

St Bernard's High School

(A Company Limited by Guarantee)



Annual Report and Financial Statements

for the year ended
31 August 2020

Company Registration Number: 07697023
(England and Wales)

St Bernard's High School

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St Bernard's High School

Trustees' Report

Reference and Administration Detail

Members

The Bishop of Brentwood
The Trustees of the Diocese of Brentwood
The Chair of Governors – note the change in Chair 1 September 2019

Governors (Trustees)

Mr R Calton* (Resigned as Chair 31 August 2019)
Mrs J James* (Appointed Chair 1 September 2019)
Mrs P Blight
Mrs A Chrabszcz (Parent Governor elected February 2020)
Miss A Clancy (Staff Governor resigned December 2020)
Mrs C Clark* (Appointed February 2020)
Mr M J Elmes (Staff Governor resigned January 2020)
Father P Golez (Appointed March 2020)
Mrs S Jackson* (Staff Governor appointed November 2019)
Mrs M Jones
Mrs S Jones (Appointed January 2020)
Mrs L Lancaster*
Mrs E Ley* (Parent Governor)
Mr L Mason* (Parent Governor resigned November 2020)
Mr J O'Brien* (Resigned August 2020)
Mr M O'Sullivan* (Vice Chair)
Mr A Sharpe * (Head Teacher)

**Members of Finance and Audit Committee*

Company Secretary

Mrs J Krone

Senior Leadership Team

Head Teacher	Mr A Sharpe
School Business Manager	Mrs J Krone
Assistant Head Teacher	Mrs H Barnes
Assistant Head Teacher	Mrs H Bennett
Assistant Head Teacher	Miss A Clancy (Temporary Appointment January 2020)
Assistant Head Teacher	Mrs C O'Brien
Assistant Head Teacher	Mr P Walls (Died October 2019)

Company Name

St Bernard's High School

Principal and Registered Office

St Bernard's High School
Milton Road
Westcliff-on-Sea
Essex SS0 7JS

Company Registration Number

07697023 (England and Wales)

St Bernard's High School

Trustees' Report

Reference and Administrative Details (continued)

Independent Auditor

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

Bankers

HSBC
Fenton House
85 – 89 New London Road
Chelmsford
Essex CM2 0PP

Lloyds Bank
77 High Street
Southend-on-Sea
Essex SS1 1HT

Solicitors

Winckworth Sherwood
Minerva House
5 Montague Close
London SE1 9BB

St Bernard's High School Trustees' Report

The trustees present their Annual Report together with the Financial Statements and Auditors' Report of St Bernard's High School the charitable company, for the period 1st September 2019 to 31st August 2020. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Academy operates as a Catholic academy for girls aged 11 – 16 and for both boys and girls aged 16 – 18 serving the Southend Deanery, part of the Diocese of Brentwood, based in Westcliff-on-Sea, Essex. It is in the process of expanding to accommodate additional students in the Borough of Southend. In the year we had a capacity of 880 and a roll of 884 in the Autumn 2019 census.

Structure, Governance and Management

Constitution

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents. The Governors act as the trustees for the charitable activities of the academy and are also the Directors for the purposes of company law. The terms trustee, governor and Director are interchangeable. The Charitable Company is known as St Bernard's High School (the school).

Details of the Governors who served throughout the period are included in the Reference and Administrative Details on page 3.

Members' Liability

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

Governors and Officers' Indemnities

The academy has paid into the Government's RPA scheme throughout the accounting period. The RPA's administrator limit of liability shall be £10,000,000 each and every loss and shall be the maximum aggregate liability of the RPA administrator from all losses from the academy in any one membership year.

Method of Recruitment and Appointment or Election of Trustees

The arrangements for recruiting and appointing are as set out in the Articles and Funding Agreement.

The Articles of Association make provision for:

- 11 Foundation Governors, appointed by the Diocesan Bishop. Foundation Governors will include the Parish Priest and at least 3 shall be parents of registered students attending the school at the date of appointment;
- 3 Staff Governors, 2 of whom teach and 1 who does not;
- 2 further Governors;
- 3 elected Parent Governors;
- the Head Teacher is a Governor.

St Bernard's High School Trustees' Report (continued)

Method of Recruitment and Appointment or Election of Trustees (continued)

Underlying the structure is the understanding that the number of Foundation Governors must form a simple majority of the Board of Trustees. Governors serve a 4-year term except parent Governors who stand down when their child leaves the School.

To recruit new Governors, the trust works with Parish Priests to identify individuals who are active within their parish, are appropriately skilled and are willing to stand. Once identified the information is presented to the Diocesan Bishop for his approval.

Where vacancies arise among parent Governors nominations are sought from among the parent body and an election using a secret ballot takes place.

Where vacancies arise among Staff Governors nominations are sought from among the staff and an election using a secret ballot takes place.

Policies and Procedures Adopted for the Induction and Training of Governors

There is a Governor Induction Policy that seeks to ensure that a new Governor receives a comprehensive induction process covering a broad range of issues and topics with a view to ensuring that the new Governor is given the necessary information and support to fulfil their role with confidence, leading to more effective governance and retention. A named Governor takes responsibility for supporting the new Governor through the process.

In addition each new Governor is expected to attend a Finance Committee meeting to gain insight as to how the Governors understand and take responsibility for the financial management of the Trust's affairs.

Organisational Structure

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

The Board of Trustees, which meets on at least 3 occasions per year, is responsible for the strategic direction of the academy. It reviews progress towards educational objectives and results; approves major expenditure requests; sets the budget for the following year; sets the organisational staffing structure and agrees the performance objectives of the Head Teacher and reviews them.

Governors also attend termly committee meetings focussing on ethos, teaching and learning, staffing, premises and finance and report to the termly meeting of the Board of Trustees.

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

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

The School Business Manager is the designated Chief Financial Officer.

St Bernard's High School Trustees' Report (continued)

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Key management personnel include academy trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Academy as detailed on page 3.

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

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

Trade Union Facility Time

Relevant Union Officials

Number of Employees Who Were Relevant Union Officials During the Relevant Period	Full-Time Equivalent Employee Numbers
0	0

Percentage of Time Spent on Facility Time

Percentage of Time	Number of Employees
0%	0
1% - 50%	0
51% - 99%	0
100%	0

Percentage of Pay Bill Spent on Facility Time

Total cost of facility time	0
Total pay bill	0
Percentage of total pay bill spent on facility time	0

Paid Trade Union Activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid union activities by relevant union officials during the relevant ÷ total paid facility hours) x 100	0
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Related Parties and Connected Organisations

The Governors have signed a Memorandum of Understanding with the Diocese of Brentwood that puts in writing the relationship that has always existed between the School and the Church. The document clearly states what is required of the School Leadership and its Governors and of how it represents the Diocese within the local community.

