of a rich extra and co-curricular offer.
- ◆ Quality assessment and feedback ensures student progress with their knowledge and skills and misconceptions are tackled.
- ◆ All students have a clear understanding and can connect their learning from the different area that support their preparation for life.
- ◆ Students are given opportunities to lead within their community.
- ◆ Students are active in their communities, have a good world understanding and have the opportunities to discuss and debate key issues.
- ◆ Review RSE in light of covid limiting some areas
- ◆ All Staff are supported to fulfil their potential due to quality CPD, leadership and development opportunities
- ◆ Students make outstanding progress and have a passion for lifelong learning due to a challenging and engaging curriculum both in the classroom and beyond.

AUDITOR

In so far as the governors are aware:

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

Governors' report approved by order of the members of the board of governors and signed on its behalf by:



M Vine-Morris
Chair of Governors

Date: 14.12.2021

Governance statement Year to 31 August 2021

Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the School and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance. However, developments in this area were necessarily paused due to the changed priorities as a result of the pandemic. A governance review is planned for 2021-22 to consider the recommendations contained in the 2021 Academy Trust Handbook.

The information on governance included here supplements that described in the governors' report and in the statement of governors' responsibilities.

September 2020 to August 2021

2020-21 meetings continued to be held virtually and it is pleasing to report that all governors were able to continue their participation.

The Governing Body has formally met 4 times during the year in addition to a training event. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Number of meetings attended	Out of a possible
M Vine-Morris (chair)	4	4
J Anderson	4	4
G Anthony	3	4
C Davies	4	4
O Fatoye	4	4
C Folkes	4	4
M Hicks	4	4
D Lee	4	4
A Olapade	3	4
D Prosser	4	4
H Smith	4	4
S Temple	4	4
A Thorne	4	4

Governance statement Year to 31 August 2021

Governance (continued)

The Standing Committee (the 'members') continued their role of strategic guidance but all governors were invited to attend their meetings to ensure no governor felt excluded.

The Standing Committee has formally met 6 times during the year. Attendance during the year was as follows:

Governor	Number of meetings attended	Out of a possible
M Vine-Morris (chair)	6	6
G Anthony	6	6
M Hicks	6	6
A Olapade	5	6
S Temple	6	6
A Thorne	6	6
As outlined above all governors were invited (not required) to attend meetings of the Standing Committee post lockdown and the following governor attended:		
C Davies	3	6

The Finance Committee is a sub-committee of the main Governing Body. Its purpose is to make decisions that will enable compliance with governors' approved budgets and policies, legislation and regulation. It is responsible to the Governing Body through the Standing Committee. The Finance Committee has formally met 4 times during the year; in addition an email conversation took place in lieu of the September 2020 meeting. Attendance during the year was as follows:

Governor	Number of meetings attended	Out of a possible
M Hicks (chair)	4	4
C Folkes	4	4
D Prosser	4	4
A Olapade	2	2
H Smith	3	4
A Thorne	4	4

There were no changes to the membership of the Governing Body during the year and to date. There are currently seven vacancies on the Governing Body: one community, three foundation, one parent and two staff governors.

Governance reviews

The Governing Body reviews its effectiveness by using the OFSTED document 'Effectiveness of Governance', whereby using self-assessment it identifies changes required. For example, it liaises with the School's School Improvement Partner to ensure it is up to date with OFSTED requirements. It has also completed a skills audit which is used in the governor appointment process, in conjunction with the new recruitment policy. A whole board virtual training event took place which provided an opportunity for the Headteacher to update governors on current developments and time was given to long term planning.

Governance statement Year to 31 August 2021

Review of value for money

The Trust has applied the principles of PPN 02/20 and PPN 04/20, mainly in connection with the catering, grounds maintenance and supply teacher contracts. This resulted in additional costs in respect of the catering contract because costs were not offset by income. For the other contracts no additional costs were incurred, but not all the services were required when the school was in lockdown.

Lockdown adversely affected income earned from activities, lettings in particular. A 75% reduction in lettings income occurred with minimal cost savings. Other extra-curricular activities were curtailed, although some costs were recouped from the government's furlough scheme. Additional costs were incurred in managing the Covid situation (for example, 'bubbles' required additional supervision costs).

