

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr Jonathan Eva Ms Patricia Eldrid Sir Pritpal Singh (resigned 31 December 2019) Dr Waljit Dhillon (resigned 31 December 2019) Mr Philippe Carpentier (appointed 1 January 2020) Ms Lisa Mills (appointed 28 February 2020)
Trustees	Sir Pritpal Singh, Executive Headteacher (resigned 31 December 2019) Ms Lisa Mills, Head Teacher (appointed 28 February 2020) Mr Jonathan Eva, Chair of Governors Ms Patricia Eldrid, Governor Dr Waljit Dhillon, Vice Chair of Governors Mrs Sahra Osman, Governor Ms Helena Auala, Parent Governor (resigned 31 December 2019) Ms Imelda Wright, Governor Mrs Annette Gormally, Staff Governor (resigned 6 September 2019) Mr Philippe Carpentier, Governor Ms Tameeza Henriort, Parent Governor Mr Jonathan Lepper, Governor Ms Sarah Stanton, Parent Governor (appointed 21 April 2020)

All Governors of the School are Directors of the Academy Trust

Company registered number	07698859
Company name	Drayton Manor High School Academy Trust
Principal and registered office	1 Ashley Road Altrincham Cheshire WA14 2DT
Company secretary	Oakwood Corporate Services Ltd & Sandra Scott
Senior management team	Sir Pritpal Singh, Executive Headteacher (resigned 31 December 2019) Ms Lisa Mills, Headteacher (appointed to role 28 February 2020) Mr Chris Killen, Senior Deputy Head (appointed to role 31 October 2019) Mr Wayne Walsh, Deputy Head (appointed to role 31 October 2019) Ms Deborah Yates, Assistant Deputy Head (appointed to role 1 January 2020) Ms Emma Wyatt, Senior Teacher Ms Colleen Guitane, Senior Teacher (appointed to role 30 September 2019) Ms Cheryl McCanaan, Interim Senior Teacher (appointed 12 December 2019) Mr Martyn Hannan, Interim Senior Teacher (appointed 10 December 2019) Ms Katherine Merrigan, Acting Senior Teacher (appointed to role 1 January 2020) Ms Katharine Woodward, Acting Senior Teacher (appointed to role 1 January 2020) Mrs Sian Dowden, Senior Deputy Head (resigned 31 August 2019) Ms Karlene Dampha, Assistant Deputy Head (resigned 31 December 2019)

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Mr Shilain Keshani, Senior Teacher (resigned 31 December 2019)

Independent auditors Landau Baker Limited
Chartered Accountants
Mountcliff House
154 Brent Street
London
NW4 2DR

Bankers Lloyds Bank PLC
25 Gresham Street
London
EC2V 7HN

Solicitors Wrigleys Solicitors LLP
19 Cookridge Street
Leeds
LS2 3AG

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing documents of the academy.

The Trustees of Drayton Manor High School Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Drayton Manor High School Academy Trust.

Details of the Trustees who served during the , and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. 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.

c. Trustees' indemnities

Subject to the provisions of the Companies Act, every governor or other officer of the academy shall be indemnified out of the assets of the academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The management of the academy is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association and funding agreement as follows:

The members may appoint up to 15 Governors.

The Members may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Executive Headteacher) who are employees of the Academy Trust does not exceed one third of the total number of Governors.

The LA may appoint the LA Governor

The Executive Headteacher shall be treated for all purposes as being an Ex Officio Governor.

Subject to Article 57, the Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he/she is elected.

The Governing Board shall make all necessary arrangements for and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governors which is contested shall be held by secret ballot.

The arrangements made for the election of a Parent Governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the Academy Trust by a registered pupil at the Academy.

Where a vacancy for a Parent Governor is required to be filled by election, the Governing Board shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, vote at the election and given an opportunity to do so.

The number of Parent Governors required shall be made up by Parent Governors appointed by the Governing Board if the number of parents standing for election is less than the number of parents standing for election is less than the number of vacancies.

In appointing a Parent Governor the Governing Board shall appoint a person who is the parent of a registered pupil at the Academy, or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

The Governors may appoint up to 3 Co-opted Governors. A "Co-opted Governor" means a person who is appointed to be a Governor by being Co-opted by Governors who have themselves been so appointed. The Governors may not Co-opt an employee of the Academy Trust as a Co-opted Governor if thereby the number of Governors who are employees of the Academy Trust would exceed one third of the total number of Governors (including the Executive Headteacher).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

During the period under review, the Governors held 5 Full Governing Board meetings. In addition there were regular meetings covering Business, Audit and Finance, Premises and Curriculum and Personnel. The training and induction provided for new Governors will depend on their experience. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new Governors are given a tour of the Academy and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the academy.

f. Organisational structure

The Academy has established a management structure to enable its efficient running. The structure consists of two levels: the Governors and the Executive who are the Senior Leadership Team.

