

Company Registration Number: 07698859 (England & Wales)

Drayton Manor High School Academy Trust
(A company limited by guarantee)

Annual report and financial statements

For the year ended 31 August 2021

Drayton Manor High School Academy Trust
(A company limited by guarantee)

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Drayton Manor High School Academy Trust
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Reference and Administrative Details

Members

Mr Jonathan Eva
Ms Patricia Eldrid
Mr Philippe Carpentier
Ms Lisa Mills (resigned 1 March 2021)
Ms Tameeza Henriot (appointed 1 March 2021)

Trustees

Lisa Mills, Headteacher¹
Mr Jonathan Eva, Chair of Trustees¹
Ms Patricia Eldrid, Trustee
Dr Waljit Dhillon, Vice Chairman (resigned 20 July 2021)¹
Mrs Sahra Osman, Trustee
Ms Imelda Wright, Trustee¹
Mr Philippe Carpentier, Trustee
Ms Tameeza Henriot, Vice Chair
Mr Jonathan Lepper, Trustee (resigned 11 December 2020)¹
Ms Sarah Stanton, Parent Trustee (resigned 23 February 2021)¹
Mr Arron Poole, Staff Trustee (appointed 12 July 2021)
Roshni Mehta, Trustee (appointed 17 August 2021)

¹ Business, Finance, Audit and Personnel Committee

Company registered number

07698859

Company name

Drayton Manor High School Academy Trust

Principal and registered office

1 Ashley Road
Altringham
Cheshire
WA14 2DT

Company secretary

Sandra Scott
Oakwood Corporate Secretary Limited

Senior management team

Ms Lisa Mills, Headteacher
Mr Chris Killen, Senior Deputy Head
Mr Wayne Walsh, Deputy Head (resigned 31 October 2020)
Ms Deborah Yates, Assistant Deputy Head
Ms Emma Wyatt, Assistant Head Teacher (resigned 31 August 2021)
Ms Colleen Guitane, Assistant Head Teacher
Ms Cheryl McCanaan, Interim Senior Teacher (resigned 31 August 2020)
Mr Martyn Hannan, Interim Senior Teacher (resigned 31 August 2020)
Ms Katherine Merrigan, Senior Teacher
Ms Katharine Woodward, Senior Teacher
Mr Joshua Mc Inerney, Deputy Head (appointed 1 September 2020)
Mr Robert Johnston, Assistant Head Teacher (appointed 1 September 2020)
Ms Alexia Polemidoti, Acting Assistant Head Teacher (appointed 1 November 2020)

Drayton Manor High School Academy Trust
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Reference and Administrative Details (continued)
For the year ended 31 August 2021

Auditor Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU

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 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust operates one Secondary Academy in the North-West London and South-Central England region. Its Academy has a pupil capacity of 1582 and had a roll of 1544 in the school census on 7 October 2021.

Structure, governance and management

a. Constitution

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

The charitable company's Memorandum of Association is the primary governing document 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 year, 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 Trustee 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 2021

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 Trustees 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 Trustees.

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

The LA may appoint the LA Trustee.

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

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

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

The arrangements made for the election of a Parent Trustee 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/she prefers, by having his/her ballot paper returned to the Academy Trust by a registered pupil at the Academy.

Where a vacancy for a Parent Trustee is required to be filled by election, the Board of Trustees 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/she is entitled to stand as a candidate, vote at the election and given an opportunity to do so.

The number of Parent Trustees required shall be made up by Parent Trustees appointed by the Board of Trustees 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 Trustee, the Board of Trustees 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 Trustees may appoint up to 3 Co opted Trustees. A "Co opted Trustee" means a person who is appointed to be a Trustee by being Co opted by Trustees who have themselves been so appointed. The Trustees may not Co opt an employee of the Academy Trust as a Co opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees (including the Headteacher).

e. Policies adopted for the induction and training of Trustees

During the period under review, the Trustees held 5 Full Trust 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 Trustees will depend on their experience. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new Trustees are given a tour of the Academy and the chance to meet with staff and students. All Trustees 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.

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Trustees' report (continued)
For the year ended 31 August 2021

Structure, governance and management (continued)

f. Organisational structure

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

The Trust Board has considered its role thoughtfully and decided that the role of the Trustees is to approve the strategic direction and objectives of the Academy and monitor its progress towards these objectives. The Trust 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 Head is directly responsible for the day to day running of the Academy and is assisted by a Senior Leadership Team.

Trustees 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 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 Trust Board.

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	2,218	
Total pay bill	7,453,787	
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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Trustees' report (continued)
For the year ended 31 August 2021

Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

The Academy is the founding member of the Drayton Manor High School Academy Trust which is separate Trust where Drayton Manor Academy is the only member. The Trust undertakes educational support activities.

