

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	J Tye S Nicholson (resigned 21 September 2020) M King R Fuller, Head Teacher R Brown S Forbes M Bell (resigned 7 July 2020) S Lankester
Trustees	J Tye, Chair M King R Fuller, Head Teacher R Brown S Forbes S Nicholson (resigned 21 September 2020) S Lankester M Bell (resigned 7 July 2020) C Prince A Taplin M Wheal M Cole A Piddock B Johnson (resigned 17 June 2020) H Loughran M King (appointed 21 September 2020)
Company registered number	08663956
Company name	Ralph Sadleir School
Registered and principal office	Ralph Sadleir School Station Road Puckeridge Hertfordshire SG11 1TF
Company Secretary	M Devine (resigned 21 September 2020) R Brown (appointed 21 September 2020)
Accounting Officer	R Fuller
Senior Leadership Team	R Fuller, Head Teacher (appointed 1 September 2019) M Devine, Academy Business Manager

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

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

Bankers Lloyds Bank Plc
1 Legg Street
Chelmsford
Essex
CM1 1JS

RALPH SADLEIR SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Ralph Sadleir School (the Trust or the Charitable Company) for the year ended 31 August 2020. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

Constituted as a single Multi Academy Trust, the Charitable Company currently operates a middle school academy serving a catchment area in the Rib Valley region of Hertfordshire. The School had a roll of 429 in the 2020 school census.

Structure, Governance and Management

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable. The Charitable Company includes Ralph Sadleir School (the School or the Academy), which converted on 1st October 2013.

The operation of the Academy and employment of staff are the responsibility of the Board of Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Resources Committee.

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details section. Within this Report the term Trustee refers to a member of the Board of Trustees and the term Governor to a member of a School Local Governing Body (LGB). Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

Members' Liability

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

Trustees and Officers' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

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

Trustees are appointed for a fixed term. The Chief Executive Officer (CEO) is an ex officio member of the Board of Trustees. Other Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for 5 Trustees plus the CEO.

Policies and Procedures Adopted for the Induction and Training of Trustees and Governors

The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training so as to enable them to perform their role effectively. To this end, the Trust links with a number of local training providers. New Trustees and Governors are required to attend a training programme. The induction programme would involve a tour of the School, meetings with pupils and staff and provision of policy and procedures documents that are appropriate to the role they undertake with particular emphasis on the committee work that they will undertake.

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

Organisational Structure

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

The Board of Trustees meets on at least 4 occasions per year and its two sub-committees (Resources Committee and Curriculum and Achievement Committee) at least 3 times per year. The Board of Trustees are responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring the Trust by the use of those budgets and making major decisions about its direction, capital expenditure and senior staff appointments.

The Governors within their local committees are responsible for monitoring performance against budget and capital spend.

The Senior Leadership Team (SLT) control their Academy at an executive level, implementing policies and reporting to the LGB. The SLT is responsible for the day to day operation of the Academy, in particular organising staff, resources and pupils. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safer recruitment processes.

The Trust's CEO is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

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

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the pay scales for each role, outcome of performance appraisal meetings and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards in accordance with the Trust's appointment and pay policies.

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

Related Parties and other Connected Charities and Organisations

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

Objectives and Activities

Objects and Aims

The principal object and aim of the Charitable Company is the operation of an Academy to provide free education and care for pupils of different abilities within its local community between the ages of 9 and 13.

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

Objectives, Strategies and Activities

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

- Ensuring good or better teaching throughout the School;
- Expansion of pupil numbers, allowing four form entry in our year 5; and
- Continued growth in pupil numbers and staff development.

Our success in fulfilling our aims can be measured by:

- Increased pupil numbers, which included two year groups of four form entry. Total pupil numbers in the 2019 academic year census were 408 against a PAN of 360;
- Improved learning resource centre and SEND department for learners;
- Improved teaching and learning areas for pupils and staff; and
- Recruitment of quality staff for academic year 2019/20.

Public Benefit

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

Strategic Report

Achievements and Performance

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

Specific achievements were as follows:

- Excellent progress from pupils when reviewing the year 8 entry to exit data;
- Recruitment of future teachers through our work with Hertfordshire and Bedfordshire Universities and the implementation of student teachers; and
- Successful succession planning for Headteacher position and subsequent changed structure to SLT, with the introduction of two Deputy Headteachers.

Key Performance Indicators

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets. This was further supported in the academic year 2019/20 with a visit from an SRMA appointed by the ESFA. This visit covered a review of all income and expenditure in the projected 2020/21 budget and the Board awaits the results of these findings. Unfortunately, Covid 19 has impacted upon the timely receipt and review of this report.

- 2019/20 KPI Target: Build upon the reserves and carried forward from 2018/19 by forecasting year end position and explanations for any significant changes.

