

Registration number: 08920320

Tytherington School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020

Tytherington School

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Tytherington School

Reference and Administrative Details

Members

Dr Michael Brown
Mr Jason Gaunt
Mr Kenneth Gilliver (appointed 1 January 2020)
Dr David Laffan
Ms Charlotte Lock (appointed 1 January 2020)
Dr Simon Preston (appointed 1 January 2020)
Mrs Jane Stephens
Mr David Sussex

Governors and Trustees (Directors)

Mrs Jane Stephens, Chair until retired as a Trustee on 31.12.19
Mr Ken Gilliver, Chair from 01.01.20 to 22.09.20, but still a Trustee
Dr Edward Griffen, Joint Chair from 22.09.20 (appointed 25 January 2020)
Mr Trevor Langston, Joint Chair from 22.09.20
Mr Jason Gaunt, Vice-Chair of Trustees
Mr David Sussex, Vice-Chair of Trustees (resigned 31 December 2019)
Mr Emmanuel Botwe, Headteacher
Mr Stephen Acreman
Ms Sarah Bird
Mr Adam Brown
Dr Michael Brown
Ms Lynne Jones
Mr Toby Lankester (resigned 22 August 2020)
Ms Charlotte Lock
Ms Amanda Martinez (appointed 25 January 2020)
Mr Stewart Morrell (appointed 25 January 2020)
Mr Alan Ogden (resigned 31 December 2019)
Ms Elizabeth Owen (appointed 25 January 2020)
Ms Leah Pickering
Dr Simon Preston
Dr Peter Simpson
Ms Sharon Williams

Head Teacher

Mr Emmanuel Botwe

Tytherington School

Reference and Administrative Details (continued)

Senior Management Team	Mr Emmanuel Botwe, Headteacher Mr Andrew Pilbury, Deputy Headteacher Mrs Caroline Brennan, Assistant Headteacher Mrs Mary Gannon, Assistant Headteacher Mrs Elizabeth Healey, Assistant Headteacher Mrs Florence Pope, Assistant Headteacher Mr Darren Pepper (appointed 1 September 2018), Assistant Headteacher Mr Tim Haselwood, Business Director Mrs Louisa Proctor, Head of Administration and Data
Principal and Registered Office	Tytherington School Manchester Road Tytherington Macclesfield Cheshire SK10 2EE
Company Registration Number	08920320
Auditors	Beever and Struthers Chartered Accountants St. Georges House 215-219 Chester Road Manchester M15 4JE
Bankers	Lloyds Bank 223 Finney Lane Heald Green Cheshire SK8 3PY
Solicitors	Veale Wasbrough Vizards Orchard Court Orchard Lane Bristol BS1 5WS

Tytherington School

Trustees' Report for the Year Ended 31 August 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, governance and management

Constitution

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

The company was incorporated on 3 March 2014 and fully transitioned operations as of 1 April 2014 following a decision by the Governing Body and acceptance by the Secretary of State for Education that the School become an Academy as of this date.

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

Details of the trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

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.

Trustees' indemnities

The academy trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

Method of recruitment and appointment or election of Trustees

In accordance with the articles of association Trustees are appointed as follows:

- a. seven community Trustees appointed by the trustees
- b. three staff Trustees elected by the staff
- c. five parent Trustees elected by parents
- d. the headteacher is an ex-officio Trustee
- e. further Trustees may be appointed by the Secretary of State

The number of Trustees shall be not less than three and shall not be subject to any maximum. In respect of those appointed by the trustees (a, above) when a vacancy arises the trustees seek to make an appointment that would maximise the relevant skills and experience on the Board of Trustees as a whole.

Tytherington School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Policies and procedures adopted for the induction and training of Trustees

On conversion to Academy status the Governing Body undertook a skills audit and as vacancies occur the recruitment of professionals to fill skills gaps has been undertaken. The Governing Body now has a broader set of abilities which is reflected by individual Governors having delegated roles.

On appointment governors receive information relating to the Academy Trust, receive an induction pack and attend a briefing. Further training depends upon a governor's existing experience or roles and responsibilities that they undertake.

The Academy Trust also purchases the governors' training package run by the local authority.

Organisational structure

Before conversion to Academy status in April 2014 Tytherington School formed part of the Local Authority (LA) provision in Cheshire East. The governance of the trust is defined in the memorandum and articles of association together with the funding agreement with the Department of Education. The full Governing Board meets three times a year.

The key areas considered by the committees are:

- Standards and Outcomes Committee
- Finance and Resources Committee

The committees are formally constituted with terms of reference which are reviewed annually. Specific responsibilities are delegated to each committee, the activities of which are reported to and discussed at full Governing Board meetings. The chairs of the committees, the vice chair and chair of the Governing Board meet twice per term for planning purposes and consider any important items for the agendas of the meetings.

All governors are members of the Full Governing Board. In addition, governors are members of one of the committees who report to the full Governing Board on at least three occasions a year.

Day to day management of the Academy Trust is undertaken by the Headteacher, supported by the Senior Leadership Team (SLT). Members of the SLT attend Governing Board meetings as appropriate. The Headteacher is also a governor and attends all meetings.

The governors are responsible for the strategic management of the school. They approve the budget, the strategic direction, make senior appointments and approve and direct any policy changes. They are able to do this by drawing on the information in the annual School Development Plan (SDP) and through receiving operational information from the SLT and support staff within school.

School policies are either reviewed as part of a cycle or as and when circumstances dictate. Once approved by the Governing Board the school policies are implemented by the SLT.

The Academy Trust has well established quality assurance and control mechanisms with self-evaluation embedded into school life.

Tytherington School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of key management personnel is decided by the Trustees Pay Committee (which does not include Staff Trustees), who take advice from the Headteacher regarding pay and promotions of staff. Promotions are subject to good performance.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
3	117

Percentage of time spent on facility time

Percentage of time

0%

Number of employees

3

Connected organisations, including related party relationships

The Academy is not part of any other organisation and not part of any wider networks. The Academy does not have any commercial relationships with any related party.

Objectives and activities

Objects and aims

Tytherington School converted to Academy status on 1 April 2014 at which point the entity's operations commenced. The principal object and activity of the Charitable Company is the operation of Tytherington School to the benefit of the local community in providing education for students between the ages of 11-18.

