

Company Registration Number: 07566505 (England & Wales)

ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021



**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

REFERENCE AND ADMINISTRATIVE DETAILS

Members & Trustees	Mr J Bennett (Chair of Govenors) Mr M Key Mr R Hill (resigned 31 August 2021) Mrs C Sheirs (appointed 1 September 2021)
Trustees	Mr J Dickson ³ Mr M Key ^{2,3} Mrs L Kane ¹ Mr R Hill (resigned 31 August 2021) ^{2,3} Mr T Hughes, Headteacher ^{1,2,3} Mr J Cree ¹ Mr J Bennett, Chair of Govenors ¹ Mr T Brookman-Skirrow ¹ Mr R Whiffin ³ Mrs C Brooks (appointed 15 September 2021) Mr D Gaze (appointed 15 September 2021) Mrs S Pike, Staff Trustee (resigned 31 August 2021) ^{1,2,3} Mr S Kane ³

¹ Educational Standards Committee

² Staff Committee/Pay Committee

³ Finance Committee/Audit Committee

**Company registered
number**

07566505

Company name

St Margaret's Academy

**Principal and Registered
office**

Barewell Road
Torquay
Devon
TQ1 4PA

Company secretary

K Colmer

Accounting officer

T Hughes

**Senior management
team**

Mr T Hughes, AO and Headteacher
Mrs S Pike, Deputy Headteacher
Miss C Wooldridge, Assistant Headteacher - resigned 31st December 2020
Mrs N Turner, Assistant Headteacher
Mr L Marchant, Assistant Headteacher - resigned 31st August 2021
Mr A Robinson, Senior Lead
Mrs K Colmer, Director of Finance/Company Secretary
Mrs L Kerswell, Appointed 1st September 2021

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

Independent auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Bankers Lloyds Bank plc
2 Palace Avenue
Paignton
Devon
TQ3 3ER

Solicitors Kitsons
Minerva House
Orchard Way
Edginswell Park
Torquay
Devon
TQ2 7FA

**ST MARGARET'S ACADEMY
(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 the Charitable Company for the year ended 31 August 2021. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates a primary academy for pupils aged 4 to 11 in Torquay. It has a pupil capacity of 420 and had a roll of 414 in the school census on 21 January 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of St Margaret's Academy are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as St Margaret's Academy.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administration Details above.

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 they cease to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £10 million.

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 £2 million on any one claim.

Method of recruitment and appointment or election of Trustees

The Academy's Board of Trustees comprises the Headteacher, a minimum of 2 Parent Trustees, 2 Staff Trustees (providing that the total number of Trustees, including the Headteacher, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees) and up to 6 other Trustees.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 10 governors, appointed by the Members (including those Governors, if any, designated to be Community Governors
- any Staff Governors as long as employees does not exceed one third of the total number of Governors
- up to 1 LA Governor
- A minimum of 2 parent governors – a parent governor must be elected by the parents of registered pupils at the Academy
- the headteacher who is treated for all purposes as being an ex officio Governor
- up to 3 Co-opted Governors
- the Headteacher/CEO who is treated for all purposes as being an ex officio Governor.

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

Trustees are appointed for a four-year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures adopted for the Induction and Training of Trustees

The Academy has a Trustee Recruitment, Induction and Training policy available on the Governors shared drive.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff. All Trustees can access copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only one or two new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Board of Trustees normally meets twice each term with an additional meeting for the Annual General Meeting. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

To maintain effective oversight of fund a google shared drive has been set up for governors to access, where they can review monthly management reports budget updates, and view correspondence from the ESFA.

There are 3 committees as follows;

- Finance/Audit Committees this meets at least three times a year and is responsible for monitoring, evaluating, and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- Educational Standards Committee - this meet at least three times a year and is responsible for ensuring that the school follows the National and School Curriculum; that academic and behaviour standards are met and improved; that target setting, mentoring, monitoring and evaluation takes place; that policies delegated to the Committee by the Governing Body are developed and reviewed and that the special educational needs of children are met.
- Pay Committee – this meets annually to assess the salary levels of individual members of staff, in accordance with the Pay Policy and in relation to the School Development Plan. During this process it will determine the salaries to be paid to all members of staff and will have regard to the differentials between the salaries of Head, Deputy or Assistant Head teachers and other staff employed at the school.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

**ST MARGARET'S ACADEMY
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees and Board of Trustees have devolved responsibility for day-to-day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, Deputy Headteacher, two Assistant Headteachers, and the Business Manager. The SLT implement the policies laid down by the Trustees and report back to them on performance.

The Senior Leadership Team (SLT) consists of the Headteacher, Deputy Headteacher, two Assistant Headteachers, and the Academy Business Manager. The SLT controls the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Headteacher, Academy Business Manager, and Finance Audit and Risk Committee, are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Governor.

The Academy has a leadership structure which consists of the Trustees and the Senior Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees have overall responsibility of the Academy, but the Senior Leadership Team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings.

The Trustees benchmark against pay levels in other Academies of a similar size. The benchmark is the mid-point of the range paid for similar roles.

Trade union facility time

There were no relevant union officials for the year/period ended 31 August 2021.

Related Parties and other Connected Charities and Organisations

There are no related parties which either control or significantly influence the decisions and operations of St Margaret's Academy.

Engagement with employees (including disabled persons)

The Trust engages with their employees through many means and methods, including:

- Consulting with employees on key matters where appropriate such as school improvement.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is to advance, for the public benefit, education in the United Kingdom, offering a broad range of curriculum for pupils of different abilities.

The principal object and activity of the Charitable Company is the operation of St Margaret's Academy to provide free education and care for pupils of different abilities between the ages of 4 and 11.

**ST MARGARET'S ACADEMY
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

The aims of the Academy during the year ending 31 August 2021 are summarised below:

- Teach a broad and balanced curriculum while keeping staff and pupils safe during the pandemic
- Restructure Senior Leadership Team (SLT) – this was implemented in January 2021
- Implement a more effective curriculum that meets the needs of all pupils, especially our bottom 20%
- Continue to develop the best practice for SEND provision in class and through intervention
- Target resources to enable those furthest behind to catch up with their peers
- Continue to develop the impact of governance on school standards
- Further develop the health and safety provision across the school
- Use the additional catch-up premium to help close gaps that have arisen from lockdown
- To ensure we are ready to continue with our curriculum in the event of any further lockdown
- Continue to prioritise safeguarding systems with all staff taking responsibility
- Further develop nurture provision to support better inclusion of vulnerable pupils in the classroom
- To improve the effectiveness of the Academy by keeping the organisational structure under continual review
- To provide value for money for the funds expended
- To develop greater coherence, clarity, and effectiveness in school systems
- To comply with all appropriate statutory and curriculum requirements
- To develop the Academy's capacity to manage change, and
- To conduct the Academy's business in accordance with the highest standards of integrity, probity, and openness.

