

**STANBOROUGH SCHOOL**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

# STANBOROUGH SCHOOL

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# STANBOROUGH SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

<b>Members</b>	Mr N M Hounsom Mr P Miles Mr A Beale Mrs S Halliday
<b>Trustees</b>	Ms S Halliday (resigned 12 October 2020) Mrs K Heath (Term ceased 6 October 2020) Mr G Persaud, Chair (Appointed Chair 8 December 2020) Mr A Beale, Vice Chair (resigned 9 November 2020) Mrs M M John, Head Teacher, Accounting Officer Mrs J Adams (Term Ceased 31 August 2021) Mrs M Western Mrs M L Ridgeon Mr N M Hounsom, Chair (resigned 7 December 2020) Mr P Miles Mr R Jose (appointed 8 December 2020, resigned 1 October 2021) Mr S Warner (appointed 8 December 2020) Ms D Johnson, Staff Trustee (appointed 23 October 2020) Ms J Bone (appointed 8 December 2020) Mr G Mossman Mr A Wadley, Vice Chairman (Appointed Vice Chair 8 December 2020) Mr L Hirani Ms E Perrot Ms J Cranham Mr J Hickey
<b>Company registered number</b>	07900439
<b>Company name</b>	Stanborough School
<b>Registered and principal office</b>	Lemsford Lane Welwyn Garden City Hertfordshire AL8 6YR
<b>Company Secretary</b>	Mrs S Welch
<b>Chief Executive Officer</b>	Mrs M M John

**STANBOROUGH SCHOOL**

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

**Senior Leadership Team**

Merry John, Headteacher  
Tim Braybrook, Deputy Headteacher  
Zoe Armitage, Deputy Headteacher  
Karen Ashley, School Business Manager  
Daria Kohls, Deputy Headteacher  
Ellen Daplyn, Assistant Headteacher  
Adam Green, Assistant Headteacher  
Sharon Humphries, Assistant Headteacher  
Jessica Vlijter, Assistant Headteacher

**Independent Auditor**

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

**Bankers**

Lloyds TSB  
PO Box 1000  
Hitchin  
BX1 1LT

Virgin Money  
Jubilee House  
Gosforth  
Newcastle Upon Tyne  
NE3 4PL

## STANBOROUGH SCHOOL

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

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Stanborough School (the Academy, the Trust or the Charitable Company) for the year ended 31 August 2021. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates an Academy School for pupils aged 11-18 serving a catchment area in Welwyn Garden City and the surrounding area. It has a pupil capacity of 1,198 and had a roll of 1,101 in the 2020-2021 school census.

#### **Structure, Governance and Management**

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

Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

#### **Members' Liability**

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

#### **Trustees and Officers' Indemnities**

In accordance with normal commercial practice the Academy has opted into the Department for Education's risk protection arrangement (RPA) 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 £10,000,000 on any one claim and details of the costs are disclosed in Note 12 to the accounts.

#### **Method of Recruitment and Appointment or Election of Trustees**

The arrangements are as set out in the Articles of Association and Funding Agreement. The Articles make provision for at least 14 Trustees (a minimum of 5 Parents, 3 Staff, 5 community Trustees plus the Headteacher).

All Trustees serve a four year term, although they can be re-elected in a similar or different capacity once their term of office ends. Community Trustees are appointed by the Governing Body on the basis of either their previous involvement with the School or their understanding of issues likely to be relevant to the School's community. Parent Trustees are elected by the parents of students at the School. Staff Trustees are elected by the staff within the School; there are two Teaching Trustees and one non teaching Staff Trustee. The Headteacher is an ex officio member of the Governing Body.

#### **Policies and Procedures Adopted for the Induction and Training of Trustees**

All Trustees undergo induction training on appointment and they then continue to attend training courses and other events organised by Herts for Learning or other bodies so that they keep up to date with what is happening generally within both the national and local educational sector, and their responsibilities within the Governing Body. One Trustee is designated as the Governor Development Coordinator and they are responsible for overseeing training and development needs. Trustees also undertake to make regular visits to the School to improve their understanding and to offer guidance and support.

## STANBOROUGH SCHOOL

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

#### **Organisational Structure**

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

The Governing Body sets the Vision and the Strategy, including the ethos of the School, and keeps this under review; approves the budget and determines how the budget should be spent – this is a legal responsibility; decides the number of staff, and the pay policy; establishes and reviews policies; and agrees the performance objectives of the Headteacher with the Hertfordshire Improvement Partner, and reviews them.

The Governing Body also ensures that the School promotes high standards of educational achievement; that the School meets its community responsibility, and accounts for the School's performance, both financially and academically. The Governing Body has three main Committees: Finance and Resources, Personnel and Standards and Achievement.

There is also a Management of Risk Committee and a Student Discipline Committee which meet as and when required. Each of the main Committees meets at least once a term. The full Governing Body meets four times a year. In addition to their Committee work various Trustees take a responsibility for certain aspects of the School such as Safeguarding Children, Special Educational Needs and Disabilities, and Children Looked After, Community Relations, Website and communication with parents.

The Senior Leadership Team (SLT) controls the Academy at an executive level implementing policies and reporting to the Trustees. In particular this entails organising staff, resources and students. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following a vetting and safeguarding recruitment process.

The Headteacher is the Accounting Officer of the Academy and has overall responsibility for the day to day financial management of the Charitable Company. The Headteacher has delegated responsibility for low values of expenditure to specific budget holders who are responsible for managing their own departments within their allocated budgets. A system of financial controls is in place to manage this process.

#### **Arrangements for setting pay and remuneration of key management personnel**

Key management personnel include Academy Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

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

All amendments to key management's pay and remuneration is approved by the appropriate sub-committee and ratified by the Board of Trustees.

