

**BIRCHWOOD HIGH SCHOOL**

**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**BIRCHWOOD HIGH SCHOOL**  
**(A Company Limited by Guarantee)**

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## BIRCHWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

### REFERENCE AND ADMINISTRATIVE DETAILS

|  |  |
|--|--|
| <b>Members/Trustees</b>                | Dr C Ingate, Principal and Accounting Officer (resigned as Member 30 June 2021)<br>A Wilson, Community Governor (resigned 24 September 2021)<br>F Gray, Community Governor (resigned as Trustee 11 November 2021)<br>C Gater, Chair (appointed 9 December 2020)<br>L Bothwell, Staff Governor (resigned 20 July 2021)<br>R Crowland, Parent Governor<br>G Turner, Parent Governor<br>M Phillips, Staff Governor (resigned 9 September 2020)<br>H Scotcher, Parent Governor (resigned 14 July 2021)<br>L Watkins, Parent Governor<br>M Stocker, Chair, Community Governor (resigned 9 December 2020)<br>R Noblett, Teaching Staff Governor (resigned as Member 30 June 2021)<br>J Winter, Community Governor<br>R Bamlett, Community Governor<br>Dr A Swanepoel, Parent Governor (resigned 3 March 2021)<br>R Townsend, Community Governor<br>C Sear, Community Governor<br>J Mansfield, Community Governor<br>L Lloyd-Warren, Community Governor<br>J Wach, Parent Governor<br>C Pressland, Staff Trustee (appointed 9 December 2020, resigned as Member 30 June 2021)<br>C Emery, Parent Governor (appointed 8 September 2021)<br>J Oglesby, Parent Governor (appointed 15 September 2021)<br>M Free, Parent Governor (appointed 15 September 2021) |
| <b>Company registered number</b>       | 07791971   |
| <b>Company name</b>                    | Birchwood High School  |
| <b>Registered and principal office</b> | Parsonage Lane<br>Bishop's Stortford<br>CM23 5BD   |
| <b>Company Secretary</b>               | Deryk Bull   |
| <b>Accounting Officer</b>              | Dr C Ingate  |
| <b>Senior Leadership Team</b>          | Dr C Ingate, Principal<br>C Gilbank, Deputy Principal<br>S Stopps, Deputy Principal<br>S Connor, Assistant Principal<br>N Coop, Finance Director<br>J Jacobsen, Assistant Principal<br>Deryk Bull, Finance Director  |

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

**Independent Auditors** Price Bailey LLP  
Chartered Accountants  
Causeway House  
1 Dane Street  
Bishop's Stortford  
CM23 3BT

**Bankers** Lloyds TSB  
31 Fore Street  
Taunton  
Somerset  
TA1 1HN

**Solicitors** Stone King LLP  
16 St. John's Lane  
London  
EC1M 4BS

# **BIRCHWOOD HIGH SCHOOL**

**(A Company Limited by Guarantee)**

## **TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees present their Annual Report together with the financial statements and Auditors' Report of Birchwood High School (the Trust, the Academy or the Charitable Company) for the period 1st September 2020 to 31st August 2021. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Academy operates a School for pupils aged 11-19 serving the catchment area of Bishop's Stortford and surrounding villages. It has a pupil capacity of 1,500 (including 6th form) and a roll of 1,418 in October 2021.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Academy is a Company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of the Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Charitable Company is also known as Birchwood High School (the School).

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details section on page 1.

During the year the Articles of Association were updated. Under the amended Articles employees are prohibited from being Members and the role of Trustee and Member have been separated. The Trust is currently revising its governance appointments to provide that the majority of Members are independent of the Board of Trustees. This was implemented through the appointment of new Members at the Annual General Meeting on 8th December 2021.

#### **Member's liability**

Prior to the amendment of the Articles of Association in June 2021 all Trustees were Members of the Academy. From the adoption of the new Articles on 30th June 2021 all Trustees who are not employed by the Academy were appointed as Members. New appointments made at the 2021 AGM mean that the majority of the Members will now be independent of the Trustees.

Each Member undertakes to contribute to the assets of the Academy 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.

#### **Trustee and Officers' Indemnities**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance is in place with Zurich Insurance PLC and provides indemnity up to £5,000,000. The details of the costs are disclosed in note 13 to the accounts.

#### **Method of recruitment and appointment or election of Trustees**

The arrangements are as set out in the Funding Agreement and Articles of Association.

The Trustees are appointed for a fixed term. The Principal is an ex officio member of the Board of Trustees, appointed by the Members. Parent Trustees are elected to office by parents or appointed if there are insufficient candidates offering themselves for election. Member appointed Trustees are appointed by the Members. The Articles of Association make provision for at least 2 Parent Governors and up to 15 Member appointed Trustees.

The Trustees can appoint co-opted Trustees (co-opted Trustees cannot take part in co-opting other Trustees and employees cannot be co-opted if the total number of Staff Trustees would exceed one third of the total).

## **BIRCHWOOD HIGH SCHOOL**

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

#### **Policies and Procedures adopted for the induction and training of Trustees**

All Trustees sign the HMRC Fit and Proper Persons Declaration and are expected to adhere to the Committee on Standards in Public Life guidance "The 7 Principles of Public Life" also known as "The Nolan Principles". All Trustees are provided with secure access to all policy documents. It is recommended that all new Trustees attend induction training run by Hertfordshire County Council Governance Service within 6 months of appointment.

The Academy is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Academy provides an internal programme of continued professional development led by School staff and links with a number of local training providers.

All new Trustees are entitled to an induction to the role, according to their need, which may include, introductory sessions, mentoring and formal courses. This process will involve a meeting with the Chair of Trustees and Principal or Deputy Principal. All Trustees are provided with an induction pack plus copies of policies and procedures documents that are appropriate to the role they undertake as Trustees with particular emphasis on the committee work that they will undertake.

#### **Organisation**

The governance of the Academy is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

The Board of Trustees which meets on at least 6 occasions per year and the individual Committees are responsible for the strategic direction of the Academy. The Finance & Estates Committee meets at least 5 times per year; the Curriculum and Personnel Committees meet at least 5 times per year; the Audit and Risk Committee meets at least 3 times per year and the Pay Committee meets at least once per year. The Board of Trustees reviews progress towards educational objectives and results; approves major expenditure requests; sets the budget for the following year; sets the organisational staffing structure; and, through the Principal's Performance Management Committee, agrees the performance objectives of the Principal with the School Improvement Partner, and reviews them.

The Principal is the designated Accounting Officer and has overall responsibility for the day to day financial management of the Academy. The Principal has delegated responsibility for low values of expenditure to specific budget holders who are each responsible for managing their own departments within the constraints of their allocated budgets. A system of financial controls (the Schedule of Financial Delegation) is in place to manage this process.

The Principal manages the Academy on a daily basis supported by a Senior Leadership Team (SLT). The SLT meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Principal and the Board of Trustees as required for approval. Each member of the SLT has specific responsibilities to assist the Principal to manage certain aspects of the Academy.

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Academy i.e. The Senior Leadership Team included in the Reference and Administrative Details section on page 1.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the school group size, Individual School Range (ISR), the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Academy's appointment and pay policies.

All amendments to key management's pay and remuneration is approved by the Pay Committee and ratified by the Board of Trustees.

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

#### **Trade union facility time**

There was 1 support staff trade union representative based in the School this year, the respective representative performed 3 hours of union time within the year as part of their duties, which incurred expenditure of £81.

#### **Fundraising**

The Academy only held small fundraising events during the year and does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

#### **Related Parties and Other Connected Charities and Organisations**

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Academy cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- 1) The Bishop's Stortford Football Club (BSFC) – a private limited company run on a not-for-profit basis, collaborates with Birchwood High School to provide a Football Academy at the School. This scheme runs for two years offering players the opportunity of attending a full-time football training programme with opportunities to progress into the Bishop's Stortford first team and all players also attend a two-year Sports Science BTEC course at the School providing students with the opportunity to progress into degree studies at universities. The School purchases training and coaching from BSFC. An ex- Trustee at the School is a non-salaried Director of BSFC (leaver Jan 20).
- 2) HertsCam – a Charitable Company aiming to improve teaching and learning in schools and so enhance the life chances of young people. The School works closely with HertsCam to provide teacher training opportunities and to advance education for the public benefit through the provision of programmes for teachers to improve the quality of education in schools. The Principal has been a Trustee since 2012.
- 3) The Bishop's Stortford Educational Trust (BSET) – a Charitable Company which was established in 2015 to create a co-operative, forward-thinking educational organisation to support provision from Early Years to Post-16 and beyond for the town of Bishop's Stortford and its surrounding villages. The Principal has been a Director since 2015.

#### **OBJECTIVES AND ACTIVITIES**

##### **Objects and Aims**

The principle objects and aim of the Charitable Company is the operation of the School to provide free education and care for pupils of different abilities between the ages of 11 and 19.

The Board of Trustees continues to set the School's strategic aims through the School Transformation Plan (STP). These aims are monitored closely through the work of the Senior Leadership Team and the Board of Trustees and Committees. The strategic intent of the School is to provide outstanding education and opportunities for all and to be a 'Great School.'

## **BIRCHWOOD HIGH SCHOOL**

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

#### **Objectives, Strategies and Activities**

During the year the School has worked towards achieving these aims by:

- ensuring that every child enjoys the same high-quality education in terms of resourcing, tuition and care;
- raising the standard of educational achievement of all pupils;
- improving the effectiveness of the Academy by keeping the curriculum and organisational structure under continual view;
- providing value for money for the funds expended;
- complying with all appropriate statutory and curriculum requirements;
- maintaining close links with industry and commerce; and
- conducting the Academy's business in accordance with the highest standards of integrity, probity and openness.