At St Margaret's Academy we structure our learning around our core values of respect, aspiration, kindness, and responsibility.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit, education in Torbay and the surrounding area. But without prejudice to the generality of the forgoing by estimating, maintaining, managing and development schools, offering a broad curriculum.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

- The Academy was last inspected by OFSTED in September 2017 and was judged to be Good
- To ensure that standards are continually assessed the Academy operates a monitoring programme which includes lesson observations, works scrutiny and pupil progress meetings which are undertaken by the Senior Leadership Team.
- The Academy has used Pupil Premium money to retain an experienced Special Needs Teacher, and Teaching Assistants to deliver intervention strategies to pupils. It has also supported extra-curricular activities such as residentials and music lessons.
- Continued Professional Development has enabled Teachers and Teaching Assistants to keep up to date with constant educational changes.
- Further development to KS1 Stage Outdoor Learning Area
- Enhanced security with additional perimeter fencing
- Donated learning pads for home learning
- Handwashing troughs throughout school (Covid-19)
- Developed courtyard for outdoor learning area for year 4

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

As there are no 2021 accountability measures for schools, this section summarises the Head Teacher's summer report to governors. Another useful reference point is the Head Teacher's spring report to governors that captures progress made up until lockdown happened on 20th March.

Both of these document and leaders' reports that contributed to them can be found in the governors' shared drive.

Home Learning

The home learning offer has been slightly different for FS, KS1 and KS2. In FS they have used the Interactive Learning Diary (ILD) that parents are familiar with already. In KS1 work has been emailed to parents and added to the website for them to download. In KS2, Google Classroom has been used. All parents and pupils in KS2 have communicated via new class email accounts. Towards the end of partial opening, livestreaming was also introduced for class assemblies and some communication. Parents were signposted to teaching videos on the world wide web rather than videos of teachers teaching as there is a wealth of experts out there. Any parents without internet access and those who preferred it, were provided with paper copies of work that were posted out in a timely manner to match with when others were doing the virtual learning. Throughout the time, we have used the school website to provide guidance and signposting to parents, and to celebrate learning and to keep in touch e.g. there is a 'LET'S SMILE' page that includes stories, photos and newsletters from teachers and teaching assistants. Our teaching assistants have played an active role in home learning, either virtually e.g. on Google Classroom and with their own fun newsletter or in-school preparing resourced.

Teachers pursued parents and children who were not engaging with learning and those who we identified as being most vulnerable.

The Assistant Head Teachers evaluated our home learning package to help understand what went well, what we can improve on in the event of a further lockdown and what we might be able to take forward into normal working. These evaluations included a survey of staff, parents, and pupils.

The vast majority of parents were very appreciative of the home learning offer provided and all their suggestions were constructive rather than critical.

Foundation Stage and Key Stage 1 successes to take forward:

- Email communication between teachers and parents
- Parent guides
- Daily timetables
- Weekly key stage staff meetings to review and plan
- A broad curriculum offer
- Emotional support for pupils
- The amount of work provided
- A balance of practical tasks not just virtual to support different styles of learning
- Internet videos for teaching key ideas
- Use of resources that have a low impact on parents having to teach so their children can be more independent in their home learning
- Same structure for home lessons as those in school provided consistency
- Resources and celebrations on the school website
- The AHT owning resourcing the school website

Foundation Stage and Key Stage 1 to improve further:

- Engagement of pupils and parents
- Revision of prior learning
- Feedback to pupils especially for those who return paper copies of work
- Differentiation for SEND and GD
- More regular phone calls to parents from teachers
- How to best support parents with more than one child

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

- Consider if there should be slightly less printed work sent home

Key Stage 2 successes to take forward:

- Use of Google Classroom for remote learning (and possibly for homework during normal school working)
- Revision of skills
- Amount of work given, and range of tasks given
- A clear structure of the week and overview
- Use of timetables
- Staff learning from new practice
- Maths

Key Stage 2 to improve further:

- Communication with parents (individual contact appeared to decline as we got closer towards the end of term)
- Feedback to pupils
- Engagement of pupils
- The right quantity of work
- Differentiation for SEND
- How best to teach new skills
- How to ensure pupils make progress
- How to conduct meaningful assessment
- How best to support social and emotional needs
- How to best support parents with more than one child
- Consider if the balance of learning should be weighted to a revision of key skills in core subjects rather than teaching new ones
- Teaching of English skills

Learning in School for Key Worker Children and Vulnerable Pupils (KW/VPs)

Successes:

- Pupils in school were actively taught by different adults who were all well-briefed and prepared by the teachers who led this
- Learning in class matched the home learning offer
- Children's social skills improved with a focus on PSHE
- Children made good progress e.g. in phonics

To further improve:

- Ensure enough work was set by the lead teacher (KS2)
- Differentiation for SEND and those with emotional / behavioural challenges (KS2)
- More direct teaching rather than only independent work on the laptops (KS2)

Disadvantaged Pupils

The Education Endowment Foundation predicts that remote learning will widen the gap for disadvantaged pupils to between 11-75% because of the pandemic, mostly in Maths and mostly for younger children.

Successful impact to date of spending:

- Staff are more knowledgeable about disadvantaged pupils, their school data, approaches to support pupils and importance of staff to be on board with closing the gap.
- Teaching assistants champion a PP child
- PP children are highlighted quickly in all monitoring
- Work appears to be in line with non-PP children of the same attainment.
- Conferencing evidence that pupils can talk about their learning, their strengths and areas to develop and what and who helps them learn.
- TA CPD was received positively, and TA key stage champions identified

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

- Actions implemented by teaching staff enabled pupils to progress across the autumn and spring terms
- Wider opportunities for disadvantaged pupils given e.g. Herald Express report and newsletter featuring the pupils highlighted aspiration for all and celebration of talents.
- Speech and language early interventions for younger children were very successful
- Tuition in Year 6 is very successful
- Our Nurture Unit has helped with the reintegration of 2 pupils back into class
- Behaviour incidents with high need Y6 pupils reduced at play and lunch
- PP pupils now have access to full funding for music lessons
- PP pupils were able to attend the residential due to financial support
- Foundation subject leaders have evidence of PP children working at the expected standard in each year group showing progression of key skills and knowledge.

To improve:

- Re-evaluate the use of Nurture and pastoral support to enable greater inclusion of these children
- Assessment tracking
- Progress of some across KS1 and KS2
- Impact of attendance work

SEND

At the beginning of lockdown risk assessments were completed for all children with an EHCP to determine whether it was safe for them to attend school and were sent to the local authority and have been regularly reviewed.

SEND attendance:

Initially we had a very small number of our EHCP children attending regularly (3 children). This has steadily increased and of the 15 children with an EHCP 13 children have attended school. Contact has been maintained with all our EHCP families via telephone, talking to parents on the gate, class teachers emailing and more recently, class Zoom meet ups.