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

During the year two employees of the Trust acted as union officials on a 1.6 full time equivalent contracts. The employees spent zero hours (equating to 0%) of their time on union facility. The total cost of facility time is less than £100 for the year.

## STANBOROUGH SCHOOL

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

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

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

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

- The Welwyn Hatfield Consortium of Secondary Schools has a strong track record of success both in terms of supporting student academic performance and also in providing support and training for staff, sharing good pedagogical practice and securing a strong local partnership which benefits all schools and the students that they serve.
- Stanborough is part of the Handside Schools' Partnership together with Applecroft School (Primary) and Lakeside School (Special SLD), partly for geographical reasons but primarily because, over a number of years, the synergy that has grown up has proved especially beneficial to the students at all three schools.
- The School leads, works with, and is committed to the Local Partnership of schools in Welwyn Garden City. Through this partnership, the service of School Family Workers is delivered for the benefit of all families in our community.

The Trust does not have a formal sponsor.

#### **Objectives and Activities**

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

The principal object and aim of the Charitable Company is the operation of the School to provide free education and care for pupils of different abilities between the ages of 11 and 18. This aim is encapsulated within the 'mission statement':

"Stanborough School will be a School that works within its community to achieve success for all by striving for, and achieving, strong examination results with dedicated specialist staff teaching a curriculum that is suited to students with a wide range of capabilities, within an environment that delivers a unique, positive and enjoyable experience which is reflected by the School's Four Principles of "High Expectations, Quality Learning, Mutual Respect and Success for All".

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

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

- Focus on continued improvement of the quality of teaching and learning
- Improving leadership at all levels – governance, senior and middle leaders to ensure that students are supported to achieve the best outcomes
- Investment in remote learning during the pandemic and support for the most vulnerable learners
- Using financial resources to ensure that the school environment is the best possible for all learners
- Ensuring the curriculum is appropriate for all learners
- Supporting 'pupil premium' and SEND students to reduce gaps in attainment for less advantaged students.
- Training and supporting staff to a high level to raise educational standards for all.
- Using financial resources available to fund additional teaching and learning opportunities in areas of the School that needed extra development.

## STANBOROUGH SCHOOL

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

Our success in fulfilling our aims can be measured by:

- Significantly improved GCSE and A level results in 2021
- Increase in the first choice applications in Year 7
- Increase in the intake of students into Year 12
- Balancing the budget despite funding cuts.

#### **Public Benefit**

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

#### **Strategic Report**

##### **Achievements and Performance**

The Trust continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left the School.

Specific achievements were as follows:

- Increase in the GCSE and A level results
- 25% increase in the number of students joining Year 7
- Highest first choice applications in the last 7 years
- 45% increase in the number of students joining Year 12

##### **Key Performance Indicators**

The Trustees receive regular information at each Committee meeting to enable them to monitor the performance of the School compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2020/21 were 1,101.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2020/21 this was 79.9% (excluding DSPL Income). The Board of Trustees is confident that staffing levels are closely monitored to agreed Full Time Equivalent and staffing structures all approved by the Board.

The Finance and Resources Committee also monitor all other income and expenditure, for example premises costs, capitation spend for curriculum departments, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately.

##### **Going Concern**

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

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



## STANBOROUGH SCHOOL

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

Further consideration on the Trust's ability to continue as a going concern as a result of the COVID-19 pandemic can be found in Note 1.2.

#### Financial Review

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2021 the Trust received £5,886,394 of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. During the year the Trust spent £6,136,392 on general running costs and transferred £1,783,725 to support capital new build and improvement projects on the School site. The Academy brought forward from 19/20 £82,297 restricted funds and £318,089 unrestricted funding. The carry forward for 20/21 is £348,753 restricted funding and £343,790 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £2,897,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

#### Reserves Policy

The Trustees are aware of the requirement to balance current and future needs. Although the Trustees continue to aim to set a balanced budget with annual income balancing annual expenditure, this has not been possible in recent years and is unlikely in the imminent future. Therefore, the Trustees monitor estimated year-end carry forward figures via the monthly reports from the Business Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose. This ensures that any necessary cutbacks and reductions can be made to ensure a balanced budget.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £343,790.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2021 was £692,543.

The cash balance of the Trust has been healthy all year, ending the year with a balance of £1,685,993. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the committee Business Manager reports and ensure that we can cover short term cash flow variances.

#### Investment Policy

An Investment Policy was approved by the Board of Trustees on 16 November 2020.

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

#### Principal Risks and Uncertainties

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

## STANBOROUGH SCHOOL

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

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

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

As an academy school, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

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

- The Academy has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- 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 progress and outcomes 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;
- Staffing - the success of the Academy is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- Fraud and mismanagement of funds - The Academy has appointed Juniper Education to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- Financial instruments – the Academy only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- Defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist, the main risk to the Academy is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

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

#### **Fundraising**

The Academy did not hold fundraising events during the year due to Covid19. The Academy does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of fundraising events.

## STANBOROUGH SCHOOL

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

#### Plans for Future Periods

The School will continue to raise standards for all students. The focus this year will be on the continued development of teaching and learning with an ongoing drive to ensure that all students secure the best outcomes to support them in the next stage of their education. The school continues to prepare for the imminent OFSTED.

The School will continue to work within the Handside Schools Partnership to develop opportunities for students and staff to work together and also to enable an increased presence within the local community.

The School will also continue to work with local schools and other organisations in order to provide students with a wide range of opportunities for their learning. The emphasis here will be on continuing to forge links with local Sports providers and Sports Clubs.