At Birchwood High School we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values by:

- valuing diversity and seeking to give everyone in the School an equal chance to learn, work and live, free from the action, or fear, of racism, discrimination or prejudice;
- working together to develop the potential of all pupils academically, socially, culturally and psychologically and to establish a community that is just and fair for all people who work at or visit the School;
- ensuring that students are happy and healthy, enthused by the intellectual, social and physical challenges posed by their experience at School;
- teaching them to be independent learners who are aware of how to learn and who understand the role of emotions and dispositions in the learning process, and who can draw on to these address challenge and difficulty, as well as success;
- ensuring that all staff have the opportunity to develop further as self-directed, reflective learners, through working collaboratively with others to enhance their own expertise. Through their passion, teachers enthuse and inspire others to explore new ideas;
- working in partnership with parents to enable them to fulfil their roles as true partners, recognizing their role in the student - school – parent partnership with the aim that every child realises their potential; and
- working closely with our Board of Trustees which contributes to the life of the School on a wider scale and acts as a critical friend to support the School in achieving our aim of becoming a centre of excellence.

At Birchwood we value our links with the wider community and continue to maintain an International Ambassador Programme to consolidate our International links through a programme aimed at connecting Birchwood High School students and staff with our partners specifically in the developing nations of South Africa, Uganda and India. Through our connections we aim to enable students and staff from the partner schools to communicate, travel, meet and enrich each other's lives through cultural awareness and understanding.

Education at Birchwood is open to all young people from 11 to 19 in the Bishop's Stortford locality regardless of race, gender, religion, sexual orientation, social class and ability.

In accordance with Object 4b of our Articles of Association the Board of Trustees actively promotes the use of our facilities for the benefit of our local community.

#### **Public Benefit**

The Trustees believe that by working towards the objects and aims of the School as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

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

**STRATEGIC REPORT**

**Achievements and performance**

The Academy continued its mission to ensure that students achieved their potential in public examinations; to encourage a wide range of extra-curricular activities; to develop and retain suitable staff and to guide students in suitable progression when they leave the School.

For 2021, the School took part in a mix of internal examinations and teacher assessments, due to the Covid-19 Pandemic. Therefore, all the data presented for the year 2020-21 is based on Centre Assessed Grades. Where national figures are required, it is noted that these are "Not reported" although data is included from the Family Fischer Trust which has been noted as \*FFT. The GCSE results based on attainment through Centre Assessed Grades show 66% of students passed both English and Maths. 76% of students obtained a Level 4+ in English whilst 75% obtained a Level 4+ in Maths.

|                             | 2019          | 2020         | 2021         |
|-----------------------------|---------------|--------------|--------------|
| Number of pupils            | 232           | 228          | 214          |
| Pupils with adjusted scores | 1             | Not reported | Not reported |
| School progress score       | -0.06         | *FFT -0.20   | *FFT -0.32   |
| Confidence interval         | -0.23 to 0.11 | Not reported | Not reported |
| Progress banding            | Average       | Not reported | Not reported |
| National average            |               | *FFT -0.00   | *FFT -0.00   |

| KPI   | 2020-21 Target | 2020-21 Actual |
|---|----------------|----------------|
| Student Attainment GCSE L2 Progress 8 Score       | 0              | *FFT -0.20     |
| Attainment 8 Score per pupil DfE                  | 48             | 49.07          |
| % achieving grade 5 or above in English and maths | 43%            | 45%            |
| % achieving grade 4 or above in English and maths | 67%            | 66%            |

|       | 2019  | 2020       | 2021       |
|-------|-------|------------|------------|
| P8 En | -0.34 | -0.34 *FFT | -0.56 *FFT |
| P8 Ma | +0.17 | +0.12*FFT  | -0.15 *FFT |

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

The progress of disadvantaged students

|   | 2019           | 2020         | 2021             |
|---|----------------|--------------|------------------|
| Progress score for disadvantaged pupils       | -0.56          | -0.43*FFT    | -0.05 (Internal) |
| Confidence interval                           | -1.01 to -0.11 | Not reported | Not reported     |
| Number of disadvantaged pupils                | 32             | 38           | 35               |
| Disadvantaged pupils with adjusted scores     | 0              | Not reported | Not reported     |
| National average for non-disadvantaged pupils |                | Not reported | Not reported     |
|   |                |              |                  |
| Disadvantaged Attainment                      |                |              |                  |
|   | 2019           | 2020         | 2021             |
| %L4 + En + Ma                                 | 29%            | *FFT 61%     | 37%              |
| %L5 + En + Ma                                 | 13%            | *FFT 29%     | 17%              |
| %L4 + En                                      | 52%            | *FFT 73%     | 49%              |
| %L4 + Ma                                      | 42%            | *FFT 66%     | 57%              |

Closing the gap for disadvantaged students is a key objective for Birchwood High School. Every one of our 35 disadvantaged students went on to their chosen Sixth Form or FE College with all those eligible to study A-Level at Birchwood enrolling into our Sixth Form. There was also positive action to ensure that disadvantaged students could access L3 courses.

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

A-Level students achieved 100% 1+ A\*-E grades with 58% of grades at A\*-B. The average grade was B

|                                  | 2019   | 2020         | 2021         |
|----------------------------------|--------|--------------|--------------|
| Number of Pupils                 | 90     | 97           | 116          |
| Number of DA                     | 8      | 11           | 6            |
| Number of Academic entries       | 64     | 107          | 108          |
| Number of Applied entries        | 37     | 42           | 43           |
|                                  |        |              |              |
|                                  | 2019   | 2020         | 2021         |
| A Level Average as a Grade       | C-     | *FFT B       | B            |
| A Level Average as a Point Score | 27.36  | *FFT 40.6    | 38.1         |
| A Level L3 Value Added           | -0.22  | Not reported | Not reported |
| Applied Average as a Grade       | Dist - | Dist –       | Dist*        |
| Applied Average as a Point Score | 27.26  | 32.77        | 39.8         |
| Applied L3 Value Added           | 0.28   | Not reported | Not reported |
|                                  |        |              |              |
| DA                               | 2019   | 2020         | 2021         |
| A Level Average as a Grade       | D-     | B-           | C            |
| A Level Average as a Point Score | 29.53  | 37.37        | 28.5         |
| A Level L3 Value Added           | -1.05  | Not reported | Not reported |
| Applied Average as a Grade       | Dist-  | Dist -       | Dist         |
| Applied Average as a Point Score | 28.9   | 28.75        | 32           |
| Applied L3 Value Added           | 0.23   | Not reported | Not reported |
|                                  |        |              |              |

The numbers applying for places in Year 7 has shown improvement since the 'Good' Ofsted judgement in 2019. For September 2021, we enrolled 270 Year 7 students from 899 applications. Data for Year 7 applications for September 2022 shows 900 applications, 411 first and second choice applications (419 for 2021) and we expect to have a full roll for next year. Sixth Form enrolment also improved in September 2021, with 140 students coming into Year 12, with 120 students in Year 13. Data for numbers for September 2022 will be available in by December 2021.

In 2020-21 Students were encouraged to participate in a wide range of extra-curricular activities including public performances, where permitted in light of Covid-19 restrictions. Students were offered good pastoral care and careers guidance. There were no 'NEETs' (students not in education, employment or training) at the end of Year 13 and all Year 11 students who did not have places in the Sixth Form, went to Further Education Colleges to study suitable courses.

| KPI - Student Attendance and behaviour                | 2020-21 Target | 2020-2021 Actual |
|---|----------------|------------------|
| % overall attendance                                  | > 95           | Not reported     |
| % persistent absence<br>(over 10% school days missed) | < 10           | Not reported     |
| % persistent absence<br>(over 15% school days missed) | < 6            | Not reported     |
| % unauthorised absence                                | < 0.9          | Not reported     |
| Fixed term exclusions (days per term)                 | < 30           | Not reported     |

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

As a School, we were fully staffed which was not an easy achievement considering the prevalent recruitment conditions, although staff turnover was impacted by the pandemic. Staffing in Science was particularly strengthened and contained no temporary staff. Staff turnover was closely monitored and has averaged 11.6% (FTE's) over the last 3 years, although staff turnover in the last 12 months has been lower largely due to the impact of Covid and staff's unwillingness to move elsewhere.

### Key Performance Indicators

#### Academic Performance Targets

The School Transformation and Development Plan (STDP) aims to improve student outcomes through effective educational strategies and the efficient use of resources.

|   |                |
|---|----------------|
| KPI Student Attainment GCSE L2                        | 2021-22 Target |
| Progress 8 Score                                      | > 0.00         |
| Attainment 8 Score per pupil DfE                      | 47.14          |
| % achieving grade 5 or above in English and maths     | 57%            |
| % achieving grade 4 or above in English and maths     | 76%            |
| KPI Student Attainment A Level Btec L3                | 2021-22 Target |
| A Level Average as a Grade                            | C+             |
| A Level Average as a Point Score                      | 36             |
| A Level L3 Value Added                                | 0.00           |
| Applied Average as a Grade                            | Dist           |
| Applied Average as a Point Score                      | 33             |
| Applied L3 Value Added                                | 0.00           |
| DA  | 2021-22 Target |
| A Level Average as a Grade                            | C              |
| A Level Average as a Point Score                      | 32             |
| A Level L3 Value Added                                | 0.00           |
| Applied Average as a Grade                            | Dist           |
| Applied Average as a Point Score                      | 30             |
| Applied L3 Value Added                                | 0.00           |
|   | 2021-22 Target |
| % overall attendance                                  | > 95           |
| % persistent absence<br>(over 10% school days missed) | < 10           |
| % persistent absence<br>(over 15% school days missed) | < 6            |
| % unauthorised absence                                | < 0.9          |
| Fixed term exclusions (days per term)                 | < 30           |

## BIRCHWOOD HIGH SCHOOL

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

#### Key Financial Performance Indicators

Pupil numbers (on which the Academy's funding is based) – the School's Pupil Admission Number is 240 in each year group for years 7 to 11 giving an expected maximum of 1,200 students in key stages 3 and 4. 270 were admitted to year 7 in September 2021 in response to local need. The funded number for 2020-21 was 1,119 The workable maximum number in the 6th form (Key stage 5 or years 12-13) is 300 and the aim is to maintain viability by recruiting a minimum of 200 students in key stage 5. The funded number of 6th form students in 2020-21 was 250.