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

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

During the year the academy received a review by one of the DfE's School Resource Management Advisers. The review confirmed that resources were well managed. The recommendations to review the teaching complement and the staff advertising budget will be considered going forward.

The Accounting Officer for the School has delivered and improved value for money during the year by:

- ◆ Carefully managing the budget in the light of difficult demands arising from the pandemic. For example, when staff absence was high due to illness or isolation, external supply cover was minimised by flexibly using the existing workforce. Any spare capacity in the teaching timetable was allocated to cover absent colleagues to minimise bought in supply teachers;
- ◆ A carefully constructed timetable that minimised spare capacity and incorporated the timetable changes required to manage the Covid bubbles. Going forward this exercise will be developed further along the lines of Curriculum Financial Planning;
- ◆ Annual Performance Management meetings for all staff to ensure that the workforce is working together to achieve the school objectives;
- ◆ Analysis of pupil performance data with curriculum leaders to determine the emphasis required to minimise the effects of the pandemic on students' learning;
- ◆ Scrutiny of financial data including regular budget reports, reports from the external auditor and Internal Scrutiny reviews; and
- ◆ Meetings of the Governing Body with close scrutiny of the School Development Plan
- ◆ As part of the cyclical review of contracts, the School uses the services of procurement specialists to review significant contracts.

Governance statement Year to 31 August 2021

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 ongoing process designed to identify and prioritise the risks to the achievement of the School's 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 at the School for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

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

The Governing Body has considered the need for a specific internal audit function and for 2020-21 commissioned Juniper Education Services, to undertake a programme of internal scrutiny to provide independent assurance to the board that its financial and other controls, and risk management procedures, are operating effectively. The Finance/ Audit Committee received 3 comprehensive reports during the year; each contained a number of useful recommendations to enhance the systems in place, but none identified a major issue of concern.

Governance statement Year to 31 August 2021

Review of effectiveness

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

- ◆ the internal scrutiny reviews;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process; and
- ◆ the work of the Finance and Resources Manager within the School, who has 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 any identified weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Governing Body and signed on their behalf by:



M Vine-Morris

Chair of Governors

Approved on: 14.12.2021



A Thorne

Accounting Officer

Statement on regularity, propriety and compliance Year to 31 August 2021

As Accounting Officer of Davenant Foundation School, I have considered my responsibility to notify the School Governing Body and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the School and the Secretary of State. 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 School Governing Body are able to identify any material irregular or improper use of funds by the School, or material non-compliance with the terms and conditions of funding under the School's funding agreement and the Academies Financial Handbook 2020.

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



A Thorne
Accounting Officer

Date: 14.12.2021

Statement of governors' responsibilities Year to 31 August 2021

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

Company law requires the governors to prepare financial statements for each financial year. Under company law, the governors 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 School and of the income and expenditure for that period. In preparing these financial statements, the governors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP FRS 102 and the Academies Accounts Direction 2020 to 2021
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in operation.

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the School's transactions and disclose with reasonable accuracy at any time the financial position of the School 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 School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governors are responsible for ensuring that in its conduct and operation the School 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 the ESFA have been applied for the purposes intended.

The governors are responsible for the maintenance and integrity of the charitable company and financial information included on the School'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 Governing Body and signed on its behalf by:



M Vine-Morris
Chair of Governors

Date: 14.12.2021

Independent auditor's report on the financial statements to the members of Davenant Foundation School

Opinion

We have audited the financial statements of Davenant Foundation School (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2019) and the Academies Accounts Direction 2020 to 2021.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its income and expenditure, for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charitable company'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions 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, which is also the directors' report for the purposes of company law [and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company 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;
- ◆ we have not received all the information and explanations we require for our audit;
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our 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 engagement partner 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 charitable company through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the 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 considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2020 to 2021, the Academies Financial Handbook 2020, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustees' meetings and papers provided to the trustees.