Outcome: The monthly financial management accounts report monitors accruals and earmarked funding throughout the financial year. The report details end of year projections which aids the financial planning of the 1-3-year financial forecast plan. The carry forward at the end of each financial year supports the reserves fund. These monthly accounts are reviewed and approved by the Chair of the Board of Trustees and the Headteacher. Actual carried forward of unrestricted funds for 2018/19 was £31,266. For 2019/20, the actual carried forward is £27,471. Reserves and contingencies are monitored by the SLT, Resources Committee and Board of Trustees.

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FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees are confident that staffing levels are closely monitored to agreed necessary Full Time Equivalents and staffing structures all approved by the Board of Trustees.

The Resources Committee also monitors premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the Board of Trustees.

Going Concern

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

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

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

Financial Review

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education Funding Agency (ESFA). For the year ended 31 August 2020 the Trust received £1,919,406 and other funding (excluding capital funding). A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £1,917,841 (excluding capital).

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Business Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust is working towards holding two weeks' expenditure, approximately £72,192 as a reserve for in year contingencies.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2020 was £89,831.

The Trust ended the year with a cash balance of £221,436. The Trustees monitor cash flow as part of the committee Business Manager reports and aim to hold a minimum of £170,000 to cover short term cash flow variances.

Principal Risks and Uncertainties

The Trustees work with the LGB in maintaining a central risk register identifying the major risks, to which the Trust is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the LGB via the Resources Committee with a formal review of the process undertaken on an annual basis. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

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

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

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

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

- The Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- Reputational - the continuing success of the School is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees, ensure that pupil progress and outcomes are closely monitored and reviewed;
- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- Staffing - the success of the School is also reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- Fraud and mismanagement of funds - the Trust has appointed Juniper Education to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- Financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- Defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any academy ceasing to exist, the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

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

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Plans for Future Periods

As an Academy, Ralph Sadleir School is in the process of writing a new improvement plan for the period 2020-2023.

This includes the following areas of focus for the School:

- To have a clear and compelling vision of the future;
- A clear scheme of delegation that sets out the responsibilities at the various levels;
- Committed to outstanding leadership;
- Driven to further improve teaching and learning;
- Dedicated to provide all pupils with the opportunity to make substantial and sustained progress;
- Continue to foster a culture which promotes growth mind-set; additional to our implementation of our new approach to restorative behaviour, which focuses on building relationships with pupils;
- Continue to use a wide range of qualitative and quantitative data;
- Improving the wellbeing of staff and pupils, including a larger team supporting the mental health lead;
- Clear systems for ensuring financial probity; and
- Continue to develop and improve upon a defined strategy for growth.

Auditor

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees on
and signed on the Board's behalf by:

18 Dec 2020



J Tye (Dec 17, 2020, 7:51pm)

Chair of Trustees

RALPH SADLEIR SCHOOL
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
J Tye, Chair	6	6
A Piddock, Headteacher	3	4
M King	4	4
R Brown	6	6
S Forbes	6	6
S Lancaster	3	6
M Wheal	4	4
C Prince	4	4
A Taplin	4	4
S Nicholson	4	6
M Cole	4	4
M Bell	3	6
B Johnson	3	4
H Loughran	2	4
M King	0	0

Mr Mark Bell resigned from his post as a Director during the final meeting of the academic year and the Board are actively looking for replacements in time for the first meeting of academic year 20/21.

During the academic year 2019/20 the Board of Trustees faced many challenges both internally and externally. Covid-19 was the obvious external challenge and this led to extensive changes with the way the School operated and altered the focus of the leadership team. Towards the end of the Spring term it became evident that schools could be closing imminently and the Board of Trustees supported senior leadership in preparing the School for this closure. Remote learning became the focus for the first 8 weeks, whilst also trying to support the mental health of pupils and staff alike. 8th June saw the reopening of the School to our year 6 pupils and once again this brought new challenges. Maintaining social distancing in School meant that class sizes were reduced to as little as 6 in some of the smaller areas, with a maximum of 10 in our larger classrooms. Teachers were reallocated to try and meet the needs of all pupils and school life was certainly different. The pupils that returned to School were positive and pleased to be back and staff soon adapted to the new normal. However, this was only a challenge in the final Summer term of this academic year and, as leaders of the School, it is important that the Board of Trustees reflects on the entire academic year.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Autumn term 2019 brought about the appointment of a new Headteacher for Ralph Sadleir School. Mr. Fuller had previously been Deputy Headteacher of the Trust, so knew the School well but ultimate responsibility was another story. It was important during the early part of the academic year that the Board developed strong relationships with the new Headteacher and aligned their views of the vision/strategy for the School. A new Assistant Headteacher was welcomed to the School, with responsibility for all pastoral areas, including mental health and safeguarding. This led to an in depth and thorough review of this area, which whilst graded as outstanding in our last Ofsted is always something that should remain a focus for Ralph Sadleir.