Staff costs as a percentage of total income – The long term aim is to achieve staffing costs at 80% of total income (excl parental trip income & CIF). In 2020-21 this metric was 78.1% (2019-20 82.9%) the movement is due partly to the impact of Covid-19 and the associated School closures. The Academy will continue to manage this KPI figure through efficiencies, increasing pupil numbers and natural staff wastage.

Catering and lettings profitability – Catering aims to break even with the income from the sale of meals to students and staff by matching the cost of staff, provisions, catering consumables plus kitchen repairs and maintenance to income generated. At the end of 2020-21 the department made a loss of £88,285 (including £17,629 furlough income and excluding any overhead apportionment). This loss was a direct result of Covid-19 School closure impacting catering revenue, the comparable figure for 2019-20 was a loss of £36,263. The decision was taken by the Trustees to furlough the respective team to minimise the School losses and the risk of redundancy in this key area of provision.

Letting of the Academy facilities to the community was in earlier years outsourced to School Lettings Solutions who had been engaged since October 2017. As a result of initial social distancing requirements followed by national lockdown forcing School closures the respective supplier was placed in administration owing the Academy amounts of profit share. The Academy is currently in dialogue with the administrators to recover as much of these funds as possible. To date there has been no recovery from the School Lettings Solutions administrators & the Academy has decided to write off the debt in total. Despite the shorter year the lettings have been strong, we have utilised School Hire for the collections/booking process but the lettings management has been brought back "in house" and we are starting to reap the benefits . 2020-21 letting income was £85,874 which resulted in a surplus of £30,939 for the year (£18,969 for 2019-20).

The Academy administered the Free School Meal voucher scheme on behalf of the DfE over lockdown-related school closure, this ensured that families needing support within this category were provided with assistance in a timely and organised manner.

Final outturn against required budget outturn – the Academy aims to live within its means and balance in-year income and expenditure. The final outturn for 2020-21 showed a surplus in the income and expenditure account of £340,304, excluding the restricted fixed asset fund and pension reserve.

#### Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues 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 Statement of Accounting Policies.

In making this statement the Board of Trustees has taken into due consideration the effects upon the Academy of the Covid-19 Pandemic, the partial closure of the School during the period and the changes in practices introduced from the 2020 Autumn term.

Further consideration on the Academy's ability to continue as a going concern as a result of the Covid-19 Pandemic can be found in Note 1.3.

# BIRCHWOOD HIGH SCHOOL

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

### Financial Review

The principal source of funding for the Academy is the GAG and other grants that it receives from the Education and Skills Funding agency (ESFA). For the year ended 31 August 2021 the Academy received £8,488,859 of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. During the year the Academy spent £8,120,418 on general running costs (excluding depreciation and pension adjustments). The Academy brought forward from 2019-20, £Nil restricted funds excluding pension liability and £844,231 (incl APT fund) unrestricted funding. The carry forward for 2020-21 is £143,584 restricted funding excluding pension liability and £1,040,951 unrestricted funding (incl ATP fund).

The Local Government Pension Scheme - the Academy is recognising pension fund deficit of £3,636,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

A summary of the Academy's funds can be seen below:

|                                  | Restricted General Funds | Unrestricted Funds | Fixed Asset Fund | Pension Reserve | Total       |
|----------------------------------|--------------------------|--------------------|------------------|-----------------|-------------|
| Incoming Resources               | 8,062,566                | 398,156            | 28,137           | -               | 8,488,859   |
| Resources Expended               | (7,865,827)              | (201,436)          | -                | -               | (8,067,263) |
| LGPS Charge                      | -                        | -                  | -                | (575,000)       | (575,000)   |
| Depreciation                     | -                        | -                  | (569,760)        | -               | (569,760)   |
| Employer contributions paid      | -                        | -                  | -                | 268,000         | 268,000     |
| Total Resources Expended         | (7,865,827)              | (201,436)          | (569,760)        | (307,000)       | (8,944,023) |
| Assets Purchased from GAG        | (53,155)                 | -                  | 53,155           | -               | -           |
| Actuarial losses                 | -                        | -                  | -                | (830,000)       | (830,000)   |
| Surplus / (Deficit) for the year | 143,584                  | 196,720            | (488,468)        | (1,137,000)     | (1,285,164) |
| Balance at 1 September 2020      | -                        | 844,231            | 9,184,252        | (2,499,000)     | 7,529,483   |
| Balance at 31 August 2021        | 143,584                  | 1,040,951          | 8,695,784        | (3,636,000)     | 6,244,319   |

## **BIRCHWOOD HIGH SCHOOL**

**(A Company Limited by Guarantee)**

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

#### **Reserves policy**

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Finance Directors. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,040,951. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

The Academy's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2020 was £1,184,535.

The cash balance of the Academy remained healthy, ending the year with a non-investment cash balance of £1,802,179. A significant proportion of this will be earmarked for specific projects and requirements. Trustees monitor cash flow on a monthly basis as part of the Management reporting process, ensuring that the Academy holds a minimum of £506,000 required to cover short term cash flow variances.

#### **Investment policy**

An Investment Policy was last approved by the Board of Trustees in September 2021 (and is next due for review June 2024).

The aim of the policy is to ensure funds that the Academy does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the Academy's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as a result of good stewardship and as and when circumstances allow.

#### **Principal risks and uncertainties**

The Trustees maintain a risk register identifying the major risks to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks is monitored on behalf of the Trustees at each Audit Committee meeting. The principal risks facing the Academy are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

## **BIRCHWOOD HIGH SCHOOL**

**(A Company Limited by Guarantee)**

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

The Trustees report that the Academy's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy school, the level of financial risk is low. Cash flows can be forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with prime areas of uncertainty being sickness and maternity-related. Covid-19 considerations however may continue to impact self-generated income and education-related expenditure into 2021/22.

The Trustees assess the other principal risks and uncertainties facing the Academy as follows:

- safeguarding and child protection - Trustees continue to ensure the highest standards are maintained in areas of selection and monitoring of staff, operation of child protection policies and procedures, health & safety & discipline;
- the Academy has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms in the medium to longer term;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards, this risk is exacerbated by the agreement regarding a new secondary school in the locality. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- GDPR and the implementation of new regulations- the Academy has assigned responsibility for DPO at leadership level and continues to monitor and audit compliance;
- staffing - the success of the Academy is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - The Academy has appointed Juniper Education to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Academy only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Academy is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring leadership awareness.

## BIRCHWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

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

#### Plans for future periods

Birchwood is ambitious in its intent. It sets KPIs for the top 20% of schools in England and Wales. It aims to have all lessons observed in 2021-22 to be at least good. Where the teaching is not yet deemed to be at this level, coaching sessions are in place and clear Performance Management objectives are engaging improvement. The current forecast data for year 11 indicates that we will achieve 0.0 in the Progress 8 measure, although current Covid-19 restrictions may affect this. Further Covid-19 Catchup-Funding has been allocated by the DfE for 2021/22 to reduce educational impact and is subject to strategic decision-making.

Birchwood's cohorts reflect the national average in terms of ability on intake at KS2. An Academic Coaching scheme has been implemented at Year 11 and this is being rolled out further as it is showing signs of success. The summer school for the 2021 year 7 intake was a resounding success and a similar event is being considered for 2022.

At Post 16, we expect A-Level students to achieve in line or above national average. We seek a Level 3 value-added score of above 0.00 although, once again, current Covid-19 restrictions may affect this.

The Sixth Form has had a robust recruitment drive and this has increased numbers significantly (135 students in Year 12 compared to 118 in Year 13). This alongside increased leadership capacity and a sharp focus on 6th Form quality assurance is enabling us to see encouraging progress in this already strong area. Financially the Academy is very aware of current pressures and has undertaken a support staff review in 2018/19. Looking forward the staffing structure will be under continuous review, along with the curriculum and non-staff expenditure to ensure achievement of value for money.

#### Funds held custodian Trustee on behalf of others

Birchwood High School employs a School Games Organiser as part of the government SGO initiative. To facilitate her outreach work in the Bishop's Stortford local community 20 primary schools each contribute to the Birchwood Sports Partnership, a working fund to cover the costs of training, resources, coaching, meetings and travel between schools. This restricted fund is held by Birchwood High School on their behalf. These funds are monitored under a discrete cost centre in the Academy's accounts and are reported annually to the partnership members by the School Games Organiser.

#### Provision of information to Auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's Auditors are unaware; and
- the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Auditors, Price Bailey LLP, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees on 20 Dec 2021 and signed on its behalf by:

*C Gater*

C Gater (Dec 20, 2021, 6:46pm)

**C Gater**

Chair of Trustees

## BIRCHWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

### GOVERNANCE STATEMENT

#### Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal, 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 Birchwood High School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings was as follows:

| Trustee                                       | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| Dr C Ingate, Principal and Accounting Officer | 6                 | 6                 |
| A Wilson, Community Governor                  | 3                 | 6                 |
| F Gray, Community Governor                    | 4                 | 6                 |
| C Gater, Chair                                | 6                 | 6                 |
| L Bothwell, Staff Governor                    | 3                 | 6                 |
| R Crowland, Parent Governor                   | 6                 | 6                 |
| G Turner, Parent Governor                     | 6                 | 6                 |
| H Scotcher, Parent Governor                   | 4                 | 6                 |
| L Watkins, Parent Governor                    | 3                 | 6                 |
| M Stocker, Chair, Community Governor          | 1                 | 1                 |
| R Noble, Teaching Staff Governor              | 6                 | 6                 |
| J Winter, Community Governor                  | 3                 | 6                 |
| R Bamlett, Community Governor                 | 4                 | 6                 |
| Dr A Swanepoel, Parent Governor               | 4                 | 4                 |
| R Townsend, Community Governor                | 6                 | 6                 |
| J Mansfield, Community Governor               | 6                 | 6                 |
| L Lloyd-Warren, Community Governor            | 6                 | 6                 |
| J Wach, Parent Governor                       | 6                 | 6                 |
| C Pressland, Staff Trustee                    | 4                 | 5                 |

#### Review of year:

During the year 5 Trustees retired and 1 new Trustee was appointed. The Board of Trustees considers that there is a need to increase diversity within its membership and will continue to maintain this focus in 21/22.