SEND learning:

Children were set work by their class teachers, and this included some differentiation for pupils with additional needs. The tasks were generally open ended, but many parents reported they found it difficult to motivate their SEN children to complete the home learning. Work was printed for parents and websites which might engage the children a little more were suggested. The SENCO kept in touch with all the parents of children with an EHCP to offer support with the home learning and encouraged parents to send their child into school (where it was risk assessed as safe to do so). We were very flexible in our approach to this allowing children to initially attend for very short periods and gradually increasing. This was successful and while we anticipate there will be wide gaps in learning, attending school helped ease some anxiety around returning to the classroom.

For those children who were not attending school full-time, the local authority asked us to complete a 'reasonable endeavours' form to show how we have attempted to support the children's learning needs during lockdown. This was only necessary for children with an EHCP and these forms are shared with the local authority and parents.

Annual reviews and requests for statutory assessment:

3 annual reviews have needed to be completed during lockdown. 2 were done socially distanced in school and one was done by Zoom.

In addition, we have completed paperwork for 2 requests for statutory assessment and have made 3 referrals to paediatrics. We have been pleased to be able to keep these referrals, annual reviews and requests for assessments going during this period.

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

Staff SEND professional development:

It has been very noticeable the amount of professional development which has taken place during this period. The following online courses relating to supporting children with SEND have been completed:

- Meeting the mental health needs of pupils with SEND (Creative Education)
- Strategies for developing auditory memory (Central Institute for the Deaf)
- Dyslexia awareness (International Open Learning) 6 modules completed
- Speech, language, and communication (SEND Gateway)
- Working Memory (SEND Gateway)
- Colourful semantics (Torbay and South Devon NHS Foundation Trust)
- SEND Code of Practice (OL Training)
- Linking language and literacy strategies for deaf and hard of hearing children (Central Institute for the Deaf)
- PDA training (Pathological demand avoidance) Slides and notes from S Essam
- Dyspraxia
- PICA (Kids health.org)
- BSL productive test training
- SEND Pedagogy and practice (School suite CPD modules)
- Auditory training
- Cued speech (for HI children)

Online in house training has been given to teaching assistants on

- The role of the TA
- Scaffolding learning
- Growth mindset
- Reggio Emilia approach

Safeguarding

Attendance during Coronavirus pandemic:

- Numbers were initially low – less than 30 children in school when lockdown first happened, possibly reflecting a lot of parental anxiety around the virus
- After the Easter holidays numbers rose to between 40 and 50 children in school each day
- The May half term was quiet and then from 1st June there has been a sharp increase to 100+ children in school each day (Reception, Y1 and Y6 invited in school)

Vulnerable families:

- 34 children were listed as in some way vulnerable (EHCP children; CiN; CLA etc.)
- Contact was maintained by the pastoral team regularly. In particular, Mrs Pike and our Family Support Worker have been extremely proactive in maintaining regular contact with families which has been much appreciated and helpful.
- 26 of these children have attended school at some point
- There have been 6 requests for information on families and one of these has gone to child protection conference
- We have received 3 CARAs (child at risk alert from the police) during this period

Staff wellbeing:

- Staff have been very supportive of the St Margaret's offer
- Only 2 members of staff have needed to shield
- A very large amount of participation in online CPD related to safeguarding and pastoral has taken place during lockdown

Safeguarding incident:

- A Y3 child managed to exit the building via the main door during lockdown although he didn't leave the site. In light of this we have revised our approach to the CIF bid and at the request of governors improved fence and gate security will be installed in October.

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

Continuous Professional Development of Staff

During the period of partial closure, staff at all levels used this as an opportunity to improve their learning. Teaching Assistants have really embraced this opportunity. Key categories of learning have covered mental health, well-being, pastoral, SEND, assessment and upskilling in curriculum knowledge across different subjects.

Reintegration and Transition

Since 23rd March we were partially open for children of key workers and vulnerable pupils every day (including the Easter holidays and May half term) apart from weekends and bank holidays.

On 1st June we also opened for Reception, Year 1 and Year 6 on a part-time basis. We maintained this offer for Year 6 until 23rd June, for Year 1 until 30th June and for Reception until the end of the year.

Ending Year 6 on 23rd June gave us the capacity to open for pupils in all other years who had not attended school since before 20th March. Each of these pupils was invited in for a transition taster day with their new September teacher.

In addition, all children identified by staff as needing enhanced transition were offered 1:1 or small group sessions with their new teacher and with or without their parents. Some of these sessions have been active play like football or some have been indoor play or lunch with the teacher and a tour of the school.

KW/VP children in school have had transition with their new teachers who have been leading new groups since 1st July. Any child who did not have their chance to meet their new teacher was invited to a livestream event with their new teacher.

All children were also offered weekly livestreamed assemblies to allow them to interact with their friends and teachers.

For our new Reception starters, we put together a video for the parents by key staff in replace of the welcome evening normally held in school. Parents also had a comprehensive pack of information. Home visits were replaced by livestreamed calls over Zoom to each family by teachers.

All parents received an end-of-year report with the offer of a phone call with teachers to discuss them.

Teachers wrote to their new children in August as a final way of helping prepare them for the return in September.

Feedback from parents has been really positive about these transition arrangements in helping children feel less anxious and be more prepared, especially for our more vulnerable ones with their enhanced transition.

Staffing Excellence

It should be noted that staff during this time have been extremely supportive, flexible and determined to provide the best offer for the children in our care; from school leaders to teachers to teaching assistants to the pastoral team to the HSC team to Mealtime Assistants to the I.T. team to the sites / cleaning staff to the kitchen staff and to our amazing office staff.

For example, school leaders took on additional roles, above and beyond with helping families and provided leadership by example for their teams and others. Teachers rose to the challenge of providing a remote learning at the same time as in-school teaching groups and embracing new ways of working with technology. Teaching assistants led groups, attended at short notice, participated in home learning activities, were hugely involved in CPD and kept in touch with children with their own newsletter. Our pastoral team maintained engagement and support for our most vulnerable families and pupils in and out of school. Our HSC team was able to provide a bespoke offer to hearing impaired pupils in and out of school. were flexible in their deployment and working hours, and one gave up lots of extra hours to transform our school orchard. The I.T. team's work behind the scenes literally kept the school going by supporting parents, children, and staff with technology troubleshooting. Our cleaners and sites staff responded ably to the challenge of additional

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

cleaning thrown at them, often being in the front line of next step suggestions during debriefs and taking it all on without ever complaining. The kitchen staff adapted and stepped up to new ways of working.

Without really wanting to single out one group above others, the work of our office staff should be commended. They were often unsung heroes; the gears that brought ideas into fruition at so many levels from reports to attendance to direct communication with parents to ensuring that our most vulnerable families had access to food vouchers.

