



Company Registration Number: 07524069 (England & Wales)

**THE ECCLESBOURNE SCHOOL**  
**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**For the year ended 31 August 2020**

**THE ECCLESBOURNE SCHOOL**  
**(A Company Limited by Guarantee)**

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**THE ECCLESBOURNE SCHOOL**  
**(A Company Limited by Guarantee)**

**Reference and Administrative Details**

**Members**

Mr R Lindop \*  
Mr B Wigram \* (resigned 30 March 2020)  
Mrs B Goth \* (resigned 20 January 2020)  
Mr S Baines \* (appointed 1 January 2020)  
Mr K Eley \* (appointed 31 March 2020)

**Governors**

Mr R Lindop, Chair<sup>1</sup>  
Mr B Wigram (resigned 30 March 2020)  
Mrs B Goth (resigned 20 January 2020)<sup>1</sup>  
Mr J McNamara, Head Teacher<sup>1</sup>  
Mr S Baines, Vice Chair<sup>1</sup>  
Mr K Eley  
Mrs W Hodges  
Mr K Raynor (resigned 17 July 2020)<sup>1</sup>  
Mr M Ford (resigned 3 February 2020)<sup>1</sup>  
Mr J Minton  
Mr J Blackwell<sup>1</sup>  
Mr T Harris<sup>1</sup>  
Mrs E Page<sup>1</sup>  
Mr P McCrea<sup>1</sup>  
Mr B Payne  
Ms C Robertson  
Mrs C Shelton  
Mr I Jarvis<sup>1</sup>

<sup>1</sup> Members of the Finance Committee

**Company registered number** 07524069

**Company name** The Ecclesbourne School

**Principal and registered office** Wirksworth Road  
Duffield  
Belper  
Derbyshire  
DE56 4GS

**Company secretary** Ms G Cawley

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**Reference and Administrative Details (continued)**  
**For the year ended 31 August 2020**

**Senior management  
team**

Mr J McNamara, Head Teacher  
Mrs C Ourabi, Head of Upper School  
Mrs P Owen-Moore, Head of Lower School  
Mr S Carnwell, Head of Year 13  
Mr R Nicoll, Head of Learning Services  
Mr D Duncker-Brown, Deputy Head  
Mr A Hardy, ICT Services Manager  
Mrs T Spencer-Keyse, Human Resources Manager  
Mr D Tanser, Director of Examinations and Assessment  
Mrs K Taylor, Head of Science Faculty

**Independent auditors**

Smith Cooper Audit Limited  
Chartered Accountants and Statutory Auditors  
2 Lace Market Square  
Nottingham  
NG1 1PB

**THE ECCLESBOURNE SCHOOL**  
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**Governors' Report**  
**For the year ended 31 August 2020**

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The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

**Structure, governance and management**

**a. Constitution**

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

The charitable company's Memorandum of Association is the primary governing document of the Academy.

The Governors of The Ecclesbourne School that are marked with (\*) as directors within the Reference and Administrative Details section are directors of the charitable company for the purposes of the Companies Act 2006 but all Governors are Trustees for the purposes of charity legislation.

The charitable company is known as The Ecclesbourne School.

Details of the Governors who served during the year , and to the date these accounts are approved are included in the Reference and administrative details on page 1.

**b. Members' liability**

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

**c. Governors' indemnities**

The Academy has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees 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.

**d. Method of recruitment and appointment or election of Governors**

The management of the Academy is the responsibility of the Governors who are elected and co-opted under the terms of the Trust deed.

**e. Policies adopted for the induction and training of Governors**

The Governors are offered training throughout their tenure in office to assist them in meeting their statutory obligations and duties. In addition, all new Governors are signposted to training provider (NGA). All Governors are given a tour of the Academy and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors within a charitable company. During the period of these accounts and up to the date of signing there has been one Governor re-appointment and four resignations.

**THE ECCLESBOURNE SCHOOL**  
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**Governors' Report (continued)**  
**For the year ended 31 August 2020**

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

**f. Organisational structure**

The Head Teacher is the Accounting Officer. The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, and the appointment of senior leaders. The Governors are responsible for the monitoring and performance of the Head Teacher.

The Strategic Leadership Team members for the Academy are the Head Teacher, Head of Upper School, Head of Lower School, Head of VI Form, Head of Learning Services Assistant Head Teacher, ICT Services Manager, Human Resources Manager, Director of Examinations and Assessment, Director of Curriculum. These leaders control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them on the success of the policies.

As a group the Strategic Leadership Team are responsible for the authorisation of spending within agreed budgets according to the Financial Scheme of delegation and for the appointment of staff. Some spending control is devolved to individual budget holders who have responsibility for the line management of individual functions within the school structure, with limits above which the Head Teacher must countersign.

**g. Pay policy for key management personnel**

The pay policy does not discriminate between key management personnel and the other teaching staff and is based on performance management in line with pupil progress and outcomes. The main parameters used for setting key management personnel salaries are national teacher pay and conditions guidance, job responsibilities and experience.

**h. Trade union facility time**

**Relevant union officials**

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

**Percentage of time spent on facility time**

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

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

	£	
Total cost of facility time	4,607	
Total pay bill	5,485,149	
Percentage of total pay bill spent on facility time	0.08	%

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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**THE ECCLESBOURNE SCHOOL**  
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**Governors' Report (continued)**  
**For the year ended 31 August 2020**

**Objectives and activities**

**a. Objects and aims**

The Ecclesbourne School's object and activity is to advance, for the public benefit, education in the United Kingdom in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. In pursuit of this object, its principal activity is to operate The Ecclesbourne School in Duffield, Derbyshire, which caters for all abilities between the ages of 11 and 18.

**b. Objectives, strategies and activities**

The Ecclesbourne School strives to be a successful and caring learning community in which individuals are inspired to meet the challenges of the future.

All members of our School Community should:

- Acquire the knowledge and skills for now and for a fulfilling future
- Develop confidence in themselves and their abilities
- Feel valued and value others
- Work together effectively and with enthusiasm
- Create an innovative learning environment
- Appreciate the world at large

The School Community includes everyone who learns and works within the school and all those with a supportive interest in the school.