The Governing Board has considered its role thoughtfully and decided that the role of the Governors is to approve the strategic direction and objectives of the Academy and monitor its progress towards these objectives. The Governing Board has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders, a scheme of delegation and terms of reference. The Executive Head is directly responsible for the day to day running of the Academy and is assisted by a Senior Leadership Team.

Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by use of budgets and making major decisions about the direction of the Academy, including capital expenditure and senior staff appointments.

The Executive Head assumes the Accounting Officer role.

g. Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of Key Management Personnel is approved by the Pay Committee, subject to meeting agreed performance targets. The recommendations of the pay committee are ratified by the full Governing Board.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	-	
Total pay bill	-	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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Objectives and activities

a. Objects and aims

The principal object and activity of the academy is the operation of Drayton Manor High School to provide a broad and balanced education for pupils of all abilities. The Governors have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the academy. In accordance with the Articles of Association, the Academy has adopted a "Scheme of Government" approved by the Secretary of State for Education.

The Scheme of Government specifies, amongst other things, that the Academy will be at the heart of the community promoting community cohesion and sharing facilities; the basis for admitting students to the Academy, that the curriculum should be broad and balanced; there will be an emphasis on the needs of individual pupils including pupils with SEN.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

b. Objectives, strategies and activities

The Academy's main strategy is encompassed in the Academy's objectives and activities which are

- o To promote the maximum possible development of individual students' talents and potential within a tolerant and caring community
- o To help students to develop a lively, enquiring mind and the ability to question, to argue rationally and to apply themselves to tasks and physical skills
- o To help students to acquire in all areas of the curriculum the knowledge, understanding and skills relevant to adult life, employment and leisure in a fast changing world
- o To help students to use language and number effectively
- o To promote equal opportunities for all to counter racism, sexism and all other forms of discrimination whenever they occur
- o To encourage respect for religious and moral values and tolerance of other races, religions and ways of life
- o To help students to understand the world in which they live and the interdependence of individuals, groups and nations, including awareness of economic and environmental issues

c. Public benefit

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

As an Academy we make the best use of our skills, expertise and experience with regards to the community by providing facilities for community use and raising money for charity.

Strategic report

Achievements and performance

a. Key performance indicators

Drayton manor High School opened as an Academy in August 2011 and was judged outstanding in its latest Ofsted Inspection in May 2012. The audited Annual Accounts, available on the website, demonstrate the financial stability of the school.

* For the following EBacc subject(s), the average point score was in the **highest** 20% of schools nationally and the proportion of entries was at or above the national average: mathematics (5.4), history (5.7), English language (5.3).

* The subjects of the EBacc form a strong academic foundation for the KS4 curriculum. The EBacc entry rate in this school in 2019 was 86%. The subject that appears to be the greatest barrier to more pupils studying the EBacc is languages (87%).

* Science value added (1.0) was significantly **above** the national average and in the **highest** 20% of all schools in 2019.

Progress 8 Guidance

* Overall Progress 8 (0.7) was significantly **above** the national average and in the **highest** 20% of all schools in 2019.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

* The English element of Progress 8 (0.6) was significantly **above** the national average and in the **highest 20%** of all schools in 2019 as well as in 2018 and 2017.

* The mathematics element of Progress 8 (0.8) was significantly **above** the national average and in the **highest 20%** of all schools in 2019 as well as in 2018 and 2017.

* The EBacc element of Progress 8 (1.1) was significantly **above** the national average and in the **highest 20%** of all schools in 2019 as well as in 2018 and 2017.

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

The coronavirus pandemic has significantly disrupted individuals' personal lives and businesses' economic prospects in the UK and across the globe. The UK entered lockdown in March 2020 and some restrictions and social distancing provisions remain in place. The effect of COVID-19 on the academy has been a reduction in budgeted other income of around £58,000 and has placed unforeseen strain on our working capital and cash resources. We were quick to adapt to remote working and the directors would like to thank all staff for their energy and flexibility in responding to the crisis. Despite difficulties, we have managed to conserve sufficient cash to ensure that the business has continued to serve pupils and to act responsibly with suppliers and employees. We have continued to prepare the accounts on a going concern basis and deem this appropriate. We do not consider that a material uncertainty about our going concern status currently exists. In making this assessment we have considered the likely trading conditions for a period of twelve months from the date of our approval of these accounts.