Financial challenges will always remain a focus for the Board of Trustees and during the Spring term of 2019/20 the School welcomed a visit from a School Resource Management Advisor (SRMA). This is a financial advisor appointed by the Department for Education who delves into the income and expenditure of a Trust and offers suggestions for areas that can be approved. Due to Covid-19 the outcomes of this report have been delayed into academic year 20/21.

A working party was set up early on in the academic year to review the governance structure of the Trust. This group of individuals (all Governors) was given the remit to review the current structure of the Trust and consider any future amendments. This was brought about by a recommendation from the external Auditors and DfE, that the Members and Trustees should not be the same. Unfortunately due to Covid-19 this working party has been put on hold.

The Finance and Audit Committee is a sub-committee of the Board of Trustees. Its purpose is to oversee the organisation's assets, review and propose the annual budget, monitor regular financial reports and review financial procedures. It also has delegated authority to liaise with the Auditors and accountants without prior reference to the Board.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
J Tye	1	1
B Johnson	1	1
A Taplin	0	1
A Pidcock	1	1
R Fuller	1	1
M Wheel	1	1

Review of value for money

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

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

- Making comparisons with other/similar schools using external data, e.g. levels of expenditure, benchmarking.
- Challenge proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual pupil achievement targets.
- Require suppliers to compete on grounds of cost, and quality/suitability of services/ products/backup.
- Consult individuals and organisations on quality/suitability of service we provide to parents and pupils, and services we receive from providers, e.g. assigned inspector, OFSTED.
- Reviewing staffing structure – staff are deployed to provide best value in terms of quality of teaching, quality of learning, teacher-pupil ratio, and curriculum management.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

- Use of premises – consideration is given to the use of teaching areas, support areas and communal areas, to provide the best environment for teaching and learning for support services, and for communal access to central resources.
- Use of resources – deploy equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality of learning.
- Quality of teaching - review, in accordance with the Curriculum Policy, the quality of curriculum provision and quality of teaching, to provide parents and pupils with:
 - A curriculum which meets the requirements of the Funding Agreement with the Secretary of State and the needs of pupils; and
 - Teaching which builds on previous learning and has high expectations of children's achievement.
- Quality of learning - review the quality of children's learning, to provide teaching which enables children to seek to achieve the Academy's Vision.
- Purchasing - continue with procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost. Measures already in place include:
 - Competitive tendering procedures (contract and purchases above £75,001);
 - Procedures for accepting "best value" quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship); and
 - Procedures which minimise office time by the purchase of goods or services under £5,000 direct from known, reliable suppliers (e.g. stationery, small equipment).
- Pupil's welfare - review the quality of the School environment and the school ethos, in order to provide a supportive environment conducive to learning and recreation.
- Health and safety - review the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.
- Managing risks – maintain a register of risks and seek to minimise and manage them.
- Monitoring – monitor all areas for best value in accordance with policies and Academy Improvement Plan.

The purpose of the system of internal control

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

Capacity to handle risk

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

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GOVERNANCE STATEMENT (CONTINUED)

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 Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties; and
- Identification and management of risks.

The Board of Trustees has considered the need for a specific Internal Audit function and has decided to appoint Juniper as Internal Auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

- Cash management including review of bank reconciliations;
- Governance and financial management and reporting; and
- Expenditure including internal procedures and related parties.

On an annual basis, the Internal Auditor reports to the Board of Trustees through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities and annually prepares an Annual Summary Report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress.

The Internal Auditor has identified some areas that require the attention of the leadership of the School. The Finance and Audit Committee, alongside senior leadership, review the monthly management accounts on a timely basis and these include detailed income and expenditure statements. The Internal Auditors have advised that going forwards these management reports include a comprehensive Balance Sheet and Cash Flow Statement as well.

They have also advised stronger controls around the documentation of related party transactions (of which there are none for Ralph Sadleir) and the recording of pecuniary interests. This weakness has been taken on board and rectified for the 2020/21 financial year.

The final point on the Internal Audit report relates to a Business Contingency Plan. This is an area that the Trust must consider for the current financial year and is currently a work in progress.

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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

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

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

Approved by the Board of Trustees on 18 Dec 2020

and signed on their behalf by:



J Tye
Chair of Trustees



R Fuller
Accounting Officer

RALPH SADLEIR SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

R Fuller

Head teacher (Dec 18, 2020, 9:35am)

R Fuller

Accounting Officer

Date:

18 Dec 2020

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

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

Company law requires the Trustees to prepare financial statements for each financial 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 2019 to 2020 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by the Board of Trustees on
on its behalf by:

18 Dec 2020

and signed



J Tye (Dec 17, 2020, 7:51pm)

J Tye
Chair of Trustees

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RALPH
SADLEIR SCHOOL**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RALPH SADLEIR SCHOOL (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Trustees' Report including the Strategic Report, the Governance Statement and the Accounting Officer's Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RALPH
SADLEIR SCHOOL (CONTINUED)**