**c. Public benefit**

In setting our objectives and planning our activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

The Ecclesbourne School is a non selective, non fee paying secondary school and as such operates entirely for the public benefit. In addition to striving for and achieving the highest of educational standards and attainment for all its students, it also engages in partnership, working with other local secondary schools, especially with regard to effective operation of inclusion measures and systems.

The school has developed strong links with the local community and business of reciprocal benefit. The school lets out its facilities to local sports, arts and hobby based clubs offering a wide range of evening courses, which are advertised to the local community. The school actively engages in charity work through a range of themed activities and days throughout the year.

**THE ECCLESBOURNE SCHOOL**  
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**Governors' Report (continued)**  
**For the year ended 31 August 2020**

**Strategic report**

**Achievements and performance**

**a. Key performance indicators**

- Examination results
- Attendance
- Admissions
- Retention
- Destinations
- Financial: projected year end surplus

The Governors have reviewed the significant activities undertaken by the charitable company during the past year to further its charitable purposes for the public benefit. Below is a review of these significant activities and achievements.

- 95% grades 9 4 in English
- 92% grades 9 4 in Mathematics
- 92% grades 9 4 (A\* C) in both English and Mathematics
- 74% grades 9 5 English and Mathematics (National 2019: 43%)
- Progress 8 score (est.) of +0.81 was significantly positive (National 2019: 0)
- Attainment 8 score was 60 (National 2019: 46.1)
- 67% grades 9 4 English Baccalaureate
- 95% achieved 5 or more GCSE passes at grades 9 4 (A\*C)
- 99% of students remained in education, training or employment post 16
- At A Level 90% of grades were at A\* C, 69% at A\* B and 39% at A\* A
- There were 492 applications for 240 places in Year 7
- Attendance was 96%

**b. Going concern and impact of Covid-19**

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

Impact of CV-19 on KPIs:

The virus control measures had minimal impact on the Academy's key performance measures in 2019-2020: examinations were cancelled but teacher assessments produced results in line with KPI targets. The virus control measures had a negative impact on the Academy's ability to fundraise as. lettings and other commercial revenue was curtailed from 23 March. The virus control measures in place from September 2020 may affect staff and student attendance and the implication for operations in the coming year are the need to resource remote learning and ensure sufficient contingency funding for absence cover and temporary classrooms to enable separation of year groups. The main impact on the level of reserves held by the Academy is the expense of hiring temporary classrooms but this is affordable within revenue budget and its effect is expected to be on the amount of the year end carry forward which would be available to add to reserves This will not affect the Academy's reserves policy. The Academy received no Covid relief funding during the year.

Impact of CV-19 on regularity

The virus control measures did not impact unduly on capacity in terms of staffing levels, operations and governance operations during 2019-2020. All scheduled governor committee meetings and FGB meetings went ahead via Teams. The Academy recognized in its March FGB meeting, just before the national school closure that the pandemic was going to present a significant issue and planned accordingly – using the March meeting to adopt a revised 'Contingency Plan' and making arrangements for a School Recovery Management Team



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**Governors' Report (continued)**  
**For the year ended 31 August 2020**

**Strategic report (continued)**

**Achievements and performance (continued)**

comprised of 4 SLT and 3 governors including the Chair, Chair of Finance & Audit and Chair of Facilities/ Health & Safety Committees. This SRMT met regularly throughout the school closure and into the autumn term. ESFA advice and guidance was adhered to throughout the financial year. A documented trail of decision-making has been maintained.

Impact of CV-19 on value for money

The pandemic did not significantly impact on value for money during the 2019-2020 financial year. The main impact was on scheduled tendering of cleaning and catering contracts which was postponed.

**c. Review of activities**

The Academy's main funding source is the General Annual Grant (GAG) received monthly from the Education and Skills Funding Agency (ESFA). The Academy also generates additional income through facilities hire and teacher release. Revenue funding is mainly used to employ educational staff and procure educational resources for the school and its pupils.

The Academy's financial position at the end of the period shows funds of £20,648,552; of which when excluding the pension reserve deficit of £2,339,000 leaves £21,064,168 of restricted fixed asset funds, £232,072 of general unrestricted funds and £1,691,312 of restricted funds. The LGPS deficit of £2,339,000 will not materialise in the near future and actual reserve funding available to the Academy excluding the LGPS liability is £1,923,384.

**Financial review**

**a. Reserves policy**

The policy of the school is to maintain a sufficient surplus to uphold the following year's budget against financial uncertainty and then to transfer recognised surpluses to reserves for investment in tangible fixed assets in all ways possible to assist our tutorial staff to achieve increasing academic standards. The Academy has a number of restricted funds, details of which can be found in note 18 of the financial statements.

Due to the inherited deficit of the Local Government Pension Scheme (LGPS), the school aims to reduce the deficit by increasing contributions over the forthcoming years as described above and will revisit current business plans and budgets and ascertain how the pension costs might affect their budgets in the future.

**b. Material investments policy**

The Academy seeks to invest surplus funds in a manner to obtain the best possible return consistent with prudent minimisation of risk and with the strategic plans of the Academy for deployment of resources. The Academy is committed to investment with reputable and ethical investors.

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**Governors' Report (continued)**  
**For the year ended 31 August 2020**

**Strategic report (continued)**

**Financial review (continued)**

**c. Principal risks and uncertainties**

There are a number of factors which may affect the principal risks and uncertainties that the school faces and how the school intends to resolve them.

- Change in government policy: with a change in government or change in government policy, the funding of the school may change and may in the future reduce funding. This is mitigated by building healthy unrestricted reserves, which may be used in times where funding has been tightened.
- The overall performance of the students: this is a continuing risk to the school since both funding, student numbers and positioning of the school is affected if performance of the students declines. To ensure that this is limited as much as possible, the school intends to retain the teaching staff, focus on training of all staff to improve teaching and learning and to continuously monitor student performance at an early stage of their educational development and ensure that they are nurtured to achieve the best possible standard that each individual can achieve.
- Operate the school within the budget: there is always the risk of operating above budget constraints. However, with a strong finance committee and effective internal reporting such as budgeting and forecasting, this risk will be minimised.

The main 'financial instruments' that the Ecclesbourne School deals with are bank balances, cash and trade creditors, with limited trade and other debtors. These are not material to the assessment of the Academy's assets, liabilities, financial position and its results. The Local Government Pension Scheme exposes the school to a deficit calculated this period at £2.3m.