The school provides an education for students who are principally drawn from the geographical area in which the school is situated, which is primary schools in Tytherington, Bollington, Hursdfield, Kettlethulme, Rainow, and Pott Shrigley. Parents in this area and in other areas throughout the borough are at liberty to request a place in any school regardless of geographical considerations.

The school operates an open access sixth form of approximately 200 students, the majority of whom were Year 11 at the school.

Tytherington School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Objectives, strategies and activities

The Academy Trust was set up in April 2014 to further enhance the opportunities and life chances for all students and their families in the Tytherington area of Cheshire East. The school provides a broad based educational curriculum enriched by inclusive pastoral support. The school is also the base for a number of community events and activities. Both the Academy Trust and Tytherington School continue to uphold the values and principles that has served the local community well for over fifty years.

Please see the link to the school's SDP showing the objectives and strategies agreed for 2019/20.

<http://www.tytheringtonschool.co.uk/wp-content/uploads/2015/09/SDP-for-2020-21.pdf>

All of our main objectives for 2019/20 have been carried over to this current academic year as a consequence of the Covid-19 pandemic. A key additional focus is enhancing our online provision for students.

Public benefit

The Academy provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

The Trustees consider that the key benefit delivered by the Tytherington School is that of the maintenance and development of educational opportunities for the people of Tytherington and the surrounding areas. In order to do this the school will focus on each individual and ensure that they have the resources, guidance and support to achieve their potential. Educational opportunities will be mirrored by both pastoral support and extra-curricular opportunities which are designed to both enrich and extend.

The school will also provide and support a range of activities and opportunities for the local community to pursue both educational and recreational goals and pastimes. This includes reduced rates for venue hire for local charity use and grass roots sports clubs in the area.

The Academy Trustees have complied with their duty to have due regard to the guidance on public benefit published by the charity commission in exercising their powers or duties and defining the direction of Tytherington School.

Tytherington School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Achievements and performance

Tytherington School is an ambitious school at the heart of the community. It is a good school (OFSTED 2016) which provides a strong quality of education.

There is a culture of restless ambition and an unrelenting commitment to the highest standards to ensure dramatic, rapid and sustained improvements in all areas of the school's work. Outcomes at key stage 4 and 5 are strong.

The governance of the school is robust. Governors hold senior leaders to account and ensure that the balanced budget provides good value for money.

As a result of consistently strong teaching, students, whose prior attainment on entry is broadly just above national average, attain at levels in excess of national expectations. In many subjects, progress at the end of key stage 4 is strong despite following a largely traditional, GCSE-based curriculum. The school has a good record of ensuring students achieve the gold-standard Ebacc combination of subjects. 34% of students in year 11 achieved this benchmark.

Our 2020 outcomes are the result of the Centre Assessed Grades (CAG). Our CAG process was a rigorous and fair 5-week, 10-step one with discussion and moderation at all levels, that included fully completed coursework in all courses that contained it (e.g. Music and Drama - please see below). We are very proud of the process and wholly believe that students were allocated CAG that they would have achieved had they sat the exams. We feel that having the algorithm increase 98 grades (6.7%) and only two queries from students regarding their outcomes in one subject confirm the rigour and fairness in the process, with no grade inflation (as has happened nationally).

Our EBacc average point score was 4.9 compared to the national average of 4.6. In 2020, 85% of students in Year 11 met the benchmark of achieving a grade 4 or above in English and Maths against the national average of 73.4%. Standards for disadvantaged students continue to improve in both Key Stages 3 and 4.

Progress scores for a range of subjects including French (+0.68) and Drama (+0.80) are significantly above national average.

Teaching at KS5 is strong and attainment remains above the national average is strong and attainment remains above the national average. For example A* -A + 0.6%, A* -B +2.2% and A* -C +4.4% above national average

Student staff-relationships are characterised by courtesy and respect in a "values driven community": students and staff say 'hello' to each other, open doors for each other and there is very little litter on the school site. The atmosphere in and around school is calm, well ordered and friendly.

Students rarely miss a day of school and attendance is currently above the national average (i.e. 86.5%) at 93.8% (as at 18 November 2020).

Tytherington School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

During the course of COVID-19 lockdown, student engagement in their learning was closely monitored and supported. 93.9% of students engaged in online learning that was largely provided through our FireFly platform, with Zoom and Teams live sessions. 2.5% received printed work packs that were specially designed and delivered by our Learning Support department and the remaining 3.6% that engaged less successfully were home visited on a regular basis to encourage their engagement and resolve any issues, with full records of the visits retained.

The school has excellent relationships with its partner primary schools and this ensures that transition arrangements are first-class. Safeguarding procedures are an outstanding feature of the school.

Well-judged quality assurance trails amongst senior and middle leaders constantly monitor performance; imaginative use of appraisal holds teachers and leaders to account resulting in an unrelenting focus on the quality of teaching and learning which fuels a virtuous cycle of ambition and achievement. Staff are developing in confidence with regards to using data to inform their planning.

Communication with parents is extensive and regular. The last OFSTED inspection in November 2016 concluded: "The senior leadership team have created a positive culture and driven rapid change across the school."

Key performance indicators

Tytherington School faces a dramatic increase of 89 students, shown in the table below, which has a positive long-term effect, but gives significant cash flow issues because lagged funding means we receive the funding for those students a year later. It is also likely that we will run out of space and will need to build some more classrooms and specialist rooms such as science laboratories to accommodate the extra students joining in September 2021.

KPI	2020	2019
Students	1,215	1,126
Teachers	68	54
Students per teacher	17.7	20.9
Teacher costs to total costs	61.0%	58.0%
Staff costs to total costs	83.4%	82.0%

The staff costs to total costs are high because of the lagged funding which means we have to pay for the extra teachers in the year before we receive the income for the extra students. Once the student numbers level out across the school the issue with staff costs should disappear.

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. This is based upon detailed financial forecasting for the next three to four years which is based upon student number data received from Cheshire East. 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.