The School will also expand and develop its links with local business organisations in order to provide additional opportunities for students and staff.

Continued development of the Sixth Form will be a key activity particularly in relation to maximising support and funding using the Government's new budgetary criteria.

Two major building works were completed and brought into full use during the 2020/21 year. The new teaching block (funded by a £4.8M grant from the Local Authority) opened in September 2020. The new Music and Drama block (funded by a £1.4m CIF grant) opened at the start of the summer term.

#### Auditor

Insofar 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 Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 30 December 2021 and signed on its behalf by:

**Guya Persaud**  
Chair of Trustees

## STANBOROUGH SCHOOL

### GOVERNANCE STATEMENT

#### Scope of responsibility

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

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

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

#### Governance

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

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

Trustee	Meetings attended	Out of a possible
Ms J Bone	3	3
Ms S Halliday	1	1
Mrs K Heath	0	1
Mr G Persaud, Chair	4	4
Mr A Beale, Vice Chair	1	1
Mrs M M John, Head Teacher, Accounting Officer	4	4
Mrs J Adams	3	4
Mrs M Western	4	4
Mrs M L Ridgeon	3	4
Mr N M Hounsom, Chair	2	2
Mr P Miles	3	4
Mr R Jose	3	3
Mr S Warner	2	3
Ms D Johnson, Staff Trustee	3	3
Mr J Hickey	4	4
Mr G Mossman	3	4
Ms J Cranham	4	4
Mr L Hirani	4	4
Ms E Perrot	4	4
Mr A Wadley	4	4

Elections took place in December 2020 for positions as Chair and Vice Chair for the Board of Trustees as well as the Standards and Achievement Sub Committee and the Personnel Sub Committee.

The previous incumbents resigned as Trustees and became Members of the Academy.

Four new Governors joined the Board during 2020/21

Despite restrictions caused by Covid 19 all meetings took place and were quorate. Governors were aware of the increased workload on all staff caused by the pandemic and supported the school in putting in measures to alleviate this.

## STANBOROUGH SCHOOL

### GOVERNANCE STATEMENT (CONTINUED)

#### Governance (continued)

Governor visits to School were restricted but Departmental Link Governors have been established and are now developing their relationship with managers

As a result of the external review of Governance the Board has increased the challenge and accountability of the work of the Headteacher and her team ensuring there is greater integrity in their work.

The Board has recognised the need for increased expertise in order to hold the School to account. To this end there has been a drive to ensure all Trustees are trained to meet the demands of their area of responsibility.

Data representing the working performance of the School is interrogated on a termly basis at committee and board level. These are compared to data from the previous 2 years to measure progress and there is also benchmarking to ensure context is provided.

The operations of the Board are scaffolded by the Articles of Association and the DoE Governance Handbook October 2020. The operations of the committees are updated annually by their work plans with regard to their Terms Of Reference

#### Governance reviews:

After an external Governance Review by HfL in 2019, the Governor's Action Plan show all areas have been addressed and are either 'Completed' or 'In progress and completion expected by due date'. The Trust will carry out its next review in the academic year 2022 – 2023.

The key areas addressed were

- Ensuring clarity of vision, ethos and strategic direction
- Holding the Headteacher to account for the educational performance of the School and its pupils.
- Overseeing the financial performance of the School and making sure its money well spent.
- Effective Leadership and Governance Practice.
- Safeguarding

The Finance and Resources Committee is a sub-committee of the Board of Trustees. Its purpose is to oversee all aspects of the Academy's finances, including the School budget setting and monitoring, compliance with the Academies Financial Handbook and all aspects of the audit function.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs M M John	6	6
Mr G Persaud	4	4
Mr J Hickey	4	6
Mr P Miles	5	6
Mr N Hounsom	2	2
Mr A Wadley	6	6
Mrs M Western	5	6

## STANBOROUGH SCHOOL

### GOVERNANCE STATEMENT (CONTINUED)

#### Review of value for money

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

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

- No capital grants in the year but the Academy continue to assess the needs for the School and continue to explore future grants.
- The Headteacher, Deputy Heads, Business Manager and the Assistant Head in charge of timetabling meet on a weekly basis to attend the Curriculum and personnel meeting. The curriculum is modelled very carefully to ensure that we get the best value for money but the best curriculum model to ensure that the students achieve the highest outcomes too.
- We continuously review the staffing model we have. When staff leave, the Academy assess the curriculum and staffing model to see if restructuring can take place before an appointment is made. We have successfully reviewed this and there has been a positive impact with some of these restructures. In the last 3 years of my headship, I have had to review every role and assess the need for this role and if it has had an impact on the students. In some cases, these roles have been discontinued.

#### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Stanborough School for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the Annual Report and financial statements.

#### Capacity to handle risk

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

#### The risk and control framework

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

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

## STANBOROUGH SCHOOL

### GOVERNANCE STATEMENT (CONTINUED)

#### The risk and control framework (continued)

The Board of Trustees has decided to employ Juniper Education as Internal Auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included Governance, Financial Management and Reporting, Banking, Payroll, Income and Expenditure.