**Fundraising**

The School holds Wear What You Like Days to raise funds. The funds are for both internal and external projects, external fundraising has been undertaken for projects such as Comic Relief. The School also held a Coffee Morning which raised funds for Macmillan. All participation by staff, pupils and parents is completely voluntary. The Academy does not work with any commercial participators.

**Plans for future periods**

**Learning & Teaching - Recovery Curriculum**

Students have experienced different levels of disruption to their normal learning routine. Every child's experience of Covid-19 will be different and the impact may not be understood until their return to school. We will build a response that is methodical, rooted in our existing schemes of work and specifications but that is focused on identifying and remedying gaps in learning. This will take time and cannot be achieved by 'quick fixes' such as extending the school day or looking to the intervention of 'an army of retired teachers'. Instead we must be very clear about essential content and skills and focus rigorously and systematically on them. Changes to exam board timelines and the requirements of syllabuses need to be carefully planned for. Key to our approach will be: identifying gaps in prior learning; sharing curriculum expectations so that students know what their learning journey is; adjustments to schemes of work; planning for students who have not engaged in online learning; formative assessment to inform teaching by identifying gaps in understanding and responding to them; frequent, spaced retrieval practice and exploiting the potential of online learning.

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**Governors' Report (continued)**  
**For the year ended 31 August 2020**

**Plans for future periods (continued)**

**Wellbeing & Staying Safe**

The control and minimising of the spread of infection is our first priority. The COVID-19 Risk Assessment Operating Procedure underpins this work. All staff should understand it and contribute to its delivery in practice. Mental health and wellbeing are crucially important to the success and happiness of those who work and study in schools. We have a key role to play in supporting students whose learning and routines have been disrupted by Covid-19. We will work to ensure that students are supported to develop self-confidence and resilience and minimise incidence of mental health issues.

**Student Progress:**

**KS3, KS4 and KS5**

Across three key stages we will ensure all students are equipped to achieve their potential and that gaps in achievement are narrowed. In practical terms this means: students at KS3 achieving their minimum expected targets (MET) which are based on progress in the top 20% of students nationally. At KS4 this means GCSE outcomes in line with FFT20 targets and at A Level, in line with ALPS target grades.

**Pupil Premium Strategy**

To ensure that students in receipt of the Pupil Premium achieve at least expected progress and that gaps in achievement between PP and non-PP students are closed.

**Keeping Children Safe in Education (2020)**

To ensure that safeguarding is effective and that a culture of safeguarding pervades the school.

**IAG Gatsby Benchmarks**

To ensure the school is fully compliant with the requirements for careers education and is externally accredited with the Careers Mark.

**Relationships & Sex Education**

To develop policy and practice so that Relationships & Sex Education is fully compliant with new requirements by July 2021.

**Education Inspection Framework 2019**

To ensure that staff and governors are prepared for the requirements of the EIF 2019.

**Communication and Remote Learning Strategy**

To ensure that the school is making best use of all means of two-way communication to ensure stakeholders are well informed and remote learning is facilitated.

**Compliance & Website**

To ensure compliance across whole school policy and practice.

**Finance Review**

Review of policies and practice in line with Academies Financial Handbook 2020.

**Facilities 2025 Master Plan/Capital Building Development**

To identify priorities and funding for development of facilities in line with 2025 Master Plan.

**Leadership & Governance**

To ensure the school is well led and managed and is held to account through effective governance.

**Funds held as custodian on behalf of others**

The Ecclesbourne School does not hold any Custodian Trustee funds on behalf of others.

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**Governors' Report (continued)**  
**For the year ended 31 August 2020**

**Disclosure of information to auditors**

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

The Governors' Report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 7/11/20 and signed on its behalf by:



**Mr R Lindop**  
Chair of Governors

**THE ECCLESBOURNE SCHOOL**  
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**Governance Statement**

**Scope of responsibility**

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

The Board of Governors has delegated the day-to-day responsibility to the Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Ecclesbourne School and the Secretary of State for Education. They are also responsible for reporting to the board of Governors any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 4 times during the year.

This year the Full Governing Body met four times for scheduled meetings and a further two times in December and June. In addition, the Finance & Audit Committee meets four times a year. The Personnel Committee, Health & Safety/Facilities Committee and the Students & Curriculum Committee each meet three times every year. The FGB receives minutes and reports from each committee to which it delegates governance functions in accordance with the governance scheme of delegation and the terms of reference for committees. In addition, the Admissions Committee and the Pay Committee each meets twice a year and the Staff Employment Committee and Student Discipline Committee meet as necessary.

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

Governor	Meetings attended	Out of a possible
Mr R Lindop, Chair	4	4
Mr B Wigram	2	3
Mrs B Goth	0	2
Mr J McNamara, Head Teacher	4	4
Mr S Baines, Vice Chair	4	4
Mr K Eley	3	4
Mrs W Hodges	3	4
Mr K Raynor	2	4
Mr M Ford	1	2
Mr J Minton	4	4
Mr J Blackwell	4	4
Mr T Harris	3	4
Mrs E Page	3	4
Mr P McCrea	4	4
Mr B Payne	4	4
Ms C Robertson	3	4
Mrs C Shelton	2	4
Mr I Jarvis	4	4

The Finance Committee is a sub-committee of the main Board of Governors. Its purpose is to oversee the financial affairs of the Academy on behalf of the Governing Board. There was no specific matters dealt with by the committee during the year which are necessary to disclose. There were no significant changes made to the composition of the committee during the period.

Attendance during the year at meetings was as follows:

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**Governance Statement (continued)**

**Governance (continued)**

Governor	Meetings attended	Out of a possible
Mr S Baines	3	4
Mr J Blackwell	4	4
Mr M Ford	1	2
Mrs B Goth	0	2
Mr T Harris	3	4
Mr I Jarvis	3	4
Mr R Lindop, Chair	2	4
Mr J McNamara, Head Teacher	4	4
Mr K Raynor	2	4
Mr P McCrea	3	4
Mrs L Page	2	4

The Academies Financial Handbook states that the Board must meet at least three times per year and must describe in the governance statement why it has met less than 6 times. Whilst the full Board have met less than 6 times during the year it has maintained effective oversight through its committees which report to the FGB. The management accounts are shared with all governors monthly and scrutinised at 4 FGB meetings and a further 4 Finance & Audit Committee meetings.

