

The University of Birmingham School
(A Company Limited by Guarantee)

Annual report and financial statements

Registered number 07960887

For the year ended 31 August 2020

Contents

	Page
Reference and Administrative Details	1
Trustees' Report	3
Governance Statement	14
Statement on Regularity	18
Statement of Trustees' Responsibilities	19
Independent Reporting Accountants Assurance report of Regularity	22
Statement of Financial Activities incorporating Income & Expenditure Account	23
Balance Sheet	24
Cash Flow Statement	25
Notes to the Financial statements	26

Reference and Administrative Details

Members The University of Birmingham (represented by the Vice-Chancellor)
Professor Tim Jones
Dr Christopher Banks CBE
Mr Richard Haywood
Professor Jeffrey Bale

Trustees Professor Jeffrey Bale, Chairman
Professor Julie Allan
Mr Joey Islam, Vice-Chair
Ms Natalie Howard
Ms Eleanor Ellis Bryant (term of office extended to August 2020, and then reappointed from September 2020)
Mr Stephen Washbourne (reappointed as a co-opted Governor from December 2020)
Professor Richard Black
Ms Cathy Gilbert
Mr David Ashmore
Professor Prem Kumar
Ms Fionnuala O'Conner
Mr Kirandeep Saini (term of office expired January 2020)
Mr Mark Senior
Ms Jane Millard
Professor Andrew Peterson (appointed January 2020)
Dr Claudia Favero
Ms Anna Brinkworth (appointed April 2020)
Mrs Nicola Bradfield (appointed July 2020)
Mr Lee Sanders (resigned November 2019)
Mr James Arthur OBE (resigned November 2019)
Mr Colin Townsend (Ex-Officio)

Company Secretary Mr Robin Haslam (acting)

Senior Management Team

Principal	Mr Colin Townsend
Head of School	Mrs Rebecca Tighe
Vice-Principal	Mr Mark Stow
Assistant Vice-Principal	Mr Arthur Reeves
Assistant Vice-Principal	Mrs Gemma Walker
Assistant Vice-Principal	Mr Liam Dwyer

Principal and Registered Office The University of Birmingham School
12 Weoley Park Road
Selly Oak
Birmingham
England
B29 6QU

Company Registration Number 07960887

Independent Auditor Cooper Parry Group Limited
One Central Boulevard
Blythe Valley Business Park
Solihull, B90 8BG

Bankers

Lloyds
University of Birmingham Branch
142 Edgbaston Park Road
Birmingham
B15 2TY

Solicitors

Legal Services
The University of Birmingham
Edgbaston
Birmingham
B15 2TT

Trustees' Report

The governors who are also Trustees and Directors of University of Birmingham School ('the School'), present their sixth annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2019 to 31 August 2020. The Trustees' report serves the purposes of both a Trustees' report, and a Directors' report under company law.

University of Birmingham School is an all ability inclusive (comprehensive) school for children who are of compulsory school age (ages 11-16) recruited from admission nodes in Selly Oak, Hall Green, Small Heath and the Jewellery Quarter. This is by design and seeks to fulfil one of the Trustees' aims for the School that we are representative of the City of Birmingham. The Sixth Form is academically selective and open to students from across Birmingham and its surrounding communities. The School opened in September 2015 and was the first secondary University Training School in the UK.

At this stage of the School's existence and operation, there are pupils and students in every year cohort – including from September 2020 for the first time pupils in our first 2019/20 year 11 cohort transitioning to our year 12 Sixth Form where this was the appropriate progression step for them. At the last school census the School had 762 pupils on roll in years 7 - 11 and 330 in years 12 and 13 (total 1,092). From September 2021 we aim to be at our maximum total PAN of 1150 by way of further growth. The vision of the University of Birmingham School is to create a learning community that will transform lives by raising the aspirations of a very diverse student population and therefore maximise students' personal and academic achievement so that they can fulfil their potential and access the widest possible range of opportunities and aspirations.

The School's unapologetic focus on personal and academic achievement, and ultimately success in achieving entry to higher education, is derived from its link to the University of Birmingham.