Financial review

a. Financial Risk Management objectives and policies

During the period, ESFA/LA grants received totalled £9,701,438 (2019: £9,266,596). Other income included within restricted funds totalled £65,800 (2019: £124,657). Restricted fund expenditure totalled to £9,785,929 (2019: £9,622,201).

The main source of unrestricted income is donations, totalling to £16,802 (2019: £61,272).

Most of the Academy's income is obtained from the Education & Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the 12 month period ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of financial activities.

The Academy also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2015), such grants are shown in the Statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the academy. It should be noted that this does not present the academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

Overall, the Academy has a healthy balance sheet and cash flow and in line with its Reserves policy may allocate reserves in excess of between 3% - 5% to capital projects approved by the Governing Board.

The Governors through the Business Finance and Audit Committee and Executive Head Teacher receive financial progress reports throughout the year and compare against budgets submitted to the ESFA. The Business Finance and Audit Committee also review longer term financial models to plan and organise resources most effectively to fulfil the aims of the Academy.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

b. Reserves policy

The definition of reserves in the SORP is 'that part of a charity's income funds that is freely available for its general purposes'. This definition of reserves therefore normally excludes:

- * Permanent endowment funds
- * Expendable endowment funds
- * Restricted income funds
- * Any part of unrestricted funds not readily available for spending, specifically income funds which could only be realised by disposing of fixed assets held for charitable use

'Reserves' are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. Morespecifically 'Reserves' are income which becomes available to the Academy and is to be spent at the Trustees' discretion in furtherance of any of the Academy's objects (sometimes referred to as 'general purpose' income)but which is not yet spent, committed or designated (ie is 'free').

The level of Reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of Reserves. The Governors will keep this level of Reserves under review annually in keeping with the principal object of the Academy.

Total Reserves at the end of the period amounted to £27,384,233 (2019: £27,675,289). This balance includes Unrestricted funds (Free reserves) of £971,865 (2019: £953,555), which is considered appropriate for the Academy Trust, and Restricted funds of £26,412,368 (2019: £26,721,734).

Restricted Funds have been designated by the Governing Board as follows:

- * To contribute to projects, including future capital projects

Within the Reserves policy users should note that, because of accounting for the Local Government Pension Scheme (LGPS), the Academy recognises a significant pension fund deficit totalling to £3,572,000 (2019: £3,568,000). This deficit is included within Restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there were a pension surplus included in the restricted fund this would not create an immediately realisable asset that can be released straight away and expended for the specific purposes of that fund.

Users should also note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Academy Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Academy Trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Academy Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Academy Trust due to the recognition of the deficit.

c. Investment policy

It should be noted that the Academy has substantial power with regards to investments due to cash balances held. Investment policies are determined by the Governing Board. This ensures the level of funds the Academy holds can cover any immediate expenditure, without exposing the Academy to additional risk. The school will not invest in the Stock Market or speculative investments without the approval of the full governing body.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

d. Principal risks and uncertainties

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Academy is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the Academy faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with health and safety of staff and pupils.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was a deficit of £3,572,000 at 31 August 2020.

Plans for future periods

The Drayton Manor High School Academy Trust will continue to pursue its objectives and activities in improving the levels of performance of its students at all levels and will continue its efforts to ensure all students are secure in their next steps with regards to employment or continuing in higher education.

Funds held as custodian on behalf of others

The Academy Trust and/or its Trustees did not act as Custodian Trustee during the current or previous period.

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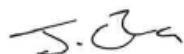
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 10 December 2020 and signed on its behalf by:



Mr Jonathan Eva
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Drayton Manor High School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 5 times during the year.

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

Trustee	Meetings attended	Out of a possible
Sir Pritpal Singh, Executive Headteacher	2	2
Ms Lisa Mills, Headteacher	5	5
Mr Jonathan Eva, Chair of Governors	5	5
Ms Patricia Eldrid, Governor	4	5
Dr Waljit Dhillon, Governor	4	5
Mrs Sahra Osman, Governor	3	5
Ms Imelda Wright, Governor	4	5
Mr Philippe Carpentier, Vice Chair of Governors	5	5
Ms Tameeza Henriort, Parent Governor	4	5
Mr Jonathan Lepper, Governor	5	5
Ms Sarah Stanton, Parent Governor	3	3
Ms Helena Auala, Parent Governor	2	2

Trustees typically also serve on a number of other Sub Committees, as set out on the school website. The impact of each Governing Body Committee is reviewed and monitored through the Strategic Plans and Risk Assessments that each committee produces annually and reviews regularly. No key findings were noted during the period.