St Bernard's High School Trustees' Report (continued)

Related Parties and Connected Organisations (continued)

The School is active within the local community, working with schools within the South East Essex Deanery of the Diocese of Brentwood. Staff and students take an active part in Local Authority events right across the spectrum from attending Council led meetings to sporting and cultural activities to professional development opportunities as part of the local Teaching School Alliance.

Owing to the nature of the academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. If any transactions involving such organisations take place they are at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

Any transaction where a trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle stated in the Academies' Financial Handbook.

Objectives and Activities

The academy's principal activity is to advance for the public benefit, education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing a Catholic School which shall offer a broad and balanced curriculum. It shall be conducted in accordance with the principles, practices and tenets of the Catholic Church and all Catholic Canon Law that apply, including any trust deed governing the use of the land used by the academy, both generally and in particular in relation to religious education and daily acts of worship, having regard to any advice and instructions issued by the Diocesan Bishop.

Objectives, Strategies and Activities

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

- ensuring that every child enjoys the same high-quality education in terms of resourcing, tuition and care;
- raising the standard of educational achievement of all students still further;
- further improving the effectiveness of the academy by keeping the curriculum and organisational structure under review;
- providing value for money;
- complying with all appropriate statutory and curricular requirements;
- conducting the academy's business in accordance with the highest standards of integrity; and
- working with schools in the diocese of Brentwood.

At St Bernard's High School, our aim is to enable each student to realise their full academic, creative and physical potential, and to develop positive and moral values. We draw strength from our Catholic faith, and look to empower our students to go on to become a full participating member of society.

Public Benefit

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

St Bernard's High School Trustees' Report (continued)

Strategic Report

Achievements and Performance

The Section 48 inspection undertaken by inspectors on behalf of the Diocese of Brentwood judged St Bernard's High School to be an 'outstanding Catholic school' in November 2017. The school's mission to support and nurture students both academically and spiritually is well illustrated by the School motto, 'Dieu mon abri' - 'God is my shelter'. The School is an inclusive community centred on ensuring that students are well cared for and educated within a caring and empowering framework embodied by the statement 'Love one another as I have loved you'. Gospel values are reflected in the mission statement of the School and especially in the dedicated pastoral work done by staff with students who are keen to support the School by developing their roles further. The curriculum on offer reinforces the Catholic ethos of the School effectively.

The Ofsted inspection in October 2016 judged that St Bernard's remains a good school, with outstanding aspects. The lead inspector wrote to the headteacher:

'The standard of pupils' behaviour, in lessons and around the School, are very high. The systems designed to promote good behaviour are applied consistently. The effectiveness of these systems is monitored closely by the senior leadership team. In rare cases, where help is needed to improve behaviour, support is tailored to match individual pupils' needs. The impact of this support is evaluated, in regular pastoral meetings, to ensure interventions are working.' Ofsted 2016

'Pupils are polite, articulate and proud of their School. They readily take on leadership responsibilities which help to prepare them for the next stage in their education. The School's atmosphere is calm and purposeful. The principles of British Values are promoted effectively, in lessons and across the wider curriculum. Pupils know right from wrong. Tolerance and respect are inherent in the culture and ethos of the School. The very good working relationships, established between staff and students, make a significant contribution to the high standards of behaviour sustained over time.' Ofsted 2016

'Strong leadership, and increasingly effective teaching, have ensured that outcomes in key stages 3 and 4 are typically very strong. In 2015, many pupils made significantly better progress than other pupils nationally.' Ofsted 2016

There have been many improvements to the buildings in recent years. A new classroom block, including dedicated facilities for Sixth Form students, has recently completed. This has allowed the school to re-configure the locations and facilities for academic departments in many of the existing buildings. As a result the environment for teaching and learning has been much improved.

'The School's self-evaluation of its own performance is open and accurate. Staff are clear about what is going well and what needs to be changed. This culture of high expectations of staff and pupils' performance is promoted very effectively by the Senior Leadership Team.' Ofsted 2016

'Staff are encouraged to work together to share good practice. Checks on the quality of teaching and learning are regular...leaders are working closely with middle leaders to ensure that reviews of teachers' performances are accurate and focused on the things that need to improve. Up-to-date information on pupils' progress is used effectively to identify areas for improvement within subject departments and for individual members of staff.' Ofsted 2016.

St Bernard's High School Trustees' Report (continued)

Achievements and Performance (continued)

The School has a comprehensive development plan shared by all members of the School community. The priorities are to continue to ensure that all groups of students maintain high standards at GCSE that are well above the national average in all subjects and to further raise academic standards in the sixth form by:

- ensuring that all subject teachers are consistently reviewing the progress of their students towards challenging performance targets;
- taking every opportunity to encourage students to take greater responsibility for their own learning;
- ensuring students at 'A' Level achieve their challenging target grades; and
- closing the gap between the disadvantaged students and other groups of students at the School ensuring they continue to remain above the national average for the group.

Key Performance Indicators

The members of the Finance and Audit Committee receive information at every meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets. This information is then taken to the termly 'Board of Trustees' meeting. The Board receives external support to reassure themselves of the validity of that data from the data team at the Local Authority and named Governors have received additional training to become the 'expert' for the Board of Trustees.

Academic performance in 2019 saw record results for the school. In 2019, Year 11 students at St Bernard's achieved a Progress 8 figure of 0.89, the highest score in Southend; this score placed St Bernard's in the top 100 schools in the country. Underpinning this excellent outcome was an Attainment 8 figure of 56.12, with 84% of Year 11 students achieving a 4 in English and mathematics and 59% achieving a 5 in the same subjects, all well above the national average. At A Level, 56% of all grades were A*-B, with 84% of all A level grades at A*-C. The average point score per A Level entry rose to 32.52. These figures continue to demonstrate the strong attainment and progress of our students.

Other indicators are also very positive: exclusions remain well below the national average, despite a stringent set of expectations in terms of behaviour, whilst attendance across Years 7-11, which is traditionally high, reached 95.99%, another school record.

The school is over-subscribed at Year 7 and the Borough of Southend is experiencing increasing numbers of students. As a consequence, the Borough is funding the expanding of the school premises and September 2019 saw the first Sixth Form intake. In September there was 884 pupils (September 2019: 856).

Results in 2020 were derived from centre-assessed grades due to Covid-19, and are not directly comparable with previous years. Nevertheless, outcomes were in line with historical success, ensuring the life chances of this cohort were not diminished by the international pandemic.

Financial key performance indicators are:

- staff pay as % of total expenditure 80% (2019 75%);
- staff costs as % of revenue income 86% (85%).

Going Concern

After making appropriate enquiries, the Governors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Account Policies.