Tytherington School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Financial review

Most of the school's income is obtained from the ESFA in the form of its General Annual Grant (GAG), the use of which is restricted for particular purposes i.e. the objectives of the Academy Trust. The GAG received during the period covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Effect of lagged funding:

Academies are funded on the basis of the number of students in the previous financial year. From 2018/19 to 2019/20 the Academy Trust grew by 89 students and incurred the extra cost of teachers and classrooms for these extra students. However, we do not receive the funding for the extra students until 2020/21. If we were funded on the basis of the current number of students our income would be £359k more in 2020/21.

The school's income has been reduced as a result of COVID-19 by a reduction in community lettings income of £8k and catering profit share of £10k. However other costs such as exam fees have reduced by a similar amount and any extra costs due to COVID-19 have been reclaimed from the government. Educational trips had to be cancelled due to COVID-19 and all expenses were recovered from either the travel agents or insurance claims and refunded to parents meaning there was no financial impact to the school. Therefore COVID-19 has had a negligible effect on the school finances.

Included within restricted funds at 31 August 2020 is the Local Government Pension Scheme deficit of £2,688K (2019 - £2,698k) showing a reduction of £10k based upon the actuaries report. The pension deficit is viewed as a long-term debt and annual contributions are adjusted as necessary to mitigate the risk and reduce the deficit.

In the year ending 31 August 2020 the Operational surplus of school excluding depreciation and the pension deficit adjustment was £97k. This gives Tytherington Operational reserves at 31 August 2020 of £196k.

Reserves policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy's Reserves Policy states that it is proposed that £100k is held in reserve for cash-flow, uncertainties and non-capital future plans and another £300k is held as a capital fund giving £400k in total. The Academy Trust's current level of free reserves (total funds less the amount held in fixed assets, designated funds and restricted pension funds) is £196k (2019 £99K).

Investment policy

Since converting to an academy Tytherington School has managed its cash balances to provide for the day-to-day working capital requirements of its operations. Under the Memorandum and Articles of Association, the Academy Trust has the power to invest funds not immediately required for its own purposes, in any way the Trustees see fit. To date there have not been surplus funds to invest.

Tytherington School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Principal risks and uncertainties

The main risk and uncertainty is the risk that the Academy will expand too quickly as student funding is received a year in arrears but extra students require extra teachers now. This could seriously affect the Academy's cash flow. This risk is mitigated by carefully managing the expansion process and carefully managing expenditure and cash flow.

Another risk is that the school will not attract enough new students each year, which would reduce future income. This risk is being mitigated by excellent exam results and many other aspects of the school, such as excellent pastoral care, meaning that parents want to send their children to Tytherington School. Forming strong links with Primary Schools we ensure potential students are aware of the benefits of coming to Tytherington School. This approach has been successful and our student numbers are increasing.

The effects of COVID-19 also pose a risk of a shortage of teachers and other key staff members due to illness/self-isolating which would put pressure on the teaching and learning within the school and also the logistical running of the school. Any students that are self-isolating also pose a risk as the quality of teaching is not the same as actually being taught face to face and impact future exams for Years 11 and 13.

Fundraising

Fund raising is particularly difficult at the moment because COVID-19 has prevented the traditional events such as Summer and Christmas Fairs. Every year we have asked parents for donations which provides extra money to purchase laptop computers for students and we continue to receive donations for this cause even through COVID-19.

Plans for future periods

Due to the current climate we are being cautious and sympathetic to parents' financial situations as many will have been furloughed or made redundant. Therefore, we are adopting a more focused approach to fundraising to ensure we are not overloading parents with requests for money.

We are still requesting donations for computer equipment as we have in previous years. The Parents of Tytherington committee and members of staff will be trying to come up with innovative ways to fundraise through this year virtually or until such time as face to face activities can resume. In future years we are hoping to resume our normal fundraising activities and be able to host our usual Christmas and Summer Fairs, which are always a highlight in the school calendar, as well as the summer drama production and Christmas Carol concert.

Tytherington School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Funds held as Custodian Trustee on behalf of others

At 31 August 2020 Tytherington School holds the following money as trustees, which are shown as creditors in our balance sheet:

- Tytherington Partnership – This is a fund to assist Tytherington School's feeder Primary Schools with their liaison with Tytherington School. At 31 August 2020 the balance of the fund is £5,358. The Assistant Head and Head of Year 7 have excellent relations with the transition teams in all the feeder primary schools to ensure smooth transitions for all students.

Sheffield Hope Memorial Fund - This fund is to help support students who have to overcome barriers and disadvantages to move forward and to create and fulfil their ambitions. This fund is the result of a donation of £10,000 during 2019/20 and has not yet been spent. At present there are no plans on how this money will be used.

Auditor

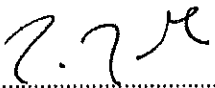
Insofar as the Trustees are aware:


- 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.

Reappointment of auditor

Beever and Struthers Chartered Accountants are deemed to be reappointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continued in force under the Companies Act 2006.

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on ~~8/12/20~~ and signed on its behalf by:


.....
Emmanuel Botwe
Headteacher


.....
Trevor Langston
Joint Chair of Governors

Tytherington School

Governance Statement

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs Jane Stephens, Chair until retired as a Trustee on 31.12.19	2	2
Mr David Sussex, Vice-Chair of Trustees (resigned 31 December 2019)	2	2
Mr Jason Gaunt, Vice-Chair of Trustees	1	6
Mr Emmanuel Botwe, Headteacher	6	6
Dr Michael Brown	4	6
Dr Simon Preston	5	6
Ms Lynne Jones	6	6
Ms Sarah Bird	5	6
Mr Stephen Acreman	6	6
Mr Toby Lankester (resigned 22 August 2020)	6	6
Ms Charlotte Lock	5	6
Mr Adam Brown	6	6
Mr Alan Ogden (resigned 31 December 2019)	2	2
Ms Leah Pickering	6	6
Mr Trevor Langston, Joint Chair from 22.09.20	5	6
Dr Peter Simpson	6	6
Mr Ken Gilliver, Chair from 01.01.20 to 22.09.20, but still a Trustee	5	6
Ms Sharon Williams	5	6
Ms Amanda Martinez (appointed 25 January 2020)	4	4
Mr Stewart Morrell (appointed 25 January 2020)	4	4
Ms Elizabeth Owen (appointed 25 January 2020)	3	4

Tytherington School

Governance Statement (continued)

Dr Edward Griffen, Joint Chair from 22.09.20 (appointed 25 January 2020) 4 4

Governance reviews

A review of Governance was carried out when the school became an academy. As a result there are now two Trustee committees:

- o Standards and Outcomes Committee
- o Finance and Resources Committee

The committees are formally constituted with terms of reference which are reviewed annually. The Trustees intend to review the Trustee structure annually in subsequent years.