The school have no further related party and other connected charity transactions to declare further than those stated within these statutory accounts.

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 Trustees 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.

b. Objectives, strategies and activities

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

To promote the maximum possible development of individual students' talents and potential within a tolerant and caring community.

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.

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.

To help students to use language and number effectively.

To promote equal opportunities for all to counter racism, sexism and all other forms of discrimination whenever they occur.

To encourage respect for religious and moral values and tolerance of other races, religions and ways of life.

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.

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Trustees' report (continued)
For the year ended 31 August 2021

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.

* 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.

Due to the impact of the Covid-19 pandemic, 2019 data is the latest available results data

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Trustees' report (continued)
For the year ended 31 August 2021

Strategic report (continued)

Achievements and performance (continued)

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 £37,000 and has placed unforeseen strain on our working capital and cash resources. We were quick to adapt to remote working and the Trustees 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.

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Trustees' report (continued)
For the year ended 31 August 2021

Strategic report (continued)

Financial review

During the Period, ESFA/LA Grants received totalled £10,145,408 (2020: £9,701,438). Other income included within Restricted Funds totalled £50,038 (2020: £65,800). Restricted Fund expenditure totalled to £10,032,243 (2020: £9,785,929).

The main source of Unrestricted income is Donations, totalling to £32,366 (2020: £16,802).

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 2021 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 2019), 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 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 Trust Board.

The Trustees through the Business, Finance and Audit Committee and Headteacher 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 2021

a. 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. More specifically '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 Trustees 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 £27,184,158 (2020: £27,553,438). This balance includes Unrestricted funds (Free reserves) of £1,177,683 (2020: £1,141,070), which is considered appropriate for the Academy Trust, and Restricted funds of £26,006,475 (2020: £26,412,368).

Restricted Funds have been designated by the Trust 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 £3,851,000 (2020: £3,572,000). 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.

b. 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 Trust 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 Trust Board.

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Trustees' report (continued)
For the year ended 31 August 2021

c. 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 Trustees 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 Trustees 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 2021.

Fundraising

The Academy Trust raises funds for the furtherance of its own objects and for other charities. Each year parents are invited to contribute donations to a school fund held for the Trust. These funds are overseen by the Trust Governing Board and are used for various elements of school priorities, objectives and events, which would not otherwise be provided or improved due to constraints on other funding sources. The Trust also engages with the PTA to raise funds. The Trust's activities comply with recognised standards and do not involve the use of other external/professional fundraisers.

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.

Disclosure of information to auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

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Trustees' report (continued)
For the year ended 31 August 2021

Auditor

The Auditor, Kreston Reeves LLP, has indicated its willingness to continue in office. The Trustees will propose a motion re-appointing the Auditor at a meeting of the Members.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14 December 2021 and signed on its behalf by:



Mr Jonathan Eva
Chair of Trustees

Drayton Manor High School Academy Trust
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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.

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
Lisa Mills, Headteacher	5	5
Mr Jonathan Eva, Chair of Trustees	4	5
Ms Patricia Eldrid	5	5
Mrs Sahra Osman	3	5
Ms Imelda Wright	4	5
Mr Philippe Carpentier	5	5
Ms Tameeza Henriot	5	5
Dr Waljit Dhillon (resigned 20 July 2021)	0	5
Mr Jonathan Lepper (resigned 11 December 2020)	1	2
Ms Sarah Stanton (resigned 23 February 2021)	2	2
Mr Aaron Poole (appointed 12 July 2021)	0	0
Roshni Mehta (appointed 17 August 2021)	0	0

Trustees typically also serve on a number of other Sub Committees, as set out on the school website. The impact of each Trust Board 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
Ms Lisa Mills, Headteacher*	3	3
Dr Waljit Dhillon (resigned 20 July 2021)	1	3
Ms Imelda Wright, Chair	3	3
Mr Jonathan Lepper (resigned 11 December 2020)	0	1
Ms Sarah Stanton (resigned 23 February 2021)	1	1
Mr Jonathan Eva	2	3

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Governance Statement (continued)

Governance (continued)

*Ms Lisa Mills is in attendance only for Audit matters

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 the recruitment of qualified high quality teachers and efficient and effective use of Resources and Facilities.

Additionally, the Accounting Officer has:

- Adhered to stringent tendering processes for upcoming contract renewals and obtained updated contract costs for Grounds Maintenance, Gas, Electric and School Broadband.
- Reverted to a Guaranteed Cost Catering Contract to ensure best value for money in relation to catering.
- Opted for proceeding with online ordering methods where such discounts exist over paper orders.

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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and General Purposes 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

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Governance Statement (continued)

The risk and control framework (continued)

The Board of Trustees has decided to buy-in an internal audit service from Centre for Education & Financial Management (CEFM)

The Reviewer's role includes giving advice on Financial Matters and performing a range of checks on the Academy's Financial Systems.