One of the biggest challenges was responding to government guidance and acting on it in a timely manner that ensured the safety of staff and pupils while also enabling continued education and support for the well-being of our pupils and their families. Mrs Pike, Mrs Colmer and Mrs Duff were instrumental in making this happen with their critical thinking, planning and support with the constant adaptations required as circumstances changed.

Key Performance Indicators

The main financial performance indicator is the level of GAG reserves held at the Balance Sheet date. In period under review, £249,170 was carried forward representing 15% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2021 were 418.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust 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.

FINANCIAL REVIEW

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2021 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2021, the Academy received total income of £2,302,772 and incurred total expenditure of £2,658,673. The excess of expenditure over income for the year was £355,901.

At 31 August 2021 the net book value of fixed assets was £3,263,810. and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The share of deficit totalling £2,419,000 is incorporated within the Balance Sheet with details in Note 22 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management, and Insurance.

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

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review. The Trustees have considered the three year budget plan based on current funding levels with an indicative of a £29K deficit carry forward to 2022/23.

The Academy's reserves are £1,202,978 which are made up of £3,194,942 of fixed assets, £253,044 of restricted income funds, and £173,992 of unrestricted income funds, less the pension deficit of £2,419,000.

The Trustees have determined that the appropriate level of free reserves should be approximately £200,000.

Currently the total reserve is £278,949, with the balance being £249,170 GAG, £29,281 unrestricted, and £498 of unspent PE and sport. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or to maintain staffing levels in the event of a reduction in funding.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the academy Trust.

Investment Policy

The aim of this policy is to ensure that funds, which the school does not immediately need to cover anticipated expenditure, are invested in such a way as to maximise the school's income but to minimise risk.

Our aim is to spend the public monies with which we are entrusted for the direct education benefit of pupils as soon as is prudent. The school does not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year the majority of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, 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.

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. To mitigate this risk Trustees, ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety, and discipline.

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

Staffing - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures 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 a Responsible Officer/internal audit to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Academy has agreed a Risk Management Strategy, a Risk Register, and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

Whilst the Academy is over-subscribed, risks to revenue funding from a falling roll are small. However, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Resources Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

FUNDRAISING

The St Margaret's Parent Teacher Association are registered with the Charity Commission for England and Wales which provides the majority of fundraising for the Academy.

STREAMLINED ENERGY AND CARBON REPORTING

As the trust has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community. Partnerships have been established with local primary and secondary schools to support with curriculum improvements and monitoring of standards.

**ST MARGARET'S ACADEMY
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Following another unsuccessful CIF bid in 2020/21 the trustees are still concerned about the security of the school. To increase the security of the school and safeguard the children, the Board of Trustees are considering an amended project to extend the entrance of the school which would involve a new reception area that is manned to control access to the school building, as the Safeguarding element of this project is crucial to the wellbeing of the pupils.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

ADDITIONAL COMPANIES ACT REQUIREMENTS:

Trustees' indemnities – as the Trustees are directors, disclosure is required of whether there were any third party indemnity provisions during the year or at the date of approval of the Trustees' report.

AUDITOR

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 15TH DEC..... and signed on the board's behalf by:



Mr J Bennett
Chair of Trustees

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

GOVERNANCE STATEMENT

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Margaret's Academy 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 of the Board of Trustees was as follows:

Trustee	Trustee/Member	Meetings Attended	Out of a Possible
James Bennett	Member/Parent Trustee	5	6
Myles Key	Member	1	6
Ray Hill	Member (resigned 31/8/21)	0	6
Claire Shiers	Member (appointed 1/9/21)	1	1
Timothy Hughes	Headteacher Ex officio Trustee	6	6
Sara Pike	Deputy Head Teacher (resigned 31/8/21)	4	6
Jamie Cree	Community Trustee	4	6
Tom Brookman-Skirrow	Community Trustee	3	6
Lyndsey Kane	Community Trustee	6	6
Simon Kane	Community Trustee	6	6
Richard Whiffin	Co-Opted Trustee	6	6
Daniel Gaze	Parent Trustee (non-elected 15/9/21)	1	1
Chloe Brooks	Parent Trustee (non-elected 15/9/21)	1	1
Jonathan Dickson	Co-opted Trustee	6	6

Governance reviews

The Trustees annually review the Governing Body Committee structure and Membership and the Management of Risk Register which cover all aspects of the academies function. The Governing Body also conducted an additional self-evaluation during 2020/21.

The Board of Trustees meets at least four times a year. To maintain effective oversight of fund a google shared drive has been set up for trustees to access, where they can review monthly management reports budget updates, and view correspondence from the ESFA.

Finance/Audit Committee

Finance

- Finance/Audit & Risk Committee meets at least three times a year and is responsible for monitoring, evaluating, and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget.
- Audit & Risk Committee is also a sub-committee of the main Board of Trustees and meetings are combined with the Finance Committee.
- The Audit & Risk Committee is an advisory body with no executive powers. However, it is authorised by the Board to investigate any activity within its terms of reference and to seek any information it requires from staff who are requested to co-operate with the Committee in the conduct of its enquiries. The Audit & Risk Committee is authorised to obtain independent professional advice if it considers this necessary.

**ST MARGARET'S ACADEMY
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**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Attendance at meetings in the year was as follows:

Trustee	Meetings Attended	Out of Possible
Richard Whiffin	4	4
Jonathan Dickson	4	4
Simon Kane	3	4
Timothy Hughes	4	4

Educational Standards Committee - this meet at least three times a year and is responsible for ensuring that the school follows the National and School Curriculum; that academic and behaviour standards are met and improved; that target setting, mentoring, monitoring and evaluation takes place; that policies delegated to the Committee by the Governing Body are developed and reviewed and that the special educational needs of children are met.

Pay and Remuneration Committee - this meets annually to assess the salary levels of individual members of staff, in accordance with the Pay Policy and in relation to the School Development Plan. During this process it will determine the salaries to be paid to all members of staff and will have regard to the differentials between the salaries of Head, Deputy or Assistant Head teachers and other staff employed at the school. This Committee also oversee some staff related matters in the SDP, from staff development and inset to staff morale and well-being - for support staff as well as teaching staff. The review will take place before the Board determines the budget for the following year so as to take account of any recommendations by the Committee which carry financial implications.

Review of Value for Money

As Accounting Officer the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the education and wider societal outcomes achieved in return for the tax payers resources received.