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

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

- ◆ making enquiries of management and those charged with governance 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;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

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;
- ◆ reviewing the minutes of trustees' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Auditor's responsibilities for the audit of the financial statements (continued)

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

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



16.12.2021

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Independent reporting accountant's assurance report on regularity to Davenant Foundation School and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education & 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 Davenant Foundation 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 Davenant Foundation School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Davenant Foundation 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 Davenant Foundation School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Davenant Foundation School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Davenant Foundation School's funding agreement with the Secretary of State for Education dated 28 August 2014 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 Academies Accounts Direction 2020 to 2021 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.

Approach (continued)

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

- ◆ An assessment of the risk of material irregularity and impropriety across all of the School's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

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.

Buzzacott LLP

Buzzacott LLP 130 Wood Street London
EC2V 6DL

Date: 16.12.2021

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

	Notes	Restricted funds			2021 Total funds £'000	2020 Total funds £'000
		Unrestricted general fund £'000	General funds £'000	Fixed asset funds £'000		
Income from:						
Donations and capital grants	1	—	112	134	246	155
Charitable activities						
. Funding for the School's educational operations	2	—	7,151	—	7,151	6,533
Other trading activities	3	116	249	—	365	576
Total income		116	7,512	134	7,762	7,264
Expenditure on:						
Charitable activities						
. School's educational operations		55	7,806	462	8,323	7,872
Total expenditure	4,5	55	7,806	462	8,323	7,872
Net income (expenditure)		61	(294)	(328)	(561)	(608)
Transfer between funds		—	(74)	74	—	—
Other recognised losses and gains						
Actuarial gain (loss) on defined benefit pension scheme	19	—	24	—	24	(267)
Net movement in funds		61	(344)	(254)	(537)	(875)
Reconciliation of funds						
Fund balances brought forward at 1 September		249	(3,715)	3,731	265	1,140
Fund balances carried forward at 31 August		310	(4,059)	3,477	(272)	265

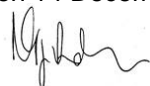
All of the Academy's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the statement of financial activities.

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Tangible fixed assets	11		3,477		3,731
Current assets					
Debtors	12	431		291	
Cash at bank and in hand		526		562	
		<u>957</u>		<u>853</u>	
Liabilities					
Creditors: amounts falling due within one year	13	(491)		(433)	
Net current assets			<u>466</u>		<u>420</u>
Total assets less current liabilities			<u>3,943</u>		<u>4,151</u>
Creditors: amounts falling due after more than one year	14		(77)		(97)
Net assets excluding pension scheme liability			<u>3,866</u>		<u>4,054</u>
Pension scheme liability	19		(4,138)		(3,789)
Total net assets			<u>(272)</u>		<u>265</u>
Funds of the School					
Restricted funds					
. Fixed assets fund	15		3,477		3,731
. Other restricted funds	15		79		74
. Pension reserve	15		(4,138)		(3,789)
Total restricted funds			<u>(582)</u>		<u>16</u>
Unrestricted funds					
. General fund	15		310		249
Total funds			<u>(272)</u>		<u>265</u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 27 to 50 were approved by the Governors, and authorised for issue on 14 December 2021 and are signed on their behalf, by:



M Vine-Morris
Chair of Governors

Davenant Foundation School – Company Registration Number 7540256 (England and Wales).

The notes on pages 36 to 50 form part of these financial statements.

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	A	13	10
Cash flows from investing activities			
	B	(29)	(2)
Cash flows from financing activities			
	C	(20)	(20)
Change in cash and cash equivalents in the year		(36)	(12)
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2020		562	574
Cash and cash equivalents at 31 August 2021	D	526	562

A Reconciliation of net expenditure to net cash provided by operating activities

	2021 £'000	2020 £'000
Net expenditure for the year (as per the statement of financial activities)	(561)	(608)
Adjusted for:		
Depreciation	462	453
Capital grants from DfE/ESFA and other capital income	(180)	(28)
Loss on disposal of fixed assets	1	—
Defined benefit pension scheme cost less contributions payable	313	211
Defined benefit pension scheme finance cost	60	60
(Increase) decrease in debtors	(140)	36
Increase (decrease) in creditors	58	(114)
Net cash used in operating activities	13	10