Responsibilities of Trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our Report

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



Gary Miller (Senior Statutory Auditor)

for and on behalf of
Price Bailey LLP
Chartered Accountants
Statutory Auditors

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

Date: 18 December 2020

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RALPH
SADLEIR SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 7 November 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ralph Sadleir School during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Ralph Sadleir School's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Ralph Sadleir School's funding agreement with the Secretary of State for Education dated 1 October 2013 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

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



Reporting Accountant
Price Bailey LLP
Chartered Accountants

Date: 18 December 2020

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	4,385	2,623	9,529	16,537	141,980
Charitable activities	4	66,766	1,841,881	-	1,908,647	1,758,326
Other trading activities	5	2,730	882	-	3,612	35,151
Investments	6	139	-	-	139	995
Total income		74,020	1,845,386	9,529	1,928,935	1,936,452
Expenditure on:						
Charitable activities	8	77,815	1,840,026	99,747	2,017,588	2,040,346
Total expenditure		77,815	1,840,026	99,747	2,017,588	2,040,346
Net movement in funds before other recognised gains/(losses)		(3,795)	5,360	(90,218)	(88,653)	(103,894)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	119,000	-	119,000	(135,000)
Net movement in funds		(3,795)	124,360	(90,218)	30,347	(238,894)
Reconciliation of funds:						
Total funds brought forward		31,266	(445,000)	5,313,098	4,899,364	5,138,258
Net movement in funds		(3,795)	124,360	(90,218)	30,347	(238,894)
Total funds carried forward		27,471	(320,640)	5,222,880	4,929,711	4,899,364

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

The notes on pages 24 to 47 form part of these financial statements.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08663956

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	5,217,825	5,308,139
Current assets			
Debtors	14	57,534	71,443
Cash at bank and in hand	21	221,436	215,308
		278,970	286,751
Creditors: falling due within one year	15	(180,099)	(244,947)
Net current assets		98,871	41,804
Total assets less current liabilities		5,316,696	5,349,943
Creditors: amounts falling due after more than one year	16	(3,985)	(5,579)
Net assets excluding pension liability		5,312,711	5,344,364
Defined benefit pension scheme liability	23	(383,000)	(445,000)
Total net assets		4,929,711	4,899,364
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	5,222,880	5,313,098
Restricted income funds	17	62,360	-
Pension reserve	17	(383,000)	(445,000)
Total restricted funds	17	4,902,240	4,868,098
Unrestricted income funds	17	27,471	31,266
Total funds		4,929,711	4,899,364

The financial statements on pages 21 to 47 were approved by the Trustees, and authorised for issue on 18 Dec 2020 and are signed on their behalf, by:


 J. Tye (Dec 17, 2020, 7:51pm)
 Chair of Trustees

The notes on pages 24 to 47 form part of these financial statements.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	19	5,893	126,081
Cash flows from investing activities	20	235	507
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		6,128	126,588
Cash and cash equivalents at the beginning of the year		215,308	88,720
Cash and cash equivalents at the end of the year	21, 22	<hr/> <hr/> 221,436	<hr/> <hr/> 215,308

The notes on pages 24 to 47 form part of these financial statements

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

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

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

1.2 Going concern

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

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

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

1.3 Company status

The Academy is a Company limited by guarantee. The Members are noted on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per Member. The registered office is Ralph Sadleir School, Station Road, Puckeridge, Hertfordshire, SH11 1TF.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.4 Fund accounting

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

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

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

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

1.5 Income

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

• **Grants**

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

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

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

• **Donations**

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

1.6 Expenditure

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

• **Charitable activities**

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

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.6 Expenditure (continued)

All resources expended are inclusive of irrecoverable VAT.

1.7 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

1.8 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.

1.9 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.

1.10 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:

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.10 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Leasehold land	- 125 years
Leasehold buildings	- 35 - 50 years
Furniture and equipment	- 10 years
Computer equipment	- 5 years
Motor vehicles	- 10 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.

1.11 Debtors

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

1.12 Cash at bank and in hand

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

1.13 Liabilities

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

1.14 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 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.15 Operating leases

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

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.16 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. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the Actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	4,385	2,623	-	7,008	116,076
Capital grants	-	-	9,529	9,529	25,904
	<u>4,385</u>	<u>2,623</u>	<u>9,529</u>	<u>16,537</u>	<u>141,980</u>
Total 2019	<u>10,527</u>	<u>105,549</u>	<u>25,904</u>	<u>141,980</u>	

In 2019, donations was £116,076 for the year. This consisted of £10,527 unrestricted donations and £105,549 restricted donations.

In 2019, capital grants were made entriely to restricted fixed asset funds.