The Accounting Officer considers how the trust'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 available. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

Improving Education Results

Although there were no national accountability measures for 2021, we did note the following school achievements:

- Good overall progress this year, including for the disadvantaged.
- Good attendance e.g. higher overall compared to local schools this year, including for the SEN support
- Reading continues to be a school strength, especially in early phonological reading.
- The introduction of enquiry-based learning in KS2 and continuous provision has been very good for engaging our SEN and disadvantaged pupils
- Continuous provision in Year 1 is helping enable good progress in writing for all groups
- Writing progress has helped close the gap to the Maths and Reading
-

Financial Governance and Oversight

The Trustees have ensured that sound systems of financial control are in place which includes two visits by the Responsible Officer, who provides an independent oversight of the Academy's financial affairs, and visits from internal and external Auditors. There is a clear separation of duties to support prudent financial management. The Audit and Risk meet Termly to receive, consider and monitor the reports received from the Responsible Officer, Auditors and the School Business Manager.

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Better Purchasing

Contracts and services are reviewed and renegotiated regularly to ensure best value (which need not necessarily be the lowest cost option). The Trustees consider competitive quotations on purchases over £5,000 and agree the best option for expenditure. Quotations are regularly sought for lesser amounts of expenditure to enable best value for money. For 2020/21 the Trustees have considered competitive quotations and agreed the best option for expenditure on the following:

- Year 4 Courtyard Outdoor Learning Area
- Chrome Books
- Additional Security Fencing around boundary
- Cycle Pods
- Installation of Server
- Foundation Stage Furniture (part of rolling programme of works)
- Carpets
- Handwashing troughs
- Electric sky lights

Better Income Generation

When opportunities arise the Academy will bid for additional funding for major projects through the DfE and Charitable Trusts.

The Academy are considering re-submitting a bid for the Conditions Improvement Fund next year to build a new reception entrance in the interest of Safeguarding in the school.

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Margaret's Academy for the period 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 Trust 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 Trust's significant risks that have been in place for the period 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 Trust'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 Audit & Risk Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

The Board of Trustees has considered the need for a specific internal audit function and have appointed Devon Audit as internal auditor and also carry out the role of Responsible Officer.

The Internal Auditors' and Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The Audit reports (termly) & Responsible Officer reports (twice a year) will be issued to the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal audit function has delivered their schedule of work as planned and no material control issues were identified from this work.

Review of Effectiveness

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

- the work of the Responsible Officer and Internal Auditor
- the work of the External Auditor;
- the work of the Executive Managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees...15th December..... 2021 and signed on its behalf by:



Mr J Bennett
Chairman of Trustees



Mr T Hughes
Accounting Officer

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mr T Hughes
Accounting Officer

Date: 15/12/21

**ST MARGARET'S ACADEMY
(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 . 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



Mr J Bennett
Chair of Trustees

Date: 15th December 2021

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST
MARGARET'S ACADEMY**

OPINION

We have audited the financial statements of St Margaret's Academy (the 'academy') for the year ended 31 August 2021 which comprise the Statement of Financial Activities (incorporating the income and expenditure account), 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.

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST
MARGARET'S ACADEMY (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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has 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.

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

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

**ST MARGARET'S ACADEMY
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST
MARGARET'S ACADEMY (CONTINUED)**

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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Academy's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- how the Academy ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Academy will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Academy ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Academy operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Financial Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST
MARGARET'S ACADEMY (CONTINUED)**

recognition of revenue;

- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

USE OF OUR REPORT

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

Bishop Fleming LLP

Mark Munro FCA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

Date: *16/12/21*

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST
MARGARET'S ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 28th October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Margaret's Academy 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 St Margaret's Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Margaret's Academy 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 St Margaret's Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF ST MARGARET'S ACADEMY'S ACCOUNTING OFFICER
AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of St Margaret's Academy's funding agreement with the Secretary of State for Education dated 31 March 2011 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST
MARGARET'S ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

CONCLUSION

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

Bishop Fleming LLP

Mark Munro FCA (Reporting Accountant)
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Date: *16/12/21*

ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	899	6,954	25,487	33,340	46,126
Charitable activities	4	13,679	2,227,364	-	2,241,043	2,098,552
Other trading activities	5	27,989	-	-	27,989	36,632
Investments	6	400	-	-	400	2,449
Total income		42,967	2,234,318	25,487	2,302,772	2,183,759
Expenditure on:						
Raising funds	7	25,560	101	-	25,661	30,335
Charitable activities	7	65,363	2,454,408	113,241	2,633,012	2,401,867
Total expenditure		90,923	2,454,509	113,241	2,658,673	2,432,202
Net income / (expenditure)		(47,956)	(220,191)	(87,754)	(355,901)	(248,443)
Transfers between funds	16	-	(30,881)	30,881	-	-
Net movement in funds before other recognised gains/(losses)		(47,956)	(251,072)	(56,873)	(355,901)	(248,443)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	22	-	(86,000)	-	(86,000)	(434,000)
Net movement in funds		(47,956)	(337,072)	(56,873)	(441,901)	(682,443)
Reconciliation of funds:						
Total funds brought forward		221,948	(1,828,884)	3,251,815	1,644,879	2,327,322
Net movement in funds		(47,956)	(337,072)	(56,873)	(441,901)	(682,443)
Total funds carried forward		173,992	(2,165,956)	3,194,942	1,202,978	1,644,879

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

The notes on pages 32 to 57 form part of these financial statements.

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07566505**

**BALANCE SHEET
AS AT 31 AUGUST 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	3,263,810	3,302,042
		<u>3,263,810</u>	<u>3,302,042</u>
Current assets			
Stocks	13	7,063	19,566
Debtors	14	59,136	64,408
Cash at bank and in hand		412,416	485,293
		<u>478,615</u>	<u>569,267</u>
Creditors: amounts falling due within one year	15	(120,447)	(138,430)
		<u>358,168</u>	<u>430,837</u>
Net current assets		358,168	430,837
Total assets less current liabilities		3,621,978	3,732,879
Defined benefit pension scheme liability	22	(2,419,000)	(2,088,000)
Total net assets		1,202,978	1,644,879
Funds of the Academy			
Restricted funds:			
Fixed asset funds	16	3,194,942	3,251,815
Restricted income funds	16	253,044	259,116
		<u>3,447,986</u>	<u>3,510,931</u>
Restricted funds excluding pension asset	16	3,447,986	3,510,931
Pension reserve	16	(2,419,000)	(2,088,000)
		<u>1,028,986</u>	<u>1,422,931</u>
Total restricted funds	16	1,028,986	1,422,931
Unrestricted income funds	16	173,992	221,948
		<u>1,202,978</u>	<u>1,644,879</u>
Total funds		1,202,978	1,644,879

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07566505**

**BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021**

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

The financial statements on pages 28 to 57 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Mr J Bennett
(Chair of Trustees)

Date: 15th December 2021

The notes on pages 32 to 57 form part of these financial statements.

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	(1,405)	45,212
Cash flows from investing activities	19	(71,473)	(61,805)
Change in cash and cash equivalents in the year		(72,878)	(16,593)
Cash and cash equivalents at the beginning of the year		485,293	501,886
Cash and cash equivalents at the end of the year	20, 21	412,415	485,293

The notes on pages 32 to 57 form part of these financial statements

**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), judgements 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 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.