Aspiration and progression to higher education is a key and a proven route to social mobility and this School seeks to help all of its students to raise their aspirations and achievement. It does this by offering students a curriculum based on traditional academic subjects and by supporting their development as well-rounded people of strong character, all benefiting from an excellent location, a diverse and comprehensive student body, and access to world-class facilities through the University.

Structure, Governance, and Management

Constitution

The School is an Academy Trust, a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of University of Birmingham School are also the Directors of the charitable company for the purposes of company law. The charitable company and the Academy Trust is known as University of Birmingham School.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the charitable company undertakes to contribute such amount as may be required, not exceeding £10, 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 he or she ceases to be a member, for the payment of the school's debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

The Governors benefit from indemnity insurance purchased by the Academy Trust to cover the liability of the Trustees arising from negligent acts, errors or commissions occurring whilst on Academy Trust business. The limit of this indemnity is £10,000,000

Registered number 07960887

Method of Recruitment and Appointment or Election of Trustees, Governors, and Directors

There are currently eighteen Governors, who also act as Trustees and Directors, all of whom have been appointed by the Members. Of these:

- a. ten are "University nominated" Governors, appointed by the Members;
- b. two are Staff Governors, appointed through a process determined by the Members;
- c. two are Parent Governors, elected by parents;
- d. the Principal is an ex-officio Governor; and
- e. there are three Co-opted Governors, appointed by the other Governors.

The Members are obliged to by the School's Articles to ensure that the majority of School Governors are nominees of the University of Birmingham.

Policies and Procedures Adopted for the Induction and Training of Trustees

All Governors are provided with the policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Governors. Specific induction and training will be provided for Governors, covering all of their roles and responsibilities. Governors also have access to various online resources including The Key and Governor Hub. Through a Governors' skills analysis and matrix, priorities for training are identified and put in place for the Board. During the summer term of 2020 Governors convened a Strategy and Planning Event collaboratively with the School's senior leadership team members, with attention turning to the 2020-2025 cycle of development, following the 2015-2020 cycle during which the School grew and embedded year-on-year, and which now draws to a close.

Organisational Structure

During 2019-20, the Governing Body met every term - twice in the autumn term. The Governing Body sub-committees, which have delegated decision-making responsibilities, also met on a termly basis. The remit of the Governors is to ensure clarity of vision, ethos and strategic direction, to hold the Principal to account for the educational performance of the School and its pupils, and to oversee the financial performance of the School and making sure its money is well spent. From March 2020, as a result of the coronavirus pandemic and associated lockdown restrictions, all meetings moved online and were held remotely. This included the Strategy and Planning Event in June 2020. This practice is on-going so that business continuity is preserved.

The role of the Principal is to implement the strategic function as devised by the Governing Body. The Principal is also designated as the Accounting Officer and is responsible for the financial, staffing, and administrative matters of the School.

The Principal and Head of School, Rebecca Tigue, who oversees the day-to-day management of the School, are supported by the School's senior leadership team which, during the fifth year of the School's operation, comprised Mark Stow, Vice Principal and Director of Teaching and Learning and Arthur Reeves, Assistant Vice Principal (Inclusion), Gemma Walker, Assistant Vice Principal (Pupil Learning and Development), and Liam Dwyer, Assistant Vice Principal (Sixth Form).

The post of Director of Operations, vacated in 2019 by the then post-holder remained unfilled, with School business matters being led and managed in the interim by a range of colleagues – including the School Business Manager. It is the Principal's intention to review roles in this respect, including at a senior level. These processes were impacted at the onset of the coronavirus pandemic but staff structural planning and implementation will resume at a timely and compliant point moving forward.

To support the School's growth into its fifth full year of operation, a new cohort of teaching, teaching-related and professional services staff were recruited. In order to replace staff who were moving on from the School, staff who gained internal promotions during the year and accommodate the increase in the pupil and student population, thirteen new teachers joined the School in during the year. Eight of these teachers were newly qualified teachers supported by an experienced member of staff as NQT mentoring co-ordinator to support them. During 2019-20

the School recruited successfully to a Finance Officer post in order to bring capacity to school business management.