On a quarterly basis, the reviewer 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

The internal auditor has delivered their schedule of work as planned and no material control issues were arising.

Review of effectiveness

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

- the work of the reviewer;
- the work of the external auditor;
- the school resource management self-assessment tool;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the 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 14 December 2021 and signed on their behalf by:



Mr Jonathan Eva
Chair of Trustees



Ms Lisa Mills
Accounting Officer

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

I confirm that I and the 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 2020.

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



Ms Lisa Mills

Accounting Officer

Date: 14.12.21.

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(A company limited by guarantee)

Statement of Trustees' responsibilities
For the year ended 31 August 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 14 December 2021 and signed on its behalf by:



Mr Jonathan Eva
Chair of Trustees

Drayton Manor High School Academy Trust
(A company limited by guarantee)

Independent auditor's 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 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Drayton Manor High School Academy Trust
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of Drayton Manor High School Academy Trust (continued)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the 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.

Drayton Manor High School Academy Trust
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of Drayton Manor High School Academy Trust (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Academy Trust and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to child protection and safeguarding, health and safety and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Statement of Recommended Practice, Academies Accounts Direction, Academies Financial Handbook, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of land and buildings and revenue and non-compliance with financial management and governance requirements which are consistent with the obligations of public funded bodies. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management and internal audit; and
- Assessment of identified fraud risk factors; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Consideration of income streams, completeness of income and compliance with the obligations of funders including the ESFA
- Testing of internal controls procedures relating to expenditure potentially more susceptible to fraud and other irregularities including the misuse of public funding in areas such as cash, payroll and credit card expenditure; and
- Review of cash and credit card expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Checking and reperforming the reconciliation of key control accounts; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities; and
- Review of internal controls and physical inspection of tangible assets susceptible to fraud or irregularity; and

Drayton Manor High School Academy Trust
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of Drayton Manor High School Academy Trust (continued)

- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

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

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

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

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

Drayton Manor High School Academy Trust
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of Drayton Manor High School Academy Trust (continued)

Use of our report

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

A handwritten signature in black ink that reads "Kreston Reeves LLP".

Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of

Kreston Reeves LLP

Chartered Accountants

Statutory Auditor

Chatham Maritime

15 December 2021

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 and Skills Funding Agency

In accordance with the terms of our engagement letter dated 9 April 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Drayton Manor High School Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusions includes:

- Reviewed expenditure against specific terms of grant funding within the funding agreement.
- Reviewed grants have been applied for the purposes intended.
- Confirmed that internal control procedures exist relating to expenditure incurred of cash and credit cards.
- Confirmed items claimed on cash and credit cards are not for personal benefit.
- Reviewed expenditure and considered whether any supplies are from related parties.
- Reviewed Trustee Board minutes for declaration of interests.
- Considered whether other income activities are permitted within the Academy Trust's charitable objects.
- Considered if borrowing agreements, including leases, have been made in accordance with the Academies Financial Handbook.

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)

- Confirmed that procurement and tendering procedures exist relating to expenditure and have been complied with.
- Considered if the Trust's governance arrangements and composition are in-line with the Academies Financial Handbook 2020.

Conclusion

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

Kreston Reeves LLP

Reporting Accountant
Kreston Reeves LLP
Chartered Accountants
Statutory Auditor

Date: 15 December 2021

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 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	As restated Total funds 2020 £
Income from:						
Donations and capital grants	4	32,366	-	30,882	63,248	47,853
Other trading activities	6	2,305	50,038	-	52,343	68,400
Investments	7	1,982	-	-	1,982	2,349
Charitable activities	5	-	10,145,408	-	10,145,408	9,701,438
Total income		36,653	10,195,446	30,882	10,262,981	9,820,040
Expenditure on:						
Charitable activities	9	9,687	10,022,596	569,978	10,602,261	10,324,348
Total expenditure		9,687	10,022,596	569,978	10,602,261	10,324,348
Net income/(expenditure)		26,966	172,850	(539,096)	(339,280)	(504,308)
Transfers between funds	20	-	(147,057)	147,057	-	-
Net movement in funds before other recognised gains/(losses)		26,966	25,793	(392,039)	(339,280)	(504,308)
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	27	-	(30,000)	-	(30,000)	207,000
Net movement in funds		26,966	(4,207)	(392,039)	(369,280)	(297,308)
Reconciliation of funds:						
Total funds brought forward		1,141,070	(2,163,176)	28,575,544	27,553,438	27,850,746
Net movement in funds		26,966	(4,207)	(392,039)	(369,280)	(297,308)
Total funds carried forward		1,168,036	(2,167,383)	28,183,505	27,184,158	27,553,438

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

The notes on pages 28 to 54 form part of these financial statements.