1.3 INCOME

• **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.

• **Other income**

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

• **Donated fixed assets (excluding transfers on conversion or into the Academy)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance

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

1. ACCOUNTING POLICIES (continued)

1.3 INCOME (CONTINUED)

with the Academy's accounting policies.

1.4 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.

1.5 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.

Expenditure on raising funds includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities 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 TANGIBLE FIXED ASSETS

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

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

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

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

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS (CONTINUED)

Leasehold land	- Term of the lease
Long-term leasehold property	- 2% straight-line
Furniture and fixtures	- 15% straight-line
Computer equipment	- 20% straight-line

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

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.

On conversion, the Academy was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

1.7 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchases on a first in first out basis.

1.8 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.10 LIABILITIES

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

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

1. ACCOUNTING POLICIES (continued)

1.11 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 14. 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 15. 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.

1.12 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.

1.13 PENSIONS

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

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

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

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

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

1. ACCOUNTING POLICIES (continued)

1.14 FUND ACCOUNTING

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

1.15 OPERATING LEASES

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

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 May 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	899	6,954	16,835	24,688	32,423
Capital Grants	-	-	8,652	8,652	13,703
Total 2021	<u>899</u>	<u>6,954</u>	<u>25,487</u>	<u>33,340</u>	<u>46,126</u>
TOTAL 2020	<u>1,905</u>	<u>15,096</u>	<u>29,125</u>	<u>46,126</u>	

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

4. Funding for the Academy's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DFE/ESFA GRANTS				
General Annual Grant (GAG)	-	1,668,744	1,668,744	1,665,049
OTHER DFE/ESFA GRANTS				
PE and sport grant	-	19,540	19,540	19,580
Other DfE/EFSA grants	-	168,650	168,650	157,632
UIFSM	-	50,684	50,684	56,592
Teachers pension and pay grant	-	74,455	74,455	74,830
	-	1,982,073	1,982,073	1,973,683
OTHER GOVERNMENT GRANTS				
Other Government grant	-	32,980	32,980	8,769
High needs	-	154,244	154,244	89,131
	-	187,224	187,224	97,900
Other income from the Academy's educational operations	13,679	-	13,679	26,969
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)				
Catch-up Premium	-	34,160	34,160	-
	-	34,160	34,160	-
COVID-19 ADDITIONAL FUNDING (NON-DFE/ESFA)				
Other Coronavirus funding	-	23,907	23,907	-
	-	23,907	23,907	-
TOTAL 2021	13,679	2,227,364	2,241,043	2,098,552
TOTAL 2020	26,969	2,071,583	2,098,552	

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 Universal Infant Free School Meals and 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.

The Academy has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under 'Catch-up premium' and 'Other Coronavirus funding'.

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
External catering	710	710	2,918
Fees received	27,279	27,279	33,216
Other	-	-	498
TOTAL 2021	<u>27,989</u>	<u>27,989</u>	<u>36,632</u>
TOTAL 2020	<u>36,632</u>	<u>36,632</u>	

6. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	400	400	2,449
TOTAL 2020	<u>2,449</u>	<u>2,449</u>	

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

7. EXPENDITURE

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
EXPENDITURE ON FUNDRAISING TRADING ACTIVITIES:					
Direct costs	25,661	-	-	25,661	30,335
Education:					
Direct costs	1,730,918	172,240	91,750	1,994,908	1,837,358
Support costs	403,206	22,648	212,250	638,104	564,509
TOTAL 2021	<u><u>2,159,785</u></u>	<u><u>194,888</u></u>	<u><u>304,000</u></u>	<u><u>2,658,673</u></u>	<u><u>2,432,202</u></u>
TOTAL 2020	<u><u>1,989,679</u></u>	<u><u>169,584</u></u>	<u><u>272,939</u></u>	<u><u>2,432,202</u></u>	

8. NET EXPENDITURE

Net expenditure for the year includes:

	2021 £	2020 £
Operating lease rentals	3,970	3,970
Depreciation of tangible fixed assets	118,757	107,170
Fees paid to auditors for:		
- audit	6,750	5,000
- other services	2,220	2,150
	<u><u>131,697</u></u>	<u><u>118,290</u></u>

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

9. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	1,474,464	1,419,960
Social security costs	118,043	112,562
Pension costs	527,470	451,247
	<u>2,119,977</u>	<u>1,983,769</u>
Agency staff costs	3,515	5,910
Staff restructuring costs	36,293	-
	<u>2,159,785</u>	<u>1,989,679</u>

Staff restructuring costs comprise:

	2021 £	2020 £
Redundancy payments	34,943	-
Severance payments	1,000	-
Other restructuring costs	350	-
	<u>36,293</u>	<u>-</u>

b. NON-STATUTORY/NON-CONTRACTUAL STAFF SEVERANCE PAYMENTS

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £1,350 (2020: £Nil). Individually these payments were £1,000 and £350

c. STAFF NUMBERS

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

	2021 No.	2020 No.
Teachers	19	20
Education support	50	49
Administration and clerical	5	5
Management	2	2
	<u>76</u>	<u>76</u>

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

9. STAFF (CONTINUED)

d. HIGHER PAID STAFF

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

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

e. 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 £435,458 (2020 £521,065). As staff trustees are not remunerated in respect of their role as a trustee, where staff trustees do not form part of the key management personnel other than in their role as trustee, their remuneration as set out in note 11 has not been included in the total benefits received by key management personnel above.

10. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees. T Hughes: Remuneration £60,000- £70,000 (2020: £60,000 - £65,000), Employer's pension contribution £15,000 - £20,000 (2020: £15,000 - £20,000). S Pike: Remuneration £50,000 - £60,000 (2020: £50,000 - £60,000), Employer's pension contribution £10,000 - £15,000 (2020: £10,000 - £15,000).

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

11. 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 (2020: £5,000,000) and the cost for the year ended 31 August 2021 was £8,622 (2020: £8,989). The cost of this insurance is included in the total insurance cost.