Arrangements for setting pay and remuneration of key management personnel

The Governing Body determines the salary/pay range to be advertised and agree pay on appointment in accordance with the following:

- a) The Principal will be paid on a spot salary determined by the Chair of Governors;
- b) The Head of School will have a pay range of eleven consecutive points;
- c) The Vice Principal will have a pay range of nine consecutive points;
- d) The Assistant Vice-Principal will have a pay range of five consecutive points that sit below the Vice Principal's pay range;
- e) The Principal may make a recommendation to the Governing Body to appoint a person to a post on a salary that is outside of the normal salary range for the post;
- f) The Governing Body will consider the request and confirm their decision to the Principal accordingly.

The Governing Body delegates 3 Governors, none of whom are employees of the School, to carry out the Performance Development review for the Principal as set out in the School's Performance Development and Appraisal Policy. The agreed performance objectives and indicators/measures may be referred for moderation to the Chair of Governors. The Governors engage the services of an advisor/appraiser to assist in the Principal's review – ordinarily an experienced, independent ex-Head Teacher or Principal.

At the time of the annual assessment of teachers' salaries, the Principal may determine that any member of staff paid on the Leadership Range be paid up to two additional points subject to the maximum of the individual range.

The Governing Body expects that the objectives which were set for such staff under the Performance Development and Appraisal Policy will have become progressively more challenging as they have gained experience in their current role and where there has been sustained high quality of performance having regard to the results of the recent Performance Review. The Principal will notify the Staffing and Personnel Committee of his decision. Where it considers it has substantial difficulties in retaining the services of a current member of the Leadership Team the Principal, in consultation with the Governing Body, may decide to change the salary range in order to retain their services.

Related Parties and other Connected Charities Organisations

The School is connected to The University of Birmingham by virtue of the University's role as the founding Member of the charitable company, the provision of services, and the granting of a lease to occupy the site on which the School is built. The charitable company functions as a subsidiary of the University.

Trade union facility time

During the year the academy had no employees who were relevant trade union officials who spent time on trade union facility

Objectives and Activities

Objects and Aims

The principal objective and activity of the School, as set out in its Memorandum and Articles, is to establish and manage a School with a broad and balanced curriculum. It also provides for Initial Teacher Education and further advanced training for qualified teachers, including but not limited to Masters level programmes.

Objectives, Strategies, Activities, and Public Benefit

The Sixth Form is the crucial link between the 11-16 school and higher education; it plays a number of key roles:

- Its presence involves the University Departments at the outset, facilitating collaboration between the University and the School, attracting the best staff and supporting the development of school-led and work-based approaches to initial and on-going teacher education and training.
- It also provides the aspiration for achievement and progression for younger pupils from the outset, as advancement to post-16 academically challenging education will be seen as the norm.

The School is characterised by:

- An overarching framework of character education which will build students' confidence, resilience, and personal qualities so that they are able to become self-organised and motivated scholars able to make the most of their curriculum opportunities, and;
- A traditional academic subject-based curriculum which will use a carefully formulated blend of content and process to help students attain the highest possible outcomes.

This approach is shaped by our belief that maximising a student's potential is not just about giving them knowledge, but about shaping the whole person, including their personal capabilities and character through enrichment activities, a thoughtful and engaged system of pastoral care, and a community including older students, teachers, trainee teachers, and mentors and coaches drawn from the University's own students and staff.

This focus on character education and the development of personal qualities and virtues will ensure the School fulfils the requirements of its funding agreement to promote 'values for a modern Britain of democracy, the rule of law, individual liberty, and mutual respect and tolerance of those with different faiths and beliefs'.

Public Benefit

In pursuing the School's vision and ethos, and its strategic direction, the Trustees have complied with their duty to have due regard to the guidance on public benefit as outlined by the Charity Commission. The University of Birmingham School allows use of its facilities for recreational, sporting, educational and other leisure time activities for the community at large in the interests of social welfare and with the interest of improving the lives of the local community.

Strategic Report

Achievements and Performance

Ahead of the 2019-20 academic year, the School recruited its fifth full cohort of pupils into year 7, further adding to the diverse and inclusive community which was created in the School's first and subsequent years of operation. Using the nodal admissions the School recruited its 150 year 7 pupils from four distinct areas of the city - its own Selly Oak locality, Hall Green, Small Heath and the Jewellery Quarter. There were 1,800 applications to the School for year 7 places - over 11 applications for each available place. Of these, 290 applications were from parents and carers who selected the School as their first choice.