On a half-yearly basis, the Internal Auditor reports to the Board of Trustees through the Finance and Resources Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities and annually prepares an annual summary report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress

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

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

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

Approved by order of the members of the Board of Trustees on 30 December 2021 and signed on their behalf by:

**Guya Persaud**  
Chair of Trustees

**Merry John**  
Accounting Officer

## STANBOROUGH SCHOOL

### STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

**Mrs M M John**  
Accounting Officer  
Date: 30 December 2021



## STANBOROUGH SCHOOL

### 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 30 December 2021 and signed on its behalf by:

**Guya Persaud**  
Chair of Trustees

## STANBOROUGH SCHOOL

### INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF STANBOROUGH SCHOOL

#### Opinion

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

In our opinion the financial statements:

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

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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

## STANBOROUGH SCHOOL

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

#### Other information

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

#### Responsibilities of Trustees

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

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

## STANBOROUGH SCHOOL

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

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

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

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

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

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

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

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

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

## STANBOROUGH SCHOOL

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

#### Use of our Report

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

#### **Gary Miller (Senior Statutory Auditor)**

for and on behalf of

#### **Price Bailey LLP**

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

31 December 2021

## STANBOROUGH SCHOOL

### INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO STANBOROUGH SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 31 January 2019 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 Stanborough School during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Stanborough School's funding agreement with the Secretary of State for Education dated 1 February 2012 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.

## STANBOROUGH SCHOOL

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

#### Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

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

#### Conclusion

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

Reporting Accountant  
**Price Bailey LLP**

Date: 31 December 2021

**STANBOROUGH SCHOOL**

**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 £	As restated Total funds 2020 £
<b>Income from:</b>						
Donations and capital grants	4	-	23,560	50,706	74,266	212,885
Charitable activities	5	500	6,891,180	-	6,891,680	6,568,491
Other trading activities	6	31,817	289,479	-	321,296	361,263
Investments	7	670	-	-	670	1,753
<b>Total income</b>		<b>32,987</b>	<b>7,204,219</b>	<b>50,706</b>	<b>7,287,912</b>	<b>7,144,392</b>
<b>Expenditure on:</b>						
Charitable activities	8	7,286	7,164,583	678,103	7,849,972	7,754,871
<b>Total expenditure</b>		<b>7,286</b>	<b>7,164,583</b>	<b>678,103</b>	<b>7,849,972</b>	<b>7,754,871</b>
<b>Net income/(expenditure)</b>		<b>25,701</b>	<b>39,636</b>	<b>(627,397)</b>	<b>(562,060)</b>	<b>(610,479)</b>
Transfers between funds	18	-	(43,985)	43,985	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>25,701</b>	<b>(4,349)</b>	<b>(583,412)</b>	<b>(562,060)</b>	<b>(610,479)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial (losses)/gains on defined benefit pension schemes	25	-	(510,000)	-	(510,000)	49,000
<b>Net movement in funds</b>		<b>25,701</b>	<b>(514,349)</b>	<b>(583,412)</b>	<b>(1,072,060)</b>	<b>(561,479)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward as restated		318,089	(2,031,703)	11,482,621	9,769,007	10,330,486
Net movement in funds		25,701	(514,349)	(583,412)	(1,072,060)	(561,479)
<b>Total funds carried forward</b>		<b>343,790</b>	<b>(2,546,052)</b>	<b>10,899,209</b>	<b>8,696,947</b>	<b>9,769,007</b>

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

The notes on pages 25 to 50 form part of these financial statements.



**STANBOROUGH SCHOOL**  
**REGISTERED NUMBER: 7900439**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	Note	2021 £	As restated 2020 £
<b>Fixed assets</b>			
Tangible assets	14	10,295,428	9,089,806
<b>Current assets</b>			
Debtors	15	197,793	1,777,308
Cash at bank and in hand		1,685,993	1,968,232
		<u>1,883,786</u>	<u>3,745,540</u>
Creditors: amounts falling due within one year	16	(470,015)	(952,339)
<b>Net current assets</b>		<u>1,413,771</u>	<u>2,793,201</u>
<b>Total assets less current liabilities</b>		<u>11,709,199</u>	<u>11,883,007</u>
Creditors: amounts falling due after more than one year	17	(115,252)	-
<b>Net assets excluding pension liability</b>		<u>11,593,947</u>	<u>11,883,007</u>
Defined benefit pension scheme liability	25	(2,897,000)	(2,114,000)
<b>Total net assets</b>		<u><u>8,696,947</u></u>	<u><u>9,769,007</u></u>
 <b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	10,899,209	11,482,621
Restricted income funds	18	350,948	82,297
		<u>11,250,157</u>	<u>11,564,918</u>
Restricted funds excluding pension liabilities	18	11,250,157	11,564,918
Pension reserve	18	(2,897,000)	(2,114,000)
<b>Total restricted funds</b>	18	<u>8,353,157</u>	<u>9,450,918</u>
<b>Unrestricted income funds</b>	18	343,790	318,089
<b>Total funds</b>		<u><u>8,696,947</u></u>	<u><u>9,769,007</u></u>

The financial statements on pages 22 to 50 were approved by the Trustees, and authorised for issue on 30 December 2021 and are signed on their behalf, by:

**Guya Persaud**  
Chair of Trustees

STANBOROUGH SCHOOL

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	1,450,110	4,542,944
<b>Cash flows from investing activities</b>	21	(1,732,349)	(3,431,275)
<b>Change in cash and cash equivalents in the year</b>		(282,239)	1,111,669
Cash and cash equivalents at the beginning of the year		1,968,232	856,563
<b>Cash and cash equivalents at the end of the year</b>	22, 23	<u>1,685,993</u>	<u>1,968,232</u>

The notes on pages 25 to 50 form part of these financial statements

## STANBOROUGH SCHOOL

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

#### 1. Accounting policies

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

##### 1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

The Academy's functional and presentational currency is Pounds Sterling.

##### 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.

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

##### 1.3 Company status

The Academy is a Company limited by guarantee. Those Members who are Trustees are noted on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per Member. The registered office is Lemsford Lane, Welwyn Garden City, Hertfordshire, AL8 6YR.