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

12. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
COST OR VALUATION				
At 1 September 2020	3,603,257	374,338	204,279	4,181,874
Additions	16,435	31,259	32,831	80,525
At 31 August 2021	<u>3,619,692</u>	<u>405,597</u>	<u>237,110</u>	<u>4,262,399</u>
DEPRECIATION				
At 1 September 2020	368,402	331,077	180,353	879,832
Charge for the year	64,361	27,140	27,256	118,757
At 31 August 2021	<u>432,763</u>	<u>358,217</u>	<u>207,609</u>	<u>998,589</u>
NET BOOK VALUE				
At 31 August 2021	<u>3,186,929</u>	<u>47,380</u>	<u>29,501</u>	<u>3,263,810</u>
At 31 August 2020	<u>3,234,855</u>	<u>43,261</u>	<u>23,926</u>	<u>3,302,042</u>

13. STOCKS

	2021 £	2020 £
Finished goods and goods for resale	<u>7,063</u>	<u>19,566</u>

14. DEBTORS

	2021 £	2020 £
DUE WITHIN ONE YEAR		
Prepayments and accrued income	47,649	53,679
VAT recoverable	11,487	10,729
	<u>59,136</u>	<u>64,408</u>

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FOR THE YEAR ENDED 31 AUGUST 2021**

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	2,963	-
Other taxation and social security	31,288	30,932
Accruals and deferred income	86,196	107,498
	<u>120,447</u>	<u>138,430</u>
	2021	2020
	£	£
Deferred income at 1 September 2020	33,586	36,100
Resources deferred during the year	29,566	33,586
Amounts released from previous periods	(33,586)	(36,100)
	<u>29,566</u>	<u>33,586</u>

At the balance sheet date the Academy was holding funds received in advance for ESFA infant free school meals income.

**ST MARGARET'S ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Future capital projects	100,000	-	-	(24,157)	-	75,843
GENERAL FUNDS						
General Funds	46,938	760	(43,200)	-	-	4,498
After school and breakfast clubs	24,783	27,279	(27,279)	-	-	24,783
Catering	-	14,928	(14,928)	-	-	-
Unrestricted fixed assets	50,227	-	(5,516)	24,157	-	68,868
	121,948	42,967	(90,923)	24,157	-	98,149
TOTAL UNRESTRICTED FUNDS	221,948	42,967	(90,923)	-	-	173,992
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	237,135	1,668,744	(1,622,452)	(30,881)	-	252,546
High Needs	-	154,244	(154,244)	-	-	-
Donations	-	6,954	(6,954)	-	-	-
Pupil Premium	1,012	168,650	(169,662)	-	-	-
PE and Sports Grant	1,498	19,540	(20,540)	-	-	498
UIFSM	19,471	50,684	(70,155)	-	-	-
Other restricted grants	-	32,980	(32,980)	-	-	-
Teacher's pension and pay	-	74,455	(74,455)	-	-	-
Covid Catch-up	-	34,160	(34,160)	-	-	-
Other Covid related grants	-	23,907	(23,907)	-	-	-
Pension reserve	(2,088,000)	-	(245,000)	-	(86,000)	(2,419,000)
	(1,828,884)	2,234,318	(2,454,509)	(30,881)	(86,000)	(2,165,956)

**ST MARGARET'S ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

16. STATEMENT OF FUNDS (CONTINUED)

**RESTRICTED FIXED
ASSET FUNDS**

Fixed Assets transferred on conversion	2,598,569	-	(49,947)	-	-	2,548,622
Fixed Assets purchased from GAG and other restricted funds	517,197	-	(53,929)	30,881	-	494,149
DfE/ESFA Capital Grants	82,082	8,652	(4,811)	-	-	85,923
Capital Grants transferred on conversion	9,245	-	(221)	-	-	9,024
Fixed Assets purchased from Pupil Premium	44,722	-	(966)	-	-	43,756
Donations	-	16,835	(3,367)	-	-	13,468
	3,251,815	25,487	(113,241)	30,881	-	3,194,942
TOTAL RESTRICTED FUNDS	1,422,931	2,259,805	(2,567,750)	-	(86,000)	1,028,986
TOTAL FUNDS	1,644,879	2,302,772	(2,658,673)	-	(86,000)	1,202,978

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16. STATEMENT OF FUNDS (CONTINUED)

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

DESIGNATED FUNDS

The Trustees have designated funds towards future capital projects including a phased project to extend the entrance of the school, which will involve a new reception area to control access to the building.

UNRESTRICTED FUNDS

Breakfast club and After school club - Income generated from running a extra activities before school hours and after school hours.

Catering income - Income generated from providing lunch meals to students.

Unrestricted fixed assets - This fund relates to fixed assets purchased using the unrestricted funds, including those in the designated funds for "future capital projects".

RESTRICTED FUNDS

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

High Needs - Funding received by the Local Authority to fund further support for students with additional needs.

Donations - This fund represents money donated to the trust for a specific purpose.

Restricted donations - This fund represents other small restricted donations for the Academy.

Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

PE and Sports Grant – This represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

UIFSM - 'Universal Infant Free School Meals'. This funding is received in order to ensure children that meet the criteria have access to free school meals.

Teachers pension and pay grant - This represents funding received from the government to cover the costs of teachers' salary and pension contributions.

Other restricted grants - This fund represents other small DfE/ESFA grants.

Covid Catch-up - This represents funding recieved from DfE/ESFA to cover the cost implications of Covid.

Pension reserve - This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion – This represent the buildings and equipment donated to the School from the Local Authority on conversion to an Academy.

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

16. STATEMENT OF FUNDS (CONTINUED)

Fixed assets purchased from GAG and other restricted funds - This fund includes transfers from the GAG restricted fund for capital related expenditure. The balance at the year end represents the net book value of assets transferred from the GAG fund.

DfE/ESFA Capital Grants – These funds are received from the ESFA for direct expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts.

Capital grants transferred on conversion - This represents capital grants transferred from the Local Authority on conversion, to be spent on fixed asset projects.

Fixed assets transferred from Pupil Premium - This fund represents the net book value of fixed assets purchased from restricted pupil premium funding to include a contribution towards the modular build and THRIVE bus.

OTHER INFORMATION

Transfers in/out of funds - This represents the purchase of fixed assets out of restricted or unrestricted income funds. The value of which, is then transferred into fixed asset additions.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Future capital projects	145,000	-	-	(45,000)	-	100,000
GENERAL FUNDS						
General Funds	83,712	7,623	(35,143)	(9,254)	-	46,938
After school and breakfast clubs	21,391	33,216	(29,824)	-	-	24,783
Catering	-	27,116	(27,116)	-	-	-
Unrestricted fixed assets	-	-	(4,027)	54,254	-	50,227
	105,103	67,955	(96,110)	45,000	-	121,948
TOTAL UNRESTRICTED FUNDS	250,103	67,955	(96,110)	-	-	221,948
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	216,964	1,665,049	(1,644,878)	-	-	237,135
High Needs	-	89,131	(89,131)	-	-	-
Donations	-	15,422	(15,422)	-	-	-
Pupil Premium	-	157,632	(156,620)	-	-	1,012
PE and Sports Grant	-	19,580	(18,082)	-	-	1,498
UIFSM	-	56,592	(37,121)	-	-	19,471
Other restricted grants	-	98,695	(88,695)	(10,000)	-	-
Pension reserve	(1,471,000)	-	(183,000)	-	(434,000)	(2,088,000)
	(1,254,036)	2,102,101	(2,232,949)	(10,000)	(434,000)	(1,828,884)