The Business, Finance, Audit and Personnel Committee is a Sub-committee of the main Board of Trustees. Its purpose is to make sure that the Academy is following the ESFA's financial regulations. No significant issues to note were dealt with during the year.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Sir Pritpal Singh, Executive Headteacher	1	1
Ms Lisa Mills, Headteacher	2	2
Dr Waljit Dhillon, Vice Chair of Governors	1	3
Ms Imelda Wright, Governor	3	3
Mr Jonathan Lepper, Governor	3	3
Ms Helena Auala, Parent Governor	1	1
Ms Sarah Stanton, Parent Governor	1	1
Mr Jonathan Eva, Chair of Governors	2	3

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

The purpose of the system of internal control

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

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 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 Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- Regular reviews by the Business, Finance, Audit and Personnel Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Identification and management of risks
- Delegation of authority and segregation of duties

The Board of Trustees has decided to employ Centre for Education & Financial Management (CEFM) as internal auditor.

The Reviewer's role includes giving advice on financial matters and performing a range of checks on the

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

Academy's financial systems.

On a quarterly basis, the Internal Auditor Reports to the Board of Trustees through the Business, Finance, Audit and Personnel Committee on the operation of the systems of control and on the discharge of the Trustees' Financial Responsibilities. In particular, the checks to be carried out include:

- Testing of payroll systems
- Testing of purchase systems
- Testing of the fixed asset register with physical checks
- Testing of income and other revenue
- Testing of control account/bank reconciliations
- Checks of governance structure and review of FGB and Business, Finance, Audit and Personnel Committee minutes
- Checking of declaration of interest forms and proper and regular use of public funds
- Checking of reports given to Business, Finance, Audit and Personnel Committee
- Review of Finance Manual including all policies and effective oversight
- Checking of Risk Register and Business Continuity plan

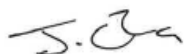
Review of effectiveness

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

- Financial management and governance self-assessment process;
- Work of the external auditors;
- Work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 10 December 2020 and signed on their behalf by:



Mr Jonathan Eva
Chair of Trustees



Ms Lisa Mills
Accounting Officer

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(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Ms Lisa Mills
Accounting Officer
Date: 10 December 2020

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 10 December 2020 and signed on its behalf by:



Mr Jonathan Eva (Chair of Trustees)
(Chair of Trustees)

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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.

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST (CONTINUED)**

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 Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance 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.

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

Matters on which we are required to report by exception

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

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

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

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in 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 Auditors' report.

Use of our report

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

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST (CONTINUED)



FOR LANDAU BAKER LIMITED

Carly Pinkus (Senior statutory auditor)

for and on behalf of
Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House

154 Brent Street

London

NW4 2DR

10 December 2020

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DRAYTON
MANOR HIGH SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 31 October 2011 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 Drayton Manor High School Academy Trust 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 Drayton Manor High School Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Drayton Manor High School Academy Trust 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 Drayton Manor High School Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Drayton Manor High School Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Drayton Manor High School Academy Trust's funding agreement with the Secretary of State for Education dated 29 July 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 academy's income and expenditure.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 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.

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DRAYTON
MANOR HIGH SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)

Landau Baker Limited

Reporting Accountant
Landau Baker Limited
Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 10 December 2020

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	16,802	-	31,051	47,853	258,903
Charitable activities		-	9,701,438	-	9,701,438	9,266,596
Other trading activities		-	65,800	-	65,800	124,657
Investments	6	1,508	-	-	1,508	1,669
Total income		18,310	9,767,238	31,051	9,816,599	9,651,825
Expenditure on:						
Charitable activities	8	-	9,785,929	528,726	10,314,655	10,139,331
Total expenditure		-	9,785,929	528,726	10,314,655	10,139,331
Net income/(expenditure)		18,310	(18,691)	(497,675)	(498,056)	(487,506)
Transfers between funds	18	-	(307,029)	307,029	-	-
Net movement in funds before other recognised gains/(losses)		18,310	(325,720)	(190,646)	(498,056)	(487,506)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	207,000	-	207,000	(964,000)
Net movement in funds		18,310	(118,720)	(190,646)	(291,056)	(1,451,506)
Reconciliation of funds:						
Total funds brought forward		953,555	(2,044,456)	28,766,190	27,675,289	29,126,795
Net movement in funds		18,310	(118,720)	(190,646)	(291,056)	(1,451,506)
Total funds carried forward		971,865	(2,163,176)	28,575,544	27,384,233	27,675,289

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 30 to 55 form part of these financial statements.