The School also received 1,030 applications for the 200 places available in year 12 in September 2020. This included for the first time 70 applications from our own first GCSE cohort – with 60 of these pupils subsequently enrolling during August 2020 – upon choice, and having themselves met the academic entry standards to follow our A level courses (from a mixed attainment lower school).

Year 12 recruitment 2019/20 (entry Sept 2020)	Number of students
Cohort	200
Internal Students (from year 11)	60
Male	98
Female	102
SEN - EHCP	4
SEN - SEN Support	3
PP	57
Non PP	143
EAL	42
Ethnicity - Black	39
Ethnicity - Asian Origin	96
Ethnicity - White	48
Ethnicity - Other	17

It is appropriate and important to recognise that this reporting year 2019/20 saw **the onset of the coronavirus pandemic in March 2020** – with very many associated consequences and restrictions on daily life and education, including national lockdown.

During the period April to June 2020, all but approximately ten pupils at the University of Birmingham School (children of key worker families) received education at home. This required School leaders and teachers to re-think at speed learning provision remotely, and online. In-house solutions were also sought immediately to allow teachers and pastoral staff to ‘stay connected’ with families – especially important for those known to be in challenging or vulnerable circumstances and settings; and alternative systems and provision involving supermarket vouchers for free school meals ordinarily provided here onsite but necessary in changed contexts for families working and learning at home.

In June and July 2020, the School planned for and implemented onsite education for an increased number of year 10 pupils and year 12 students in line with national and Department guidelines and expectations. On any given day in that period, we received approximately 25% of the cohorts for socially-distanced, Covid-secure provision onsite.

Public examinations (GCSEs and A levels) were also suspended across the country – leading to the School putting in place a robust system of internal (and externally benchmarked) standardisation to produce Centre Assessment Grades for all pupils in year 11 (GCSE) and students in year 13 (A level) for submission to Awarding Organisations. Examination outcomes reported for the School and herein therefore sit within this unprecedented national context.

Despite the uncertainty about university provision in 2020-21, a pleasing proportion of the year 13 2019-20 cohort made the decision to pursue a place in higher education, and is broadly comparable to the previous year 2018-19. Table 1 below makes the comparison with the previous cohort - the slight reduction in numbers placed reflects the lack of formal examinations, and therefore the chance to re-sit examinations in the autumn of 2020; and some concern about taking up an undergraduate position at this time.

Table 1: Year 13 2019-20 destinations information

Total Leavers 2019-20	110			
Placed at University	86			
Gap Year, planning to sit exams in Autumn or next summer	10			
Gap Year	10			
Other	4	2 no plans, 1 apprenticeship, 1 studying abroad		
Year-on-year comparison	2020	2019		
Number of leavers	110	100%	93	100%
Secured a Place at University	86	78%	79	85%
Secured place at a Russell Group University	28	25%	30	32%
Secured place at University of Birmingham	7	6%	12	13%
Secured Oxbridge	1	1%	1	1%
Secured Medicine / Dentistry	1	1%	1	1%

Going Concern

The Governing Body is confident, with reference to continued strength of pupil and student recruitment, and in relation to prudent financial management, that it has adequate resources to continue in operational existence for the foreseeable future. This assessment is based upon known income and expenditure, levels of reserves held, its continued ability to recruit pupils / students and staff together with the strength of its Members and Trustees. The School maintains a comprehensive Risk Register with identified risks mitigated wherever possible. This has included for 2019/20 especial risk management in relation to extraordinary Covid-19 contexts. 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.

Ofsted Inspection

Arising from the School's most recent (June 2018) Ofsted inspection, University of Birmingham School is recognised as a good school in terms of overall effectiveness.

In its report, Ofsted highlighted the School's bespoke 'character education' programme, supported by the Jubilee Centre of Character and Virtues at the University of Birmingham. The inspectors reported that 'the development of a 'character education' programme has rightly received national and international acclaim. Leaders promote spiritual, moral, social and cultural development and values for a modern Britain very well through the curriculum. This includes through 'personal learning and development' lessons.'