##### 1.4 Fund accounting

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

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

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

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

## STANBOROUGH SCHOOL

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

#### 1. Accounting policies (continued)

##### 1.5 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **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.

##### 1.6 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.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

##### 1.7 Interest receivable

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

## STANBOROUGH SCHOOL

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

#### 1. Accounting policies (continued)

##### 1.8 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:

Leasehold property	- 5% straight line
Furniture and fixtures	- 20% straight line
Computer equipment	- 33.3% straight line
Motor vehicles	- 25% 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.

##### 1.9 Debtors

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

##### 1.10 Cash at bank and in hand

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

##### 1.11 Liabilities

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.

## STANBOROUGH SCHOOL

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

#### 1. Accounting policies (continued)

##### 1.12 Financial instruments

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

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

##### 1.13 Operating leases

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

##### 1.14 Pensions

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

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

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

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

## STANBOROUGH SCHOOL

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

#### 1. Accounting policies (continued)

##### 1.15 Agency arrangements

The Academy acts as an agent in distributing 16-19 Bursary Funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities incorporating Income and Expenditure Account, as the Academy does not have control over the charitable application of the funds.

Where the funds have not been fully applied in the accounting period then an amount will be included in the Balance Sheet as an other creditor.

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

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### 3. Prior year adjustment

A prior year adjustment has been made in relation to the brought forward funds from 2019, impacting the carry forward funds in 2020. This was due to a £100,000 loan being received by the Academy from the ESFA as part of CIF funding for the Music and Drama block which was mistreated as income in 2019. There was also another loan of £25,252 received from the ESFA as part of the CIF funding for the safeguarding project which was also mistreated as income. Therefore an adjustment has been made to derecognise the £125,252 loan element recognised as accrued income in the accounts. The loan repayments and the interest element are not due to be repaid until the start of September 2021 for the Music and Drama block and September 2022 for the Safeguarding project.

**STANBOROUGH SCHOOL**

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

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

	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	As restated Total funds 2020 £
Donations	23,060	27,550	50,610	52,985
Grants	500	-	500	4,280
Capital grants	-	23,156	23,156	155,620
<b>Total 2021</b>	<u>23,560</u>	<u>50,706</u>	<u>74,266</u>	<u>212,885</u>
Total 2020 as restated	<u>57,265</u>	<u>155,620</u>	<u>212,885</u>	

In 2020, income from donations was £52,985, all of which was restricted. Income from grants was £4,280, all of which was restricted. Income from capital grants was £155,620 of which was restricted fixed assets.



**STANBOROUGH SCHOOL**

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

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

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	5,886,395	5,886,395	5,619,801
Other DfE/ESFA grants				
Pupil premium	-	211,678	211,678	214,093
Teacher's Pension Grant	-	218,168	218,168	222,880
Teacher's Pay Grant	-	77,205	77,205	78,873
Rates relief	-	30,824	30,824	25,397
FSM Supplementary Grant	-	11,483	11,483	10,120
Other DfE / ESFA grants	-	14,290	14,290	11,848
Other Coronavirus funding	-	-	-	10,000
	-	-	6,450,043	6,193,012
<b>Other Government income</b>				
LA income	-	30,157	30,157	20,479
Other local authority income	500	296,150	296,650	353,500
	500	326,307	326,807	373,979
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up premium	-	74,560	74,560	-
Other DfE/ESFA COVID funding	-	40,270	40,270	1,500
	-	114,830	114,830	1,500
<b>Total 2021</b>	<b>500</b>	<b>6,891,180</b>	<b>6,891,680</b>	<b>6,568,491</b>
<b>Total 2020</b>	<b>500</b>	<b>6,567,991</b>	<b>6,568,491</b>	

**STANBOROUGH SCHOOL**

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

**5. Funding for the Academy's educational operations (continued)**

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 "exceptional Government funding".

The funding received for coronavirus exceptional support covers £683 of reimbursement for free school meal food parcels. These costs are included in notes 8 and 9 below as appropriate.

In 2020, income from DfE/ESFA grants was £6,183,012 of which all was restricted.

In 2020, income from other Government grants was £373,979 of which all was restricted.

In 2020, income from exceptional Government funding was £11,500 of which all was restricted.

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, Pupil Premium, Teachers Pay Grant, Teachers Pension scheme grant and COVID Catch up grant 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.

**6. Income from other trading activities**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Hire of facilities	13,461	-	13,461	63,044
Rental income	1,265	-	1,265	1,265
Other income	17,091	289,479	306,570	296,954
<b>Total 2021</b>	<u>31,817</u>	<u>289,479</u>	<u>321,296</u>	<u>361,263</u>
Total 2020	<u>75,795</u>	<u>285,468</u>	<u>361,263</u>	

In 2020, hire of facilities income was £63,044, all of which was unrestricted.

In 2020, rental income was £1,265, all of which was unrestricted.

In 2020, other income was £296,954 of which £11,486 was unrestricted and £285,468 was restricted.

**STANBOROUGH SCHOOL**

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

**7. Investment income**

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	670	670	1,753
	670	670	1,753

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

**8. Expenditure**

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Provision of Education:					
Direct costs	5,194,339	-	387,000	5,581,339	5,617,205
Support costs	731,947	1,097,154	439,532	2,268,633	2,137,666
<b>Total 2021</b>	5,926,286	1,097,154	826,532	7,849,972	7,754,871
Total 2020	5,893,954	1,018,886	842,031	7,754,871	

In 2021, of total expenditure, £7,286 (2020: £2,171) was from unrestricted funds, £5,551,003 (2020: £7,237,674) was from restricted funds and £2,292,591 (2020: £515,026) was from restricted fixed asset funds.

In 2020, direct expenditure consisted of £5,173,605 staff costs and £443,600 other costs.