**Review of value for money**

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

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the board of Governors where value for money can be improved, including the use of benchmarking data where appropriate.

To ensure value for money in purchasing and procurement each Governor's sub-committee has "Benchmarking" as a standing item. The Finance Committee keeps expenditure items under review and receives a budget report detailing where savings can be made. This year, this included careful consideration of curriculum and staffing to ensure costs were kept down against a backdrop of rising on costs. For building and refurbishment projects a comprehensive quotation and competitive tendering process is followed to ensure best value. Different options have been considered before making purchases, including an assessment of the costs and benefits of the alternatives over the longer term.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Ecclesbourne School for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

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**Governance Statement (continued)**

**Capacity to handle risk**

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

**The risk and control framework**

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

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

The Board of Governors has considered the need for a specific internal audit function and has decided to appoint Smith Cooper Audit Limited as internal auditor.

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

- testing of connected party transactions
- testing of purchases
- testing of payroll
- testing of expense claims
- testing of credit card transactions
- testing of bank and cash
- testing of financial reporting and control account reconciliations
- testing of submission of ESFA returns and other compliance matters

On an annual basis, the internal auditor reports to the Board of Governors through the finance committee on the operation of the systems of control and on the discharge of the Governors' financial responsibilities.

Smith Cooper Audit Limited has delivered their schedule of work as planned, and no material control issues were identified.

From 1 September, registered audit firms who undertake both the external and internal audit can no longer provide both services to a Trust, in line with the Financial Reporting Council's Ethical Standard. As a result, the Trust is in the process of appointing a new provider for their internal audit services.

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**Governance Statement (continued)**

**Review of effectiveness**

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

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


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

Approved by order of the members of the board of Governors on  
on their behalf by:

07/12/2020

and signed

  
**Mr R Lindop, Chair**  
Chair of Governors

  
**Mr J McNamara, Head Teacher**  
Accounting Officer



**THE ECCLESBOURNE SCHOOL**  
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**Statement on Regularity, Propriety and Compliance**

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

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

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



**Mr J McNamara, Head Teacher**

Accounting Officer

Date: 7/12/20

**THE ECCLESBOURNE SCHOOL**  
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**Statement of Governors' responsibilities**  
**For the year ended 31 August 2020**

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

Company law requires the Governors to prepare financial statements for each financial . 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

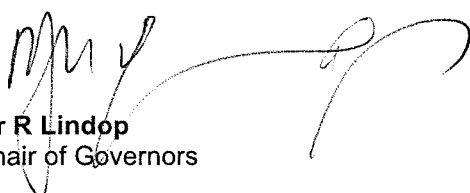
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Governors on  
07/12/2020 and signed on its behalf by:

  
**Mr R Lindop**  
Chair of Governors

**THE ECCLESBOURNE SCHOOL**  
**(A Company Limited by Guarantee)**

**Independent Auditors' Report on the financial statements to the Members of The Ecclesbourne School**

**Opinion**

We have audited the financial statements of The Ecclesbourne School (the 'academy') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**THE ECCLESBOURNE SCHOOL**  
**(A Company Limited by Guarantee)**

**Independent Auditors' Report on the financial statements to the Members of The Ecclesbourne School**  
**(continued)**

**Other information**

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

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

We have nothing to report in this regard.

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

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

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

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

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**THE ECCLESBOURNE SCHOOL**  
**(A Company Limited by Guarantee)**

**Independent Auditors' Report on the financial statements to the Members of The Ecclesbourne School**  
**(continued)**

**Responsibilities of trustees**

As explained more fully in the Governors' Responsibilities Statement, the Members (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

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

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

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

**Use of our report**

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



**Sarah Flear (Senior Statutory Auditor)**  
for and on behalf of  
**Smith Cooper Audit Limited**  
Chartered Accountants and Statutory Auditors  
2 Lace Market Square  
Nottingham  
NG1 1PB

Date: 23/12/20

**THE ECCLESBOURNE SCHOOL**  
**(A Company Limited by Guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to The Ecclesbourne School and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 7 August 2020 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Ecclesbourne School during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of The Ecclesbourne School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Ecclesbourne School's funding agreement with the Secretary of State for Education dated 11 February 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

The work undertaken to draw to our conclusion was as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out a programme of substantive testing, including review of the program of work and findings in relation to internal scrutiny;
- Undertook controls testing where considered appropriate;
- Concluded on the procedures undertaken.

**THE ECCLESBOURNE SCHOOL**  
**(A Company Limited by Guarantee)**

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

**Conclusion**

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

*Smith Cooper Audit Limited*

**Smith Cooper Audit Limited**  
2 Lace Market Square  
Nottingham  
NG1 1PB

Date: *23/11/20*

**THE ECCLESBOURNE SCHOOL**  
(A Company Limited by Guarantee)

**Statement of financial activities (incorporating income and expenditure account)**  
**For the year ended 31 August 2020**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>					
Donations and capital grants	3	-	-	30,927	107,740
Funding for academy's educational operations	4	-	7,982,234	7,982,234	7,311,820
Other trading activities	5	37,137	23,212	60,349	115,228
Investments	6	6,445	-	6,445	6,904
<b>Total income</b>	<b>43,582</b>	<b>8,005,446</b>	<b>30,927</b>	<b>8,079,955</b>	<b>7,541,692</b>
<b>Expenditure on:</b>					
Academy educational operations	8	17,559	7,805,465	388,518	8,211,542
<b>Total expenditure</b>		<b>17,559</b>	<b>7,805,465</b>	<b>388,518</b>	<b>8,211,542</b>
<b>Net income/(expenditure)</b>		<b>26,023</b>	<b>199,981</b>	<b>(357,591)</b>	<b>(131,587)</b>
Transfers between funds	19	(364,811)	(569,586)	934,397	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>(338,788)</b>	<b>(369,605)</b>	<b>576,806</b>	<b>(131,587)</b>
<b>Other recognised gains/(losses):</b>					
Actuarial gains/(losses) on defined benefit pension schemes	25	-	632,000	-	632,000
<b>Net movement in funds</b>		<b>(338,788)</b>	<b>262,395</b>	<b>576,806</b>	<b>500,413</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		570,860	(910,083)	20,487,362	20,148,139
Net movement in funds		(338,788)	262,395	576,806	500,413
<b>Total funds carried forward</b>		<b>232,072</b>	<b>(647,688)</b>	<b>21,064,168</b>	<b>20,148,139</b>

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

The notes on pages 25 to 49 form part of these financial statements.