# **BIRCHWOOD HIGH SCHOOL**

**(A Company Limited by Guarantee)**

## **GOVERNANCE STATEMENT (CONTINUED)**

### **Governance (continued)**

The Articles of Association were updated on 30 June 2021. This change was necessary in order to separate the role of Trustee and Member. Following the adoption of the Articles employees of the Trust are no longer able to serve as Members. During the year the Trustees have identified individuals to be appointed as Members who are independent of the Trustees. These appointments will be made in December 2021.

The Covid-19 pandemic has continued to be a key challenge for the Board. The Board's role of supporting, challenging and holding to account has continued throughout periods of School closure and students returning to School.

The health and safety implications of the pandemic, balancing the educational experiences of the students with the safe operation and protection of the whole School community, has remained paramount throughout the year.

As in 2019/20 the response to the pandemic was to support the School in its operational effectiveness, relying on the strong school ethos to inform response to the crisis. Towards the end of the year Trustees began to focus again on strategic priorities, albeit with a focus on short rather than medium term strategies as the impact of the School closures during the pandemic is assessed.

### **The work of the Trustees**

The Board of Trustees continue to challenge the Senior Leadership Team to drive improvement.

The Board and its Committees continued to meet virtually in response to the Covid-19 pandemic. Agendas and priorities were adapted to meet the challenges of both School closure and remote learning and the subsequent return to School. Educational access, achievement for all and student and staff physical and mental well-being continued to be regarded as key priorities.

All though catch-up interventions were restricted by the further national lockdown, Trustees are committed to ensuring that effective and appropriate interventions are undertaken to support students following an unprecedented disruption to their learning.

The Academy entered the Covid-19 crisis in a stable financial position and, although there has been a loss of income from lettings and catering, the periods of School closure have resulted in cost savings to budgeted expenditure. Some of these savings arise from earmarked funds and are expected to be utilised in 21/22. Trustees recognise that the operational and educational financial implications of Covid-19 may extend for a number of years.

The Pay Committee reviewed, challenged and approved pay and salary progressions for relevant staff. This committee ensured that its pay-related decisions were underpinned by the principles outlined in the Nolan Report.

Governor monitoring visits have taken place throughout the year, virtually where required, with findings reported back to the Board of Trustees or its committees.

### **The Board's performance**

While the current years focus has been on operational matters during the Covid-19 pandemic the Trustees carry out an informal self-evaluation when there is a vacancy on the Board in order to ensure that the required competencies are targeted. A skills audit was undertaken during the year in order to identify any gaps relevant to recruitment and / or training needs.

The constitution and makeup of the Board and its committees was also subject to review as part of the project to adopt amended Articles of Association and separate the roles of Member and Trustee.

While the Covid-19 pandemic and the inability to meet in person has been a challenge, Trustees have remained engaged and committed and have continued to effectively support, scrutinise and challenge school leaders.

# BIRCHWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

## GOVERNANCE STATEMENT (CONTINUED)

### Governance (continued)

#### Quality of Data Used by the Board

The data presented by the School to Trustees is sense checked on a periodic basis, for example financial data is tested by independent audit and findings reported back to the Board. Data is benchmarked or directly compared to external data for verification, for example student progress indication data to DfE calculated data. Any variance is discussed at Board level.

#### Governance reviews

A self-review of governance was not undertaken during the year. This was primarily due to the need to meet remotely and the operational pressures of the pandemic. A skills audit was undertaken in order to identify recruitment and training needs.

The School was inspected by Ofsted on 27-28 June 2019. Ofsted concluded, in its report published on 19 July 2019, the following:

- “Governance is very effective. Governors are expert and experienced. They make a highly positive contribution to determining the strategic direction of the School. They successfully analyse and evaluate information about the School’s performance and ensure that effective plans are in place to promote further improvement.
- Governors undertake their responsibilities rigorously. They fulfil all their duties, such as ensuring that safeguarding procedures, including those concerned with dealing with the threat of radicalisation, are rigorous and thorough. Governors undertake relevant training and regularly make visits to the School so they are in the strongest possible position to ask challenging questions of the School’s leadership.
- Governors do not necessarily take the information they are given by School leaders at face value. They have strengthened their oversight of how additional funding is spent, including the funding for those in receipt of the pupil premium, since the previous inspection.”

The Trustees intend to undertake an external review of governance by the end of 22/23 in order to consolidate and further strengthen the governance of the School.

The Finance and Estates Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Board of Trustees by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees’ responsibility to ensure sound management of the Academy’s finances and resources, including proper planning, monitoring and probity.

Attendance during the year at meetings was as follows:

| Trustee        | Meetings attended | Out of a possible |
|----------------|-------------------|-------------------|
| C Ingate       | 5                 | 5                 |
| C Gater        | 5                 | 5                 |
| R Noblett      | 4                 | 4                 |
| M Stocker      | 1                 | 1                 |
| G Turner       | 5                 | 5                 |
| L Watkins      | 3                 | 5                 |
| L Lloyd-Warren | 5                 | 5                 |
| R Townsend     | 5                 | 5                 |

## BIRCHWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

### GOVERNANCE STATEMENT (CONTINUED)

#### Governance (continued)

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to provide assurances to the Board that risks are being adequately identified and managed, to oversee the audit process and compliance with statutory and regulatory requirements.

Attendance during the year at meetings was as follows:

| Trustee        | Meetings attended | Out of a possible |
|----------------|-------------------|-------------------|
| L Lloyd-Warren | 2                 | 2                 |
| C Gater        | 3                 | 3                 |
| G Turner       | 3                 | 3                 |
| R Crowland     | 2                 | 3                 |
| C Ingate       | 3                 | 3                 |
| A Swanepoel    | 2                 | 2                 |
| F Gray         | 2                 | 2                 |
| J Mansfield    | 1                 | 1                 |

#### Review of value for money

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

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

- The most significant contractual arrangement reviewed in the year was the contract for cleaning services. After taking advice and running value for money checks the existing contract was extended (as provided for at the time of the initial tender).
- Benchmark data historically identified high staff costs in relation to Academy income, the resultant 2018/19 support staff restructure addressed this point and the changes and ongoing monitoring of this cost base have continued to deliver a ratio within the acceptable range.
- The Academy applied PPN02/20 and 04/20 during the School closure, securing the continuity of supply of critical services in the medium and longer term by for example ensuring that exam board commitments were honoured and contractual payments to cleaning and coaching suppliers were made on a regular basis. For the latter two parties assurances were sought and received that the services covered were not the subject of Coronavirus Retention Scheme claims by the respective suppliers.
- Covid-related School closure for a significant part of the year hindered value for money achievements in 1 particular area: Self-generated income, lettings and catering were halted during the School closure and lettings was impacted by wider Covid-19 measures. Management of the lettings activity was taken inhouse in the prior year and the Academy has chosen School Hire Ltd to manage the collection of the letting income.
- Key contracts to be considered over the next 12 months include
  - o Catering
  - o Energy
  - o External audit services
  - o Internal Scrutiny
  - o Insurance

## BIRCHWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

### GOVERNANCE STATEMENT (CONTINUED)

#### 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 for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the Annual Report and financial statements.

#### Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

#### The risk and control framework

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

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

The Board of Trustees has decided to employ Juniper Education (historically part of Essex County Council) as Internal Auditor.

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

- Financial Governance;
- Banking;
- Payroll;
- Income;
- Assets; and
- Procurement.

On a termly basis, the Internal Auditor reports to the Board of Trustees through the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an Annual Summary Report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The Internal Auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of their work.

**BIRCHWOOD HIGH SCHOOL**

**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**Review of effectiveness**

As Accounting Officer, the Principal 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 school resource management self-assessment tool;
- 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 Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

*C Gates*

**C Gates**  
Chair of Trustees

*D C Ingate*

**D C Ingate**  
Accounting Officer

Date: 20 Dec 2021

**BIRCHWOOD HIGH SCHOOL**

**(A Company Limited by Guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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



C Ingate (Dec 20, 2021, 7:25pm)

**Dr C Ingate**  
Accounting Officer

Date: 20 Dec 2021

# BIRCHWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by the Board of Trustees on 20 Dec 2021  
on its behalf by:

and signed

*C Gater*

C Gater (Dec 20, 2021, 6:46pm)  
**C Gater**  
Chair

## **BIRCHWOOD HIGH SCHOOL**

**(A Company Limited by Guarantee)**

### **INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BIRCHWOOD HIGH SCHOOL**

#### **Opinion**

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

In our opinion the financial statements:

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

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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

## **BIRCHWOOD HIGH SCHOOL**

**(A Company Limited by Guarantee)**

### **INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BIRCHWOOD HIGH SCHOOL (CONTINUED)**

#### **Other information**

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

#### **Responsibilities of Trustees**

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

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

## **BIRCHWOOD HIGH SCHOOL**

**(A Company Limited by Guarantee)**

### **INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BIRCHWOOD HIGH SCHOOL (CONTINUED)**

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

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

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

We gained an understanding of the legal and regulatory framework applicable to the Academy and the sector in which it operates and considered the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. This included those regulations directly related to the financial statements, including financial reporting and tax legislation and academy sector regulations including GDPR, employment law, health and safety and safeguarding.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of any large or unusual transactions to determine whether they were significant to our assessment.
- We reviewed key controls, authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee meetings and other relevant sub-committees of the Board and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of the Accounting Officer and senior management team to identify laws and regulations applicable to the Academy. We assessed details of any breaches where applicable in order to assess the impact upon the Academy.
- We have reviewed any correspondence with the ESFA / DfE and the procedures in place for the reporting of incidents to the Trustees including reporting of any serious incidents to the Regulator if necessary.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

**BIRCHWOOD HIGH SCHOOL**

**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
BIRCHWOOD HIGH SCHOOL (CONTINUED)**

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



**Gary Miller (Senior Statutory Auditor)**

for and on behalf of

**Price Bailey LLP**

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

CM23 3BT

Date: 21 December 2021

## **BIRCHWOOD HIGH SCHOOL**

**(A Company Limited by Guarantee)**

### **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BIRCHWOOD HIGH SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 7 November 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Birchwood High School during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This Report is made solely to Birchwood High School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Birchwood High School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Birchwood High School and ESFA, for our work, for this Report, or for the conclusion we have formed.