B Cash flows from investing activities

	2021 £'000	2020 £'000
Purchase of tangible fixed assets	(209)	(30)
Capital grants from DfE/ESFA	180	28
Net cash used in investing activities	(29)	(2)

C Cash flows from financing activities

	2021 £'000	2020 £'000
Repayments of borrowing	(20)	(20)

D Analysis of cash and cash equivalents

	2021 £'000	2020 £'000
Cash at bank and in hand	526	562
Total cash and cash equivalents	526	562

E Analysis of cash and changes in net debt

	At 1 September 2020 £'000	Cashflows £'000	At 31 August 2021 £'000
Cash in hand and at bank	562	(36)	526
Loans falling due within one year	(20)	—	(20)
Loans falling due after more than one year	(97)	20	(77)
Total change in net debt	445	(16)	429

Accounting policies

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

Basis of preparation of financial statements

The financial statements of the School, 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.

The financial statements have been presented in sterling and rounded to the nearest thousand pounds.

Going concern

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

In making their assessment, the Governors note that the Trust currently holds negative total funds of £272,000. The net liability position is largely driven by pension obligations of £4,138,000, which are a long term estimated obligation and do not impact the solvency of the Trust.

Income

All income is recognised when the School 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 period for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Principal accounting policies Year to 31 August 2021

Grants (continued)

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

Donations

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

Other income

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

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 School's educational operations, including support costs and costs relating to the governance of the School apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

Interest receivable

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

Taxation

The School 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 School 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

Principal accounting policies Year to 31 August 2021

Taxation (continued)

gains are applied exclusively to charitable purposes.

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 basis:

Long-term leasehold property	-	5% straight line
Furniture and equipment	-	25% straight line
Computer equipment	-	33% straight line

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

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.

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.

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 School 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.

Principal accounting policies Year to 31 August 2021

Operating leases

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

Pensions

Retirement benefits to employees of the School 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 School 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 School 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.

Fund accounting

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

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.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and areas of judgement (continued)

under the circumstances.

Critical accounting estimates and assumptions

The School 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 net book value of tangible fixed assets is based on the original cost/value of the asset net of provision for depreciation. The depreciation provision to date is based on the trustees' assessment of the estimated useful economic lives of such assets.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 judgement

Other than the estimates discussed above, the governors do not consider that there are any key judgements made in the preparation of the financial statements.

1. Income from donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2021 Total funds £'000
Capital grants	—	—	71	71
Donated fixed assets	—	—	13	13
Other donations	—	112	50	162
	—	112	134	246

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2020 Total funds £'000
Capital grants	—	—	28	28
Other donations	—	127	—	127
	—	127	28	155

2. Funding for the School's academy trust educational operations

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
ESFA revenue grants			
. General Annual Grant (GAG)	—	6,248	6,248
Other DfE/ESFA grants			
. Pupil Premium	—	152	152
. Others	—	423	423
	—	6,823	6,823
Other Government grants			
. Local authority grants	—	14	14
. Special educational projects	—	146	146
	—	160	160
Covid-19 additional funding (DfE/ESFA)			
Catch-up premium	—	72	72
Other DfE/ESDA Covid-19 funding	—	91	91
Covid-19 additional funding (non-DfE/ESFA)			
Coronavirus Job Retention Scheme grant	—	5	5
	—	7,151	7,151

All income is included within restricted funds for both 2021 and 2020.

The trust received £72,000 of funding for catch-up premium and costs incurred in respect of this funding totalled £72,000.

The trust furloughed some of its staff under the government's CJRS. The funding received of £5,000 relates to staff costs in respect of staff which are included within note 7 as appropriate.