St Bernard's High School Trustees' Report (continued)

Financial Review

The principal source of funding for the academy is the General Annual Grant (GAG) funding that it receives from the Education and Skills Funding Agency. For the year ended 31 August 2020 the academy received £5,053,000 in GAG and other funding (£4,977,000 in the previous year). A high percentage of this was spent on wages and salaries and support costs to deliver the academy's primary objective of the provision of education.

During the year the academy has been developing an extension and remodelling rooms in the school to accommodate the planned expansion in pupil numbers. This is being funded by the Local Authority, Southend-on-Sea, to a maximum sum of £4.4 million. The project was started in 2017/18 and will be completed in September 2020.

Having brought forward total reserves, excluding the pension deficit of £2,770,000 at 31 August 2019 the academy holds £528,000 in restricted reserves excluding the pension deficit of £2,642,000 and unrestricted reserves of £231,000 it also holds £3,762,000 in restricted fixed asset funds.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the academy is recognising a significant pension deficit of £2,642,000 (2019 £2,441,000). This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves Policy

The Trustees had set a policy on reserves that would:

- cover 2 month's salary spend to cover any delays between expenditure and grant income and to provide a cushion to deal with unexpected emergencies. This equates to £500,000 in the form of cash;
- to accumulate sufficient funds to cover the replacement of a temporary demountable building with a permanent structure.

The school was asked by the Local Authority to expand from 5 forms of entry to 6 forms with effect from September 2019. That capital cost of expansion would be funded by the Local Authority and the resulting classroom block is being built on the site of the temporary building.

At the start of the 2019/20 academic year the school had faced setting a deficit budget planning to use the reserve set on one side for the building replacement to cover the anticipated loss. However, making some deliberate cost cutting decisions during the year and the impact of COVID-19 on the running of the school has meant that a surplus has arisen.

The future funding of the school is expected to remain as is but governors are expecting unfunded salary increases and additional staff costs in covering the running of the school through the next months because of COVID-19 and the governors now hold the reserves to cover these additional costs.

The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £232,000 (2019 £260,000). This has been built up from a mixture of locally raised income and the balances transferred from the predecessor school.

The cash balance of the academy has been very healthy all year, ending with a balance of £1,048,000 (2019 £1,174,000). The school has been asked to expand, from 5 forms of entry to 6 forms of entry in September 2019 to help accommodate the increasing student numbers in the local authority area. The cash reserves are supporting the timing issues arising on the building project and are also included in creditors as deferred income until spent.

St Bernard's High School Trustees' Report (continued)

Reserves Policy (continued)

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2020 was £4,561,000 (2019 £2,770,000) reflecting the significant impact of the funding for the building expansion.

Investment Policy

The Memorandum of Association allows the trustees to deposit or invest any funds of the Trust not immediately required for the furtherance of its object (but to invest only after obtaining such advice from a financial expert as the Governors consider necessary and having regard to the suitability of investments and the need for diversification).

At the current time the trust only holds cash reserves at the bank. An arrangement is in place whereby funds in excess of the daily spend are transferred to and from a deposit account and £306,000 is held in a 3 month's deposit account to maximise interest receivable.

Principal Risks and Uncertainties

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

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

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

The key risks identified are that of:

Financial pressures

- Changing funding from Government and the impact that could have on the operation of the School, specifically the unmatched increases in salary costs and employer pension contribution rates. Projects being undertaken now look to provide an appropriate and affordable infrastructure and on-going financial commitments are being kept to a minimum.
- The reduction in capital funding available from Central Government and the consequent impact on being able to maintain the current structure both physical and the IT structure and equipment in an appropriate condition and the ability to develop the property to take into account changing curriculum needs.
- The ESFA's ongoing concern about failure to effectively manage academy finances, fraud, a failure in internal control, compliance with regulations and legislation, statutory returns etc. is managed by reviews of all areas at Finance and Audit Committee meetings, supported by an Independent Internal Auditor.

Ethos issues

- Further risks which impact upon the Catholic nature of the student body have been identified following the decreasing number of Catholic families in the western end of the Deanery, the sustained increase in the number of students joining the school through success in the selective tests and the mobility of students within the Southend Borough. Mitigation of this is being seen by the significant increase in a Catholic population in central Southend with two local Catholic primary schools moving from one to two form entry.
- A further concern about the make-up of the student body is the expansion in numbers taken by local selective schools at entry in Year 7 and the expansion in the offer of sixth form education both by the selective schools and other local schools.

St Bernard's High School Trustees' Report (continued)

Principal Risks and Uncertainties (continued)

IT issues

- The impact of cyber attacks including ransomware is more obvious and the school is continuing to create greater resilience within its structure and appropriate backup to ensure security of its data.

Safeguarding and Child Protection

- The trustees continue to ensure that the highest standards are maintained in areas of selection and monitoring of staff, the operation of child protection policies and procedures.

Staffing

- The success of the academy is reliant on the quality of its staff and the trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Alliance/Partnership Risk

- Current thinking is that schools should consider becoming members of multi academy trusts (MATs) and the academy has been in conversations with the DfE and the Diocese of Brentwood on this matter. The diocesan view is that all schools in the Diocese of Brentwood are expected to join a local Deanery MAT over time.

Defined Pension Scheme

- As the Government has agreed to meet the defined benefit pension scheme liability of any school ceasing to exist the main risk to the academy is the ability to afford the increase employer contributions of 25%.
- *COVID-19*
The pandemic is having significant impact on all aspects of the school and this is expected to continue. Financially, the school has continued funding from government and the resources available to be able to deliver education to the students. The focus will be looking to manage the impact of the infection on the staff and students and how that will be judged by stakeholders.

Fundraising

The school has limited resources (staffing capacity and time) to be able to fundraise.

The school looks to make available its property to local groups in the evenings and generates a small income included under the heading of lettings. The rates charged are relatively low to encourage local community activity. The impact of the COVID-19 pandemic meant that all lettings stopped in March 2020 and only started to resume to September 2020. It is expected that the income will be lower than budget for the 2020/2021 year as local restrictions are applied and social distancing is essential.

The students are encouraged to support charitable works and form groups will generate ideas and carry out events in school to fundraise, notably bake sales, raffles, film showings where all income is passed onto relevant charities.

The school has a history of Year 12 students running a Rag Week for a number of specified charities. The activities are open to all students who pay to participate if they so choose. Due to COVID-19 it did not take place this year.

The school does not approach parents or friends for fundraising.

There is a charity, the St Bernard's High School PSFA number 27035 that does write to the family of a student joining the school and will provide financial support to the school to allow it to purchase items that would not be expected to be bought from the funds received from government. Over the years this has included a minibus, garden furniture, information screens, support for liturgical days of reconciliation and arts week. Donations of £1,455 were received in this financial year (2019 £12,850).

During the year ended 31 August 2020 there were no fundraising complaints.