#### **Respective responsibilities of Birchwood High School's Accounting Officer and the Reporting Accountant**

The Accounting Officer is responsible, under the requirements of Birchwood High School's funding agreement with the Secretary of State for Education dated 1 November 2011 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

## BIRCHWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

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

#### Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Academy complies with the framework of authorities.
- Evaluation of the general control environment of the Academy, extending the procedures required for financial statements to include regularity, propriety and compliance
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

#### Conclusion

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



Reporting Accountant  
**Price Bailey LLP**

Date: 21 December 2021

**BIRCHWOOD HIGH SCHOOL**

**(A Company Limited by Guarantee)**

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

|   | Note | Unrestricted<br>funds<br>2021<br>£ | Restricted<br>funds<br>2021<br>£ | Restricted<br>fixed asset<br>funds<br>2021<br>£ | Total<br>funds<br>2021<br>£ | Total<br>funds<br>2020<br>£ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| <b>Income from:</b>   |      |                                    |                                  |   |                             |                             |
| Donations and capital grants  | 3    | 38,489                             | 34,018                           | 28,137  | 100,644                     | 230,934                     |
| Charitable activities   | 4    | 232,755                            | 8,028,548                        | -   | 8,261,303                   | 7,695,910                   |
| Other trading activities  | 5    | 126,619                            | -                                | -   | 126,619                     | 100,463                     |
| Investments   | 6    | 293                                | -                                | -   | 293                         | 2,098                       |
| <b>Total income</b>   |      | <b>398,156</b>                     | <b>8,062,566</b>                 | <b>28,137</b>                                   | <b>8,488,859</b>            | <b>8,029,405</b>            |
| <b>Expenditure on:</b>  |      |                                    |                                  |   |                             |                             |
| Charitable activities   | 7    | 201,436                            | 8,172,827                        | 569,760   | 8,944,023                   | 8,509,444                   |
| <b>Total expenditure</b>  |      | <b>201,436</b>                     | <b>8,172,827</b>                 | <b>569,760</b>                                  | <b>8,944,023</b>            | <b>8,509,444</b>            |
| <b>Net income / (expenditure)</b>                                   |      | <b>196,720</b>                     | <b>(110,261)</b>                 | <b>(541,623)</b>                                | <b>(455,164)</b>            | <b>(480,039)</b>            |
| Transfers between funds   | 17   | -                                  | (53,155)                         | 53,155  | -                           | -                           |
| <b>Net movement in funds before other recognised gains/(losses)</b> |      | <b>196,720</b>                     | <b>(163,416)</b>                 | <b>(488,468)</b>                                | <b>(455,164)</b>            | <b>(480,039)</b>            |
| <b>Other recognised gains / (losses):</b>                           |      |                                    |                                  |   |                             |                             |
| Actuarial losses on defined benefit pension schemes                 | 24   | -                                  | (830,000)                        | -   | (830,000)                   | (47,000)                    |
| <b>Net movement in funds</b>  |      | <b>196,720</b>                     | <b>(993,416)</b>                 | <b>(488,468)</b>                                | <b>(1,285,164)</b>          | <b>(527,039)</b>            |
| <b>Reconciliation of funds:</b>                                     |      |                                    |                                  |   |                             |                             |
| Total funds brought forward   |      | 844,231                            | (2,499,000)                      | 9,184,252                                       | 7,529,483                   | 8,056,522                   |
| Net movement in funds   |      | 196,720                            | (993,416)                        | (488,468)                                       | (1,285,164)                 | (527,039)                   |
| <b>Total funds carried forward</b>                                  |      | <b>1,040,951</b>                   | <b>(3,492,416)</b>               | <b>8,695,784</b>                                | <b>6,244,319</b>            | <b>7,529,483</b>            |

The notes on pages 33 to 57 form part of these financial statements.

BIRCHWOOD HIGH SCHOOL

(A Company Limited by Guarantee)  
REGISTERED NUMBER: 07791971

BALANCE SHEET  
AS AT 31 AUGUST 2021

|   | Note | 2021<br>£               | 2020<br>£               |
|---|------|-------------------------|-------------------------|
| <b>Fixed assets</b>                           |      |                         |                         |
| Tangible assets                               | 14   | 8,689,121               | 9,084,642               |
| <b>Current assets</b>                         |      |                         |                         |
| Debtors                                       | 15   | 189,624                 | 216,085                 |
| Cash at bank and in hand                      |      | 1,802,179               | 1,495,577               |
|   |      | <u>1,991,803</u>        | <u>1,711,662</u>        |
| Creditors due within one year                 | 16   | (800,605)               | (767,821)               |
| <b>Net current assets</b>                     |      | <u>1,191,198</u>        | <u>943,841</u>          |
| <b>Total assets less current liabilities</b>  |      | <u>9,880,319</u>        | <u>10,028,483</u>       |
| <b>Net assets excluding pension liability</b> |      | 9,880,319               | 10,028,483              |
| Defined benefit pension scheme liability      | 24   | (3,636,000)             | (2,499,000)             |
| <b>Total net assets</b>                       |      | <u><u>6,244,319</u></u> | <u><u>7,529,483</u></u> |
| <b>Funds of the Academy</b>                   |      |                         |                         |
| <b>Restricted funds:</b>                      |      |                         |                         |
| Fixed asset funds                             | 17   | 8,695,784               | 9,184,252               |
| Restricted income funds                       | 17   | 143,584                 | -                       |
| Pension reserve                               | 17   | (3,636,000)             | (2,499,000)             |
| <b>Total restricted funds</b>                 |      | <u>5,203,368</u>        | <u>6,685,252</u>        |
| <b>Unrestricted income funds</b>              | 17   | 1,040,951               | 844,231                 |
| <b>Total funds</b>                            |      | <u><u>6,244,319</u></u> | <u><u>7,529,483</u></u> |

The financial statements on pages 30 to 57 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

*C Gater*

C Gater (Dec 20, 2021, 6:46pm)  
Chair

Date: 20 Dec 2021

The notes on pages 33 to 57 form part of these financial statements.

**BIRCHWOOD HIGH SCHOOL**

**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2021**

|   | Note   | 2021<br>£        | 2020<br>£        |
|---|--------|------------------|------------------|
| <b>Cash flows from operating activities</b>             |        |                  |                  |
| Net cash provided by operating activities               | 19     | 452,411          | 220,501          |
| <b>Cash flows from investing activities</b>             | 21     | (145,809)        | (16,274)         |
| <b>Cash flows from financing activities</b>             | 20     | -                | (25,000)         |
| <b>Change in cash and cash equivalents in the year</b>  |        | 306,602          | 179,227          |
| Cash and cash equivalents at the beginning of the year  |        | 1,495,577        | 1,316,350        |
| <b>Cash and cash equivalents at the end of the year</b> | 22, 23 | <u>1,802,179</u> | <u>1,495,577</u> |

The notes on pages 33 to 57 form part of these financial statements

# BIRCHWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

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

### 1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

#### 1.2 Company status

The Academy is a company limited by guarantee. Members are noted on page 1. In the event of the Academy's being wound up, the liability in respect of the guarantee is limited to £10 per Member. The Academy's registered office is Parsonage Lane, Bishop's Stortford, CM23 5BD.

#### 1.3 Going concern

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

The Academy derives the majority of its income from local and national Government grant funding which is secured for a number of years, under the terms of the Academy Funding Agreement with the Secretary of State for Education. This will ensure that the Academy can continue operating for a period of at least 12 months following the date of this Report. The financial statements do not contain any adjustments that would be required if the Academy were not able to continue as a going concern.

# BIRCHWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

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

### 1. Accounting policies (continued)

#### 1.4 Income

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

- **Grants**

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

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

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

- **Donations**

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

#### 1.5 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.

#### 1.6 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

# BIRCHWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

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

### 1. Accounting policies (continued)

#### 1.7 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.

#### 1.8 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.

#### 1.9 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 the following bases:

|                         |  |
|-------------------------|--|
| Freehold buildings      | - 23 years straight line, 30 years straight line for additions |
| Furniture and equipment | - 5 - 15 years straight line                                   |
| Computer equipment      | - 4 - 10 years straight line                                   |
| Motor vehicles          | - 10 years straight line                                       |

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

#### 1.10 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.

#### 1.11 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.

## BIRCHWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

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

#### 1. Accounting policies (continued)

##### 1.12 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

##### 1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

# BIRCHWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

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

### 1. Accounting policies (continued)

#### 1.14 Pensions

The Academy operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Academy to the fund in respect of the year.

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.

#### 1.15 Fund accounting

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

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

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

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

# BIRCHWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the Actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### 3. Income from donations and capital grants

|                   | Unrestricted<br>funds<br>2021<br>£ | Restricted<br>funds<br>2021<br>£ | Restricted<br>fixed asset<br>funds<br>2021<br>£ | Total<br>funds<br>2021<br>£ | Total<br>funds<br>2020<br>£ |
|-------------------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Donations         | 38,489                             | 34,018                           | -   | 72,507                      | 115,142                     |
| Capital grants    | -                                  | -                                | 28,137  | 28,137                      | 115,792                     |
| <b>Total 2021</b> | <b>38,489</b>                      | <b>34,018</b>                    | <b>28,137</b>                                   | <b>100,644</b>              | <b>230,934</b>              |
| Total 2020        | 17,793                             | 97,349                           | 115,792   | 230,934                     |                             |

In 2020, income from donations was £115,142, of which £97,349 was restricted and £17,793 was unrestricted.