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000
ESFA revenue grants			
. General Annual Grant (GAG)	—	5,716	5,716
. Other DfE/ESFA grants	—	658	658
	—	6,374	6,374
Other Government grants			
. Local authority grants	—	26	26
. Special educational projects	—	119	119
	—	145	145
Covid-19 additional funding (non-DfE/ESFA)			
Coronavirus Job Retention Scheme grant	—	6	6
Coronavirus exceptional support	—	8	8
	—	14	14
	—	6,533	6,533

3. Income from other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
Hire of facilities/lettings income	25	—	25
Income from other charitable activities	91	—	91
Income from ancillary trading activities	—	249	249
	116	249	365

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000
<i>Hire of facilities/lettings income</i>	52	—	52
<i>Miscellaneous income</i>	140	—	140
<i>Income from ancillary trading activities</i>	—	384	384
	192	384	576

4. Expenditure

	Staff costs £'000	Non pay expenditure		2021 Total funds £'000
		Premises £'000	Other costs £'000	
School's educational operations				
. Direct costs	5,282	465	408	6,155
. Allocated support costs (note 5)	1,452	382	334	2,168
	6,734	847	742	8,323

	Staff costs £'000	Non pay expenditure		2020 Total funds £'000
		Premises £'000	Other costs £'000	
<i>School's educational operations</i>				
<i>. Direct costs</i>	4,835	453	420	5,708
<i>. Allocated support costs (note 7)</i>	1,248	355	561	2,164
	6,083	808	981	7,872

Net expenditure for the year includes:

	2021 Total funds £'000	2020 Total funds £'000
Operating leases	28	31
(Gain) loss on disposal of fixed assets	1	—
Depreciation	462	453
Fees payable to auditor		
. Audit	10	10
. Other services	6	5

5. Analysis of support costs

	2021 Total funds £'000	2020 Total funds £'000
Direct costs – educational operations	6,155	5,708
Support costs – educational operations	2,168	2,164
	8,323	7,872

	2021 Total funds £	2020 Total funds £
Support staff costs	1,452	1,248
Technology costs	49	49
Premises costs	382	355
Legal costs – other	1	—
Other support costs	268	494
Governance costs	16	18
Total support costs	2,168	2,164

6. Comparative information

Analysis of income and expenditure in the year ended 31 August 2020 between restricted and unrestricted funds:

	Restricted funds			2020 Total funds £'000
	Unrestricted general fund £'000	General funds £'000	Fixed assets fund £'000	
Income from:				
Donations and capital grants	—	127	28	155
Charitable activities				
. Funding for the School's educational operations	—	6,917	—	6,917
Other trading activities	192	—	—	192
Total income	192	7,044	28	7,264
Expenditure on:				
Charitable activities				
. School's educational operations	84	7,335	453	7,872
Total expenditure	84	7,335	453	7,872
Net income (expenditure)	108	(291)	(425)	(608)
Transfers between funds	(2)	—	2	—
Net movement in funds before other recognise losses	106	(291)	(423)	(608)
Other recognised gains and losses				
Actuarial loss on defined benefit pension scheme	—	(267)	—	(267)
Net movement in funds	106	(558)	(423)	(875)
Reconciliation of funds				
Fund balances brought forward at 1 September	143	(3,157)	4,154	1,140
Fund balances carried forward at 31 August	249	(3,715)	3,731	265

7. Staff costs

Staff costs during the period were:

	2021 Total funds £'000	2020 Total funds £'000
Wages and salaries	4,819	4,405
Social security costs	467	422
Pension costs	1,392	1,167
	6,678	5,994
Supply teacher costs	56	89
	6,734	6,083

There were no non-contractual severance payments in the year (2020 - none).

The average number of persons (including the senior management team) employed by the School during the year ended 31 August 2021 as expressed as average headcount was as follows:

	2021 No.	2020 No.
Teachers	78	76
Administration and support	88	88
Management	6	5
	172	169

The number of employees whose annualised emoluments fell within the following bands was:

	2021 No.	2020 No.
£60,001 - £70,000	3	4
£70,001 - £80,000	1	1
£90,001 - £100,000	—	1
£100,001 - £110,000	1	—

Key management personnel

The key management personnel of the School comprise the trustees and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the School was £692,481 (2020 - £660,677).

8. Governors' and Officers' insurance

The School has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Governors and officers indemnity element from the overall cost of the RPA scheme membership.