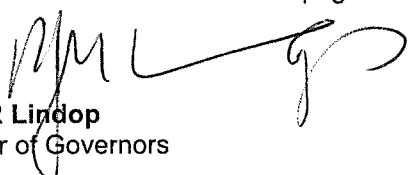


**THE ECCLESBOURNE SCHOOL**  
**(A Company Limited by Guarantee)**  
**Registered number: 07524069**

**Balance Sheet**  
**As at 31 August 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	14	21,064,168	20,487,362
		21,064,168	20,487,362
<b>Current assets</b>			
Stocks	15	4,763	4,862
Debtors	16	249,661	167,810
Cash at bank and in hand		2,051,291	2,670,133
		2,305,715	2,842,805
Creditors: amounts falling due within one year	17	(382,331)	(488,028)
<b>Net current assets</b>		1,923,384	2,354,777
<b>Total assets less current liabilities</b>		22,987,552	22,842,139
<b>Net assets excluding pension liability</b>		22,987,552	22,842,139
Defined benefit pension scheme liability	25	(2,339,000)	(2,694,000)
<b>Total net assets</b>		20,648,552	20,148,139
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	19	21,064,168	20,487,362
Restricted income funds	19	1,691,312	1,783,917
		22,755,480	22,271,279
Restricted funds excluding pension asset	19	22,755,480	22,271,279
Pension reserve	19	(2,339,000)	(2,694,000)
		20,416,480	19,577,279
<b>Total restricted funds</b>	19	20,416,480	19,577,279
<b>Unrestricted income funds</b>	19	232,072	570,860
<b>Total funds</b>		20,648,552	20,148,139

The financial statements on pages 22 to 49 were approved by the Governors, and authorised for issue on



07/12/2020

and are signed on their behalf, by:

**Mr R Lindop**  
Chair of Governors

**THE ECCLESBOURNE SCHOOL**  
**(A Company Limited by Guarantee)**

**Statement of Cash Flows**  
**For the year ended 31 August 2020**

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	309,110	696,614
<b>Cash flows from investing activities</b>	22	(927,952)	(621,220)
<b>Change in cash and cash equivalents in the year</b>		(618,842)	75,394
Cash and cash equivalents at the beginning of the year		2,670,133	2,594,739
<b>Cash and cash equivalents at the end of the year</b>	23	<u>2,051,291</u>	<u>2,670,133</u>

The notes on pages 25 to 49 form part of these financial statements

**THE ECCLESBOURNE SCHOOL**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2020**

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

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

The Ecclesbourne School meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in Sterling which is the functional currency of the company and rounded to the nearest £1.

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

**THE ECCLESBOURNE SCHOOL**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2020**

**1. Accounting policies (continued)**

**1.3 Income**

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

- **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Academy, can be reliably measured.

- **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.

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 Academy has provided the goods or services.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**THE ECCLESBOURNE SCHOOL**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2020**

**1. Accounting policies (continued)**

**1.4 Expenditure**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Interest receivable**

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

**1.6 Taxation**

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

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

**1.7 Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

**THE ECCLESBOURNE SCHOOL**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2020**

**1. Accounting policies (continued)**

**1.7 Tangible fixed assets (continued)**

Depreciation is provided on the following basis:

Freehold property	-	2% on cost
Furniture and equipment	-	15% on cost
Computer equipment	-	20% on cost
Motor vehicles	-	20% on cost

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.

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

**1.8 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.9 Debtors**

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

**1.10 Cash at bank and in hand**

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

**1.11 Liabilities and provisions**

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**THE ECCLESBOURNE SCHOOL**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2020**

**1. Accounting policies (continued)**

**1.12 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

**1.13 Pensions**

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

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

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

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

**THE ECCLESBOURNE SCHOOL**  
(A Company Limited by Guarantee)

**Notes to the Financial Statements**  
For the year ended 31 August 2020

**1. Accounting policies (continued)**

**1.14 Fund accounting**

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

**2. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**3. Income from donations and capital grants**

	<b>Restricted fixed asset funds 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Capital Grants	30,927	<b>30,927</b>	107,740
<i>Total 2019</i>	<i>107,740</i>	<i>107,740</i>	



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**4. Funding for the Academy's educational operations**

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	7,326,305	7,326,305	6,739,405
Other DfE Group grants	82,781	82,781	73,777
	<u>7,409,086</u>	<u>7,409,086</u>	<u>6,813,182</u>
<b>Other government grants</b>			
Local authority grants	225,855	225,855	187,372
	<u>225,855</u>	<u>225,855</u>	<u>187,372</u>
<b>Other income from the academy trust's educational operations</b>			
School trip income	347,293	347,293	311,266
	<u>347,293</u>	<u>347,293</u>	<u>311,266</u>
	<u>7,982,234</u>	<u>7,982,234</u>	<u>7,311,820</u>
<i>Total 2019</i>	<u>7,311,820</u>	<u>7,311,820</u>	

**5. Income from other trading activities**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Exam fees and teacher release	-	617	617	9,154
Hire of facilities	37,137	-	37,137	64,880
Other income	-	22,595	22,595	41,194
	<u>37,137</u>	<u>23,212</u>	<u>60,349</u>	<u>115,228</u>
<i>Total 2019</i>	<u>64,880</u>	<u>50,348</u>	<u>115,228</u>	

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**6. Investment income**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Bank interest	6,445	6,445	6,904

**7. Expenditure**

	<b>Staff Costs 2020 £</b>	<b>Premises 2020 £</b>	<b>Other 2020 £</b>	<b>Total 2020 £</b>	<i>Total 2019 £</i>
Academy trust educational operations:					
Direct costs	5,485,149	404,988	679,573	6,569,710	6,071,714
Allocated support costs	901,739	473,933	266,160	1,641,832	1,456,372
	<u>6,386,888</u>	<u>878,921</u>	<u>945,733</u>	<u>8,211,542</u>	<u>7,528,086</u>
<i>Total 2019</i>	<u>5,703,867</u>	<u>821,087</u>	<u>1,003,132</u>	<u>7,528,086</u>	