Finance and Resources Committee

The Finance and Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to provide guidance and assistance to the Headteacher and the governing body in all matters relating to budgeting, finance, and premises management/development and internal control financial control. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Dr Simon Preston	3	3
Mr Emmanuel Botwe	3	3
Mr Adam Brown	3	3
Dr Michael Brown	2	3
Mr Ken Gilliver	2	2
Mr Toby Lankester	2	3
Mr Alan Ogden	1	1
Mr David Sussex	1	1
Ms Sharon Williams	3	3
Ms Amanda Martinez	2	2
Ms Elizabeth Owen	1	2

Tytherington School
Governance Statement (continued)

Standards and Outcomes Committee

The Standards and Outcomes Committee is a sub-committee of the main Board of Trustees. Its purpose is to provide guidance and assistance to the Headteacher and the Board of Trustees in all matters relating to teaching and learning standards and outcomes. Since the COVID-19 lockdown in March 2020 all meetings have been held virtually using Microsoft Teams. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Jason Gaunt	0	1
Mr Trevor Langston	1	1
Mr Stephen Acreman	1	1
Dr Peter Simpson	1	1
Ms Charlotte Lock	1	1
Ms Sarah Bird	1	1
Ms Lynne Jones	1	1
Ms Leah Pickering	1	1
Mr Emmanuel Botwe	1	1

Review of value for money

The Headteacher, as the Accounting Officer and a Trustee, has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Headteacher understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The Headteacher considers how the trust's use of its resources has provided good value for money during each academic year and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Academy Trust has delivered improved value for money during the year by:

- Management of the expansion programme from 1,126 students in 2018/19 to 1,215 students in 2019/20 and recruiting 14 extra teachers required for the extra students.
- Reducting teacher's workload by one period a fortnight from September 2019 to provide extra time for teachers and to improve staff morale. This was monitored by the use of a staff survey and shows an improvement in staff morale. The effect of sickness is diffult to monitor due to COVID-19.
- Implementation of the Firefly computer system which automates the ability for teachers to set work for students and monitor that work at a cost of £11K. It enable students and teachers to work from home which has been vital during the COVID-19 lockdowns. Without this system self-learning for students would have proved very difficult to provide and students would have lost a lot of learning capabilities
- Completion of the low energy lighting project to include movement sensors for corridor lights to save electricity.

Tytherington School

Governance Statement (continued)

- Applying for Condition Improvement Fund grants to replace the school's very old draughty single glazed windows and to replace the school's very old inefficient heating system which was successful.
- Continue to replace old computers with laptops to improve the educational value of the IT provision. Most of these were mainly purchased in March at the beginning of lockdown to allow staff to be able to work from home. We were awarded some additional chrome books from the government to help support disadvantaged students in Years 10 and 12. We were able to secure 22 new chrome books which were distributed to students for use during lockdown.
- Use of virtual meeting software such as Teams and Zoom for staff meetings and to give lessons, so that students can receive lessons at home and teachers can give lessons from school or from home.

The academy trust plans to deliver the following value for money in future:

- Management of the expansion programme from 1,215 students in 2019/20 to 1,291 students in 2020/21 and building 6 extra classrooms to accommodate the extra students and teachers.
- A local private school has moved to a new location and did not need their Astro Turf, so they have donated it to us free of charge. Our Astro Turf would need replacing in the next few years at a cost of approximately £250k, so this gift is very welcome as it means we only have to pay for the cost of taking up, moving and putting down the Astro Turf on our pitch which should cost approximately £40k. This means as a school we have a much safer surface to play on as the surface was starting to raise health and safety concerns. We are also starting to lose community bookings as they are unable to use the pitch for matches as it no longer met the standard required for hockey and football by their association.
- Completion of the project to replace half the old draughty single glazed windows and the old inefficient heating system and applying for a government grant from the "Decarbonisation fund" to replace the old heating in two blocks with Air Source Heat Pump heating. These projects are due to be completed by the end of March 2021.
- We identified that a large proportion of students were trying to access online work from their mobile phones - which wasn't conducive to effective learning. We have therefore teamed up with a third party supplier to set up a scheme to offer students the opportunity to purchase outright or on finance chrome books at competitive rates to enable students to work from home more efficiently.
- Improving the use of virtual meeting software such as Teams and Zoom for staff meetings and giving lessons

The purpose of the System of Internal Control

The system of internal control has been in place in Tytherington School for the year ending 31 August 2020 and up to the date of approval of the annual report and financial statements.

It 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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Capacity to Handle Risk

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

The Risk and Control Framework

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

Tytherington School

Governance Statement (continued)

- 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;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- Following the latest government rules it was agreed that we needed to appoint a different internal auditor to Beever and Struthers so that Beever and Struthers could continue to carry out the External Audit.

The auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. At the year end the auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. During the year the following systems were reviewed.

- Payroll
- Financial Controls
- COVID-19 Risk Assessment for reopening of the school.

No major control weaknesses were reported.

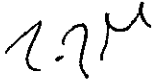
Review of Effectiveness

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 process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 8/12/20 and signed on its behalf by:



.....
Mr Emmanuel Botwe
Accounting officer
Head Teacher
Governor

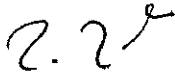
Tytherington School

Statement on Regularity, Propriety and Compliance

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

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

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



.....
Mr Emmanuel Botwe, Headteacher
Accounting Officer

Tytherington School

Statement of Trustees' Responsibilities

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 Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

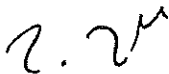
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102) and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 on ~~8/12/20~~ 8/12/20 and signed on its behalf by:



.....
Mr Emmanuel Botwe
Headteacher

Tytherington School

Independent Auditor's Report on the Financial Statements to the Members of Tytherington School

Opinion

We have audited the financial statements of Tytherington School "the academy trust" for the year ended 31 August 2020, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2019 to 2020 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 2020 and of its incoming resources and application of resources, including 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 and the Academies Accounts Direction 2019 to 2020 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Tytherington School

Independent Auditor's Report on the Financial Statements to the Members of Tytherington School (continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where 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 Statement of Trustees' Responsibilities [set out on page 18], the Trustees 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.