9. Related party transactions – Governors’ remuneration and expenses

One or more governors has been paid remuneration or has received other benefits from an employment with the academy trust. 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. If this is not the case, payments must be disclosed separately. The value of trustees’ remuneration and other benefits was as follows:

	2021	2020
	£’000	£’000
A Thorne – Headteacher and Trustee		
. Remuneration	105-110	95-100
. Employer’s pension contributions	25-30	20-25
J Doherty – staff governor		
. Remuneration	—	50-55
. Employer’s pension contributions	—	10-15
C Folkes – staff governor		
. Remuneration	25-30	25-30
. Employer’s pension contributions	5-10	5-10
O Fatoye, Staff Trustee		
. Remuneration	40-45	40-45
. Employer’s pension contributions	10-15	5-10

10. Governors’ and officers’ insurance

In accordance with normal commercial practice the School has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £10 million on any one claim and the cost for the years ended 31 August 2021 and 31 August 2020 was included as part of the wider Risk Protection Arrangements scheme, a bespoke insurance option for academies provided by the DfE.

11. Tangible fixed assets

	Leasehold land & buildings £’000	Assets under construction £’000	Furniture and equipment £’000	Computer equipment £’000	Total funds £’000
Cost					
At 1 September 2020	7,198	28	465	328	8,019
Additions	—	113	9	87	209
Disposals	—	—	(13)	—	(13)
At 31 August 2021	7,198	141	461	415	8,215
Depreciation					
At 1 September 2020	3,599	—	364	325	4,288
Charge in year	360	—	70	32	462
Disposals	—	—	(12)	—	(12)
At 31 August 2021	3,959	—	422	357	4,738
Net book value					
At 31 August 2021	3,239	141	39	58	3,477
At 31 August 2020	3,599	28	101	3	3,731

For the purposes of these financial statements, the land is deemed to have no commercial value. Leasehold buildings are included at a depreciated replacement cost value.

12. Debtors

	2021 £'000	2020 £'000
Trade debtors	26	51
VAT recoverable	25	14
Prepayments and accrued income	380	226
	431	291

13. Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	54	9
Taxation and social security	117	99
Loan amounts due in one year	20	20
Other creditors	147	149
Accruals and deferred income	153	156
	491	433

	2021 £'000	2020 £'000
Deferred income		
Deferred income at 31 August	82	183
Amounts released in the year	(82)	(183)
Resources deferred in the year	62	82
Deferred income at 31 August	62	82

Deferred income relates to funding received in advance for various educational and sporting activities.

14. Creditors: amounts falling due after more than one year

	2021 £'000	2020 £'000
Salix loan	77	97
	77	97

	2021 £'000	2020 £'000
Analysis of loans		
Wholly repayable within five years	97	117
Less: included in current liabilities	(20)	(20)
Amounts included above	77	97

	2021 £'000	2020 £'000
Loan maturity		
Debt due in one year or less	20	20
In more than one year but not more than two years	77	79
In more than two years but not more than five years	—	18
	97	117

15. Funds

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'0000	Balance at 31 August 2021 £'000
Restricted general funds					
. General Annual Grant (GAG)	—	6,248	(6,169)	(79)	—
. Pupil premium	—	152	(152)	—	—
. Catch-up Premium	—	72	(72)	—	—
. Other DfE/ESFA Covid-19 funding	—	91	(91)	—	—
. Other grants	74	949	(949)	5	79
. Pension reserve	(3,789)	—	(373)	24	(4,138)
	<u>(3,715)</u>	<u>7,512</u>	<u>(7,806)</u>	<u>(50)</u>	<u>(4,059)</u>
Restricted fixed assets fund					
. Other Fixed Assets	3,599	—	(360)	—	3,239
. DfE/ESFA Capital grants	89	84	(44)	—	129
. Capital expenditure from GAG	31	—	(47)	74	58
. Private sector capital - sponsorship	12	50	(11)	—	51
	<u>3,731</u>	<u>134</u>	<u>(462)</u>	<u>74</u>	<u>3,477</u>
Total restricted funds	<u>16</u>	<u>7,646</u>	<u>(8,268)</u>	<u>24</u>	<u>(582)</u>
Unrestricted funds					
. General unrestricted funds	249	116	(55)	—	310
Total unrestricted funds	<u>249</u>	<u>116</u>	<u>(55)</u>	<u>—</u>	<u>310</u>
Total funds	<u>265</u>	<u>7,762</u>	<u>(8,323)</u>	<u>24</u>	<u>(272)</u>