Drayton Manor High School Academy Trust
(A company limited by guarantee)
Registered number: 07698859

Balance sheet
As at 31 August 2021

	Note	2021 £	As restated 2020 £
Fixed assets			
Tangible assets	15	28,183,505	28,575,544
Current assets			
Debtors	16	335,724	510,032
Cash at bank and in hand		3,280,021	2,423,676
		<u>3,615,745</u>	<u>2,933,708</u>
Creditors: amounts falling due within one year	17	(762,002)	(381,754)
Net current assets		<u>2,853,743</u>	<u>2,551,954</u>
Total assets less current liabilities		<u>31,037,248</u>	<u>31,127,498</u>
Creditors: amounts falling due after more than one year	18	(2,090)	(2,060)
Net assets excluding pension liability		<u>31,035,158</u>	<u>31,125,438</u>
Defined benefit pension scheme liability	27	(3,851,000)	(3,572,000)
Total net assets		<u><u>27,184,158</u></u>	<u><u>27,553,438</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	20	28,183,505	28,575,544
Restricted income funds	20	1,683,617	1,408,824
Pension reserve	20	(3,851,000)	(3,572,000)
Total restricted funds	20	<u>26,016,122</u>	<u>26,412,368</u>
Unrestricted income funds	20	<u>1,168,036</u>	<u>1,141,070</u>
Total funds		<u><u>27,184,158</u></u>	<u><u>27,553,438</u></u>

The financial statements on pages 25 to 54 were approved by the Trustees, and authorised for issue on 14 December 2021 and are signed on their behalf, by:



Mr Jonathan Eva
Chair of Trustees

The notes on pages 28 to 54 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 2021

	Note	2021 £	As restated 2020 £
Cash flows from operating activities			
Net cash provided by operating activities	22	986,916	218,907
Cash flows from investing activities	23	(130,571)	(309,378)
Change in cash and cash equivalents in the year		856,345	(90,471)
Cash and cash equivalents at the beginning of the year		2,423,676	2,514,147
Cash and cash equivalents at the end of the year	24, 25	<u>3,280,021</u>	<u>2,423,676</u>

The notes on pages 28 to 54 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 2021

1. General information

The Drayton Manor High School Academy Trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is 1 Ashley Road, Altringham, Cheshire, WA14 2DT. The principal office is Drayton Bridge Road, Hanwell, London, W7 1EU. The principal activity of the Academy Trust is to provide a secondary education for pupils that satisfies the requirements of the Education Act 2002.

2. 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.

2.1 Basis of preparation of financial statements

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

Drayton Manor High School Academy Trust meets the definition of a public benefit entity under FRS 102.

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

The Academy's financial statements are presented to the nearest pound.

2.2 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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Notes to the financial statements
For the year ended 31 August 2021

2. Accounting policies (continued)

2.3 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.

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

2.4 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.

• **Expenditure on raising funds**

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

• **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.

Drayton Manor High School Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2021

2. Accounting policies (continued)

2.5 Interest receivable

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

2.6 Taxation

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

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

2.7 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	- 3 - 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.

2.8 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.

Drayton Manor High School Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2021

2. Accounting policies (continued)

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Also included are 2 bank accounts previously omitted from the financial statements which are under the control of the trust. See note 19 for more details.

2.10 Liabilities

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

2.11 Provisions

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

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

2.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. 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.

2.13 Operating leases

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

2.14 Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid, and any balances held are disclosed in note 31.

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2. Accounting policies (continued)

2.15 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.

2.16 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.

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3. 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 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.

Multi-employer defined benefit pension scheme

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 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets

The Academy Trust has recognised tangible fixed assets with a carrying value of £28,183,505 at the reporting date (see note 15). These assets are stated at their cost less provision for depreciation and impairment. The Academy Trust's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the Academy Trust determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the Trustees consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the Academy Trust undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the Academy Trusts' forecasts for the foreseeable future which do not include any restructuring activities that the Academy Trust is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

Critical areas of judgement:

Lease commitments

The Academy Trust has entered into a range of lease commitments in respect of plant and equipment. The classification of these leases as either financial or operating leases requires the Trustees to consider whether the terms and conditions of each lease are such that the Academy Trust has acquired the risks and rewards associated with the ownership of the underlying assets.

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3. Critical accounting estimates and areas of judgment (continued)

Multi-employer defined benefit pension scheme

Certain employees participate in a multi-employer defined benefit pension scheme with other companies in the region. In the judgement of the Trustees the Academy Trust does not have sufficient information of the plans assets and liabilities to be able to reliably account for its share of the defined obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 27 for further details.

4. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	32,366	-	32,366	16,802
Capital Grants	-	30,882	30,882	31,051
	<u>32,366</u>	<u>30,882</u>	<u>63,248</u>	<u>47,853</u>
Total 2020	<u>16,802</u>	<u>31,051</u>	<u>47,853</u>	

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5. Funding for the Academy Trust's educational operations

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants			
General Annual Grant (GAG)	8,858,650	8,858,650	8,477,114
Other DfE/ESFA grants			
Pupil Premium	387,627	387,627	404,415
Teachers Pension Grant	347,430	347,430	345,529
Teachers Pay Grant	122,963	122,963	122,291
Other DfE Group Grants	59,925	59,925	90,596
	<u>9,776,595</u>	<u>9,776,595</u>	<u>9,439,945</u>
Other Government grants			
Local authority grants	295,773	295,773	207,150
	<u>295,773</u>	<u>295,773</u>	<u>207,150</u>
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	73,040	73,040	-
	<u>73,040</u>	<u>73,040</u>	<u>-</u>
COVID-19 additional funding (non-DfE/ESFA)			
Coronavirus exceptional support	-	-	54,343
	<u>-</u>	<u>-</u>	<u>54,343</u>
	<u>10,145,408</u>	<u>10,145,408</u>	<u>9,701,438</u>
Total 2020	<u><u>9,701,438</u></u>	<u><u>9,701,438</u></u>	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Teachers' Pension and Pay Grant and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Trust received £73,040 of funding for catch-up premium and costs incurred in respect of this funding totalled £73,040.

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6. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	As restated Total funds 2020 £
Exam Fee Income	-	1,646	1,646	5,660
Trips Income	-	-	-	7,139
Letting Income	-	32,977	32,977	35,680
Swimming Fee Income	-	10	10	510
Other Income	2,305	15,405	17,710	19,411
	<u>2,305</u>	<u>50,038</u>	<u>52,343</u>	<u>68,400</u>
Total 2020 as restated	<u>2,600</u>	<u>65,800</u>	<u>68,400</u>	

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	As restated Total funds 2020 £
Bank interest receivable	1,982	1,982	2,349
	<u>1,982</u>	<u>1,982</u>	<u>2,349</u>
Total 2020 as restated	<u>2,349</u>	<u>2,349</u>	

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8. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	As restated Total 2020 £
Direct costs	6,449,111	-	530,151	6,979,262	6,792,452
Allocated support costs	2,025,044	428,400	1,169,555	3,622,999	3,531,896
	<u>8,474,155</u>	<u>428,400</u>	<u>1,699,706</u>	<u>10,602,261</u>	<u>10,324,348</u>
Total 2020 as restated	<u>8,275,371</u>	<u>402,713</u>	<u>1,646,264</u>	<u>10,324,348</u>	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	As restated Total funds 2020 £
Educational Operations	9,687	10,592,574	10,602,261	10,324,348
Total 2020 as restated	<u>9,693</u>	<u>10,314,655</u>	<u>10,324,348</u>	

10. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	As restated Total funds 2020 £
Educational Operations	6,979,262	3,622,999	10,602,261	10,324,348
Total 2020 as restated	<u>6,792,452</u>	<u>3,531,896</u>	<u>10,324,348</u>	

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10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Operations 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	6,449,111	6,449,111	6,264,349
Educational Supplies	137,382	137,382	109,322
Educational Consultancy	45,487	45,487	63,344
Exam Fees	132,793	132,793	110,880
Technology Costs	101,082	101,082	109,678
Other Direct Costs	83,361	83,361	101,637
Staff Development & Training	30,046	30,046	33,242
	<u>6,979,262</u>	<u>6,979,262</u>	<u>6,792,452</u>
Total 2020	<u><u>6,792,452</u></u>	<u><u>6,792,452</u></u>	

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10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2021 £	Total funds 2021 £	As restated Total funds 2020 £
Pension finance costs	62,000	62,000	63,000
Staff costs	2,025,044	2,025,044	2,011,022
Depreciation	551,510	551,510	528,726
Maintenance of Premises & Equipment	242,033	242,033	237,991
Rent & Rates	54,021	54,021	59,243
Technology Costs	1,084	1,084	3,412
Insurance	38,766	38,766	37,865
Catering	165,372	165,372	125,000
Recruitment & Support	90,372	90,372	72,336
Other Support Costs	126,903	126,903	129,164
Bank Charges	40	40	-
Security & Transport	29,588	29,588	42,353
Cleaning	30,589	30,589	32,682
Governance Costs	58,612	58,612	68,898
Energy	116,480	116,480	120,204
Covid expenditure 2020-21	30,585	30,585	-
	<u>3,622,999</u>	<u>3,622,999</u>	<u>3,531,896</u>
Total 2020 as restated	<u>3,531,896</u>	<u>3,531,896</u>	

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	10,436	11,533
Depreciation of tangible fixed assets	551,510	528,726
Fees paid to auditor for:		
- audit	8,350	4,000
- other services	3,400	4,850
	<u>8,750</u>	<u>8,850</u>