Auditor's responsibilities for the audit of the financial statements

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

Tytherington School

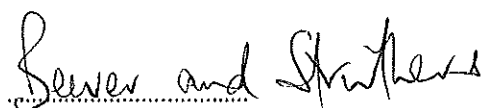
Independent Auditor's Report on the Financial Statements to the Members of Tytherington School (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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



Mr Andrew J McLaren (Senior Statutory Auditor)

For and on behalf of Beever and Struthers Chartered Accountants, Statutory Auditor

St. Georges House
215-219 Chester Road
Manchester
M15 4JE

Date: 8/12/20

Tytherington School

Independent Reporting Accountant's Report on Regularity to Tytherington School and the Education and Skills Funding Agency

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

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

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Board of Trustees's funding agreement with the Secretary of State for Education dated 27 March 2014 and the Academies Financial Handbooks extant from 1 September 2014 and 2015, 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 Directions 2014 and 2015. 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 from 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review and testing of the financial internal control systems
- Sample testing of transactions
- Discussions with management

Tytherington School

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

Conclusion

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

Beever and Struthers

Mr Andrew J McLaren

For and on behalf of Beever and Struthers Chartered Accountants, Chartered Accountants

St. Georges House
215-219 Chester Road
Manchester
M15 4JE

Date: *8/12/20*

Tytherington School

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

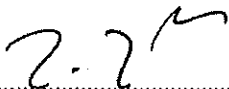
	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2019/20 Total £ 000	2018/19 Total £ 000
Income and endowments from:						
Donations and capital grants	2	12	-	58	70	115
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	5,908	-	5,908	5,155
Other trading activities	4	303	44	-	346	289
Investments		-	-	-	-	-
Total		<u>315</u>	<u>5,952</u>	<u>58</u>	<u>6,324</u>	<u>5,559</u>
Expenditure on:						
Raising funds	5	207	-	-	207	132
<i>Charitable activities:</i>						
Academy trust educational operations	6	<u>6</u>	<u>6,179</u>	<u>376</u>	<u>6,562</u>	<u>5,941</u>
Total		<u>213</u>	<u>6,179</u>	<u>376</u>	<u>6,769</u>	<u>6,074</u>
Net income/(expenditure)		102	(228)	(319)	(445)	(515)
Transfers between funds		(30)	-	30	-	-
Other recognised gains and losses						
Actuarial gain/(loss) on defined benefit pension schemes	24	<u>-</u>	<u>273</u>	<u>-</u>	<u>273</u>	<u>(888)</u>
Net movement in funds/(deficit)		72	45	(289)	(172)	(1,403)
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2019		<u>99</u>	<u>(2,698)</u>	<u>14,251</u>	<u>11,652</u>	<u>13,054</u>
Total funds/(deficit) carried forward at 31 August 2020		<u>171</u>	<u>(2,653)</u>	<u>13,962</u>	<u>11,480</u>	<u>11,652</u>

Tytherington School

(Registration number: 08920320)
Balance Sheet as at 31 August 2020

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Tangible assets	10	14,189	14,442
Current assets			
Debtors	11	144	347
Cash at bank and in hand		<u>341</u>	<u>215</u>
		485	563
Creditors: Amounts falling due within one year	12	<u>(343)</u>	<u>(472)</u>
Net current assets		<u>142</u>	<u>91</u>
Total assets less current liabilities		14,331	14,533
Creditors: Amounts falling due after more than one year	13	<u>(164)</u>	<u>(184)</u>
Net assets excluding pension liability		14,168	14,350
Pension scheme liability	24	<u>(2,688)</u>	<u>(2,698)</u>
Net assets including pension liability		<u>11,480</u>	<u>11,652</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		34	-
Restricted fixed asset fund		13,962	14,251
Restricted pension fund		<u>(2,688)</u>	<u>(2,698)</u>
		<u>11,308</u>	<u>11,553</u>
Unrestricted funds			
Unrestricted general fund		162	99
Unrestricted designated fund		<u>10</u>	<u>-</u>
		<u>172</u>	<u>99</u>
Total funds		<u>11,480</u>	<u>11,652</u>

The financial statements on pages 24 to 42 were approved by the Trustees, and authorised for issue on 8/12/20 and signed on their behalf by:



 Mr Emmanuel Botwe
 Headteacher

Tytherington School

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £ 000	2019 £ 000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	18	199	92
Cash flows from financing activities	19	(8)	20
Cash flows from investing activities	20	<u>(66)</u>	<u>(196)</u>
Change in cash and cash equivalents in the year		125	(84)
Cash and cash equivalents at 1 September		<u>215</u>	<u>299</u>
Cash and cash equivalents at 31 August	21	<u><u>341</u></u>	<u><u>215</u></u>

Tytherington School

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Accounting policies

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

Basis of preparation

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

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

Income

All incoming resources are recognised when the academy trust 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 period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Tytherington School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Donations

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

Other income

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

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

Tytherington School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £250 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, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Asset class	Depreciation method and rate
Buildings	2% straight line
Furniture and equipment	20% reducing balance
Computer equipment	20% reducing balance

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 trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

Tytherington School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis 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 11. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 12. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

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

Tytherington School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the Academy Trust 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 trust 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. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency/Department for Education/sponsor/other 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 Education and Skills Funding Agency/Department for Education.

Critical accounting estimates and areas of judgement

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

Tytherington School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2017 has been used by the actuary in valuing the pensions liability at 31/08/2019. 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.

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted fixed asset funds £ 000	2019/20 Total £ 000	2018/19 Total £ 000
Capital grants	-	58	58	79
Other donations	12	-	12	36
	12	58	70	115

The income from donations and capital grants was £69,688 (2019: £114,895) of which £12,181 was unrestricted (2019: £35,869), £Nil restricted (2019: £Nil) and £57,507 restricted fixed assets (2019: £79,026).