St Bernard's High School Trustees' Report (continued)

Plans for Future Periods

The academy looks to continue to offer the very best education to the students by continuing to develop best practice by all staff, offering as wide a curriculum as possible and to continue to support enrichment activities.

The Local Authority expansion has started with 6 forms of entry with effect from September 2019 and this will see an expansion in pupil numbers over the next 5 years.

Funds Held as Custodian Trustee on Behalf of Others

The School occupies the land and buildings at Milton Road which are owned by the Diocese of Brentwood. The school is required to insure and maintain the property at its own cost with no financial support available from the Diocese. An accounting adjustment included within the accounts to recognise a 'rental cost' matched by a deemed donation.

Provision of Information to Auditors

Insofar as the Governors are aware:

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

The Trustees' Report, including a Strategic Report, was approved by order of the Board of Trustees on 1 December 2020 and signed on the Board's behalf by:

Jacqueline James

Jacqueline James
Chair
1 December 2020

St Bernard's High School

Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Bernard's High School and the Secretary of State for Education. The Head Teacher is 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 Governors' Responsibilities. The Full Board of Trustees has formally met 2 times during the year. The Spring term meeting did not take place as the COVID-19 lockdown was announced. A report was circulated to all staff. All sub committee meetings took place covering the required business. With COVID-19 and the move to online meetings all committees were opened to all governors in the Summer term. Attendance during the year at meetings of the Board of Trustees was as follows:

Governor	Meetings Attended	Out of a Possible
Mrs P Blight	1	2
Mr R Calton	2	2
Mrs A Chrabszcz (appointed February 2020)	1	1
Miss A Clancy (resigned December 2019)	1	1
Mrs C Clark (appointed January 2020)	1	1
Mr M J Elmes (resigned January 2020)	1	1
Father P Golez (appointed March 2020)	1	1
Mrs S Jackson (appointed November 2019)	2	2
Mrs J James (Chair)	2	2
Mrs M Jones	2	2
Mrs S Jones (appointed January 2020)	0	1
Mrs L Lancaster	2	2
Mrs E Ley	0	2
Mr L Mason (resigned November 2020)	1	2
Mr J O'Brien (resigned August 2020)	2	2
Mr M O'Sullivan	2	2
Mr A Sharpe (Head Teacher)	2	2

The detailed work is delegated to sub committees which meet at least termly and allow governors to discuss and review specific policies and data in detail. Sub Committees cover ethos, teaching and learning, staffing, premises and finance and audit as key issues. The outcomes of those meetings, together with agreed policies and significant papers are then reviewed at the full board meeting. Thus governors are able to use their expertise appropriately and yet maintain a broad understanding of all key issues. All governors therefore expect to attend meetings at least six times a year and most attend more. The delegation of tasks and attendance at meetings is published on the school website and is updated regularly.

St Bernard's High School

Governance Statement (continued)

The Board of Trustees uses external consultants to help it review the school's performance, and to keep updated on important changes in legislation.

Trustees hold a review day in February each year to review the impact of their work on the school's operations, with visits to lessons, a review of key performance data with an external consultant, and to take the opportunity for further training.

The Governors buy a support package from the Local Authority, which gives access to further training, and monthly updates on changes in government documentation. This local perspective on governance is supplemented by the national support from the Trustees' membership of the National Governors' Association.

Key issues addressed in 2019/20 have included:

- overseeing the return of the school's revenue budget to a state of surplus;
- continuing to manage the property in terms of the constraints governing financials resources, and the need for risk management across a range of financial and premises related issues;
- monitoring the school's academic performance in a context of new specifications, and a new national grading system for examinations, ensuring that it remains highly successful in terms of educational outcomes;
- exploring the opportunities to realise the diocesan aim for deanery-based multi academy trusts;
- strategic oversight of the expansion of the school to 6 forms of entry;
- governors have completed a self audit of competencies in order to ensure all aspects of governance are supported by appropriate expertise.

Assessment data is produced by the school at regular intervals which is reviewed by the Governors, together with data provided by the DfE, Local Authority, FFT and PiXL. The Governors also meet with the Local Authority staff to discuss the information being reviewed to ensure their understanding and interpretation is accurate.

Financial information is provided to each Finance meeting by the school overseen by the School Business Manager, a qualified and experienced Accountant. A year to review key risk areas and the implementation of the internal controls as agreed with the Governors. The school drafts the final published accounts which are then subject to a rigorous review by the Auditors, Price Bailey, who have also developed a specialism in academy accounting.

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to oversee all aspects of the School's financial matters including a review of the internal and external audit advice.

Financial and Audit Committee attendances:

Governor	Meetings Attended	Out of a Possible
Mr R Calton	3	3
Mrs C Clark (appointed January 2020)	1	2
Mrs S Jackson (appointed November 2019)	3	3
Mrs J James	3	3
Mrs S Jones (appointed January 2020)	1	1
Mrs L Lancaster (Chair)	3	3
Mrs E Ley	0	3
Mr L Mason (resigned November 2020)	0	3
Mr J O'Brien	2	3
Mr M O'Sullivan	3	3
Mr A Sharpe (Head Teacher)	3	3

St Bernard's High School

Governance Statement (continued)

Review of Value for Money

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

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

- **Improving Educational Results**

This is achieved through:

- the rigorous tracking of student progress and achievement, with under-achievement identified early, and appropriate interventions put in place. The impact of these interventions can be seen in the sustained academic progress over time, with a Progress 8 figure of +0.89 in 2019, increasing to +1.1 in 2020.
- Working with students and their families to understand the impact of absenteeism and consistently achieving attendance of at least 95% across the whole School, again above national average. In 2018-19 attendance reached 95.99%, a school record. This was sustained in 2019-20.
- Providing opportunities for students to aspire through the offering of a broad academic curriculum which is lively and relevant. The School provides a wide range of extra-curricular opportunities and draws strength from being a faith-based community.
- Developing the system of leadership training and CPD to support the development of outstanding teaching and learning.

- **Financial Governance and Oversight**

Governance arrangements include regular monitoring by the Board of Trustees and its Committees. Regular management accounts with variance analyses are prepared and supported by internal and external audit reports.

- **Better Purchasing**

There is a culture of periodically reviewing every contract on the basis of need, cost and value for money. Staff are involved in discussions with other schools in the area with a view to obtaining best value. During the year governors looked specifically at the cleaning contract; IT staff effectively sought best price for renewal of IT licences; discounts were obtained for buying a product for several years in advance to continue the investment already made.

- **Better Income Generation**

During the last year the School has:

- Maintained the letting of facilities despite reducing the capacity of the Premises team. The outcome was reduced because of COVID-19.
- Continued to use bank deposits effectively.