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12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	As restated 2020 £
Wages and salaries	5,967,535	5,332,386
Social security costs	593,660	518,319
Pension costs	1,390,108	1,314,112
	<u>7,951,303</u>	<u>7,164,817</u>
Agency staff costs	501,419	1,052,864
Staff restructuring costs	21,433	57,690
	<u>8,474,155</u>	<u>8,275,371</u>

Staff restructuring costs comprise:

	2021 £	2020 £
Severance payments	21,477	57,690
	<u>21,477</u>	<u>57,690</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £16,027. Individually, the payments were: £1,727, £7,500 and £6,800.

c. Staff numbers

The average number of persons employed by the Academy on an FTE basis during the year was as follows:

	2021 No.	2020 No.
Management	9	8
Teachers	93	96
Support Staff	64	65
	<u>166</u>	<u>169</u>

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12. Staff (continued)

d. Higher paid staff

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	10	6
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	2	-
In the band £90,001 - £100,000	1	2
In the band £110,001 - £120,000	-	1
In the band £130,001 - £140,000	1	-
	1	-

e. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £987,251 (2020 - £972,914).

13. 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:

		2021	2020
		£	£
Lisa Mills, Headteacher	Remuneration	130,000 -	60,000 -
		135,000	65,000
	Pension contributions paid	30,000 -	10,000 -
		35,000	15,000
Mr Arron Poole, Staff Trustee (appointed 12 July 2021)	Remuneration	5,000 -	
		10,000	
	Pension contributions paid	0 - 5,000	

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

14. 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 2021 was £279 (2020 - £294). The cost of this insurance is included in the total insurance cost.

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15. Tangible fixed assets

	Freehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2020	31,996,385	-	146,923	564,851	32,708,159
Additions	19,856	77,025	34,361	28,231	159,473
At 31 August 2021	<u>32,016,241</u>	<u>77,025</u>	<u>181,284</u>	<u>593,082</u>	<u>32,867,632</u>
Depreciation					
At 1 September 2020	3,716,077	-	31,879	384,659	4,132,615
Charge for the year	491,425	-	13,686	46,401	551,512
At 31 August 2021	<u>4,207,502</u>	<u>-</u>	<u>45,565</u>	<u>431,060</u>	<u>4,684,127</u>
Net book value					
At 31 August 2021	<u>27,808,739</u>	<u>77,025</u>	<u>135,719</u>	<u>162,022</u>	<u>28,183,505</u>
At 31 August 2020	<u>28,280,308</u>	<u>-</u>	<u>115,044</u>	<u>180,192</u>	<u>28,575,544</u>

Included in freehold land and buildings is land at valuation of £7,519,546 which is not depreciated.

The land and buildings were valued by Drivers Jonas Deloitte on a fair value basis on the assumption of continuation of existing use.

16. Debtors

	2021 £	2020 £
Due after more than one year		
Prepayments and accrued income	7,028	15,542
	<u>7,028</u>	<u>15,542</u>
Due within one year		
Trade debtors	17,584	50,916
VAT Recoverable	79,867	169,582
Prepayments and accrued income	231,245	273,992
	<u>335,724</u>	<u>510,032</u>

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17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	371,655	4,254
Other taxation and social security	164,271	143,557
Other creditors	135,970	136,011
Accruals and deferred income	90,106	97,932
	<u>762,002</u>	<u>381,754</u>
	2021 £	2020 £
Deferred income at 1 September 2020	47,722	30,404
Resources deferred during the year	39,085	47,722
Amounts released from previous periods	(47,722)	(30,404)
	<u>39,085</u>	<u>47,722</u>

At the balance sheet date the academy trust was holding funds in respect of unspent Bursary Funding.

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

	2021 £	2020 £
Accruals and deferred income	<u>2,090</u>	<u>2,060</u>

19. Prior year adjustments

It was identified that 2 bank accounts being operating by the Trust have not previously been included in the financial statements of the Trust. The accounts have been restated to incorporate these bank balances in the prior year.

Summary of the prior year accounting impact	£
Increase in bank balances	169,205
Increase in unrestricted reserves	(169,205)