**ST MARGARET'S ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

16. STATEMENT OF FUNDS (CONTINUED)

**RESTRICTED FIXED
ASSET FUNDS**

Fixed Assets transferred on conversion	2,648,516	-	(49,947)	-	-	2,598,569
Fixed Assets purchased from GAG and other restricted funds	553,670	-	(46,473)	10,000	-	517,197
DfE/ESFA Capital Grants	73,163	13,703	(4,784)	-	-	82,082
Capital Grants transferred on conversion	9,466	-	(221)	-	-	9,245
Fixed Assets purchased from Pupil Premium	46,440	-	(1,718)	-	-	44,722
	<u>3,331,255</u>	<u>13,703</u>	<u>(103,143)</u>	<u>10,000</u>	<u>-</u>	<u>3,251,815</u>
TOTAL RESTRICTED FUNDS	<u>2,077,219</u>	<u>2,115,804</u>	<u>(2,336,092)</u>	<u>-</u>	<u>(434,000)</u>	<u>1,422,931</u>
TOTAL FUNDS	<u><u>2,327,322</u></u>	<u><u>2,183,759</u></u>	<u><u>(2,432,202)</u></u>	<u><u>-</u></u>	<u><u>(434,000)</u></u>	<u><u>1,644,879</u></u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	68,868	-	3,194,942	3,263,810
Current assets	105,124	373,491	-	478,615
Creditors due within one year	-	(120,447)	-	(120,447)
Provisions for liabilities and charges	-	(2,419,000)	-	(2,419,000)
TOTAL	<u>173,992</u>	<u>(2,165,956)</u>	<u>3,194,942</u>	<u>1,202,978</u>

**ST MARGARET'S ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	50,227	-	3,251,815	3,302,042
Current assets	171,721	397,546	-	569,267
Creditors due within one year	-	(138,430)	-	(138,430)
Provisions for liabilities and charges	-	(2,088,000)	-	(2,088,000)
TOTAL	221,948	(1,828,884)	3,251,815	1,644,879

18. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(355,901)	(248,443)
ADJUSTMENTS FOR:		
Depreciation	118,757	107,170
Capital grants from DfE and other capital income	(8,652)	(13,703)
Interest received	(400)	(2,449)
Defined benefit pension scheme adjustment	213,000	155,000
Defined benefit pension scheme finance cost	32,000	28,000
Decrease/(Increase) in stocks	12,503	(7,161)
Decrease/(Increase) in debtors	5,271	(8,338)
(Decrease)/Increase in creditors	(17,983)	35,136
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	(1,405)	45,212

19. CASH FLOWS FROM INVESTING ACTIVITIES

	2021 £	2020 £
Interest received	400	2,449
Purchase of tangible fixed assets	(80,525)	(77,957)
Capital grants from DfE Group	8,652	13,703
NET CASH USED IN INVESTING ACTIVITIES	(71,473)	(61,805)

**ST MARGARET'S ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash at bank and in hand	139,533	181,201
Notice deposits	272,882	304,092
TOTAL CASH AND CASH EQUIVALENTS	412,415	485,293

21. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	485,293	(72,877)	412,416
	485,293	(72,877)	412,416

22. 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 Devon 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 £32,959 were payable to the schemes at 31 August 2021 (2020 - £32,640) 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.

22. PENSION COMMITMENTS (CONTINUED)

VALUATION OF THE TEACHERS' PENSION SCHEME

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

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

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

The employer's pension costs paid to TPS in the year amounted to £174,931 (2020 - £171,142).

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 £181,000 (2020 - £161,000), of which employer's contributions totalled £141,000 (2020 - £124,000) and employees' contributions totalled £ 40,000 (2020 - £37,000). The agreed contribution rates for future years are 17.6 per cent for employers and between 5.5 and 12.5 per cent for employees.

As described in note 22 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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.

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

22. PENSION COMMITMENTS (CONTINUED)

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2021	2020
	%	%
Rate of increase in salaries	3.90	3.30
Rate of increase for pensions in payment/inflation	2.90	2.30
Discount rate for scheme liabilities	1.65	1.60
Inflation assumption (CPI)	2.90	2.30

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

	2021	2020
	Years	Years
RETIRING TODAY		
Males	22.7	22.9
Females	24.0	24.1
RETIRING IN 20 YEARS		
Males	24.0	24.3
Females	25.4	25.5

SENSITIVITY ANALYSIS

	2021	2020
	£000	£000
Discount rate +0.1%	(103)	(85)
Discount rate -0.1%	106	87
Mortality assumption - 1 year increase	180	138
Mortality assumption - 1 year decrease	(173)	(133)
CPI rate +0.1%	8	79
CPI rate -0.1%	(8)	(57)

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22. PENSION COMMITMENTS (CONTINUED)

SHARE OF SCHEME ASSETS

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

	2021 £	2020 £
Equities	1,307,000	970,000
Gilts	267,000	77,000
Bonds	39,000	129,000
Property	167,000	19,000
Cash	13,000	58,000
Other	295,000	372,000
TOTAL MARKET VALUE OF ASSETS	2,088,000	1,625,000

The actual return on scheme assets was £338,000 (2020 - £6,000).

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

	2021 £	2020 £
Current service cost	(353,000)	(279,000)
Interest income	26,000	26,000
Interest cost	(59,000)	(54,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(386,000)	(307,000)

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

	2021 £	2020 £
AT 1 SEPTEMBER	3,713,000	2,889,000
Current service cost	353,000	279,000
Interest cost	59,000	54,000
Employee contributions	40,000	37,000
Actuarial losses	397,000	480,000
Benefits paid	(55,000)	(26,000)
AT 31 AUGUST	4,507,000	3,713,000

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22. PENSION COMMITMENTS (CONTINUED)

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

	2021 £	2020 £
AT 1 SEPTEMBER	1,625,000	1,418,000
Return on plan assets (excluding net interest on the net defined pension liability)	27,000	27,000
Actuarial losses	311,000	46,000
Employer contributions	141,000	124,000
Employee contributions	40,000	37,000
Benefits paid	(55,000)	(26,000)
Administration expense	(1,000)	(1,000)
AT 31 AUGUST	2,088,000	1,625,000

23. OPERATING LEASE COMMITMENTS

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

	2021 £	2020 £
Within 1 year	4,002	3,970
Later than 1 year and not later than 5 years	32	4,034
	4,034	8,004

24. MEMBERS' LIABILITY

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

25. General Information

St Margaret's Academy is a company limited by guarantee, incorporated in England and Wales. The registered office is St Margaret's Academy, Barewell Road, Torquay, Devon, TQ1 4PA.

26. RELATED PARTY TRANSACTIONS

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

No related party transactions took place in the period of account.