**8. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Academy trust educational operations	17,559	8,193,983	8,211,542	7,528,086
<i>Total 2019</i>	<u>15,211</u>	<u>7,512,875</u>	<u>7,528,086</u>	

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**9. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2020 £</b>	<b>Support costs 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Academy trust educational operations	6,569,710	1,641,832	<b>8,211,542</b>	7,528,086
<i>Total 2019</i>	<u>6,071,714</u>	<u>1,456,372</u>	<u>7,528,086</u>	

**Analysis of direct costs**

	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Staff costs	5,485,149	4,967,513
Depreciation	388,518	358,584
Educational supplies	176,189	206,361
Examination fees	137,026	185,365
Staff development	23,198	28,880
Other direct costs	359,630	325,011
	<u>6,569,710</u>	<u>6,071,714</u>

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

**Analysis of support costs**

	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Staff costs	<b>901,739</b>	736,354
Rent, rates and utilities	<b>189,647</b>	203,847
Maintenance of premises and equipment	<b>169,564</b>	178,818
Cleaning and trade waste	<b>184,773</b>	168,149
Other support costs	<b>145,011</b>	83,148
Insurance	<b>7,188</b>	35,532
Governance costs	<b>43,910</b>	50,524
	<b><u>1,641,832</u></b>	<u>1,456,372</u>

During the year ended 31 August 2020, the academy incurred the following Governance costs:

	<b>2020 £</b>	<i>2019 £</i>
Audit fees	<b>8,200</b>	7,900
Other accountancy and non-audit fees	<b>12,077</b>	14,219
Legal and professional fees	<b>23,633</b>	28,405
	<b><u>43,910</u></b>	<u>50,524</u>

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

Net income/(expenditure) for the year includes:

	<b>2020</b>	<b>2019</b>
	£	£
Operating lease rentals	<b>22,336</b>	22,336
Depreciation of tangible fixed assets	<b>388,518</b>	358,584
Governance internal audit costs	<b>1,340</b>	1,300
Fees paid to auditors for:		
- audit	<b>8,200</b>	7,900
- other services	<b>3,755</b>	3,050
	<u><b>6,333,092</b></u>	<u>5,681,468</u>

During the year there were no individual transactions exceeding £5,000 falling under the following headings:

- Ex-gratia/compensation payments
- Gifts made by the trust
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

**11. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2020</b>	<b>2019</b>
	£	£
Wages and salaries	<b>4,540,974</b>	4,332,058
Social security costs	<b>458,581</b>	430,313
Pension costs	<b>1,333,537</b>	919,097
	<u><b>6,333,092</b></u>	<u>5,681,468</u>
Agency staff costs	<b>53,796</b>	22,399
	<u><b>6,386,888</b></u>	<u>5,703,867</u>

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**11. Staff costs (continued)**

**b. Staff numbers**

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

	<b>2020</b>	<i>2019</i>
	<b>No.</b>	<i>No.</i>
Teachers	<b>94</b>	<i>87</i>
Administration and support	<b>55</b>	<i>51</i>
Management	<b>10</b>	<i>8</i>
	<b>159</b>	<i>146</i>

**c. Higher paid staff**

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

	<b>2020</b>	<i>2019</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	<b>3</b>	<i>3</i>
In the band £70,001 - £80,000	<b>1</b>	<i>-</i>
In the band £110,001 - £120,000	<b>1</b>	<i>1</i>

The 5 (2019 - 4) employees above participated in the Teachers' Pension Scheme.

**d. Key management personnel**

The key management personnel of the Academy comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £853,539 (2019 - £709,981).

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**12. Governors' remuneration and expenses**

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

		<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
Mr J McNamara (Head Teacher)	Remuneration	<b>110,000 -</b>	<i>110,000 -</i>
		<b>115,000</b>	<i>115,000</i>
	Pension contributions paid	<b>25,000 -</b>	<i>15,000 -</i>
		<b>30,000</b>	<i>20,000</i>
Mr M Ford (staff governor) resigned 03/02/20	Remuneration	<b>25,000 -</b>	<i>50,000 -</i>
		<b>30,000</b>	<i>55,000</i>
	Pension contributions paid	<b>5,000 -</b>	<i>5,000 -</i>
		<b>10,000</b>	<i>10,000</i>
Mr J Minton (staff governor)	Remuneration	<b>10,000 -</b>	<i>10,000 -</i>
		<b>15,000</b>	<i>15,000</i>
	Pension contributions paid	<b>-</b>	<i>-</i>

During the year, retirement benefits were accruing to 2 Governors (2019 - 2) in respect of defined benefit pension schemes.

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

**13. Governors' and Officers' insurance**

The Academy has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees 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.

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**14. Tangible fixed assets**

	Freehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 September 2019	21,813,190	476,536	109,850	270,237	30,555	22,700,368
Additions	85,407	799,995	35,420	44,502	-	965,324
Transfers between classes	464,896	(476,536)	11,640	-	-	-
At 31 August 2020	<u>22,363,493</u>	<u>799,995</u>	<u>156,910</u>	<u>314,739</u>	<u>30,555</u>	<u>23,665,692</u>
<b>Depreciation</b>						
At 1 September 2019	1,999,372	-	44,085	149,542	20,007	2,213,006
Charge for the year	335,327	-	16,006	31,917	5,268	388,518
At 31 August 2020	<u>2,334,699</u>	<u>-</u>	<u>60,091</u>	<u>181,459</u>	<u>25,275</u>	<u>2,601,524</u>
<b>Net book value</b>						
At 31 August 2020	<u><u>20,028,794</u></u>	<u><u>799,995</u></u>	<u><u>96,819</u></u>	<u><u>133,280</u></u>	<u><u>5,280</u></u>	<u><u>21,064,168</u></u>
At 31 August 2019	<u><u>19,813,818</u></u>	<u><u>476,536</u></u>	<u><u>65,765</u></u>	<u><u>120,695</u></u>	<u><u>10,548</u></u>	<u><u>20,487,362</u></u>

Land and buildings and assets under construction additions included £26,400 in relation to modular classrooms, £181,986 in relation to F Block re-roofing scheme, £47,603 in relation to Classroom refurbishments, and £577,973 in relation to the Sixth Form extension.