St Bernard's High School

Governance Statement (continued)

The Purpose of the System of Internal Control

- **Procurement policy notes**

The COVID-19 pandemic caused a country wide lockdown, causing the school to deliver remote learning whilst running a limited operation for vulnerable students and for those whose parents who were key workers.

During this period, the government issued procurement policy notes. The greatest impact on the school was the requirement to pay for exams fees even though students did not take those exams. With key finance staff in the school then able to continue operating to the same standards set out in the financial regulations with the ongoing focus on value for money

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

Capacity to Handle Risk

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

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Audit 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and decided to buy in an internal audit service from SBM Services.

St Bernard's High School

Governance Statement (continued)

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

- administration, finance and management systems;
- governance;
- bank and cash;
- budget;
- income;
- payroll;
- purchasing and creditors;
- fixed assets.

The work was undertaken over two visits with reports prepared after each visit and delivered to the board of governors, through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Key issues identified, which have already been addressed were:

- the nomination of a governor to review documents submitted to the DfE and ESFA that affect funding;
- any changes to supplier bank details to be verified by someone outside the Finance team.

Review of Effectiveness

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

- the work of the internal auditor;
- the work of the external auditor; and
- the work of the School Business Manager within the Academy Trust who has responsibility for the development and maintenance of the internal control framework;
- the school resource management self-assessment tool.

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 Audit Committee and a plan to address the weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 1 December 2020 and signed on its behalf by:

Jacqueline James

Jacqueline James
Chair

Anthony Sharpe

Anthony Sharpe
Accounting Officer

St Bernard's High School

Statement on Regularity, Propriety and Compliance

As Accounting Officer of St Bernard's High School I have considered my responsibilities to notify the Board of Trustees and the Educational Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with the terms and conditions of 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 Board of Trustees are able to identify any material irregular or improper use of all 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 the ESFA.

Anthony Sharpe

Anthony Sharpe
Accounting Officer
Date: 1 December 2020

St Bernard's High School

Statement of Trustees' Responsibilities

The Governors (who act as trustees for the charitable activities of St Bernard's High School and are also Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and financial statements in accordance with the Academies Accounts Direction issued 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 Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' SORP 2015; and the Academies' Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by the Board of Trustees on 1 December 2020 and signed on its behalf by:

Jacqueline James

Jacqueline James
Chair
Date 1 December 2020

Independent Auditors' Report on the Financial Statements to the Members of St Bernard's High School

Opinion

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

In our opinion the financial statements:

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

Basis of 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 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 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. Other information includes the Trustees' Report (incorporating the Strategic Report and the Directors' Report), the Governance Statement, and the Accounting Officer's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon.

Independent Auditors' Report on the Financial Statements to the Members of St Bernard's High 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 and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on Which We Are Required to Report by Exception

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

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

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

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy 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.

Independent Auditors' Report on the Financial Statements to the Members of St Bernard's High School (continued)

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.

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

Use of Report

This Report is made solely to the Academy 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 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 and its Members as a body, for our audit work, for this Report, or for the opinions we have formed.

Mr Gary Miller (Senior Statutory Auditor)
For and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors
Causeway House
Dane Street
Bishop Stortford
Hertfordshire
CM23 3BT

Date: 3/12/2020

Independent Reporting Accountant's Assurance Report on Regularity to St Bernard's High School and the Education Funding Agency

In accordance with the terms of our engagement letter dated October 2018 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 St Bernard's High School during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective Responsibilities of St Bernard's High School's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of St Bernard's High School's funding agreement with the Secretary of State for Education dated 17 August 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

Independent Reporting Accountant's Assurance Report on Regularity to St Bernard's High School and the Education Funding Agency (continued)

The work undertaken to draw our conclusions includes:

- an assessment of the risk of material irregularity, impropriety and non-compliance;
- consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- evaluation of general control environment of the Academy Trust, extending the procedures required for financial statements to include regularity;
- discussions with and representations from the Accounting Officer and other key management personnel;
- an extension of substantive testing from our audit of financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised and appropriate.

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 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.

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

Date: 3/12/2020

St Bernard's High School

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

		Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2020 £000	Total 2019 £000
Income and endowments from:	Note					
Donations and capital grants	3	-	448	1,749	2,197	2,473
Charitable activities:						
Funding for the Academy Trust's educational operations	4	174	4,876	3	5,053	4,977
Other trading activities	5	9	-	-	9	17
Investments	6	2	-	-	2	3
Total		185	5,324	1,752	7,261	7,470
Expenditure on:						
Raising funds						
Charitable activities:						
Grants	8	-	96	-	96	235
Academy Trust educational operations	7	214	5,261	64	5,539	5,632
Total		214	5,357	64	5,635	5,867
Net income / (expenditure)		(29)	(33)	1,688	1,626	1,603
Transfers between funds	18	-	18	(18)	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	18	-	(76)	-	(76)	(336)
Net movement in funds		(29)	(91)	1,670	1,550	1,267
Reconciliation of funds						
Total funds brought forward		260	(2,023)	2,092	329	(938)
Total funds carried forward		231	(2,114)	3,762	1,879	329

The notes on pages 30 to 51 form part of these Financial Statements

St Bernard's High School

Balance Sheet as at 31 August 2020

Company Number 07697023

	Notes	2020		2019	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	13		3,762		2,092
Current assets					
Stock	14	6		10	
Debtors	15	1,281		1,405	
Cash at bank and in hand		1,048		1,174	
		<u>2,335</u>		<u>2,589</u>	
Liabilities					
Creditors: Amounts falling due within one year	16	(835)		1,193	
Net current assets			<u>1,500</u>		<u>1,396</u>
Total assets less current liabilities			5,262		3,588
Creditors: Amounts falling due after more than one year	17		(701)		(718)
Net assets excluding pension liability			<u>4,561</u>		<u>2,770</u>
Defined benefit pension scheme liability	26		(2,682)		(2,441)
Total assets			<u>1,879</u>		<u>329</u>
Funds of the Academy Trust:					
Restricted funds					
- Fixed asset fund	18	3,762		2,092	
- Restricted income fund	18	568		418	
- Pension reserve	18	(2,682)		(2,441)	
Total restricted funds			<u>1,648</u>		<u>69</u>
Unrestricted income funds	18		<u>231</u>		<u>260</u>
Total funds			<u>1,879</u>		<u>329</u>

The financial statements on pages 27 to 51 were approved by the trustees, and authorised for issue on 1 December 2020 and are signed on their behalf by:

Jacqueline James

J James
Chair of Governors

St Bernard's High School

Statement of Cash Flows for the Year Ended 31 August 2020

	Notes	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	22	(223)	(14)
Cash flows from investing activities	24	114	171
Cash flows from financing activities	23	(17)	(17)
Change in cash and cash equivalents in the reporting period		(126)	140
Cash and cash equivalents at 1 September 2019		1,174	1,034
Cash and cash equivalents at the 31 August 2020		1,048	1,174

St Bernard's High School

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

1 Statement of 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, are 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 (FRS102), 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.