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	28,575,544	28,766,190
		<u>28,575,544</u>	<u>28,766,190</u>
Current assets			
Debtors	15	510,032	832,269
Cash at bank and in hand		2,254,471	2,338,690
		<u>2,764,503</u>	<u>3,170,959</u>
Creditors: amounts falling due within one year	16	(383,814)	(675,860)
		<u>2,380,689</u>	<u>2,495,099</u>
Net current assets		2,380,689	2,495,099
Total assets less current liabilities		30,956,233	31,261,289
Net assets excluding pension liability		30,956,233	31,261,289
Defined benefit pension scheme liability	23	(3,572,000)	(3,586,000)
Total net assets		27,384,233	27,675,289
Funds of the academy			
Restricted funds:			
Fixed asset funds	18	28,575,544	28,766,190
Restricted income funds	18	1,408,824	1,541,544
		<u>29,984,368</u>	<u>30,307,734</u>
Restricted funds excluding pension asset	18	29,984,368	30,307,734
Pension reserve	18	(3,572,000)	(3,586,000)
		<u>26,412,368</u>	<u>26,721,734</u>
Total restricted funds	18	26,412,368	26,721,734
Unrestricted income funds	18	971,865	953,555
		<u>27,384,233</u>	<u>27,675,289</u>
Total funds		27,384,233	27,675,289

The financial statements on pages 25 to 55 were approved by the Trustees, and authorised for issue on 10 December 2020 and are signed on their behalf, by:



Mr Jonathan Eva
Chair of Trustees

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The notes on pages 30 to 55 form part of these financial statements.

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	222,810	(253,696)
Change in cash and cash equivalents in the year		222,810	(253,696)
Cash and cash equivalents at the beginning of the year		2,338,690	3,063,229
Capital Income less additions		(307,029)	(470,843)
Cash and cash equivalents at the end of the year	21, 22	2,254,471	2,338,690

The notes on pages 30 to 55 form part of these financial statements

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income

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

- **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the academy, can be reliably measured.

- **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.

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

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

Where Tangible Fixed Assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the Asset, the related grants are credited to a Restricted Fixed Asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant Assets is charged directly to the Restricted Fixed Asset fund in the Statement of Financial Activities. Where Tangible Fixed Assets have been acquired with Unrestricted Funds, Depreciation on such Assets is charged to the Unrestricted Fund.

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

Depreciation is provided on the following bases:

Freehold property	- 50 Years
Furniture and equipment	- 10 Years
Computer equipment	- 4 Years

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.

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.6 Debtors

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

1.7 Cash at bank and in hand

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

1.8 Liabilities

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

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.10 Pensions

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

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

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

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

1.11 Fund accounting

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

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

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

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

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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.

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Donations	16,802	-	16,802	61,272
Capital Grants	-	31,051	31,051	197,631
	<u>16,802</u>	<u>31,051</u>	<u>47,853</u>	<u>258,903</u>
<i>Total 2019</i>	<u>61,272</u>	<u>197,631</u>	<u>258,903</u>	

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Funding for the academy's educational operations

	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	8,477,114	8,477,114	8,446,411
Pupil Premium	404,415	404,415	437,646
Other DfE/ESFA Grants	558,416	558,416	216,807
	<u>9,439,945</u>	<u>9,439,945</u>	<u>9,100,864</u>
Other Government grants			
Local Authority Grants	196,985	196,985	155,232
Other Government Grant	10,165	10,165	10,500
	<u>207,150</u>	<u>207,150</u>	<u>165,732</u>
Exceptional government funding			
Coronavirus exceptional support	54,343	54,343	-
	<u>9,701,438</u>	<u>9,701,438</u>	<u>9,266,596</u>
<i>Total 2019</i>	<u><u>9,266,596</u></u>	<u><u>9,266,596</u></u>	

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The funding received for coronavirus exceptional support covers £54k of support costs. These costs are included in notes 7 and 9 below as appropriate.