Tytherington School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

3 Funding for the Academy Trust's educational operations

	Restricted funds £ 000	2019/20 Total £ 000	2018/19 Total £ 000
DfE/ESFA revenue grants			
General Annual Grant (GAG)	5,208	5,208	4,762
Other DfE/ESFA grants	511	511	248
	5,719	5,719	5,010
Other government grants			
Local authority grants	169	169	145
Exceptional government funding			
Coronavirus funding	18	18	-
Total grants	5,906	5,906	5,155

The funding for educational operations was £5,907,557 (2019: £5,155,191) of which £Nil was unrestricted (2019: £Nil), £5,907,557 restricted (2019: £5,155,191) and £Nil restricted fixed assets (2019: £Nil).

The academy trust 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 £18k of free school meals, additional cleaning costs and premises costs over the school holiday period for key worker children. These costs are included in notes 6 and 7 below as appropriate.

4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	2019/20 Total £ 000	2018/19 Total £ 000
Hire of facilities	73	-	73	78
Catering income	-	-	-	10
Educational Trips and Visits	209	-	209	146
Other sales	21	44	65	54
	303	44	346	289

The income from other trading activities was £346,467 (2019: £288,708) of which £302,622 was unrestricted (2019: £272,130), £43,845 restricted (2019: £16,578) and £Nil restricted fixed assets (2019: £Nil).

Tytherington School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

5 Expenditure

	Non Pay Expenditure			2019/20	2018/19
	Staff costs £ 000	Premises £ 000	Other costs £ 000	Total £ 000	Total £ 000
Expenditure on raising funds					
Direct costs	-	-	207	207	132
Academy's educational operations					
Direct costs	3,813	376	256	4,445	3,935
Allocated support costs	1,593	225	299	2,117	2,006
	<u>5,406</u>	<u>601</u>	<u>762</u>	<u>6,769</u>	<u>6,074</u>
Net income/(expenditure) for the year includes:				2019/20	2018/19
			£ 000	£ 000	
Operating leases - other leases			39	41	
Fees payable to auditor - audit			11	7	
- other audit services			3	3	
Profit/(loss) on disposal of tangible fixed assets			-	(3)	
Depreciation of tangible fixed assets			<u>376</u>	<u>394</u>	

Tytherington School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

6 Charitable activities

	2019/20 £ 000	2018/19 £ 000
Direct costs - educational operations	4,445	3,935
Support costs - educational operations	2,117	2,006
	6,562	5,941
	Educational operations £ 000	2019/20 Total £ 000
		2018/19 Total £ 000
Analysis of support costs		
Support staff costs	1,593	1,389
Premises costs	225	357
Other support costs	284	245
Governance costs	15	15
Total support costs	2,117	2,006

7 Staff

Staff costs

	2019/20 £ 000	2018/19 £ 000
Staff costs during the year were:		
Wages and salaries	3,887	3,519
Social security costs	336	321
Pension costs	927	746
	5,150	4,586
Supply teacher costs	42	50
	5,192	4,636

Staff numbers

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

Tytherington School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

7 Staff (continued)

	2019/20 No	2018/19 No
Charitable Activities		
Teachers	77	66
Administration and support	107	79
Management	10	9
	194	154
	194	154

The average number of persons employed by the Academy during the year, expressed as full-time equivalents, was as follows:

	2019/20 No	2018/19 No
Charitable Activities		
Teachers	60	54
Administration and support	48	44
Management	8	8
	116	106
	116	106

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2019/20 No	2018/19 No
£60,001 - £70,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	1	1
	1	1

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £614,373 (2019: £599,324).

Tytherington School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

8 Trustees' remuneration and expenses

The Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

Mr Adam Brown (Staff trustee):

Remuneration: £25,000 - £30,000 (2019 - £25,000 - £30,000)

Employer's pension contributions: £5,000 - £10,000 (2019 - £5,000 - £10,000)

Mr Stephen Acreman (Staff trustee):

Remuneration: £40,000 - £45,000 (2019 - £35,000 - £40,000)

Employer's pension contributions: £5,000 - £10,000 (2019 - £5,000 - £10,000)

Mr Emmanuel Botwe (Headteacher and trustee):

Remuneration: £90,000 - £95,000 (2019 - £85,000 - £90,000)

Employer's pension contributions: £20,000 - £25,000 (2019 - £10,000 - £15,000)

During the year ended 31 August 2020, travel and subsistence expenses totalling £36 (2019 - £Nil) were reimbursed or paid directly to 1 trustees (2019 - 0).

Other related party transactions involving the trustees are set out in note 25.

9 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

Tytherington School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

10 Tangible fixed assets

	Freehold land and buildings £ 000	Freehold land and buildings under construction £ 000	Furniture and equipment £ 000	Computer equipment £ 000	Total £ 000
Cost					
At 1 September 2019	15,095	119	1,281	194	16,689
Additions	93	-	8	22	123
Transfers	119	(119)	-	-	-
At 31 August 2020	<u>15,307</u>	<u>-</u>	<u>1,290</u>	<u>216</u>	<u>16,812</u>
Depreciation					
At 1 September 2019	1,320	-	822	105	2,247
Charge for the period	264	-	84	28	376
At 31 August 2020	<u>1,584</u>	<u>-</u>	<u>906</u>	<u>133</u>	<u>2,623</u>
Net book value					
At 31 August 2020	<u>13,722</u>	<u>-</u>	<u>384</u>	<u>83</u>	<u>14,189</u>
At 31 August 2019	<u>13,774</u>	<u>119</u>	<u>460</u>	<u>89</u>	<u>14,442</u>

11 Debtors

	2020 £ 000	2019 £ 000
Trade debtors	20	13
VAT recoverable	23	83
Other debtors	4	150
Prepayments	54	62
Accrued grant and other income	43	38
	<u>144</u>	<u>347</u>

Tytherington School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

12 Creditors: amounts falling due within one year

	2020 £ 000	2019 £ 000
Trade creditors	29	137
Loans	33	20
Other creditors	115	194
Accruals	25	27
Deferred income	40	15
Pension scheme creditor	101	78
	343	472

Loans

There were three Salix loans outstanding at the year end. The total loan amount is £196,295 with repayment periods between 6 - 8 years.