St Bernard's High School meets the definition of a public benefit entity under FRS 102.

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 Trust 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.

Following the year end the Trust has been affected to a limited extent by restrictions imposed by the UK Government in response to the COVID-19 pandemic.

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

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.

St Bernard's High School

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

Income (continued)

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

- **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.

- **Donated Goods, Facilities and Services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to volume of low value items they are not recognised in the financial statements until they are sold. The income is recognised within 'Income from other trading activities'.

- **Donated Fixed Assets**

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

- **Capital Grants**

The school is receiving funding from the local authority to cover the costs being incurred to build a new classroom block and remodel various rooms to facilitate the expansion of the school in September 2019. Invoices were being raised monthly based on a projected cash flow and now when contractors invoices are received and reported and the income recognised as a capital grant as costs are incurred.

St Bernard's High School

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

Expenditure

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

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities 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.

All resources expended are inclusive of irrecoverable VAT

Tangible Fixed Assets

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

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

The Trust occupies land and buildings provided to it in Milton Road, Westcliff-on-Sea by the Diocesan Trustees under a licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period. Having considered the fact that the Trust occupies the land and buildings by licence that transfers to the Academy no rights or control over the site save that of occupying it at will of the Diocesan Trustees under agreement, the Diocesan Trustees have concluded that the value of the land and buildings occupied by the Trust will not be recognised or valued within fixed assets. Where sums have been expended in property construction since the formation of the academy they have been capitalised.

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

- | | |
|------------------------------------|--------------------------|
| • Freehold Land | 50 years straight line |
| • Leasehold Property Developments | 35 years straight line |
| • Fixtures, fittings and equipment | 3-10 years straight line |
| • ICT hardware | 5 years straight line |
| • Motor Vehicles | 10 years straight line |
| • Assets under construction | Not depreciated |

St Bernard's High School

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

Tangible Fixed Assets (continued)

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 including Income and Expenditure Account.

Debtors

The academy occupies the land and buildings provided to it by the Diocesan Trustees under a licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period from the academy year end. Having considered the fact that the academy occupies the land and buildings by a license that transfers to the academy no rights or control over the site save that of occupying it at the will of the Diocesan Trustees under the agreement, the Diocesan Trustees have concluded that the value of the land and buildings occupied by the Academy Trust will not be recognised or valued within fixed assets. However included within the debtors is a donation in kind receivable representing the commitment by the Diocese to provide the land and buildings rent free for a further three years. The value of the donation in kind is recognised at its open market value in the period in which it is receivable as income as notional rent. An equivalent amount is included as expenditure during the year under the relevant heading in the Statement of Financial Activities including Income and Expenditure Account.

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.

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 are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

St Bernard's High School

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

Financial Instruments (continued)

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not seemed 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.

Stock

Stationery stock is valued at the lower of cost and net realisable value.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore 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 part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions 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 28, 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 including Income and Expenditure Account 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.

St Bernard's High School

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

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 funders where the asset acquired or created is held for a specific purpose.

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

Critical Accounting Estimates and Areas of Judgement

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

Critical Accounting Estimates and Assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the Actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy Trust was subject to limits at 31 August 2020 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy Trust **has not** exceeded these limits during the year ended 31 August 2020.

3 Donations and Capital Grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Capital grants	-	1,846	1,846	2,104
Notional rent	-	350	350	350
Other donations	-	1	1	19
	-	2,197	2,197	2,473
2019 total	-	2,473		2,473

St Bernard's High School

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

4 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
DfE / ESFA grants				
- General Annual Grant (GAG)	-	4,466	4,466	4,253
- Other DfE/EFA grants	-	131	131	197
	-	4,597	4,597	4,450
Other government grants				
- Local Authority grants	-	103	103	-
- Special educational projects	-	34	34	46
	-	137	137	46
Exceptional government funding				
- Coronavirus Job Retention Scheme	14	-	14	-
Other income from the Academy Trust's educational operations	160	145	305	481
	174	4,879	5,053	4,977
2019 total	244	4,733		4,977

5 Other Trading Activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Hire of facilities	9	-	9	17
	9	-	9	17
2019 total	17	-		17

6 Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Short term deposits	2	-	2	3
	2	-	2	3
2019 total	3	-		3

7 Expenditure

	Staff Costs £000	Non Pay Expenditure Premises £000	Other £000	Total 2020 £000	Total 2019 £000
Expenditure on raising funds					
Academy's educational operations:					
- Direct costs	3,363	-	379	3,742	3,809
- Allocated support costs	994	591	212	1,797	1,823
	4,357	591	591	5,539	5,632
2019 total	4,245	600	787		5,632

St Bernard's High School

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

7 Expenditure (continued)

In 2020 expenditure from restricted funds was £5,421,000 (2019 £5,635,000) and expenditure from unrestricted funds was £214,000 (2019 £232,000).

Net income/(expenditure) for the period includes:

	2020	2019
Operating lease rentals	23	17
Depreciation	64	68
(Gain)/loss on disposal of fixed assets	(3)	-
Fees payable to auditor for:		
- Audit	8	7
- Other services	3	2

Included within expenditure are the following transactions:

	Total £000	<u>Individual Items Above £5,000</u>	
		Amount £000	Reason
Gifts made by the school	0		
Fixed asset losses	0		

8 Analysis of Grant Expenditure

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Improvement of diocesan property occupied by the academy trust	-	96	96	235
2019 total	-	235	-	235

9 Charitable Activities

	Total 2020 £000	Total 2019 £000
Direct costs – educational operations	3,742	3,809
Support costs – educational operations	1,797	1,823
	5,539	5,632

Analysis of support costs

	Educational operations £000	Total 2020 £000	Total 2019 £000
Support staff costs	994	994	984
Depreciation	64	64	68
Technology costs	5	5	12
Premises costs	527	527	532
Legal costs	1	1	2
Other support costs	175	175	190
Governance costs	31	31	35
Total support costs	1,797	1,797	1,823

St Bernard's High School

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

10 Staff

a. Staff costs	Total	Total
Staff costs during the period were:	2020	2019
	£000	£000
Wages and salaries	3,181	3,153
Social security costs	285	285
Operating costs of defined benefit pension schemes	867	675
Apprenticeship levy	-	-
	4,333	4,128
Agency staff costs	24	112
Staff restructuring costs	-	5
	4,357	4,245
Staff restructuring costs comprise:		
Redundancy payments	-	5
Other restructuring costs	-	5

b. Staff numbers

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

Staff costs during the period were:	2020	2019
	No.	No.
Teachers	74	73
Administration and support	59	58
Management	2	2
	135	133

c. Higher paid staff

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

Staff costs during the period were:	2020	2019
	No.	No.
£60,001 - £70,000	1	1
£70,001 - £80,000	0	0
£80,001 - £90,000	0	0
£90,001 - £100,000	0	1
£100,000-£110,000	1	0

d. Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. Because of their teaching load the remuneration paid to the assistant heads have not been included within key management costs. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £208,201 (2019: £194,643).