4. Funding for the Academy's provision of education

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE / ESFA grants				
General Annual Grant (GAG)	-	1,616,763	1,616,763	1,531,647
Other DfE / ESFA grants	-	192,052	192,052	105,922
	<u>-</u>	<u>1,808,815</u>	<u>1,808,815</u>	<u>1,637,569</u>
Other Government grants				
Local Authority grants	-	23,990	23,990	18,860
	<u>-</u>	<u>23,990</u>	<u>23,990</u>	<u>18,860</u>
Other funding				
Catering Income	66,766	-	66,766	101,897
	<u>66,766</u>	<u>-</u>	<u>66,766</u>	<u>101,897</u>
Exceptional Government funding				
Coronavirus exceptional support	-	9,076	9,076	-
	<u>66,766</u>	<u>1,841,881</u>	<u>1,908,647</u>	<u>1,758,326</u>
Total 2019	<u>101,897</u>	<u>1,656,429</u>	<u>1,758,326</u>	

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

4. Funding for the Academy's provision of education (continued)

The Academy trust has been eligible to claim additional funding in the year from Government Support Schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional Government funding". The funding received for coronavirus exceptional support covers £9,076 of cleaning and equipment costs. These costs are included in notes 7 and 9 below as appropriate.

In 2019, DfE / ESFA grants and other Government grants were entirely restricted and other funding was entirely unrestricted.

5. Income from other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings income	(2,464)	-	(2,464)	2,788
Music income	-	882	882	26,759
Other income	5,194	-	5,194	5,604
	<u>2,730</u>	<u>882</u>	<u>3,612</u>	<u>35,151</u>
Total 2019	<u>8,392</u>	<u>26,759</u>	<u>35,151</u>	

In 2019, lettings and other income was entirely unrestricted.

In 2019, music income was entirely restricted.

In 2020, £2,500 of accrued income was released for income no longer receivable. Causing Lettings income to appear as a debit balance.

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	995	995	72
	<u>72</u>	<u>72</u>	
Total 2019	<u>72</u>	<u>72</u>	

In 2019, investment income was entirely unrestricted.

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

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Provision of Education:					
Direct costs	1,183,172	-	94,640	1,277,812	1,246,627
Allocated support costs	380,149	195,059	164,568	739,776	793,719
	<u>1,563,321</u>	<u>195,059</u>	<u>259,208</u>	<u>2,017,588</u>	<u>2,040,346</u>
	<u>1,445,260</u>	<u>197,429</u>	<u>397,657</u>	<u>2,040,346</u>	
Total 2019					

In 2019, of total expenditure, £114,669 was to unrestricted funds, £1,802,345 was to restricted funds and £123,332 was to restricted fixed asset funds.

In 2019, direct expenditure consisted of £1,070,453 staff costs and £176,174 other costs.

In 2019, support expenditure consisted of £374,807 staff costs, £197,429 premises costs and £221,483 other costs.

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8. Charitable activities

	2020 £	2019 £
Direct costs	1,277,812	1,246,627
Support costs	739,776	793,719
	2,017,588	2,040,346
	2,017,588	2,040,346

	2020 £	2019 £
Analysis of support costs		
Support staff costs	380,149	374,807
Depreciation	99,747	99,740
Technology costs	41,059	39,464
Premises costs	95,312	97,689
Governance costs	14,378	14,756
Other support costs	108,905	167,263
Legal costs	226	-
	739,776	793,719
	739,776	793,719

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2020 £	2019 £
Operating lease rentals	10,222	27,784
Depreciation of tangible fixed assets	99,747	99,740
Fees paid to Auditors for:		
- audit	5,415	5,280
- other services	4,945	4,910
	4,945	4,910
	4,945	4,910

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	1,121,085	1,077,446
Social security costs	105,107	113,537
Pension costs	307,265	242,135
	<u>1,533,457</u>	<u>1,433,118</u>
Agency supply costs	20,857	12,142
Staff restructuring costs	9,007	-
	<u>1,563,321</u>	<u>1,445,260</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Compensation payments	9,007	-
	<u>9,007</u>	<u>-</u>

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

Termination payment totalling £9,007 was paid to one staff member during the 2020 financial year.

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	22	23
Administration and support	21	21
Management	3	3
	<u>46</u>	<u>47</u>

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

10. Staff (continued)

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	1
	1	1

The employee also participated in the Teacher's Pension Scheme. During the year ended 31 August 2020, pension contributions for these staff amounted to £15,795 (2019: £10,737).

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 £290,309 (2019: £275,529).

Included in the above are employer pension contributions of £50,954 (2019: £39,142) and employer national insurance contributions of £24,826 (2019: £24,534).

11. Trustees' remuneration and expenses

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

		2020 £	2019 £
D Spong, Head Teacher (resigned 31 August 2019)	Remuneration	Nil	65,000 - 70,000
	Pension contributions paid	Nil	10,000 - 15,000
R Fuller, Head Teacher	Remuneration	65,000 - 70,000	Nil
	Pension contributions paid	15,000 - 20,000	Nil
R Brown	Remuneration	45,000 - 50,000	45,000 - 50,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000

During the year ended 31 August 2020, expenses totalling £54 were reimbursed or paid directly to 1 Trustee' (2019 - £161 to 3 Trustees).