15. Funds (continued)

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

- i Under the funding agreement with the Secretary of State, the School was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.
- ii Pension reserve relates to the School's share of the deficit on the Local Government Pension scheme managed by Essex Pension Fund.
- iii Restricted fixed assets funds were funded by government grants and donations to fund capital expenditure.
- iv Other funds relate to monies received for specific purposes

15. Funds (continued)

Comparative information

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

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
. General Annual Grant (GAG)	—	5,716	(5,736)	20	—
. Pupil premium	—	153	(153)	—	—
. Other grants	94	1,175	(1,175)	(20)	74
. Pension reserve	(3,251)	—	(271)	(267)	(3,789)
	<u>(3,157)</u>	<u>7,044</u>	<u>(7,335)</u>	<u>(267)</u>	<u>(3,715)</u>
Restricted fixed assets fund					
. Other Fixed Assets	3,959	—	(360)	—	3,599
. DfE/ESFA capital grants	101	28	(40)	—	89
. Capital expenditure from GAG	68	—	(39)	2	31
. Private sector capital sponsorship	26	—	(14)	—	12
	<u>4,154</u>	<u>28</u>	<u>(453)</u>	<u>2</u>	<u>3,731</u>
Unrestricted funds					
. General unrestricted funds	143	192	(84)	(2)	249
Total unrestricted funds	<u>143</u>	<u>192</u>	<u>(84)</u>	<u>(2)</u>	<u>249</u>
Total funds	<u>1,140</u>	<u>7,264</u>	<u>(7,872)</u>	<u>(267)</u>	<u>265</u>

16. Analysis of net assets between funds

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	2021 Total £'000
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	—	—	3,477	3,477
Current assets	310	647	—	957
Current liabilities	—	(491)	—	(491)
Non-current liabilities	—	(77)	—	(77)
Pension scheme liability	—	(4,138)	—	(4,138)
Total net assets	<u>310</u>	<u>(4,059)</u>	<u>3,477</u>	<u>(272)</u>

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	2020 Total £'000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	—	—	3,731	3,731
Current assets	249	604	—	853
Current liabilities	—	(433)	—	(433)
Non-current liabilities	—	(97)	—	(97)
Pension scheme liability	—	(3,789)	—	(3,789)
Total net assets	<u>249</u>	<u>(3,715)</u>	<u>3,731</u>	<u>265</u>

17. Capital commitments

	2021 £'000	2020 £'000
Contracted for but not provided in the financial statements	1,114	1,182

18. Commitments under operating leases

At 31 August 2021 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £'000	2020 £'000
Amounts due within one year	14	28
Later than one year and not later than five years	11	12
	25	40

19. Pension commitments

The School's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Barnett Waddingham. 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 £125,864 were payable to the schemes at 31 August 2021 (2020 - £106,829) 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 teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

19. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme (continued)

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

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

The employer's pension costs paid to TPS in the year amounted to £710,628 (2020 - £641,841).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The School has accounted for its contributions to the scheme as if it were a defined contribution scheme. The School 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 £380,000 (2020 - £329,000), of which employer's contributions totalled £304,000 (2020 - £260,000) and employees' contributions totalled £76,000 (2020 - £69,000). The agreed contribution rates for future years are 24.7% for employers and between 5.5% and 12.5% for employees.