In 2020, support expenditure consisted of £720,349 staff costs, £1,018,886 premises costs and £398,431 other costs.

**STANBOROUGH SCHOOL**

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

**9. Charitable activities**

	2021 £	2020 £
Direct costs	5,581,339	5,617,205
Support costs	2,268,633	2,137,666
	7,849,972	7,754,871

**Analysis of support costs**

	2021 £	2020 £
Support staff costs	731,947	720,349
Depreciation	578,103	515,026
Technology costs	66,581	72,824
Premises costs	518,143	503,860
Other costs	360,015	312,256
Governance costs	13,615	13,045
Legal costs	229	306
<b>Total</b>	<b>2,268,633</b>	<b>2,137,666</b>

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

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	26,299	46,941
Depreciation of tangible fixed assets	578,103	515,026
Fees paid to Auditors for:		
- audit	7,310	7,100
- other services	4,740	4,600
Governance Internal Audit costs	1,565	1,345

**STANBOROUGH SCHOOL**

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

**11. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	4,244,924	4,180,645
Social security costs	406,719	382,111
Pension costs	1,177,900	1,109,827
	<u>5,829,543</u>	<u>5,672,583</u>
Agency supply	96,743	221,371
	<u><u>5,926,286</u></u>	<u><u>5,893,954</u></u>

**b. Staff numbers**

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

	2021 No.	2020 No.
Teachers	77	78
Admin and support	71	84
Management	2	2
	<u>150</u>	<u>164</u>

**c. Higher paid staff**

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	4	3
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	1
	<u><u>1</u></u>	<u><u>1</u></u>

**d. Key management personnel**

The key management personnel of the Academy comprise the Trustees and the Senior Leadership 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 £1,026,300 (2020: £999,131).

**STANBOROUGH SCHOOL**

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

**11. Staff (continued)**

**d. Key management personnel (continued)**

Included in the above are employer pension contributions of £157,238 (2020 - £145,553).

Included in the above are employer national insurance contributions of £91,972 (2020 - £89,537).

**12. Trustees' remuneration and expenses**

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

		2021 £	2020 £
M John	Remuneration	95,000 - 100,000	90,000 - 95,000
	Pension contributions paid	20,000 - 25,000	20,000 - 25,000
M Ridgeon	Remuneration	45,000 - 50,000	45,000 - 50,000
	Pension contributions paid	0 - 5,000	0 - 5,000
J Adams	Remuneration	25,000 - 30,000	25,000 - 30,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
K Heath	Remuneration	5,000 - 10,000	35,000 - 40,000
	Pension contributions paid	0 - 5,000	5,000 - 10,000
S Pryor (resigned 3 April 2020)	Remuneration		35,000 - 40,000
D Johnson (appointed 23 October 2020)	Pension contributions paid		0 - 5,000
	Remuneration	45,000 - 50,000	0 - 5,000
	Pension contributions paid	10,000 - 15,000	0 - 5,000

During the year ended 31 August 2021, expenses totalling £NIL were reimbursed or paid directly to Trustee (2020 - £1,670 to 2 Trustees). All expenses in 2020 were in relation to their role as staff members, rather than as Trustees.

**13. Trustees' and Officers' insurance**

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

STANBOROUGH SCHOOL

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

14. Tangible fixed assets

	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 September 2020	9,275,662	3,540,451	371,090	328,391	15,500	13,531,094
Additions	980,523	565,986	87,599	149,617	-	1,783,725
Transfers between classes	581,574	(581,574)	-	-	-	-
At 31 August 2021	<u>10,837,759</u>	<u>3,524,863</u>	<u>458,689</u>	<u>478,008</u>	<u>15,500</u>	<u>15,314,819</u>
<b>Depreciation</b>						
At 1 September 2020	3,917,167	-	250,915	257,706	15,500	4,441,288
Charge for the year	485,989	-	44,391	47,723	-	578,103
At 31 August 2021	<u>4,403,156</u>	<u>-</u>	<u>295,306</u>	<u>305,429</u>	<u>15,500</u>	<u>5,019,391</u>
<b>Net book value</b>						
At 31 August 2021	<u>6,434,603</u>	<u>3,524,863</u>	<u>163,383</u>	<u>172,579</u>	<u>-</u>	<u>10,295,428</u>
At 31 August 2020	<u>5,358,495</u>	<u>3,540,451</u>	<u>120,175</u>	<u>70,685</u>	<u>-</u>	<u>9,089,806</u>

STANBOROUGH SCHOOL

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

15. Debtors

	2021 £	As restated 2020 £
Trade debtors	3,040	13,527
Other debtors	91,819	1,528,453
Prepayments and accrued income	72,136	62,797
VAT recoverable	30,798	172,531
	<u>197,793</u>	<u>1,777,308</u>

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	10,000	-
Trade creditors	203,756	175,335
Other taxation and social security	-	95,413
Other creditors	-	101,746
Accruals and deferred income	256,259	579,845
	<u>470,015</u>	<u>952,339</u>
	2021 £	2020 £
<b>Deferred income</b>		
Deferred income at 1 September	102,152	107,095
Resources deferred during the year	93,743	102,152
Amounts released from previous periods	(102,152)	(107,095)
<b>Deferred income as at 31 August</b>	<u>93,743</u>	<u>102,152</u>

The income deferred at the year end mainly related to local authority grants.

17. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Other loans	<u>115,252</u>	<u>-</u>

Loans of £10,000 for ESFA, repayable within 1 year and loans of £115,252 from ESFA, repayable after more than 1 year provided on the following terms: Music and Drama block: loan duration 10 years, interest rate 2.29%; Safeguarding project: loan duration 10 years, interest rate 1.95%.