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20. Statement of funds

	As restated Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - public	971,864	33,606	(40)	-	-	1,005,430
General Funds - private	169,206	3,047	(9,647)	-	-	162,606
	<u>1,141,070</u>	<u>36,653</u>	<u>(9,687)</u>	<u>-</u>	<u>-</u>	<u>1,168,036</u>
Restricted general funds						
General Annual Grant (GAG)	1,408,824	8,858,650	(8,436,800)	(147,057)	-	1,683,617
Other DfE/ESFA grants	-	59,925	(59,925)	-	-	-
Pupil Premium (ESFA)	-	387,627	(387,627)	-	-	-
Teachers Pension Grant (ESFA)	-	347,430	(347,430)	-	-	-
Teachers Pay	-	122,963	(122,963)	-	-	-
Covid Catchup	-	73,040	(73,040)	-	-	-
Other Government grants	-	295,773	(295,773)	-	-	-
Other restricted	-	50,038	(50,038)	-	-	-
Pension reserve	(3,572,000)	-	(249,000)	-	(30,000)	(3,851,000)
	<u>(2,163,176)</u>	<u>10,195,446</u>	<u>(10,022,596)</u>	<u>(147,057)</u>	<u>(30,000)</u>	<u>(2,167,383)</u>
Restricted fixed asset funds						
Restricted fixed assets funds	28,575,544	-	(551,510)	159,471	-	28,183,505
DfE/ESFA capital grants	-	30,882	(18,468)	(12,414)	-	-
	<u>28,575,544</u>	<u>30,882</u>	<u>(569,978)</u>	<u>147,057</u>	<u>-</u>	<u>28,183,505</u>

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Notes to the financial statements
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20. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Total Restricted funds	26,412,368	10,226,328	(10,592,574)	-	(30,000)	26,016,122
Total funds	27,553,438	10,262,981	(10,602,261)	-	(30,000)	27,184,158

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

Unrestricted funds are applied to the general work of the Academy Trust to support activities inside and outside the curriculum.

GAG represents funds to be used to cover the normal running costs of the Academy Trust.

Other DfE/ESFA grants represent those grants provided for specific purposes including Rates relief funding and supplementary free schools meals grants.

Pupil premium represents grant funding, which is provided in order to be used to support disadvantaged pupils and to assist them in decreasing the attainment gap between those pupils and their peers.

Teachers pension grants given to supports schools with the cost of the increase in employer contributions to the teachers' pension scheme.

The Teachers Pay grant which is restricted for schools to support teachers' pay awards.

The Covid catch-up premium grant is a one-off grant for the 2020/21 academic year to support children and young people to catch up lost time after school closures, with allocations calculated on a per pupil basis, using census data, in line with the general annual grant (GAG).

Other government grants represents those grants provided for specific purposes to provide additional support to pupils where required.

Restricted fixed asset funds comprise the net book value of the Trust's fixed assets as at 31 August 2021, including the land and buildings which were donated upon conversion to academy status.

The DfE/ESFA capital grants fund are also represented and provide the Academy Trust with its own capital money to address improvements to the land and buildings and other facilities.

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

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20. Statement of funds (continued)

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

	As restated Balance at 1 September 2019 £	As restated Income £	As restated Expenditure £	Transfers in/out £	Gains/ (Losses) £	As restated Balance at 31 August 2020 £
Unrestricted funds						
General Funds - public	953,554	18,310	-	-	-	971,864
General Funds - private	175,457	3,441	(9,692)	-	-	169,206
	<u>1,129,011</u>	<u>21,751</u>	<u>(9,692)</u>	<u>-</u>	<u>-</u>	<u>1,141,070</u>
Restricted general funds						
Pension Reserve	(3,586,000)	-	(193,000)	-	207,000	(3,572,000)
General Annual Grant (GAG)	1,541,544	8,477,114	(8,302,805)	(307,029)	-	1,408,824
Other DfE/ESFA grants	-	90,596	(90,596)	-	-	-
Pupil Premium (ESFA)	-	404,415	(404,415)	-	-	-
Teachers Pension Grant (ESFA)	-	345,529	(345,529)	-	-	-
Teachers Pay	-	122,291	(122,291)	-	-	-
Other Government grants	-	207,150	(207,150)	-	-	-
COVID-19 exceptional support	-	54,343	(54,343)	-	-	-
Other restricted	-	65,800	(65,800)	-	-	-
	<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						
Restricted fixed asset funds	28,766,190	-	(528,726)	338,080	-	28,575,544
DfE/ESFA capital grants	-	31,051	-	(31,051)	-	-

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20. Statement of funds (continued)

	As restated Balance at 1 September 2019 £	As restated Income £	As restated Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
	28,766,190	31,051	(528,726)	307,029	-	28,575,544
Total Restricted funds	26,721,734	9,798,289	(10,314,655)	-	207,000	26,412,368
Total funds	27,850,745	9,820,040	(10,324,347)	-	207,000	27,553,438

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	28,183,505	28,183,505
Debtors due after more than one year	7,028	-	-	7,028
Current assets	1,161,008	2,447,709	-	3,608,717
Creditors due within one year	-	(762,002)	-	(762,002)
Creditors due in more than one year	-	(2,090)	-	(2,090)
Provisions for liabilities and charges	-	(3,851,000)	-	(3,851,000)
Total	1,168,036	(2,167,383)	28,183,505	27,184,158