In 2020, income from capital grants was £115,792, all of which was in relation to restricted fixed assets.

**BIRCHWOOD HIGH SCHOOL**

(A Company Limited by Guarantee)

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

**4. Funding for the Academy's provision of education**

|   | Unrestricted<br>funds<br>2021<br>£ | Restricted<br>funds<br>2021<br>£ | Total<br>funds<br>2021<br>£ | Total<br>funds<br>2020<br>£ |
|---|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| <b>DfE/ESFA grants</b>                            |                                    |                                  |                             |                             |
| General Annual Grant (GAG)                        | -                                  | 7,006,103                        | 7,006,103                   | 6,706,410                   |
| Other DfE/ESFA grants                             |                                    |                                  |                             |                             |
| Other DfE / ESFA grants                           | -                                  | 1,928                            | 1,928                       | 35,581                      |
| Teachers' Pension grant                           | -                                  | 274,454                          | 274,454                     | 271,909                     |
| Teachers' Pay grant                               | -                                  | 97,124                           | 97,124                      | 96,782                      |
| Pupil Premium                                     | -                                  | 182,314                          | 182,314                     | 143,668                     |
| Rates relief                                      | -                                  | 40,727                           | 40,727                      | 37,442                      |
| Summer School grant                               | -                                  | 60,901                           | 60,901                      | -                           |
| Free School Meals                                 | -                                  | 10,788                           | 10,788                      | -                           |
|   | -                                  | -                                | 7,674,339                   | 7,291,792                   |
| <b>Other Government grants</b>                    |                                    |                                  |                             |                             |
| Local Authority grants                            | -                                  | 211,450                          | 211,450                     | 115,130                     |
|   | -                                  | 211,450                          | 211,450                     | 115,130                     |
| <b>Catering income</b>                            | 232,755                            | -                                | 232,755                     | 261,718                     |
| <b>COVID-19 additional funding (DfE/ESFA)</b>     |                                    |                                  |                             |                             |
| Catch-up Premium                                  | -                                  | 89,520                           | 89,520                      | -                           |
| Other DfE/ESFA COVID-19 funding                   | -                                  | 35,610                           | 35,610                      | -                           |
|   | -                                  | 125,130                          | 125,130                     | -                           |
| <b>COVID-19 additional funding (non-DfE/ESFA)</b> |                                    |                                  |                             |                             |
| Coronavirus Job Retention Scheme                  | -                                  | 17,629                           | 17,629                      | 27,270                      |
|   | -                                  | 17,629                           | 17,629                      | 27,270                      |
| <b>Total 2021</b>                                 | <u>232,755</u>                     | <u>8,028,548</u>                 | <u>8,261,303</u>            | <u>7,695,910</u>            |
| Total 2020  | <u>261,718</u>                     | <u>7,434,192</u>                 | <u>7,695,910</u>            |                             |

# BIRCHWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

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

### 4. Funding for the Academy's provision of education (continued)

The Academy received £89,520 of funding for catch-up premium and costs incurred in respect of this funding totalled £56,589, with the remaining £32,931 to be spent in 2021/2022.

The Academy furloughed some of its catering and lettings staff under the government's CJRS. The funding received of £17,629 (2020 - £27,270) relates to staff costs included within note 11 below as appropriate.

In 2020, income from DfE/ESFA grants was £7,291,792 of which all was restricted.

In 2020, income from other Government grants was £115,130 of which all was restricted.

In 2020, income from catering was £261,718 of which all was unrestricted.

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

### 5. Income from other trading activities

|                    | Unrestricted<br>funds<br>2021<br>£ | Total<br>funds<br>2021<br>£ | Total<br>funds<br>2020<br>£ |
|--------------------|------------------------------------|-----------------------------|-----------------------------|
| Hire of facilities | 85,752                             | 85,752                      | 20,499                      |
| Music fees         | 1,958                              | 1,958                       | 22,320                      |
| Other income       | 38,909                             | 38,909                      | 57,644                      |
| <b>Total 2021</b>  | <b>126,619</b>                     | <b>126,619</b>              | <b>100,463</b>              |
| Total 2020         | 100,463                            | 100,463                     |                             |

In 2020, income from the hire of facilities was £20,499 of which all was unrestricted.

In 2020, income from music fees was £22,320 of which all was unrestricted.

In 2020, other income was £57,644 of which all was unrestricted.

**BIRCHWOOD HIGH SCHOOL**

(A Company Limited by Guarantee)

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

**6. Investment income**

|                   | Unrestricted<br>funds<br>2021<br>£ | Total<br>funds<br>2021<br>£ | Total<br>funds<br>2020<br>£ |
|-------------------|------------------------------------|-----------------------------|-----------------------------|
| Bank interest     | 168                                | 168                         | 1,294                       |
| Investment income | 125                                | 125                         | 804                         |
| <b>Total 2021</b> | 293                                | 293                         | 2,098                       |
| Total 2020        | 2,098                              | 2,098                       |                             |

In 2020, all investment income was in relation to unrestricted funds.

**7. Expenditure**

|                         | Staff Costs<br>2021<br>£ | Premises<br>2021<br>£ | Other<br>2021<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£ |
|-------------------------|--------------------------|-----------------------|--------------------|--------------------|--------------------|
| Provision of Education: |                          |                       |                    |                    |                    |
| Direct costs            | 5,590,531                | -                     | 450,710            | 6,041,241          | 5,813,045          |
| Support costs           | 1,293,592                | 1,199,495             | 409,695            | 2,902,782          | 2,696,399          |
|                         | 6,884,123                | 1,199,495             | 860,405            | 8,944,023          | 8,509,444          |
| Total 2020              | 6,490,332                | 1,054,174             | 964,938            | 8,509,444          |                    |

In 2020, of total expenditure, £160,693 related to unrestricted funds, £7,774,541 related to restricted funds and £574,210 related to restricted fixed asset funds.

In 2020, direct expenditure consisted of £5,279,425 staff costs and £533,620 other costs.

In 2020, support costs consisted of £1,210,907 staff costs, £1,054,174 premises costs and £431,318 other costs.

**BIRCHWOOD HIGH SCHOOL****(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021****8. Charitable Activities**

|               | 2021<br>£        | 2020<br>£        |
|---------------|------------------|------------------|
| Direct costs  | 6,041,241        | 5,813,045        |
| Support costs | 2,902,782        | 2,696,399        |
|               | <u>8,944,023</u> | <u>8,509,444</u> |

**9. Analysis of support costs**

|                     | 2021<br>£        | 2020<br>£        |
|---------------------|------------------|------------------|
| Support staff costs | 1,293,592        | 1,210,907        |
| Depreciation        | 569,760          | 559,854          |
| Technology costs    | 35,821           | 46,716           |
| Premises costs      | 629,735          | 494,320          |
| Other support costs | 350,785          | 362,503          |
| Governance costs    | 12,884           | 13,899           |
| Legal costs         | 10,205           | 8,200            |
|                     | <u>2,902,782</u> | <u>2,696,399</u> |

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

Net income/(expenditure) for the year includes:

|                                       | 2021<br>£    | 2020<br>£     |
|---------------------------------------|--------------|---------------|
| Operating lease rentals               | 10,318       | 16,894        |
| Depreciation of tangible fixed assets | 569,760      | 559,854       |
| Internal audit costs                  | 1,539        | 1,409         |
| Fees paid to Auditors for:            |              |               |
| - audit                               | 7,580        | 7,350         |
| - other services                      | 4,770        | 4,640         |
|                                       | <u>7,317</u> | <u>13,743</u> |

**BIRCHWOOD HIGH SCHOOL**

**(A Company Limited by Guarantee)**

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

**11. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

|                           | 2021<br>£        | 2020<br>£        |
|---------------------------|------------------|------------------|
| Wages and salaries        | 4,924,895        | 4,678,499        |
| Social security costs     | 489,134          | 455,713          |
| Pension costs             | 1,374,990        | 1,241,785        |
|                           | <u>6,789,019</u> | <u>6,375,997</u> |
| Agency staff costs        | 95,104           | 102,809          |
| Staff restructuring costs | -                | 11,526           |
|                           | <u>6,884,123</u> | <u>6,490,332</u> |

Staff restructuring costs comprise:

|                     | 2021<br>£ | 2020<br>£     |
|---------------------|-----------|---------------|
| Redundancy payments | -         | 11,526        |
|                     | <u>-</u>  | <u>11,526</u> |

**b. Staff numbers**

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

|                            | 2021<br>No. | 2020<br>No. |
|----------------------------|-------------|-------------|
| Teachers                   | 84          | 86          |
| Administration and Support | 64          | 101         |
| Management                 | 6           | 6           |
|                            | <u>154</u>  | <u>193</u>  |

**BIRCHWOOD HIGH SCHOOL**

**(A Company Limited by Guarantee)**

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

**11. Staff (continued)**

**c. Higher paid staff**

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

|                                 | 2021<br>No.       | 2020<br>No.       |
|---------------------------------|-------------------|-------------------|
| In the band £60,001 - £70,000   | 4                 | 2                 |
| In the band £70,001 - £80,000   | 1                 | 1                 |
| In the band £80,001 - £90,000   | 1                 | 1                 |
| In the band £100,001 - £110,000 | -                 | 1                 |
| In the band £110,001 - £120,000 | 1                 | -                 |
|                                 | <u>          </u> | <u>          </u> |

**d. Key management personnel**

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £804,943 (2020 - £769,154).

# BIRCHWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

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

### 12. Trustees' remuneration and expenses

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

|   |                            | 2021<br>£            | 2020<br>£            |
|---|----------------------------|----------------------|----------------------|
| Dr C Ingate, Principal and Accounting Officer | Remuneration               | 110,000 -<br>115,000 | 100,000 -<br>105,000 |
|   | Pension contributions paid | 25,000 -<br>30,000   | 15,000 -<br>20,000   |
| R Noblett, Teaching Staff Governor            | Remuneration               | 45,000 -<br>50,000   | 40,000 -<br>45,000   |
|   | Pension contributions paid | 10,000 -<br>15,000   | 5,000 -<br>10,000    |
| L Bothwell, Staff Governor                    | Remuneration               | 30,000 -<br>35,000   | 30,000 -<br>35,000   |
|   | Pension contributions paid | 5,000 -<br>10,000    | 0 - 5,000            |
| M Phillips, Staff Governor                    | Remuneration               | N/A                  | 50,000 -<br>55,000   |
|   | Pension contributions paid | N/A                  | 10,000 -<br>15,000   |
| Claire Pressland, Staff Trustee               | Remuneration               | 45,000 -<br>50,000   |                      |
|   | Pension contributions paid | 10,000 -<br>15,000   |                      |

During the year ended 31 August 2021, expenses totalling £NIL were reimbursed or paid directly to Trustee (2020 - £148).

### 13. Trustees' and Officers' insurance

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

**BIRCHWOOD HIGH SCHOOL**

(A Company Limited by Guarantee)

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

**14. Tangible fixed assets**

|                          | Freehold<br>property<br>£ | Furniture and<br>equipment<br>£ | Computer<br>equipment<br>£ | Motor<br>vehicles<br>£ | Total<br>£              |
|--------------------------|---------------------------|---------------------------------|----------------------------|------------------------|-------------------------|
| <b>Cost or valuation</b> |                           |                                 |                            |                        |                         |
| At 1 September 2020      | 12,287,912                | 1,207,963                       | 650,008                    | 23,800                 | 14,169,683              |
| Additions                | 79,793                    | 45,597                          | 48,849                     | -                      | 174,239                 |
| At 31 August 2021        | <u>12,367,705</u>         | <u>1,253,560</u>                | <u>698,857</u>             | <u>23,800</u>          | <u>14,343,922</u>       |
| <b>Depreciation</b>      |                           |                                 |                            |                        |                         |
| At 1 September 2020      | 3,747,312                 | 781,161                         | 542,743                    | 13,825                 | 5,085,041               |
| Charge for the year      | 427,146                   | 96,409                          | 44,105                     | 2,100                  | 569,760                 |
| At 31 August 2021        | <u>4,174,458</u>          | <u>877,570</u>                  | <u>586,848</u>             | <u>15,925</u>          | <u>5,654,801</u>        |
| <b>Net book value</b>    |                           |                                 |                            |                        |                         |
| At 31 August 2021        | <u><u>8,193,247</u></u>   | <u><u>375,990</u></u>           | <u><u>112,009</u></u>      | <u><u>7,875</u></u>    | <u><u>8,689,121</u></u> |
| At 31 August 2020        | <u><u>8,540,600</u></u>   | <u><u>426,802</u></u>           | <u><u>107,265</u></u>      | <u><u>9,975</u></u>    | <u><u>9,084,642</u></u> |

Included in freehold property is freehold land at cost of £2,102,376 which is not depreciated.

**15. Debtors**

|                                | 2021<br>£      | 2020<br>£      |
|--------------------------------|----------------|----------------|
| <b>Due within one year</b>     |                |                |
| Trade debtors                  | 7,100          | 19,002         |
| Other debtors                  | 1,571          | 371            |
| VAT repayable                  | 30,500         | 23,585         |
| Prepayments and accrued income | 150,453        | 173,127        |
|                                | <u>189,624</u> | <u>216,085</u> |

**BIRCHWOOD HIGH SCHOOL**

**(A Company Limited by Guarantee)**

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

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

|  | 2021<br>£      | 2020<br>£      |
|--|----------------|----------------|
| Trade creditors                        | 186,973        | 128,214        |
| Other taxation and social security     | 122,715        | 110,765        |
| Other creditors                        | 128,602        | 119,583        |
| Accruals and deferred income           | 362,315        | 409,259        |
|  | <u>800,605</u> | <u>767,821</u> |
|  | 2021<br>£      | 2020<br>£      |
| Deferred income at 1 September 2020    | 245,274        | 146,244        |
| Resources deferred during the year     | 186,422        | 245,274        |
| Amounts released from previous periods | (245,274)      | (146,244)      |
|  | <u>186,422</u> | <u>245,274</u> |

Resources deferred at the period end mainly relate to ESFA grants and future educational visits.

**BIRCHWOOD HIGH SCHOOL**

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

**17. Statement of funds**

|                                     | Balance at 1<br>September<br>2020<br>£ | Income<br>£ | Expenditure<br>£ | Transfers<br>in/out<br>£ | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2021<br>£ |
|-------------------------------------|--|-------------|------------------|--------------------------|-------------------------|--------------------------------------|
| <b>Unrestricted funds</b>           |  |             |                  |                          |                         |                                      |
| Unrestricted funds                  | 844,231                                | 398,156     | (201,436)        | -                        | -                       | 1,040,951                            |
| <b>Restricted general funds</b>     |  |             |                  |                          |                         |                                      |
| GAG                                 | -                                      | 7,006,103   | (6,896,743)      | (53,155)                 | -                       | 56,205                               |
| Other DfE/ESFA grants               | -                                      | 793,366     | (711,678)        | -                        | -                       | 81,688                               |
| Other Government grants             | -                                      | 229,079     | (223,388)        | -                        | -                       | 5,691                                |
| Restricted donations                | -                                      | 34,018      | (34,018)         | -                        | -                       | -                                    |
| Pension reserve                     | (2,499,000)                            | -           | (307,000)        | -                        | (830,000)               | (3,636,000)                          |
|                                     | (2,499,000)                            | 8,062,566   | (8,172,827)      | (53,155)                 | (830,000)               | (3,492,416)                          |
| <b>Restricted fixed asset funds</b> |  |             |                  |                          |                         |                                      |
| Restricted fixed assets             | 9,084,642                              | -           | (569,760)        | 174,239                  | -                       | 8,689,121                            |
| CIF                                 | 86,456                                 | -           | -                | (79,793)                 | -                       | 6,663                                |
| DFC                                 | 13,154                                 | 28,137      | -                | (41,291)                 | -                       | -                                    |
|                                     | 9,184,252                              | 28,137      | (569,760)        | 53,155                   | -                       | 8,695,784                            |
| <b>Total Restricted funds</b>       | 6,685,252                              | 8,090,703   | (8,742,587)      | -                        | (830,000)               | 5,203,368                            |
| <b>Total funds</b>                  | 7,529,483                              | 8,488,859   | (8,944,023)      | -                        | (830,000)               | 6,244,319                            |

## BIRCHWOOD HIGH SCHOOL

(A Company Limited by Guarantee)

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

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

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

##### **Other Government grants**

These represent various grants from local and national Government bodies for the provision of specific services to pupils of the Academy.

##### **Other DfE/ESFA grants**

Other DfE/ESFA grants relate to the restricted income received from both the Department for Education and the Education and Skills Funding Agency to assist with the costs of the Academy in relation to specific activities. This includes Pupil Premium and P.E. and Sports Grant.

##### **Restricted donations**

This represents donations received by the Academy which have restrictions on what they can be used for applied to them including contributions made by parents to the running of educational visits for the pupils of the Academy and the associated costs of running these trips.

##### **Pension reserve**

This fund represents the Academy's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Academy on conversion from a state controlled school.

##### **Restricted fixed assets**

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

##### **Developed Formula Capital (DFC) and Condition Improvement Fund (CIF)**

These represent grants received toward a specific building or maintenance project (CIF) or any annual formula capital funding (DFC) received during the year.

##### **Exceptional Government funding**

This represents funding from HMRC in the form of the Coronavirus Job Retention Scheme grant

##### **General Annual Grant (GAG)**

This represents funding from the ESFA to cover the costs of recurrent expenditure.

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

**BIRCHWOOD HIGH SCHOOL**

(A Company Limited by Guarantee)

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

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

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

|                                     | Balance at<br>1 September<br>2019<br>£ | Income<br>£             | Expenditure<br>£          | Transfers<br>in/out<br>£ | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2020<br>£ |
|-------------------------------------|--|-------------------------|---------------------------|--------------------------|-------------------------|--------------------------------------|
| <b>Unrestricted funds</b>           |  |                         |                           |                          |                         |                                      |
| Unrestricted funds                  | 622,852                                | 382,072                 | (160,693)                 | -                        | -                       | 844,231                              |
|                                     | <u>622,852</u>                         | <u>382,072</u>          | <u>(160,693)</u>          | <u>-</u>                 | <u>-</u>                | <u>844,231</u>                       |
| <b>Restricted funds</b>             |  |                         |                           |                          |                         |                                      |
| GAG                                 | -                                      | 6,706,410               | (6,706,410)               | -                        | -                       | -                                    |
| Other DfE/ESFA grants               | -                                      | 585,382                 | (585,382)                 | -                        | -                       | -                                    |
| Other Government grants             | -                                      | 115,130                 | (115,130)                 | -                        | -                       | -                                    |
| Restricted donations                | -                                      | 12,468                  | (12,468)                  | -                        | -                       | -                                    |
| Educational visits                  | -                                      | 84,881                  | (84,881)                  | -                        | -                       | -                                    |
| Exceptional Government funding      | -                                      | 27,270                  | (27,270)                  | -                        | -                       | -                                    |
| Pension reserve                     | (2,209,000)                            | -                       | (243,000)                 | -                        | (47,000)                | (2,499,000)                          |
|                                     | <u>(2,209,000)</u>                     | <u>7,531,541</u>        | <u>(7,774,541)</u>        | <u>-</u>                 | <u>(47,000)</u>         | <u>(2,499,000)</u>                   |
| <b>Restricted fixed asset funds</b> |  |                         |                           |                          |                         |                                      |
| Restricted fixed assets             | 9,386,356                              | -                       | (559,854)                 | 258,140                  | -                       | 9,084,642                            |
| CIF                                 | 256,314                                | 115,792                 | (14,356)                  | (258,140)                | -                       | 99,610                               |
|                                     | <u>9,642,670</u>                       | <u>115,792</u>          | <u>(574,210)</u>          | <u>-</u>                 | <u>-</u>                | <u>9,184,252</u>                     |
| <b>Total Restricted funds</b>       | <u>7,433,670</u>                       | <u>7,647,333</u>        | <u>(8,348,751)</u>        | <u>-</u>                 | <u>(47,000)</u>         | <u>6,685,252</u>                     |
| <b>Total funds</b>                  | <u><u>8,056,522</u></u>                | <u><u>8,029,405</u></u> | <u><u>(8,509,444)</u></u> | <u><u>-</u></u>          | <u><u>(47,000)</u></u>  | <u><u>7,529,483</u></u>              |