**STANBOROUGH SCHOOL**

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

**18. Statement of funds**

	As restated 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
<b>Unrestricted funds</b>						
Unrestricted funds	318,089	32,987	(7,286)	-	-	343,790
<b>Restricted general funds</b>						
GAG	-	5,886,395	(5,585,691)	(43,985)	-	256,719
Other DfE/ESFA Grants	-	678,478	(678,478)	-	-	-
Other Government	-	170,409	(170,409)	-	-	-
Other restricted funds	80,597	459,298	(448,509)	-	-	91,386
Restricted donations	1,700	9,639	(8,496)	-	-	2,843
Pension reserve	(2,114,000)	-	(273,000)	-	(510,000)	(2,897,000)
	<u>(2,031,703)</u>	<u>7,204,219</u>	<u>(7,164,583)</u>	<u>(43,985)</u>	<u>(510,000)</u>	<u>(2,546,052)</u>
<b>Restricted fixed asset funds</b>						
Fixed Assets	9,089,806	-	(578,103)	1,783,725	-	10,295,428
Income for Expansion	1,503,561	-	-	(941,743)	-	561,818
DFC	-	23,156	-	(23,156)	-	-
CIF	889,254	-	(100,000)	(771,511)	-	17,743
Capital Donations	-	27,550	-	(27,550)	-	-
Income for expansion transferred to 19/20 CIF	-	-	-	24,220	-	24,220
	<u>11,482,621</u>	<u>50,706</u>	<u>(678,103)</u>	<u>43,985</u>	<u>-</u>	<u>10,899,209</u>
<b>Total Restricted funds</b>	<u>9,450,918</u>	<u>7,254,925</u>	<u>(7,842,686)</u>	<u>-</u>	<u>(510,000)</u>	<u>8,353,157</u>
<b>Total funds</b>	<u><u>9,769,007</u></u>	<u><u>7,287,912</u></u>	<u><u>(7,849,972)</u></u>	<u><u>-</u></u>	<u><u>(510,000)</u></u>	<u><u>8,696,947</u></u>

## STANBOROUGH SCHOOL

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

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

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

##### **Unrestricted funds**

This represents income received that does not have restrictions.

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

This represents funding received from the DfE/ESFA which is restricted in nature.

##### **Restricted donations**

This represents amounts received as contributions towards spending for specific purposes.

##### **Other Government**

This represents various small Government grants and income for the provision of specific services to Academy pupils.

##### **Other restricted funds**

This represents various donations received which are restricted in nature.

##### **Pension reserve**

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

##### **Restricted fixed asset funds**

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

The transfer from unrestricted funds relates to a contribution towards the addition of capital assets during the year.

##### **Devolved Formula Capital (DFC)**

This represents ESFA funding specifically for the maintenance and improvement of the Academy's buildings and facilities.

##### **Condition Improvement Fund (CIF)**

This is additional capital funding that academies and sixth-form colleges receive and aim to keep academy and sixth-form college buildings safe and in good working order.

**STANBOROUGH SCHOOL**

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

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

**General Annual Grant (GAG)**

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

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

**Income for Expansion**

This represents funding from the Local Authority - Hertfordshire County Council, for the planned School expansion project.

**Capital loans**

These represent the amounts of CIF loans from the ESFA that have been spent on assets as at the year end.

**STANBOROUGH SCHOOL**

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

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

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

	As restated Balance at 1 September 2019 £	As restated Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	As restated Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
Unrestricted funds	236,606	77,548	(2,171)	6,106	-	318,089
<b>Restricted general funds</b>						
GAG	-	5,619,801	(5,605,449)	(14,352)	-	-
Other DfE/ESFA Grants	-	573,211	(573,211)	-	-	-
Other Government	-	375,479	(375,479)	-	-	-
Other restricted funds	48,294	330,197	(291,788)	(6,106)	-	80,597
Restricted donations	-	12,536	(10,836)	-	-	1,700
Pension reserve	(1,918,000)	-	(245,000)	-	49,000	(2,114,000)
	<u>(1,869,706)</u>	<u>6,911,224</u>	<u>(7,101,763)</u>	<u>(20,458)</u>	<u>49,000</u>	<u>(2,031,703)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Assets	6,171,804	-	(515,026)	3,433,028	-	9,089,806
Income for Expansion	4,455,087	-	(135,911)	(2,815,615)	-	1,503,561
DFC	480	23,045	-	(23,525)	-	-
CIF	1,336,215	132,575	-	(579,536)	-	889,254
	<u>11,963,586</u>	<u>155,620</u>	<u>(650,937)</u>	<u>14,352</u>	<u>-</u>	<u>11,482,621</u>
<b>Total Restricted funds</b>	<u>10,093,880</u>	<u>7,066,844</u>	<u>(7,752,700)</u>	<u>(6,106)</u>	<u>49,000</u>	<u>9,450,918</u>
<b>Total funds</b>	<u><u>10,330,486</u></u>	<u><u>7,144,392</u></u>	<u><u>(7,754,871)</u></u>	<u><u>-</u></u>	<u><u>49,000</u></u>	<u><u>9,769,007</u></u>

**STANBOROUGH SCHOOL**

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

**19. 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	-	-	10,295,428	10,295,428
Current assets	333,790	820,963	729,033	1,883,786
Creditors due within one year	10,000	(470,015)	(10,000)	(470,015)
Creditors due in more than one year	-	-	(115,252)	(115,252)
Provisions for liabilities and charges	-	(2,897,000)	-	(2,897,000)
<b>Total</b>	<u>343,790</u>	<u>(2,546,052)</u>	<u>10,899,209</u>	<u>8,696,947</u>