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21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	28,575,544	28,575,544
Debtors due after more than one year	15,542	-	-	15,542
Current assets	1,125,528	1,792,638	-	2,918,166
Creditors due within one year	-	(381,754)	-	(381,754)
Creditors due in more than one year	-	(2,060)	-	(2,060)
Provisions for liabilities and charges	-	(3,572,000)	-	(3,572,000)
Total	<u>1,141,070</u>	<u>(2,163,176)</u>	<u>28,575,544</u>	<u>27,553,438</u>

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

	2021 £	As restated 2020 £
Net expenditure for the year (as per Statement of financial activities)	<u>(339,280)</u>	<u>(504,308)</u>
Adjustments for:		
Depreciation	551,510	528,726
Capital grants from DfE and other capital income	(30,882)	(31,051)
Interest receivable	1,982	2,349
Defined benefit pension scheme cost less contributions payable	187,000	130,000
Defined benefit pension scheme finance cost	62,000	63,000
Decrease in debtors	174,308	322,237
Increase/(decrease) in creditors	380,278	(292,046)
Net cash provided by operating activities	<u>986,916</u>	<u>218,907</u>

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23. Cash flows from investing activities

	2021 £	2020 £
Interest receivable	(1,982)	(2,349)
Purchase of tangible fixed assets	(159,471)	(338,080)
Capital grants from DfE Group	30,882	31,051
Net cash used in investing activities	(130,571)	(309,378)

24. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	3,280,021	2,423,676
Total cash and cash equivalents	3,280,021	2,423,676

25. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	2,423,676	856,345	3,280,021
	2,423,676	856,345	3,280,021

26. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements	350,213	-

27. 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.

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27. Pension commitments (continued)

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

Contributions amounting to £135,970 were payable to the schemes at 31 August 2021 (2020 - £136,011) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £963,846 (2020 - £877,414).

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.

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27. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £297,000 (2020 - £288,000), of which employer's contributions totalled £233,000 (2020 - £230,000) and employees' contributions totalled £64,000 (2020 - £58,000). The agreed contribution rates for future years are 16.8 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.95	3.65
Rate of increase for pensions in payment/inflation	2.80	2.50
Discount rate for scheme liabilities	1.70	1.80
Inflation assumption (CPI)	2.70	2.40

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

	2021	2020
	Years	Years
Retiring today		
Males	23	22.9
Females	25.1	25
Retiring in 20 years		
Males	24.7	24.5
Females	27	26.9

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate +0.1%	(123)	(107)
Discount rate -0.1%	125	109
Mortality assumption - 1 year increase	207	163
Mortality assumption - 1 year decrease	(201)	(158)
CPI rate +0.1%	126	110
CPI rate -0.1%	(124)	(108)

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27. Pension commitments (continued)

Share of scheme assets

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

	2021 £	2020 £
Equities	1,598,000	1,177,000
Government bonds	647,000	529,000
Property	209,000	194,000
Cash and other liquid assets	71,000	89,000
Other	116,000	92,000
Total market value of assets	2,641,000	2,081,000

The actual return on scheme assets was £378,000 (2020 - £18,000).

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

	2021 £	2020 £
Current service cost	(413,000)	(353,000)
Interest income	39,000	35,000
Interest cost	(101,000)	(98,000)
Administrative expenses	(7,000)	-
Total amount recognised in the Statement of financial activities	(482,000)	(416,000)

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

	2021 £	2020 £
At 1 September	5,653,000	5,425,000
Interest cost	101,000	98,000
Employee contributions	64,000	58,000
Actuarial losses/(gains)	369,000	(183,000)
Benefits paid	(108,000)	(98,000)
Current Service Cost	413,000	353,000
At 31 August	6,492,000	5,653,000

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27. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	2,081,000	1,839,000
Interest income	39,000	35,000
Actuarial gains	339,000	24,000
Employer contributions	233,000	230,000
Employee contributions	64,000	58,000
Benefits paid	(108,000)	(98,000)
Admin Expenses	(7,000)	(7,000)
At 31 August	2,641,000	2,081,000

28. Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	10,436	13,534
Later than 1 year and not later than 5 years	-	8,467
	10,436	22,001

29. 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.

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30. 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.

The following related party transaction took place in the financial period:

M Stanton, spouse of S Stanton, a trustee (resigned 21 February 2021), is employed by the academy trust as an invigilator. M Stanton's appointment was made in open competition and S Stanton was not involved in the decision-making process regarding appointment. M Stanton is paid within the normal pay scale for his role and receives no special treatment as a result of her relationship to a trustee.

31. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the academy trust received £26,198 and disbursed £32,775 from the fund. An amount of £39,085 is included in other creditors relating to undistributed funds that is repayable to ESFA. Comparatives for the accounting period ending 31 August 2020 are £34,930 received, £17,722 disbursed and £45,662 included in other creditors.