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5. Income from other trading activities

	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Exam Fee Income	5,660	5,660	7,742
Trips Income	7,139	7,139	28,515
Letting Income	35,680	35,680	67,399
Swimming Fee Income	510	510	1,610
Other Income	16,811	16,811	19,391
	<u>65,800</u>	<u>65,800</u>	<u>124,657</u>
<i>Total 2019</i>	<u>124,657</u>	<u>124,657</u>	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Investment income - other local investments	1,508	1,508	1,669
	<u>1,508</u>	<u>1,508</u>	<u>1,669</u>
<i>Total 2019</i>	<u>1,669</u>	<u>1,669</u>	

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7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	<i>Total 2019 £</i>
Educational Operations:					
Direct costs	6,274,033	-	518,419	6,792,452	6,483,179
Allocated support costs	2,007,609	433,620	1,080,974	3,522,203	3,656,152
	<u>8,281,642</u>	<u>433,620</u>	<u>1,599,393</u>	<u>10,314,655</u>	<u>10,139,331</u>
<i>Total 2019</i>	<u><u>7,661,750</u></u>	<u><u>248,642</u></u>	<u><u>2,228,939</u></u>	<u><u>10,139,331</u></u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Educational Operations	10,314,655	10,314,655	10,139,331
<i>Total 2019</i>	<u>10,139,331</u>	<u>10,139,331</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Educational Operations	6,792,452	3,522,203	10,314,655	10,139,331
<i>Total 2019</i>	<u>6,483,179</u>	<u>3,656,152</u>	<u>10,139,331</u>	

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9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Operations 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	5,536,409	5,536,409	5,315,393
Educational Supplies	109,322	109,322	134,842
Educational Consultancy	63,344	63,344	60,629
Agency Supply Costs	737,624	737,624	638,801
Exam Fees	110,880	110,880	120,163
Technology costs	109,678	109,678	81,438
Other Direct Costs	75,416	75,416	91,500
Staff Development & Training	49,779	49,779	40,413
	<u>6,792,452</u>	<u>6,792,452</u>	<u>6,483,179</u>
<i>Total 2019</i>	<u>6,483,179</u>	<u>6,483,179</u>	

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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Pension finance costs	63,000	63,000	63,000
Staff costs	1,973,046	1,973,046	2,054,700
Depreciation	528,726	528,726	517,310
Maintenance of Premises & Equipment	237,991	237,991	242,608
Rent & Rates	59,243	59,243	55,265
Agency Supply Costs	37,976	37,976	35,461
Technology costs	3,412	3,412	31,322
Insurance	37,865	37,865	38,845
Catering	125,000	125,000	88,561
Recruitment & Support	72,336	72,336	105,004
Other Support Cost	119,471	119,471	156,730
Security & Transport	42,353	42,353	60,865
Cleaning	32,682	32,682	38,719
Governance Costs	68,898	68,898	58,499
Energy	120,204	120,204	109,263
	<u>3,522,203</u>	<u>3,522,203</u>	<u>3,656,152</u>
<i>Total 2019</i>	<u>3,656,152</u>	<u>3,656,152</u>	

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	<i>2019 £</i>
Operating lease rentals	11,533	12,905
Depreciation of tangible fixed assets	528,726	517,310
Fees paid to auditors for:		
- audit	4,000	4,000
- other services	4,850	4,500
	<u>4,000</u>	<u>4,000</u>
	<u>4,850</u>	<u>4,500</u>

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11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	5,619,334	5,762,045
Social security costs	518,319	537,361
Pension costs	1,314,112	1,070,687
	<u>7,451,765</u>	<u>7,370,093</u>
Agency staff costs	737,624	638,801
Staff restructuring costs	57,690	-
Agency support staff	37,976	35,461
	<u>8,285,055</u>	<u>8,044,355</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Severance payments	57,690	-
	<u>57,690</u>	<u>-</u>

b. Staff numbers

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

	2020 No.	2019 No.
Management	8	9
Teachers	96	100
Support Staff	65	67
	<u>169</u>	<u>176</u>

c. Higher paid staff

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

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11. Staff (continued)

c. Higher paid staff (continued)

	2020 No.	2019 No.
In the band £60,001 - £70,000	6	7
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	2	1
In the band £110,001 - £120,000	1	-
In the band £190,001 - £200,000	-	1
	<u> </u>	<u> </u>

d. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £972,914 (2019 £901,036).

12. Trustees' remuneration and expenses

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

		2020 £'000	2019 £'000
Sir Pritpal Singh, Executive Head Teacher	Remuneration	95 - 100	190 - 195
	Pension contributions paid	NIL	
Mrs Sian Dowden, Staff Governor (resigned 31 August 2019)	Remuneration	55 - 60	90 - 95
	Pension contributions paid	0 - 5	15 - 20
Mr Nick Haymonds, Staff Governor (resigned 31 December 2018)	Remuneration	NIL	15 - 20
	Pension contributions paid	NIL	5 - 10
Mrs Annette Gormally, Governor (resigned 6 September 2019)	Remuneration	NIL	60 - 65
	Pension contributions paid	NIL	5 - 10
Ms Lisa Mills, Head Teacher (appointed 28 February 2020)	Remuneration	60 - 65	
	Pension contributions paid	10 - 15	

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

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13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was £294 (2019 - £1,191). The cost of this insurance is included in the total insurance cost.

14. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2019	31,872,212	113,217	384,650	32,370,079
Additions	124,173	33,706	180,201	338,080
At 31 August 2020	<u>31,996,385</u>	<u>146,923</u>	<u>564,851</u>	<u>32,708,159</u>
Depreciation				
At 1 September 2019	3,226,985	21,192	355,712	3,603,889
Charge for the year	489,092	10,687	28,947	528,726
At 31 August 2020	<u>3,716,077</u>	<u>31,879</u>	<u>384,659</u>	<u>4,132,615</u>
Net book value				
At 31 August 2020	<u><u>28,280,308</u></u>	<u><u>115,044</u></u>	<u><u>180,192</u></u>	<u><u>28,575,544</u></u>
At 31 August 2019	<u><u>28,645,227</u></u>	<u><u>92,025</u></u>	<u><u>28,938</u></u>	<u><u>28,766,190</u></u>

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15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	50,916	21,632
Other debtors	169,582	635,208
Prepayments and accrued income	289,534	175,429
	510,032	832,269
	510,032	832,269

Included within prepayments and accrued income above is prepayments of £134,953 at 31 August 2020. This consists of £119,410.82 which is due in one year and £15,541.64 which is due in more than one year.

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	4,254	162,353
Other taxation and social security	143,557	149,099
Other creditors	136,011	110,944
Accruals and deferred income	99,992	253,464
	383,814	675,860
	383,814	675,860
	30,404	60,752
Resources deferred during the year	47,722	30,404
Amounts released from previous periods	(30,404)	(60,752)
	47,722	30,404
	47,722	30,404

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17. Financial instruments

	2020	<i>2019</i>
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>2,254,471</u>	<u>2,338,690</u>

Financial assets measured at fair value through income and expenditure comprise cash at bank.

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18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds - all funds	953,555	18,310	-	-	-	971,865
Restricted general funds						
Restricted Funds - all funds	1,541,544	9,767,238	(9,592,929)	(307,029)	-	1,408,824
Pension reserve	(3,586,000)	-	(193,000)	-	207,000	(3,572,000)
	<u>(2,044,456)</u>	<u>9,767,238</u>	<u>(9,785,929)</u>	<u>(307,029)</u>	<u>207,000</u>	<u>(2,163,176)</u>
Restricted fixed asset funds						
Class II Restricted Funds - all funds	28,766,190	31,051	(528,726)	307,029	-	28,575,544
Total Restricted funds	<u>26,721,734</u>	<u>9,798,289</u>	<u>(10,314,655)</u>	<u>-</u>	<u>207,000</u>	<u>26,412,368</u>
Total funds	<u><u>27,675,289</u></u>	<u><u>9,816,599</u></u>	<u><u>(10,314,655)</u></u>	<u><u>-</u></u>	<u><u>207,000</u></u>	<u><u>27,384,233</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

Restricted fixed assets funds have been increased by capital grants provided by DfE and reduced by depreciation charges.

Restricted general fund have been increased by revenue grants provided by DfE and reduced by expenditure incurred in the operation of the Academy.

The restricted funds can only be used in terms of limitations imposed by the Funding Agreement with the DfE and the terms of any specific grant.

Unrestricted funds have been increased by voluntary contributions by parents and reduced by expenditure incurred in the operation of the academy.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

Total funds analysis by Academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Drayton Manor High School Academy Trust	2,375,671	2,495,099
Restricted fixed asset fund	28,575,544	28,766,190
Pension reserve	(3,572,000)	(3,586,000)
Total	27,379,215	27,675,289

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Drayton Manor High School Academy Trust	8,344,642	109,322	1,293,488	9,747,452	9,172,902

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18. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds						
General Funds - all funds	890,614	62,941	-	-	-	953,555
Restricted general funds						
Restricted Funds - all funds	1,865,426	9,391,253	(9,386,021)	(329,114)	-	1,541,544
Pension reserve	(2,386,000)	-	(236,000)	-	(964,000)	(3,586,000)
	(520,574)	9,391,253	(9,622,021)	(329,114)	(964,000)	(2,044,456)
Restricted fixed asset funds						
Class II Restricted Funds - all funds	28,756,755	197,631	(517,310)	329,114	-	28,766,190
Total Restricted funds	28,236,181	9,588,884	(10,139,331)	-	(964,000)	26,721,734
Total funds	29,126,795	9,651,825	(10,139,331)	-	(964,000)	27,675,289