Included in land and buildings is freehold land at valuation of £5,500,000 (2019: £5,500,000), which is not depreciated.

**15. Stocks**

	2020 £	2019 £
Stationery	<u><u>4,763</u></u>	<u><u>4,862</u></u>



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**16. Debtors**

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	59,709	1,250
VAT recoverable	54,774	57,967
Prepayments and accrued income	135,178	108,593
	249,661	167,810

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

	2020 £	2019 £
Trade creditors	82,142	172,187
Accruals and deferred income	300,189	315,841
	382,331	488,028

	2020 £	2019 £
Deferred income at 1 September 2019	127,540	101,802
Resources deferred during the year	71,237	127,540
Amounts released from previous periods	(127,540)	(101,802)
	71,237	127,540

Deferred income relates to trip income, educational resources and catering hospitality which relate to the 2020/21 academic and financial year.

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**18. Financial instruments**

	2020 £	2019 £
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	2,051,291	2,670,133
Financial assets that are debt instruments measured at amortised cost	59,709	1,250
	<b>2,111,000</b>	<b>2,671,383</b>
	<b>2,111,000</b>	<b>2,671,383</b>
	2020 £	2019 £
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(311,094)	(360,488)
	<b>(311,094)</b>	<b>(360,488)</b>
	<b>(311,094)</b>	<b>(360,488)</b>

Financial assets measured at fair value through income and expenditure comprise cash at bank

Financial assets that are debt instruments measured at amortised cost comprise trade debtors

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

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**19. Statement of funds**

	Balance at 1 Sep 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
Hire of facilities	155,308	37,137	(17,559)	-	-	174,886
Bank interest	50,741	6,445	-	-	-	57,186
Local authority grants - Section 106 funding	364,811	-	-	(364,811)	-	-
	<u>570,860</u>	<u>43,582</u>	<u>(17,559)</u>	<u>(364,811)</u>	<u>-</u>	<u>232,072</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	1,712,867	7,326,305	(6,878,075)	(569,586)	-	1,591,511
Exam fees and teacher release	-	617	(617)	-	-	-
Local authority grants	-	225,855	(225,855)	-	-	-
Other DfE Group Grants	-	82,781	(82,781)	-	-	-
Other income	71,050	369,888	(341,137)	-	-	99,801
Pension reserve	(2,694,000)	-	(277,000)	-	632,000	(2,339,000)
	<u>(910,083)</u>	<u>8,005,446</u>	<u>(7,805,465)</u>	<u>(569,586)</u>	<u>632,000</u>	<u>(647,688)</u>
<b>Restricted fixed asset funds</b>						
Fixed assets transferred on conversion	11,258,959	-	(138,756)	-	-	11,120,203
Capital expenditure from GAG	1,066,192	-	(49,017)	934,397	-	1,951,572
Capital expenditure from unrestricted funds	3,144,075	-	(77,034)	-	-	3,067,041
DfE Group Capital Grants	5,018,136	30,927	(123,711)	-	-	4,925,352
	<u>20,487,362</u>	<u>30,927</u>	<u>(388,518)</u>	<u>934,397</u>	<u>-</u>	<u>21,064,168</u>

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Total Restricted funds</b>	<b>19,577,279</b>	<b>8,036,373</b>	<b>(8,193,983)</b>	<b>364,811</b>	<b>632,000</b>	<b>20,416,480</b>
<b>Total funds</b>	<b>20,148,139</b>	<b>8,079,955</b>	<b>(8,211,542)</b>	<b>-</b>	<b>632,000</b>	<b>20,648,552</b>

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

The General Annual Grant, and other DfE Group grants relate to government funding for the provision of education by the academy including Special Educational Needs projects. Other restricted income relates to non-government restricted funding.

Unrestricted reserves comprise the net of income and expenditure from lettings and bank interest.

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

The gain of £632,000 is an actuarial gain on the defined benefit pension scheme.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

**Total funds analysis by academy**

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
The Ecclesbourne School	<b>1,923,384</b>	<b>2,354,777</b>
Restricted fixed asset fund	<b>21,064,168</b>	<b>20,487,362</b>
Pension reserve	<b>(2,339,000)</b>	<b>(2,694,000)</b>
<b>Total</b>	<b>20,648,552</b>	<b>20,148,139</b>

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

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
<b>Unrestricted funds</b>						
Hire of facilities	105,639	64,880	(15,211)	-	-	155,308
Bank interest	43,837	6,904	-	-	-	50,741
Local authority grants - Section 106 funding	992,935	-	-	(628,124)	-	364,811
	<u>1,142,411</u>	<u>71,784</u>	<u>(15,211)</u>	<u>(628,124)</u>	<u>-</u>	<u>570,860</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	1,335,382	6,739,405	(6,361,920)	-	-	1,712,867
Exam fees and teacher release	-	9,154	(9,154)	-	-	-
Local authority grants	-	187,372	(187,372)	-	-	-
Other DfE Group Grants	-	73,777	(73,777)	-	-	-
Other income	63,658	352,460	(345,068)	-	-	71,050
Pension reserve	(1,575,000)	-	(177,000)	-	(942,000)	(2,694,000)
	<u>(175,960)</u>	<u>7,362,168</u>	<u>(7,154,291)</u>	<u>-</u>	<u>(942,000)</u>	<u>(910,083)</u>
<b>Restricted fixed asset funds</b>						
Fixed assets transferred on conversion	11,397,715	-	(138,756)	-	-	11,258,959
Capital expenditure from GAG	1,091,721	-	(25,529)	-	-	1,066,192
Capital expenditure from unrestricted funds	2,590,096	-	(74,145)	628,124	-	3,144,075
DfE Group Capital Grants	5,030,550	107,740	(120,154)	-	-	5,018,136
	<u>20,110,082</u>	<u>107,740</u>	<u>(358,584)</u>	<u>628,124</u>	<u>-</u>	<u>20,487,362</u>
<b>Total Restricted funds</b>	<u>19,934,122</u>	<u>7,469,908</u>	<u>(7,512,875)</u>	<u>628,124</u>	<u>(942,000)</u>	<u>19,577,279</u>