**BIRCHWOOD HIGH SCHOOL**

(A Company Limited by Guarantee)

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

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

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

|  | Unrestricted<br>funds<br>2021<br>£ | Restricted<br>funds<br>2021<br>£ | Restricted<br>fixed asset<br>funds<br>2021<br>£ | Total<br>funds<br>2021<br>£ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets                  | -                                  | -                                | 8,689,121                                       | 8,689,121                   |
| Current assets                         | 1,040,951                          | 944,189                          | 6,663   | 1,991,803                   |
| Creditors due within one year          | -                                  | (800,605)                        | -   | (800,605)                   |
| Provisions for liabilities and charges | -                                  | (3,636,000)                      | -   | (3,636,000)                 |
| <b>Total</b>                           | <u>1,040,951</u>                   | <u>(3,492,416)</u>               | <u>8,695,784</u>                                | <u>6,244,319</u>            |

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

|  | Unrestricted<br>funds<br>2020<br>£ | Restricted<br>funds<br>2020<br>£ | Restricted<br>fixed asset<br>funds<br>2020<br>£ | Total<br>funds<br>2020<br>£ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets                  | -                                  | -                                | 9,084,642                                       | 9,084,642                   |
| Current assets                         | 844,231                            | 752,968                          | 114,463   | 1,711,662                   |
| Creditors due within one year          | -                                  | (752,968)                        | (14,853)  | (767,821)                   |
| Provisions for liabilities and charges | -                                  | (2,499,000)                      | -   | (2,499,000)                 |
| <b>Total</b>                           | <u>844,231</u>                     | <u>(2,499,000)</u>               | <u>9,184,252</u>                                | <u>7,529,483</u>            |

BIRCHWOOD HIGH SCHOOL

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

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

|   | 2021<br>£      | 2020<br>£      |
|---|----------------|----------------|
| Net expenditure for the year (as per Statement of Financial Activities) | (455,164)      | (480,039)      |
| <b>Adjustments for:</b>   |                |                |
| Depreciation  | 569,760        | 559,854        |
| Capital grants receivable from DfE                                      | (28,137)       | (115,792)      |
| Interest receivable   | (293)          | (2,098)        |
| Decrease in debtors   | 26,461         | 21,038         |
| Increase/(decrease) in creditors  | 32,784         | (5,462)        |
| Pension adjustment  | 307,000        | 243,000        |
| <b>Net cash provided by operating activities</b>                        | <b>452,411</b> | <b>220,501</b> |

20. Cash flows from financing activities

|  | 2021<br>£ | 2020<br>£       |
|--|-----------|-----------------|
| Repayments of borrowing                                    | -         | (25,000)        |
| <b>Net cash provided by/(used in) financing activities</b> | <b>-</b>  | <b>(25,000)</b> |

21. Cash flows from investing activities

|  | 2021<br>£        | 2020<br>£       |
|--|------------------|-----------------|
| Interest received                            | 293              | 2,098           |
| Purchase of tangible fixed assets            | (174,239)        | (258,140)       |
| Capital grants received                      | 28,137           | 239,768         |
| <b>Net cash used in investing activities</b> | <b>(145,809)</b> | <b>(16,274)</b> |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**22. Analysis of cash and cash equivalents**

|  | 2021<br>£        | 2020<br>£        |
|--|------------------|------------------|
| Cash in hand and at bank               | 1,802,179        | 1,495,577        |
| <b>Total cash and cash equivalents</b> | <b>1,802,179</b> | <b>1,495,577</b> |

**23. Analysis of changes in net debt**

|                          | At 1<br>September<br>2020<br>£ | Cash flows<br>£ | At 31 August<br>2021<br>£ |
|--------------------------|--------------------------------|-----------------|---------------------------|
| Cash at bank and in hand | 1,495,577                      | 306,602         | 1,802,179                 |
|                          | <u>1,495,577</u>               | <u>306,602</u>  | <u>1,802,179</u>          |

**24. Pension commitments**

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

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

Contributions amounting to £128,358 were payable to the schemes at 31 August 2021 (2020 - £119,544) and are included within creditors.

**Teachers' Pension Scheme**

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

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

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

### 24. Pension commitments (continued)

#### Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £845,035 (2020 - £784,602).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £340,000 (2020 - £362,000), of which employer's contributions totalled £268,000 (2020 - £298,000) and employees' contributions totalled £72,000 (2020 - £64,000). The agreed contribution rates for future years are 22.65 per cent for employers and between 5.5 and 12.5 per cent for employees.

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

#### Principal actuarial assumptions

|   | 2021<br>% | 2020<br>% |
|---|-----------|-----------|
| Rate of increase in salaries                        | 3.3       | 2.6       |
| Rate of increase for pensions in payments/inflation | 2.9       | 2.2       |
| Discount rate for scheme liabilities                | 1.65      | 1.7       |

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**24. Pension commitments (continued)**

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

|                      | 2021<br>Years | 2020<br>Years |
|----------------------|---------------|---------------|
| Retiring today       |               |               |
| Males                | 22.1          | 21.9          |
| Females              | 24.5          | 24.1          |
| Retiring in 20 years |               |               |
| Males                | 23.2          | 22.8          |
| Females              | 26.2          | 25.5          |
|                      | 26.2          | 25.5          |

As at 31 August 2021 the Academy had a pension liability of £3.636,000 (2020 - £2,499,000). The Sensitivity analysis is detailed below would increase / (decrease) the closing defined benefit obligation in the following way:

**Sensitivity analysis**

|  | 2021<br>£ | 2020<br>£ |
|--|-----------|-----------|
| Discount rate +0.1%                    | 211,000   | 167,000   |
| Discount rate -0.1%                    | (211,000) | (167,000) |
| Mortality assumption - 1 year increase | 386,000   | 61,000    |
| Mortality assumption - 1 year decrease | (386,000) | (61,000)  |
| CPI rate +0.1%                         | 199,000   | 167,000   |
| CPI rate -0.1%                         | (199,000) | (167,000) |
|  | 199,000   | 167,000   |

**Share of scheme assets**

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

|                                     | 2021<br>£        | 2020<br>£        |
|-------------------------------------|------------------|------------------|
| Equities                            | 3,190,000        | 2,699,000        |
| Gilts                               | 1,745,000        | 1,782,000        |
| Property                            | 662,000          | 458,000          |
| Cash and other liquid assets        | 421,000          | 153,000          |
| <b>Total market value of assets</b> | <b>6,018,000</b> | <b>5,092,000</b> |

The actual return on scheme assets was £685,000 (2020 - £322,000).

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**24. Pension commitments (continued)**

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

|   | 2021<br>£      | 2020<br>£      |
|---|----------------|----------------|
| Current service cost  | 531,000        | 499,000        |
| Interest income   | (89,000)       | (84,000)       |
| Interest cost   | 133,000        | 126,000        |
| <b>Total amount recognised in the Statement of Financial Activities</b> | <b>575,000</b> | <b>541,000</b> |

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

|                        | 2021<br>£        | 2020<br>£        |
|------------------------|------------------|------------------|
| <b>At 1 September</b>  | 7,591,000        | 6,760,000        |
| Interest cost          | 133,000          | 126,000          |
| Employee contributions | 72,000           | 64,000           |
| Actuarial losses       | 1,426,000        | 285,000          |
| Benefits paid          | (99,000)         | (143,000)        |
| Current service costs  | 531,000          | 499,000          |
| <b>At 31 August</b>    | <b>9,654,000</b> | <b>7,591,000</b> |

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

|                        | 2021<br>£        | 2020<br>£        |
|------------------------|------------------|------------------|
| <b>At 1 September</b>  | 5,092,000        | 4,551,000        |
| Interest income        | 89,000           | 84,000           |
| Actuarial gains        | 596,000          | 238,000          |
| Employer contributions | 268,000          | 298,000          |
| Employee contributions | 72,000           | 64,000           |
| Benefits paid          | (99,000)         | (143,000)        |
| <b>At 31 August</b>    | <b>6,018,000</b> | <b>5,092,000</b> |

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

### 25. Operating lease commitments

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

|  | 2020<br>£     | 2019<br>£     |
|--|---------------|---------------|
| Not later than 1 year                        | 9,411         | 10,318        |
| Later than 1 year and not later than 5 years | 20,938        | 30,347        |
|  | <u>30,349</u> | <u>40,665</u> |

### 26. Members' liability

Each Member of the Charitable Company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a Member, or within one year after he/she ceases to be a Member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a Member.

### 27. Related party transactions

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

Dr C Ingate, the Principal, is a Director of the Bishop's Stortford Educational Trust (BSET). During the year, the Academy received £Nil (2020 - £400) in relation to a Placement. Also, during the year, the Academy paid £Nil (2020 - £3,108) to BSET. As at 31 August 2021, no amounts were owed to or from BSET (2020 - £Nil).

There were no other transactions apart from Trustee remuneration in note 12.