St Bernard's High School

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

11 Related Party Transactions - Trustees' Remuneration and Expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Head Teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

A G Sharpe (Head Teacher and trustee)

- Remuneration £100,000 - £105,000 (2019: £95,000-£100,000)
- Employer's pension contributions paid £20,000 - £25,000 (2019: £15,000-£20,000)

Miss A Clancy (staff trustee) – resigned December 2019

- Remuneration £ 15,000 - £20,000 (2019: £35,000 - £40,000)
- Employer's pension contributions paid £0,000 - £5,000 (2019: £5,000 - £10,000)

M J Elmes (staff trustee) – resigned January 2020

- Remuneration £10,000 - £15,000 (2019: £25,000-£30,000)
- Employer's pension contributions paid £0 - £5,000 (2019: £0-£5,000)

Mrs S Jackson – appointed November 2019

- Remuneration £30,000-£35,000
- Employer's pension contributions paid £5,000-£10,000

During the period ended 31 August 2020, travel and subsistence expenses totalling £0 were reimbursed or paid directly to trustees (2019: £455 to 3 trustees).

Other related party transactions involving the trustees are set out in note 29.

12 Trustees' and Officers' Insurance

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

St Bernard's High School

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

13 Tangible Fixed Assets

	Freehold Land	Leasehold Property Developments	Assets Under Construction	Furniture & Equipment	Computer Equipment	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 September 2019	1	14	1,946	230	295	10	2,496
Additions	-	-	1,634	91	9	-	1,734
Disposals	-	-	-	-	(19)	-	(19)
At 31 August 2020	1	14	3,580	321	285	10	4,211
Depreciation							
At 1 September 2019	-	3	-	173	221	7	404
Charged in year	-	1	-	25	37	1	64
Disposals	-	-	-	-	(19)	-	(19)
At 31 August 2020	-	4	-	198	239	8	449
Net Book Values							
At 31 August 2019	1	11	1,946	57	74	3	2,092
At 31 August 2020	1	10	3,580	123	46	2	3,762

Assets donated on conversion to the academy are included at their market value at the date of conversion. The academy does own a sports field at Bridgwater Drive whose value of £1,000 is reflected within the heading of Freehold Land.

The academy trust's acquisition of leasehold property developments represents the construction costs of the new classroom block known as the Sixth Form Building.

St Bernard's High School

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

14	Stock	2020	2019
		£000	£000
	Closing Stock	6	10
15	Debtors	2020	2019
		£000	£000
	Due after more than one year		
	Other debtor	701	701
	Due within one year		
	VAT recoverable	60	275
	Other debtors	441	354
	Prepayments and accrued income	79	75
		<u>1,281</u>	<u>1,405</u>
16	Creditors: Amounts Falling Due Within One Year	2020	2019
		£000	£000
	Trade creditors	1	83
	Other taxation and social security	68	69
	Other creditors	517	508
	Accruals and deferred income	249	533
		<u>835</u>	<u>1,193</u>
	Deferred income	2020	2019
		£000	£000
	Deferred income at 1 September 2019	462	94
	Released from previous years	(462)	(94)
	Resources deferred in the year	96	462
	Deferred Income at 31 August 2020	<u>96</u>	<u>462</u>

At the balance sheet date the Academy Trust was holding funds received in advance a capital grant funding to match against future building costs.

Included within other creditors is a loan of **£17,182** (2019 - £17,182) from **Salix** which is provided interest free.

St Bernard's High School

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

17 Creditors: Amounts Falling Due in Greater Than One Year	As restated	
	2020	2019
	£000	£000
	701	718
Other Creditors	701	718

Included within other creditors is a loan of **£0 (2019-£17,000)** from Salix which is interest free, repayable over 5 years.

18 Statement of Funds	As restated Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
Restricted general funds					
Capital grants & donations	-	447	(447)	-	-
General Annual Grant (GAG)	387	4,466	(4,353)	48	548
Pupil Premium	-	109	(109)	-	-
Other grants	31	302	(283)	(30)	20
Pension reserve	(2,441)	-	(165)	(76)	(2,682)
	(2,023)	5,324	(5,357)	(58)	(2,114)
Restricted fixed asset funds					
Transfer on conversion	14	-	(6)	-	8
Expansion Grant	1,869	1,749	-	(11)	3,607
Profit on sale of assets	-	3	-	-	3
Capital expenditure from GAG	209	-	(58)	(7)	144
	2,092	1,752	(64)	(18)	3,762
Total restricted funds	69	7,076	(5,421)	(76)	1,648
Total unrestricted funds	260	185	(214)	-	231
Total funds	329	7,261	(5,635)	(76)	1,879

St Bernard's High School

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

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

	As restated Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
Capital grants & donations	-	369	(604)	235	-
General Annual Grant (GAG)	479	4,253	(4,379)	34	387
Pupil Premium	-	110	(110)	-	-
Other grants	32	370	(302)	(69)	31
Pension reserve	(1,933)	-	(172)	(336)	(2,441)
	(1,422)	5,102	(5,567)	(136)	(2,023)
Restricted fixed asset funds					
Transfer on conversion	20	-	(6)	-	14
Expansion Grant	-	2,104	-	(235)	1,869
Capital expenditure from GAG	204	-	(62)	67	209
	224	2,104	(68)	(168)	2,092
Total restricted funds	(1,198)	7,206	(5,636)	(304)	69
Total unrestricted funds	260	264	(232)	(32)	260
Total funds	(938)	7,470	(5,867)	(336)	329

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

General Annual Grant (GAG)	Funding received from ESFA and expenditure incurred to support academy's educational operations
Pupil Premium	Funding received for both disadvantaged children and looked after children and its application
Other grants	Collection of funds received for a specific purpose including 16-19 Bursary Fund, Year 7 catch up fund, Devolved Formula Capital grant, EHCP statement funding, school trips, Jack Petchey Fund and the financial adjustment for the rent free occupation of land and buildings from the Diocese of Brentwood
Pension reserve	Reserve reflecting the movements within the local Government Pension Scheme deficit

St Bernard's High School

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

19 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	-	-	3,762	3,762
Current assets	231	2,104	-	2,335
Current liabilities	-	(835)	-	(835)
Non-current liabilities	-	(701)	-	(701)
Pension scheme liability	-	(2,682)	-	(2,682)
Total net assets	231	(2,114)	3,762	1,879

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	-	-	2,092	2,092
Current assets	260	2,329	-	2,589
Current liabilities	-	(1,193)	-	(1,193)
Non-current liabilities	-	(718)	-	(718)
Pension scheme liability	-	(2,441)	-	(2,441)
Total net assets	260	(2,023)	2,092	329

20 Capital Commitments

	2020 £000	2019 £000
Contracted for, but not provided in the financial statements	294	1,929

The school has entered into contracts to facilitate the expansion of the school in September 2019. As costs are incurred the school has received an undertaking that these will be reimbursed by Southend Borough Council. The project is expected to total £4,400,000 and the commitment is based on this price less that already expended.