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

	<i>Balance at 1 September 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2019</i>
	£	£	£	£	£	£
<b>Total funds</b>	<u>21,076,533</u>	<u>7,541,692</u>	<u>(7,528,086)</u>	<u>-</u>	<u>(942,000)</u>	<u>20,148,139</u>

**20. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	<b>Unrestricted funds 2020</b>	<b>Restricted funds 2020</b>	<b>Restricted fixed asset funds 2020</b>	<b>Total funds 2020</b>
	£	£	£	£
Tangible fixed assets	-	-	21,064,168	<b>21,064,168</b>
Current assets	232,072	2,073,643	-	<b>2,305,715</b>
Creditors due within one year	-	(382,331)	-	<b>(382,331)</b>
Provisions for liabilities and charges	-	(2,339,000)	-	<b>(2,339,000)</b>
<b>Total</b>	<u>232,072</u>	<u>(647,688)</u>	<u>21,064,168</u>	<u><b>20,648,552</b></u>

**Analysis of net assets between funds - prior period**

	<i>Unrestricted funds 2019</i>	<i>Restricted funds 2019</i>	<i>Restricted fixed asset funds 2019</i>	<i>Total funds 2019</i>
	£	£	£	£
Tangible fixed assets	-	-	20,487,362	20,487,362
Current assets	570,860	2,271,945	-	2,842,805
Creditors due within one year	-	(488,028)	-	(488,028)
Provisions for liabilities and charges	-	(2,694,000)	-	(2,694,000)
<b>Total</b>	<u>570,860</u>	<u>(910,083)</u>	<u>20,487,362</u>	<u>20,148,139</u>

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

	2020 £	2019 £
Net (expenditure)/income for the period (as per Statement of Financial Activities)	(131,587)	13,606
<b>Adjustments for:</b>		
Depreciation	388,518	358,584
Capital grants from DfE and other capital income	(30,927)	(107,740)
Interest receivable	(6,445)	(6,904)
Defined benefit pension scheme cost less contributions payable	227,000	131,000
Defined benefit pension scheme finance cost	50,000	46,000
Decrease/(increase) in stocks	99	(4,221)
Increase in debtors	(81,851)	(43,291)
(Decrease)/increase in creditors	(105,697)	309,580
<b>Net cash provided by operating activities</b>	<b>309,110</b>	<b>696,614</b>

**22. Cash flows from investing activities**

	2020 £	2019 £
Dividends, interest and rents from investments	6,445	6,904
Purchase of tangible assets	(965,324)	(735,864)
Capital grants from DfE Group	30,927	107,740
<b>Net cash used in investing activities</b>	<b>(927,952)</b>	<b>(621,220)</b>

**23. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	2,051,291	2,670,133
<b>Total cash and cash equivalents</b>	<b>2,051,291</b>	<b>2,670,133</b>

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**24. Capital commitments**

	2020	2019
	£	£
<b>Contracted for but not provided in these financial statements</b>		
Tangible fixed assets under construction (need to add in figure for F Block work)	<u>382,521</u>	<u>-</u>

**25. Pension commitments**

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers 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. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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



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**25. Pension commitments (continued)**

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 £860,934 (2019 - £566,347).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £243,558 (2019 - £235,527), of which employer's contributions totalled £193,083 (2019 - £175,075) and employees' contributions totalled £50,475 (2019 - £60,452). The agreed contribution rates for future years are 18.3 per cent for employers and 5.5 - 12 per cent for employees.

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

**Principal actuarial assumptions**

	<b>2020</b>	<i>2019</i>
	%	%
Rate of increase in salaries	<b>2.9</b>	2.8
Rate of increase for pensions in payment/inflation	<b>2.2</b>	2.3
Discount rate for scheme liabilities	<b>1.7</b>	1.8
Inflation assumption (CPI)	<b>2.2</b>	2.3
Commutation of pensions to lump sums	<b>50.00</b>	50.00

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

	<b>2020</b>	<i>2019</i>
	Years	Years
<i>Retiring today</i>		
Males	<b>21.6</b>	21.9
Females	<b>23.7</b>	24.4
<i>Retiring in 20 years</i>		
Males	<b>22.6</b>	23.9
Females	<b>25.1</b>	26.5

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**25. Pension commitments (continued)**

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

	At 31 August 2020 £	At 31 August 2019 £
Equities	1,739,000	1,734,000
Bonds	645,000	683,000
Property	224,000	228,000
Cash	196,000	199,000
<b>Total market value of assets</b>	<b>2,804,000</b>	<b>2,844,000</b>

The actual return on scheme assets was (£178,000) (2019: £155,000).

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

	2020 £	2019 £
Current service cost	(421,000)	(283,000)
Past service cost	-	(24,000)
Interest cost	(50,000)	(46,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(471,000)</b>	<b>(353,000)</b>

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

	2020 £	2019 £
<b>At 1 September</b>	<b>5,538,000</b>	<b>4,111,000</b>
Current service cost	421,000	283,000
Interest cost	103,000	119,000
Contributions by scheme participants	50,000	46,000
Change in financial assumptions	(863,000)	1,024,000
Estimated benefits paid net of transfers in	(106,000)	(69,000)
Losses on curtailments	-	24,000
<b>At 31 August</b>	<b>5,143,000</b>	<b>5,538,000</b>

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**25. Pension commitments (continued)**

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

	2020 £	2019 £
<b>At 1 September</b>	<b>2,844,000</b>	2,536,000
Interest income	53,000	73,000
Return on assets less interest	(231,000)	82,000
Employer contributions	194,000	176,000
Employee contributions	50,000	46,000
Estimated benefits paid plus unfunded net of transfers in	(106,000)	(69,000)
<b>At 31 August</b>	<b>2,804,000</b>	2,844,000

**26. Operating lease commitments**

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	11,855	22,336
Later than 1 year and not later than 5 years	11,855	23,709
	<b>23,710</b>	46,045

**27. 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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.

**28. Related party transactions**

Owing to the nature of the Academy Trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