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

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	9,089,806	9,089,806
Current assets	318,089	1,034,636	2,392,815	3,745,540
Creditors due within one year	-	(952,339)	-	(952,339)
Provision for liabilities and charges	-	(2,114,000)	-	(2,114,000)
<b>Total 2021</b>	<u>318,089</u>	<u>(2,031,703)</u>	<u>11,482,621</u>	<u>9,769,007</u>

STANBOROUGH SCHOOL

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

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

	2021 £	As restated 2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(562,060)	(610,479)
<b>Adjustments for:</b>		
Depreciation	578,103	515,026
Capital grants from DfE and other capital income	(50,706)	-
Interest receivable	(670)	(1,753)
Decrease in debtors	1,579,515	4,065,172
(Decrease)/increase in creditors	(367,072)	329,978
Pension adjustment	273,000	245,000
<b>Net cash provided by operating activities</b>	<b>1,450,110</b>	<b>4,542,944</b>

21. Cash flows from investing activities

	2021 £	2020 £
Interest receivable	670	1,753
Purchase of intangible assets	-	(3,433,028)
Purchase of tangible fixed assets	(1,783,725)	-
Capital grants from DfE Group	50,706	-
<b>Net cash used in investing activities</b>	<b>(1,732,349)</b>	<b>(3,431,275)</b>

22. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,685,993	1,968,232
<b>Total cash and cash equivalents</b>	<b>1,685,993</b>	<b>1,968,232</b>

**STANBOROUGH SCHOOL**

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

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

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,968,232	(282,239)	1,685,993
Debt due within 1 year	-	(10,000)	(10,000)
Debt due after 1 year	-	(115,252)	(115,252)
	<u>1,968,232</u>	<u>(407,491)</u>	<u>1,560,741</u>

**24. Capital commitments**

	2021 £	2020 £
<b>Contracted for but not provided in these financial statements</b>		
Capital funded projects	<u>268,070</u>	<u>1,264,838</u>

**25. Pension commitments**

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

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

Contributions amounting to £105,916 were payable to the schemes at 31 August 2021 (2020 - £101,746) 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.

## STANBOROUGH SCHOOL

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

#### 25. Pension commitments (continued)

##### Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £719,024 (2020 - £675,348).

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 £283,000 (2020 - £307,000), of which employer's contributions totalled £222,876 (2020 - £246,000) and employees' contributions totalled £ 59,000 (2020 - £61,000). The agreed contribution rates for future years are 25.4 per cent for employers and 6.5 per cent for employees.

As described in note 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.



**STANBOROUGH SCHOOL**

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

**25. Pension commitments (continued)**

**Principal actuarial assumptions**

	2021 %	2020 %
Rate of increase in salaries	3.3	2.7
Rate of increase for pensions in payment/inflation	2.9	2.3
Discount rate for scheme liabilities	1.65	1.7
Inflation assumption (CPI)	2.9	2.3

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

	2021 Years	2020 Years
Retiring today		
Males	22.1	21.9
Females	24.5	24.1
Retiring in 20 years		
Males	23.2	22.8
Females	26.2	25.5

As at the 31 August the Trust had a pension liability of £2,897,000 (2020 - £2,114,000) The sensitivity analysis detailed below would increase the closing defined benefit obligation in the following way.

**Sensitivity analysis**

	2021 £	2020 £
Discount rate +0.1%	(138,000)	(120,000)
Discount rate -0.1%	138,000	120,000
Mortality assumption - 1 year increase	276,000	44,000
Mortality assumption - 1 year decrease	(276,000)	(44,000)
CPI rate +0.1%	138,000	109,000
CPI rate -0.1%	(138,000)	(109,000)

**STANBOROUGH SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS  
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**25. Pension commitments (continued)**

**Share of scheme assets**

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

	2021 £	2020 £
Equities	2,124,000	1,769,000
Other bonds	1,162,000	1,168,000
Property	441,000	300,000
Cash and other liquid assets	281,000	100,000
<b>Total market value of assets</b>	<u>4,008,000</u>	<u>3,337,000</u>

The actual return on scheme assets was £453,000 (2020 - £228,000).

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

	2021 £	2020 £
Current service cost	(460,000)	(455,000)
Interest income	59,000	54,000
Interest cost	(96,000)	(90,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<u>(497,000)</u>	<u>(491,000)</u>

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

	2021 £	2020 £
<b>At 1 September</b>	5,451,000	4,778,000
Current service cost	460,000	455,000
Interest cost	96,000	90,000
Employee contributions	59,000	61,000
Actuarial losses	904,000	125,000
Benefits paid	(65,000)	(58,000)
<b>At 31 August</b>	<u>6,905,000</u>	<u>5,451,000</u>

**STANBOROUGH SCHOOL**

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

**25. Pension commitments (continued)**

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

	2021 £	2020 £
<b>At 1 September</b>	3,337,000	2,860,000
Interest income	59,000	54,000
Actuarial gains	394,000	174,000
Employer contributions	224,000	246,000
Employee contributions	59,000	61,000
Benefits paid	(65,000)	(58,000)
<b>At 31 August</b>	4,008,000	3,337,000

**26. Operating lease commitments**

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

	2021 £	2020 £
Not later than 1 year	4,545	24,144
Later than 1 year and not later than 5 years	5,209	4,116
	9,754	28,260

**27. Members' liability**

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

**28. Related party transactions**

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

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

## STANBOROUGH SCHOOL

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

#### 29. Agency arrangements

The Academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2021 the Academy received £7,033 (2020 - £9,377) and disbursed £6,174 (2020 - £9,377) from the fund. There is £859 (2020 - £NIL) included in other creditors relating to undistributed funds that are repayable to the ESFA.