St Bernard's High School

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

21 Commitments Under Operating Leases

Operating leases

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

	2020 £000	2019 £000
Amounts due within one year	22	22
Amounts due between one and five years	23	38
Amounts due after five years	-	-
	<u>45</u>	<u>60</u>

22 Reconciliation of Net Income/(Expenditure) to net cash flow from operating activities

	2020 £000	2019 £000
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	1,626	1,603
Adjusted for:		
Depreciation charges (note 13)	64	68
Capital grants from DfE and other capital income	(1,846)	(2,104)
Interest receivable (note 6)	(2)	(3)
Defined benefit pension scheme cost less contributions payable (note 28)	-	-
Defined benefit pension scheme finance cost (note 28)	165	172
(Increase)/decrease in stocks	4	(6)
(Increase)/decrease in debtors	124	(150)
Increase/(decrease) in creditors	(358)	406
Net cash (used in) operating activities	<u>(223)</u>	<u>(14)</u>

23 Cash Flows from Financing Activities

	2020 £000	2019 £000
Repayments of borrowing	(17)	(17)
Net cash (used in) financing activities	<u>(17)</u>	<u>(17)</u>

St Bernard's High School

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

24	Cash Flows from Investing Activities	2020	2019
		£000	£000
	Interest	2	3
	Proceeds from sale of tangible fixed assets	-	4
	Purchase of tangible fixed assets	(1,734)	(1,940)
	Capital funding from DfE	76	-
	Capital funding received from sponsors and others	1,770	2,104
	Net cash (used in) investing activities	114	171

25	Analysis Cash and Cash Equivalents	At 31 August	At 31 August
		2020	2019
		£000	£000
	Cash in hand and at bank	740	868
	Notice deposits (less than 3 months)	308	306
	Total cash and cash equivalents	1,048	1,174

26	Analysis of Changes in Net Debt	At	Other	At
		1 September	Non-Cash	31 August
		2019	Changes	2020
		£000	£000	£000
	Cash	1,174	(109)	1,048
	Cash equivalent	-	-	-
	Loans falling due within one year	17	-	17
	Loans falling due after more than one year	17	(17)	-
	Total	1,208	(126)	1,065

27 Members' Liability

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

28 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 is managed by Essex Pension Fund. Both are multi-employer defined benefit pension 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 £76,946 (2019 £63,845) were payable to the schemes at 31 August 2020 and are included within creditors.

St Bernard's High School

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

28 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 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £521,000 (2019: £357,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pension 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.

St Bernard's High School

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

28 Pension and Similar Obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £223,000 (2019: £206,000), of which employer's contributions totalled £179,000 (2019: £164,000) and employees' contributions totalled £44,000 (2019: £41,000). The agreed contribution rates for future years are rising to 25% per cent for employers and 5.5-7.5 per cent for employees.

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

	2020	2019
	£000	£000
Principal Actuarial Assumptions		
Rate of increase in salaries	3.3%	3.75%
Rate of increase for pensions in payment/inflation	2.3%	2.25%
Discount rate for scheme liabilities	1.6%	1.85%
Inflation assumption (CPI)	2.3%	2.25%
Commutation of pensions to lump sums – one half		

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

	2020	2019
	£000	£000
<i>Retiring today</i>		
Males	21.8	21.3
Females	23.8	23.6
<i>Retiring in 20 years</i>		
Males	23.2	23.0
Females	25.2	25.4

St Bernard's High School

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

28 Pension and Similar Obligations (continued)

Sensitivity Analysis	2020	2019
	£000	£000
Discount rate +0.1%	(106)	(103)
Discount rate -0.1%	106	103
Mortality assumption – 1 year increase	183	37
Mortality assumption – 1 year decrease	(183)	(37)
CPI rate - +0.1%	94	84
CPI rate -0.1%	(94)	(84)

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

	Fair value at 31 August 2020	Fair value at 31 August 2019
	£000	£000
Equity instruments	1,496	1,399
Debt instruments	731	643
Property	188	178
Total market value of assets	2,415	2,220

The actual return on scheme assets was £166,000 (2018: £105,000).

Amounts recognised in the statement of financial activities incorporating Income and Expenditure Account

	2020	2019
	£000	£000
Current service cost (net of employee contributions)	299	286
Net interest cost	43	49
Total	342	335

St Bernard's High School

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

28 Pension and Similar Obligations (continued)

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

	2020	2019
	£000	£000
At 1 September	4,661	3,817
Current service cost	299	247
Interest cost	86	101
Employee contributions	44	41
Actuarial (gain)/loss	(164)	-
Benefits paid	(27)	(34)
Past service cost	-	39
Change in financial assumptions	260	688
Change in demographic assumptions	(62)	(238)
Unfunded pension payments	-	-
Effect of non-routine settlements	-	-
At 31 August	5,097	4,661

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

	2020	2019
	£000	£000
At 1 September	2,220	1,884
Interest income	61	166
Actuarial gain/(loss)	(60)	-
Administration expenses	(2)	(1)
Employer contributions	179	164
Employee contributions	44	41
Benefits paid	(27)	(34)
Effect of non-routine settlements	-	-
At 31 August	2,415	2,220

St Bernard's High School

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

29 Related Party Transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

The academy operates from land and buildings provided rent free by the Diocese of Brentwood. Under an agreement between the Diocese, the academy and the Secretary of State the Diocese would be required to give two years notice from the year end if it wished to terminate the agreement. No such notice had been given at the year end and the Diocese is therefore committed to providing the land and buildings rent free for a further three years from the year end. The trustees estimate that the cost of renting equivalent buildings would be £350,333 per annum, on this basis a donation from the Diocese of £350,333 is shown in the accounts together with a notional expense of the same amount. In addition, included within debtors is a donation in kind receivable of £1,051,000 representing the commitment by the Diocese to provide the land and buildings rent free for a further three years.

During the year the Trust was required to make contributions of £9,408 (2019 £9,690) to the Diocese of Brentwood for services it receives associated with securing the academy's religious character and ethos, which only the Diocese can provide. The Academies Handbook 2018 notes in section 3.10.20 that these are regarded as meeting the 'at cost' requirement.