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19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	28,575,544	28,575,544
Current assets	971,865	1,792,638	-	2,764,503
Creditors due within one year	-	(383,814)	-	(383,814)
Provisions for liabilities and charges	-	(3,572,000)	-	(3,572,000)
Total	971,865	(2,163,176)	28,575,544	27,384,233

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	28,766,190	28,766,190
Current assets	953,555	2,217,404	-	3,170,959
Creditors due within one year	-	(675,860)	-	(675,860)
Provisions for liabilities and charges	-	(3,586,000)	-	(3,586,000)
Total	953,555	(2,044,456)	28,766,190	27,675,289

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

	2020 £	2019 £
Net expenditure for the period (as per Statement of financial activities)	(498,056)	(487,506)
Adjustments for:		
Depreciation	528,726	517,310
Capital grants from DfE and other capital income	(31,051)	(197,631)
Defined benefit pension scheme cost less contributions payable	130,000	173,000
Defined benefit pension scheme finance cost	63,000	63,000
Decrease/(increase) in debtors	322,237	(483,486)
(Decrease)/increase in creditors	(292,046)	161,617
Net cash provided by/(used in) operating activities	222,810	(253,696)

21. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	2,254,471	2,338,690
Total cash and cash equivalents	2,254,471	2,338,690

22. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	2,338,690	(84,219)	2,254,471
	2,338,690	(84,219)	2,254,471

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23. Pension commitments

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

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

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

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.

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23. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £877,414 (2019 - £603,947).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £288,000 (2019 - £308,000), of which employer's contributions totalled £230,000 (2019 - £246,000) and employees' contributions totalled £ 58,000 (2019 - £62,000). The agreed contribution rates for future years are 19.6% per cent for employers and 5.5-7.5% per cent for employees.

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

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

Principal actuarial assumptions

	2020	<i>2019</i>
	%	%
Rate of increase in salaries	3.65	<i>3.35</i>
Rate of increase for pensions in payment/inflation	2.50	<i>2.20</i>
Discount rate for scheme liabilities	1.80	<i>1.80</i>
Inflation assumption (CPI)	2.40	<i>2.10</i>

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

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23. Pension commitments (continued)

	2020	<i>2019</i>
	Years	<i>Years</i>
<i>Retiring today</i>		
Males	22.9	<i>23.3</i>
Females	25	<i>26.2</i>
<i>Retiring in 20 years</i>		
Males	24.5	<i>25.5</i>
Females	26.9	<i>28.5</i>

Sensitivity analysis

Share of scheme assets

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

	2020	<i>2019</i>
	£	<i>£</i>
Equities	1,177,000	<i>1,091,000</i>
Bonds	529,000	<i>438,000</i>
Property	194,000	<i>169,000</i>
Cash and other liquid assets	89,000	<i>134,000</i>
Other	92,000	<i>7,000</i>
Total market value of assets	2,081,000	<i>1,839,000</i>

The actual return on scheme assets was £18,000 (2019 - £85,000).

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

	2020	<i>2019</i>
	£	<i>£</i>
Current service cost	(353,000)	<i>(306,000)</i>
Interest income	35,000	<i>46,000</i>
Interest cost	(98,000)	<i>(109,000)</i>
Total amount recognised in the Statement of financial activities	(416,000)	<i>(369,000)</i>

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23. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	5,425,000	3,887,000
Current service costs	353,000	306,000
Interest cost	98,000	109,000
Employee contributions	58,000	62,000
Actuarial (gains)/losses	(183,000)	1,004,000
Benefits paid	(98,000)	(49,000)
Past service costs	-	106,000
At 31 August	5,653,000	5,425,000

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

	2020 £	2019 £
At 1 September	1,839,000	1,501,000
Interest income	35,000	46,000
Actuarial gains	24,000	40,000
Employer contributions	230,000	246,000
Employee contributions	58,000	62,000
Benefits paid	(98,000)	(49,000)
Admin expenses	(7,000)	(7,000)
At 31 August	2,081,000	1,839,000

24. Operating lease commitments

At 31 August 2020 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	11,533	11,533
Later than 1 year and not later than 5 years	8,467	20,754
	20,000	32,287

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

25. 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.

26. Related party transactions

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

27. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2020, the Trust received £34,930 (2019: £37,044) and disbursed £17,722 (2019: £28,208) from the fund. The bursary grants received, after the deduction of relevant administration expenses, has been deferred at the year end. An amount of £45,662 (2019: £28,454) is included within the other creditors relating to undistributed funds that are repayable to the ESFA.