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

12. Trustees' and Officers' insurance

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

13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2019	5,782,697	51,098	26,608	23,537	5,883,940
Additions	3,540	5,893	-	-	9,433
At 31 August 2020	<u>5,786,237</u>	<u>56,991</u>	<u>26,608</u>	<u>23,537</u>	<u>5,893,373</u>
Depreciation					
At 1 September 2019	513,936	29,395	24,623	7,847	575,801
Charge for the year	89,314	6,096	1,985	2,352	99,747
At 31 August 2020	<u>603,250</u>	<u>35,491</u>	<u>26,608</u>	<u>10,199</u>	<u>675,548</u>
Net book value					
At 31 August 2020	<u>5,182,987</u>	<u>21,500</u>	<u>-</u>	<u>13,338</u>	<u>5,217,825</u>
At 31 August 2019	<u>5,268,761</u>	<u>21,703</u>	<u>1,985</u>	<u>15,690</u>	<u>5,308,139</u>

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14. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	2,183	5,304
Other debtors	220	-
Prepayments and accrued income	40,938	46,301
VAT repayable	14,193	19,838
	57,534	71,443

15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	86,613	123,747
Other taxation and social security	25,200	25,274
Other creditors	32,210	26,799
Accruals and deferred income	36,076	69,127
	180,099	244,947

	2020 £	2019 £
Deferred income brought forward	49,974	29,641
Resources deferred during the year	527	49,974
Amounts released from previous periods	(49,974)	(29,641)
Deferred income carried forward	527	49,974

Deferred income relates to residential trip receipts received in advance.

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

	2020 £	2019 £
Other creditors	3,985	5,579

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted funds	31,266	74,020	(77,815)	-	-	27,471
Restricted general funds						
GAG	-	1,616,763	(1,616,763)	-	-	-
Other DfE / ESFA grants	-	201,128	(138,768)	-	-	62,360
Other Government grants	-	23,990	(23,990)	-	-	-
Restricted donations	-	3,505	(3,505)	-	-	-
Pension reserve	(445,000)	-	(57,000)	-	119,000	(383,000)
	<u>(445,000)</u>	<u>1,845,386</u>	<u>(1,840,026)</u>	<u>-</u>	<u>119,000</u>	<u>(320,640)</u>
Restricted fixed asset funds						
DFC	4,959	9,529	-	(9,433)	-	5,055
General restricted fixed assets	5,308,139	-	(99,747)	9,433	-	5,217,825
	<u>5,313,098</u>	<u>9,529</u>	<u>(99,747)</u>	<u>-</u>	<u>-</u>	<u>5,222,880</u>
Total Restricted funds	<u>4,868,098</u>	<u>1,854,915</u>	<u>(1,939,773)</u>	<u>-</u>	<u>119,000</u>	<u>4,902,240</u>
Total funds	<u><u>4,899,364</u></u>	<u><u>1,928,935</u></u>	<u><u>(2,017,588)</u></u>	<u><u>-</u></u>	<u><u>119,000</u></u>	<u><u>4,929,711</u></u>

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

17. Statement of funds (continued)

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

General Annual Grant (GAG)

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

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

Other DfE and ESFA grants

This represents funding to be used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

Other Government grants

This represents various small grants from local and national Government bodies for the provision of specific services to pupils of the School.

Restricted donations

This represents donations received in the year for specific purposes.

Restricted trip income

This represents donations received by the Academy which have restrictions on what they can be used for applied to them. These include contributions made by parents to the running of educational visits for the pupils of the School and the associated costs of running the trips as well as contributions towards music tuition.

Pension reserve

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

Restricted fixed asset fund

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

Devolved Formula Capital (DFC)

This represents funding from the DfE for a specific capital projects.

Unrestricted funds

This represents income received that does not have restrictions and may be used towards meeting any of the charitable objectives of the Academy.