All three of the loans are repaid bi-annually with instalments of £1,483, £2,375 and £12,500.

	2020 £ 000	2019 £ 000
Deferred income		
Deferred income at 1 September 2019	15	2
Resources deferred in the period	40	15
Amounts released from previous periods	(15)	(2)
Deferred income at 31 August 2020	40	15

At the balance sheet date the academy trust was holding funds received in advance for school trips taking place in 2020/21.

13 Creditors: amounts falling due after one year

	2020 £ 000	2019 £ 000
Loans	164	184

Tytherington School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

13 Creditors: amounts falling due after one year (continued)

Loans

There were three Salix loans outstanding at the year end. The total loan amount is £196,295 with repayment periods between 6 - 8 years.

All three of the loans are repaid bi-annually with instalments of £1,483, £2,375 and £12,500.

14 Funds

	Balance at 1 September 2019 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2020 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	5,208	(5,174)	-	34
Other ESFA/DFE grants	-	511	(511)	-	-
LA grants	-	169	(169)	-	-
Coronavirus funding	-	18	(18)	-	-
Other restricted funds	-	66	(66)	-	-
	<u>-</u>	<u>5,972</u>	<u>(5,938)</u>	<u>-</u>	<u>34</u>
Restricted pension fund					
LGPS	<u>(2,698)</u>	<u>-</u>	<u>(263)</u>	<u>273</u>	<u>(2,688)</u>
Total restricted general funds	<u>(2,698)</u>	<u>5,972</u>	<u>(6,201)</u>	<u>273</u>	<u>(2,654)</u>
Restricted fixed asset funds					
Transferred on conversion	13,147	-	(309)	-	12,838
Capital grants	1,024	58	(68)	-	1,014
Transfer from unrestricted funds	80	-	-	30	110
	<u>14,251</u>	<u>58</u>	<u>(377)</u>	<u>30</u>	<u>13,962</u>
Total restricted funds	<u>11,553</u>	<u>6,030</u>	<u>(6,578)</u>	<u>303</u>	<u>11,308</u>
Unrestricted funds					
Unrestricted general funds	99	306	(213)	(30)	162
Unrestricted designated funds	-	10	-	-	10
Total unrestricted funds	<u>99</u>	<u>316</u>	<u>(213)</u>	<u>(30)</u>	<u>172</u>
Total funds	<u>11,652</u>	<u>6,346</u>	<u>(6,791)</u>	<u>273</u>	<u>11,480</u>

Tytherington School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

14 Funds (continued)

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

	Balance at 1 September 2018 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	4,762	(4,994)	232	-
Other ESFA/DFE grants	-	248	(248)	-	-
LA grants	-	145	(145)	-	-
Other restricted funds	-	22	(22)	-	-
	<u>-</u>	<u>5,177</u>	<u>(5,409)</u>	<u>232</u>	<u>-</u>
Restricted pension funds					
LGPS	(1,683)	-	(127)	(888)	(2,698)
Total restricted general funds	<u>(1,683)</u>	<u>5,177</u>	<u>(5,536)</u>	<u>(656)</u>	<u>(2,698)</u>
Restricted fixed asset funds					
Transferred on conversion	13,407	-	(260)	-	13,147
Capital grants	1,081	79	(136)	-	1,024
Transfer from unrestricted funds	-	-	-	80	80
	<u>14,488</u>	<u>79</u>	<u>(396)</u>	<u>80</u>	<u>14,251</u>
Total restricted funds	12,805	5,256	(5,932)	(576)	11,553
Unrestricted funds					
Unrestricted general funds	249	302	(140)	(312)	99
Total funds	<u>13,054</u>	<u>5,558</u>	<u>(6,072)</u>	<u>(888)</u>	<u>11,652</u>

Tytherington School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

15 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	14,190	14,190
Current assets	172	313	-	485
Current liabilities	-	(279)	(64)	(343)
Creditors over 1 year	-	-	(164)	(164)
Pension scheme liability	-	(2,688)	-	(2,688)
Total net assets	172	(2,654)	13,962	11,480

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	14,442	14,442
Current assets	98	463	-	561
Current liabilities	-	(462)	(7)	(469)
Creditors over 1 year	-	-	(184)	(184)
Pension scheme liability	-	(2,698)	-	(2,698)
Total net assets	98	(2,697)	14,251	11,652

16 Capital commitments

	2020 £ 000	2019 £ 000
Contracted for, but not provided in the financial statements	-	44

17 Commitments under operating leases

Operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

Tytherington School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

17 Commitments under operating leases (continued)

	2020 £ 000	2019 £ 000
Amounts due within one year	37	38
Amounts due between one and five years	39	50
	76	88

18 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2019/20 £ 000	2018/19 £ 000
Net expenditure	(445)	(515)
Depreciation	376	394
Loss on disposal of tangible fixed assets	-	3
Capital grants from DfE and other capital income	(58)	(79)
Interest receivable		
Defined benefit pension scheme cost less contributions payable	201	215
Defined benefit pension scheme finance cost	50	48
Decrease/(increase) in debtors	203	(181)
(Decrease)/increase in creditors	(141)	343
Net cash inflow from operating activities	187	228

19 Cash flows from financing activities

	2019/20 £ 000	2018/19 £ 000
Repayments of borrowing	(8)	(3)
Cash inflows from new borrowing	-	23
Net cash (used in)/provided by financing activities	(8)	20

20 Cash flows from investing activities

	2019/20 £ 000	2018/19 £ 000
Dividends, interest and rents from investments		
Purchase of tangible fixed assets	(123)	(275)
Proceeds from sale of tangible fixed assets	-	
Capital grants from DfE/ESFA	58	79
Net cash used in investing activities	(66)	(196)

Tytherington School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

21 Analysis of cash and cash equivalents

	2020 £ 000	2019 £ 000
Cash at bank and in hand	341	215
Total cash and cash equivalents	341	215

22 Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash	215	126	341
Loans falling due within one year	(20)	(13)	(33)
Loans falling due after more than one year	(184)	20	(164)
	(204)	7	(197)
Total	11	133	144

23 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.

24 Pension and similar obligations

The academy trust'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 are managed by Cheshire West and Chester 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 2016.