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

Principal Actuarial Assumptions	At 31 August 2021	At 31 August 2020
Rate of increase in salaries	3.90%	3.30%
Rate of increase for pensions in payment / inflation	2.90%	2.30%
Discount rate for scheme liabilities	1.65%	1.60%
Inflation assumption (CPI)	2.90%	2.30%
Commutation of pensions to lump sums	50.00%	50.00%

19. Pension commitments (continued)

Local Government Pension Scheme (continued)

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

	At 31 August 2021	At 31 August 2020
<i>Retiring today</i>		
Males	21.6	21.8
Females	23.6	23.8
<i>Retiring in 20 years</i>		
Males	22.9	23.2
Females	25.1	25.2

	At 31 August 2021 £'000	At 31 August 2020 £'000
Sensitivity analysis		
Discount rate +0.1%	184	153
Discount rate -0.1%	(188)	(157)
Mortality assumption – 1 year increase	(338)	(261)
Mortality assumption – 1 year decrease	325	252
CPI rate +0.1%	(13)	(144)
CPI rate -0.1%	13	140

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2021 £'000	Fair value at 31 August 2020 £'000
Equity instruments	2,695	1,967
Gilts	106	135
Other bonds	196	177
Property	294	246
Cash	117	86
Alternative assets	467	368
Other managed funds	335	192
Total market value of assets	4,210	3,171
Present value of scheme liabilities		
. Funded	(8,348)	(6,960)
Deficit in the scheme	(4,138)	(3,789)

19. Pension commitments (continued)

Local Government Pension Scheme (continued)

The actual return on scheme assets was £760,000 (2020 - £210,000).

Amounts recognised in statement of financial activities	2021 £'000	2020 £'000
Current service costs (net of employer contributions)	313	211
Interest cost	60	60
Admin expenses	2	—
Total operating charge	375	271

Analysis of pension finance income (expenditure)	2021 £'000	2020 £'000
Expected return on pension scheme assets	53	53
Interest on pension liabilities	(113)	(113)
Pension finance income (expenditure)	(60)	(60)

Changes in the net pension liability were as follows:	2021 £'000	2020 £'000
At 1 September 2020	3,789	3,251
Current service cost	617	471
Employer's contributions	(304)	(260)
Net interest and admin costs	60	60
Net actuarial loss	(24)	267
	4,138	3,789

Changes in the present value of defined benefit obligations were as follows	2021 £'000	2020 £'000
At 1 September 2020	6,960	6,005
Current service cost	617	471
Interest cost	111	111
Employee contributions	76	69
Changes in financial assumptions	907	471
Change in demographic assumptions	(90)	(94)
Benefits paid	(99)	(61)
Experience gain on defined benefit obligation	(134)	(12)
At 31 August 2021	8,348	6,960

Changes in the fair value of the Academy's share of scheme assets:	2021 £'000	2020 £'000
At 1 September 2020	3,171	2,754
Admin expenses	(2)	(2)
Interest income	53	53
Return on assets less interest	707	23
Actuarial gain	—	75
Employer contributions	304	260
Employee contributions	76	69
Benefits paid	(99)	(61)
At 31 August 2021	4,210	3,171

20. Related party transactions

Owing to the nature of the School's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is possible that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the School's financial regulations and normal procurement procedures. No related party transactions occurred in respect of governors.

Davenant Foundation School The Reynolds (School Private) Fund (Charity Registration Number 292223) is a connected charity. Income totalling £114,394 (2020 - £144,799) from the Foundation has been included for the period to 31 August 2021, £19,702 is included in debtors at 31 August 2021 (2020 - £7,977).

The Whitechapel Educational Foundation (Charity Registration Number 312698) is a connected charity. Income totalling £68,847 (2020 - £13,359) from the Foundation has been included for the period to 31 August 2021. £3,750 (2020 - £489) is included in debtors at 31 August 2021. The Foundation is also the freehold landlord of the School's land and buildings. The School is party to a supplementary agreement between the ESFA and the Foundation for the use of the land and buildings. This agreement would terminate should the School's funding agreement cease to be in place or upon reasonable notice from the Foundation.

21. Agency arrangements

The School distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the trust received £15,833 (2020 - £13,383) (in addition to £10,040 brought forward from 2020) and disbursed £9,467 from the fund. An amount of £17,606 is included in other creditors relating to undistributed funds that is repayable to ESFA.

22. 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.