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

17. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted funds	24,124	121,811	(114,669)	-	-	31,266
	<u>24,124</u>	<u>121,811</u>	<u>(114,669)</u>	<u>-</u>	<u>-</u>	<u>31,266</u>
Restricted general funds						
GAG	-	1,531,647	(1,505,255)	(26,392)	-	-
Other DfE / ESFA grants	-	105,922	(105,922)	-	-	-
Other Government grants	-	18,860	(18,860)	-	-	-
Restricted donations	-	39,571	(39,571)	-	-	-
Restricted trip income	-	92,737	(92,737)	-	-	-
Pension reserve	(270,000)	-	(40,000)	-	(135,000)	(445,000)
	<u>(270,000)</u>	<u>1,788,737</u>	<u>(1,802,345)</u>	<u>(26,392)</u>	<u>(135,000)</u>	<u>(445,000)</u>
Restricted fixed asset funds						
DFC	2,647	25,904	(23,592)	-	-	4,959
General restricted fixed assets	5,381,487	-	(99,740)	26,392	-	5,308,139
	<u>5,384,134</u>	<u>25,904</u>	<u>(123,332)</u>	<u>26,392</u>	<u>-</u>	<u>5,313,098</u>
Total Restricted funds	<u>5,114,134</u>	<u>1,814,641</u>	<u>(1,925,677)</u>	<u>-</u>	<u>(135,000)</u>	<u>4,868,098</u>
Total funds	<u><u>5,138,258</u></u>	<u><u>1,936,452</u></u>	<u><u>(2,040,346)</u></u>	<u><u>-</u></u>	<u><u>(135,000)</u></u>	<u><u>4,899,364</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	5,217,825	5,217,825
Current assets	27,471	246,444	5,055	278,970
Creditors due within one year	-	(180,099)	-	(180,099)
Creditors due in more than one year	-	(3,985)	-	(3,985)
Provisions for liabilities and charges	-	(383,000)	-	(383,000)
Total	<u>27,471</u>	<u>(320,640)</u>	<u>5,222,880</u>	<u>4,929,711</u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	5,308,139	5,308,139
Current assets	31,266	243,389	12,096	286,751
Creditors due within one year	-	(237,810)	(7,137)	(244,947)
Creditors due in more than one year	-	(5,579)	-	(5,579)
Provisions for liabilities and charges	-	(445,000)	-	(445,000)
Total	<u>31,266</u>	<u>(445,000)</u>	<u>5,313,098</u>	<u>4,899,364</u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(88,653)	(103,894)
Adjustments for:		
Depreciation	99,747	99,740
Capital grants from DfE and other capital income	(9,529)	(25,904)
Interest receivable	(139)	(995)
Decrease/(increase) in debtors	13,909	(18,270)
(Decrease)/increase in creditors	(66,442)	135,404
Pension adjustment	57,000	40,000
Net cash provided by operating activities	5,893	126,081

20. Cash flows from investing activities

	2020 £	2019 £
Interest receivable	139	995
Purchase of tangible fixed assets	(9,433)	(26,392)
Capital grants from DfE Group	9,529	25,904
Net cash provided by investing activities	235	507

21. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	221,436	215,308

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

22. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	215,308	6,128	221,436
	215,308	6,128	221,436
	215,308	6,128	221,436

23. Pension commitments

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

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

Contributions amounting to £29,006 were payable to the schemes at 31 August 2020 (2019 - £23,155) 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.

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NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £204,116 (2019 - £160,002).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £71,000 (2019 - £66,000), of which employer's contributions totalled £52,000 (2019 - £57,000) and employees' contributions totalled £ 14,000 (2019 - £14,000). The agreed contribution rates for future years are 25.3 per cent for employers and 5.5 - 6.8 per cent for employees.

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

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

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

23. Pension commitments (continued)

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	2.7	2.4
Rate of increase for pensions in payment/inflation	2.3	2.3
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.3	2.3
Commutation of pensions to lump sums	50	50
Inflation assumption (RPI)	3.3	3.3

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

	2020 Years	2019 Years
Retiring today		
Males	21.9	21.5
Females	24.1	23.7
Retiring in 20 years		
Males	22.8	22.3
Females	25.5	25

As at the 31 August 2020, the Academy has a pension liability of £383,000 (2019: £445,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way:

Sensitivity analysis

	2020 £	2019 £
Discount rate +0.1%	(23,000)	(24,000)
Discount rate -0.1%	23,000	24,000
Mortality assumption - 1 year increase	8,000	6,000
Mortality assumption - 1 year decrease	(8,000)	(6,000)
CPI rate +0.1%	19,000	15,000
CPI rate -0.1%	(19,000)	(15,000)

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NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

Share of scheme assets

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

	2020 £	2019 £
Equities	352,000	310,000
Corporate bonds	233,000	247,000
Property	60,000	51,000
Cash and other liquid assets	20,000	25,000
Total market value of assets	<u>665,000</u>	<u>633,000</u>

The actual return on scheme assets was £26,000 (2019 - £48,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2020 £	2019 £
Current service cost	101,000	(88,000)
Past service cost	-	(1,000)
Interest income	-	15,000
Interest cost	8,000	(23,000)
Total amount recognised in the Statement of Financial Activities	<u>109,000</u>	<u>(97,000)</u>

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

	2020 £	2019 £
At 1 September	1,078,000	792,000
Interest cost	20,000	23,000
Employee contributions	14,000	14,000
Actuarial (gains)/losses	(157,000)	168,000
Benefits paid	(8,000)	(8,000)
Past service costs	-	1,000
Current service costs	101,000	88,000
At 31 August	<u>1,048,000</u>	<u>1,078,000</u>