Contributions amounting to £101,270 (2019 - £(78,441)Nil) were payable to the schemes at 31 August and are included within creditors.

Tytherington School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

24 Pension and similar obligations (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Tytherington School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

24 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £660,035 (2019: £409,257).
A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £323,000 (2019 - £307,000), of which employer's contributions totalled £267,000 (2019 - £256,000) and employees' contributions totalled £56,000 (2019 - £51,000). The agreed contribution rates for future years are per cent for employers and per cent for employees.

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

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	2.90	2.60
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.70	1.80
Commutation of pensions to lump sums	<u>75.00</u>	<u>0.00</u>

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

	2020	2019
Retiring today		
Males retiring today	21.20	22.30
Females retiring today	23.60	24.50
Retiring in 20 years		
Males retiring in 20 years	21.90	23.90
Females retiring in 20 years	<u>25.00</u>	<u>26.50</u>

Tytherington School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

24 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2019/20 £ 000	2018/19 £ 000
Current service cost	(480)	(319)
Past service cost	-	(16)
Interest income	49	63
Interest cost	(99)	(111)
Total amount recognised in the SOFA	<u>(530)</u>	<u>(383)</u>

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

	2019/20 £ 000	2018/19 £ 000
At start of period	5,263	3,808
Current service cost	480	319
Interest cost	99	111
Employee contributions	56	51
Actuarial (gain)/loss	(259)	999
Benefits paid	(66)	(41)
Past service cost	-	16
At 31 August	<u>5,573</u>	<u>5,263</u>

Changes in the fair value of academy's share of scheme assets:

	2019/20 £ 000	2018/19 £ 000
At start of period	2,565	2,125
Interest income	49	63
Actuarial gain/(loss)	14	111
Employer contributions	267	256
Employee contributions	56	51
Benefits paid	(66)	(41)
At 31 August	<u>2,885</u>	<u>2,565</u>

The actual return on scheme assets was £130,000 (2019 - £174,000).

Tytherington School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

24 Pension and similar obligations (continued)

The academy trust's share of the assets in the scheme were:

	2020 £ 000	2019 £ 000
Equities	1,298	1,411
Corporate bonds	1,183	898
Property	289	231
Cash and other liquid assets	115	25
Total market value of assets	<u>2,885</u>	<u>2,565</u>

25 Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

Expenditure related party transactions

During the year the academy made the following related party transactions:

The Yes Trust

The academy trust purchased student alternative provision services from The Yes Trust (trading as The Fermain Academy) during the year ended 31 August 2020 amounting to £44,000 (2019: 49,150):

- Mr Tim Haselwood is a member of Tytherington School's Senior Management Team and he is a Trustee of The Yes Trust.
- The commercial relationship between Tytherington School and The Yes Trust and the decision to use The Yes Trust existed before Mr Haselwood became a Trustee of The Yes Trust.
- Mr Haselwood is not involved in the procurement decisions concerning the services purchased by Tytherington School from The Yes Trust or involved in the decision about which students to send to The Yes Trust. Mr Haselwood does not authorise invoices from The Yes Trust.
- All Trustees of both Tytherington School and The Yes Trust are fully aware that Mr Haselwood is a member of the Senior Leadership Team of Tytherington School and that he is a Trustee of The Yes Trust and they are satisfied that there is no conflict of interest.
- The services purchased by Tytherington School from The Yes Trust are at no more than cost and The Yes Trust have provided a statement confirming this.

Tytherington School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

25 Related party transactions (continued)

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2019.

The element above £2,500 has been provided 'at no more than cost' and The Yes Trust has provided a statement of assurance confirming this.

At the balance sheet date the amount due to The Yes Trust was £Nil (2019 - £Nil).

Income related party transactions

During the year the academy made the following related party transactions:

Hurdsfield Primary School

The academy trust sometimes sellsminibus hire and printing services to Hurdsfield Primary School which is part of Cheshire East Council. Sales during the year ended 31 August 2019 were made to the value of £3,610, no sales were made during the year ended 31 August 2020. Some printing and minibus hire services will be made in 2020/21.

- Mr Tim Haselwood is a member of Tytherington School's Senior Management Team and on 23 January 2020 Mr Haselwood became a Governor of Hurdsfield Primary School.
- The Headteacher and all the Trustees of Tytherington School and the Headteacher and all the Governors of Hurdsfield Primary School are fully aware that Mr Haselwood is a member of the Senior Management Team of Tytherington School and that he is a Governor of Hurdsfield Primary School. They are satisfied that there is no conflict of interest.
- Payments from Hurdsfield Primary School to Tytherington School are authorised by the Headteacher of Hurdsfield Primary School, not by Mr Haselwood.

At the balance sheet date the amount due from Hurdsfield Primary School was £Nil (2019: £175).

26 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the academy trust received £10,426 and disbursed £5,294 from the fund. An amount of £5,132 is included in other creditors relating to undistributed funds that is repayable to ESFA.

Comparatives for the accounting period ending 31 August 2019 are £11,303 received, £7,154 disbursed and £4,149 was held in reserves at the year end.

Tytherington School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

27 Statement of Financial Activities for the Year Ended 31 August 2019

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2018/19 Total £ 000
Income and endowments from:					
Donations and capital grants	2	36	-	79	115
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	5,155	-	5,155
Other trading activities	4	266	22	-	288
Total		<u>302</u>	<u>5,177</u>	<u>79</u>	<u>5,558</u>
Expenditure on:					
Raising funds	5	132	-	-	132
<i>Charitable activities:</i>					
Academy trust educational operations	6	8	5,536	396	5,940
Total		<u>140</u>	<u>5,536</u>	<u>396</u>	<u>6,072</u>
Net income/(expenditure)		162	(359)	(317)	(514)
Transfers between funds		(312)	232	80	-
Other recognised gains and losses					
Actuarial gain/(loss) on defined benefit pension schemes	23	-	(888)	-	(888)
Net movement in deficit		(150)	(1,015)	(237)	(1,402)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		<u>249</u>	<u>(1,683)</u>	<u>14,488</u>	<u>13,054</u>
Total funds/(deficit) carried forward at 31 August 2019		<u>99</u>	<u>(2,698)</u>	<u>14,251</u>	<u>11,652</u>