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23. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	633,000	522,000
Interest income	12,000	15,000
Actuarial (losses)/gains	(38,000)	33,000
Employer contributions	52,000	57,000
Employee contributions	14,000	14,000
Benefits paid	(8,000)	(8,000)
At 31 August	<u>665,000</u>	<u>633,000</u>

24. Operating lease commitments

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

	2020 £	2019 £
Not later than 1 year	10,640	27,784
Later than 1 year and not later than 5 years	7,980	18,620
	<u>18,620</u>	<u>46,404</u>

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NOTES TO THE FINANCIAL STATEMENTS
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25. Members' liability

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

26. Related party transactions

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

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



Issuer Price Bailey LLP

Document generated Thu, 17 Dec 2020 17:14:52 +0000

Document fingerprint b14f40f62af0d886f70c90c8c1fe93e7

Parties involved with this document

Document processed	Party + Fingerprint
Thu, 17 Dec 2020 19:51:21 +0000	J Tye - Signer (79ffa559a0a10c51dec87cf98575e086)
Fri, 18 Dec 2020 09:35:10 +0000	Head teacher - Signer (141b3dcaeb4b359d1acd8e7203976bfe)

Audit history log

Date	Action
Fri, 18 Dec 2020 09:35:10 +0000	The envelope has been signed by all parties. (217.180.35.7)
Fri, 18 Dec 2020 09:35:10 +0000	Head teacher signed the envelope. (217.180.35.7)
Fri, 18 Dec 2020 09:32:39 +0000	J Tye opened the document email. (66.249.93.205)
Fri, 18 Dec 2020 09:32:36 +0000	J Tye opened the document email. (66.249.93.203)
Fri, 18 Dec 2020 09:32:31 +0000	J Tye opened the document email. (66.249.93.201)
Fri, 18 Dec 2020 09:31:05 +0000	Head teacher viewed the envelope. (217.180.35.7)
Fri, 18 Dec 2020 09:30:58 +0000	Head teacher opened the document email. (66.249.93.199)
Fri, 18 Dec 2020 09:30:56 +0000	Head teacher opened the document email. (66.249.93.203)
Fri, 18 Dec 2020 09:30:55 +0000	J Tye opened the document email. (66.249.93.204)
Fri, 18 Dec 2020 09:30:54 +0000	J Tye opened the document email. (66.249.93.201)
Fri, 18 Dec 2020 09:30:53 +0000	J Tye opened the document email. (66.249.93.197)
Fri, 18 Dec 2020 09:30:43 +0000	J Tye opened the document email. (66.249.93.201)
Fri, 18 Dec 2020 09:30:40 +0000	J Tye opened the document email. (66.249.93.199)
Fri, 18 Dec 2020 09:30:37 +0000	J Tye opened the document email. (66.249.93.205)
Thu, 17 Dec 2020 19:52:38 +0000	J Tye opened the document email. (72.14.199.53)
Thu, 17 Dec 2020 19:52:26 +0000	J Tye opened the document email. (66.249.93.197)
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Thu, 17 Dec 2020 19:52:06 +0000	J Tye opened the document email. (66.249.93.197)
Thu, 17 Dec 2020 19:51:53 +0000	J Tye opened the document email. (66.249.93.197)
Thu, 17 Dec 2020 19:51:49 +0000	J Tye opened the document email. (66.249.93.197)
Thu, 17 Dec 2020 19:51:48 +0000	J Tye opened the document email. (66.249.93.203)
Thu, 17 Dec 2020 19:51:22 +0000	Document emailed to head@ralphsadleir.academy (3.10.178.162)
Thu, 17 Dec 2020 19:51:21 +0000	Sent the envelope to Head teacher (head@ralphsadleir.academy) for signing. (86.161.74.29)
Thu, 17 Dec 2020 19:51:21 +0000	J Tye signed the envelope. (86.161.74.29)
Thu, 17 Dec 2020 19:45:15 +0000	J Tye viewed the envelope. (86.161.74.29)
Thu, 17 Dec 2020 19:45:09 +0000	J Tye opened the document email. (66.249.93.203)
Thu, 17 Dec 2020 19:45:06 +0000	J Tye opened the document email. (66.249.93.204)
Thu, 17 Dec 2020 17:20:42 +0000	Document emailed to j.tye@ralphsadleir.academy (35.179.75.199)
Thu, 17 Dec 2020 17:20:42 +0000	Sent the envelope to J Tye (j.tye@ralphsadleir.academy) for signing. (5.148.19.153)
Thu, 17 Dec 2020 17:17:06 +0000	Head teacher has been assigned to this envelope (5.148.19.153)
Thu, 17 Dec 2020 17:17:06 +0000	J Tye has been assigned to this envelope (5.148.19.153)
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Thu, 17 Dec 2020 17:14:52 +0000	Envelope generated by Nicki Platt (5.148.19.153)