The inclusive approach of the School was also celebrated in the final report: 'Leaders have realised their vision for a highly inclusive intake. The school's pupil intake draws on all parts of the city and a wide range of diverse backgrounds. It is (and remains) very popular and oversubscribed. Leaders have established an ethos of respect and tolerance where diversity is celebrated. Disabled pupils can access all parts of the building and are fully integrated into school life.'

There is a strong culture of good relationships between pupils of different backgrounds. Pupils show respect for each other's differences, whether by disability, ethnicity, or social background.'

Ofsted recognised the value and depth of the partnership between the School and the University, and the report said: 'The close partnership with the University of Birmingham has led to significant additional investment and access to high-quality resources.'

Character education and enrichment

The School's Personal learning and Development (PLAD) programme received praise by Ofsted inspectors, who mentioned the positive impact that the School's bespoke character education programme was having on pupils. The School's CEIAG (careers education) provision ensures that pupils are aspirational – whilst other work around personal development allows that they feel safe, and behave towards one another with respect and understanding.

In addition to the enrichment offered within the School day, the School continues to build an impressive portfolio of opportunities for pupils before and after School, and at lunchtime. Pupils now choose to take part in before and after School badminton, after School football, and there is significant take-up of music lessons from the Music Service. The coronavirus pandemic in the latter half of 2019-20 curtailed enrichment learning – but planning for the September 2020 return to school for all included considerable attention to where provision such as music and physical activity could remain a part of ambitious, yet foremost safe, educational provision.

The School also runs the Duke of Edinburgh scheme, with intentionally universal access for the year 9 cohort. Whilst again the outcomes and impact of this provision has been disrupted in 2019/20 as a result of Covid19, the School remains focused and committed to wider experiences offered by the scheme, and is planning provisionally to provide across all levels (bronze, silver, and gold) from September 2020.

Enrichment and extra-curricular opportunities have also grown; the School continues to extend links with the University of Birmingham which has led to bespoke enrichments around engineering, sustainability, linguistics (in French), geology, and archaeology.

University Partnership

The partnership between School and University has been developed over the course of the year, with significant activity around initial teacher education (ITE) and volunteering projects for the benefit of the School.

Once more, all secondary PG Dip Ed students took part in serial placements which saw them visit the School at various points across the school year. Primary students have also been in School to develop their practice.

As a result of Covid19 related lockdown in March 2020, leaders at University of Birmingham School recognised that the University's School of Education would face potentially extreme challenges in providing placements for teacher trainees commencing September 2020 and worked collaboratively with University leaders to welcome different ways of training and learning – with plans to upscale the number of trainee attachments previously accommodated at the University School. There is ahead for the school sector considerable risk to teacher workforce supply if sharply increased numbers of new teachers are not able to in a position to qualify and start careers in the profession.

The School's aspiration is to become a place of continual teacher education, enabling and assisting the continuous professional development of teachers from across the city and will do so via the partnership with the University. The Rush Hour Research series of events aims to help staff from both the School and other institutions continue to be research-informed and to develop their curiosity and love of lifelong learning.

Continual professional development with the University has also benefitted teachers at the School with the University's training department supporting the School in the development of coaching. Furthermore, three teachers at the School were able to undertake their Masters in either Teaching Studies or Education Leadership at the University. The School ordinarily hosts an end of year event in July focusing on research summaries - #engagedinresearch – which in the summer term of 2020 was necessarily cancelled. It is however the intention of the School to schedule these events moving forward.

Key Performance Indicators

The School Improvement Plan was ratified by Governors in the autumn term 2019 for the School's senior leadership team to work to throughout the academic year. Progress towards meeting School aims, objectives, and priorities for development is reviewed termly and reported. The plan plays close regard to the School's intention to be designated as outstanding at its next external inspection – motivated in moving from good to great in all areas and deliver on overarching aims to nurture flourishing citizens and successful scholars.

Registered number 07960887

Covid19 required that many aspects of developmental work were re-shaped or diverted mid-year. Nonetheless good levels of progress and impact were possible.

Key performance indicators include progress of all children, GCSE outcomes, A level outcomes, transition data evidencing where young people have been successfully supported at 16+ or 18+ to their next pathway, attendance figures, and recruitment numbers.

Centre assessed grades and pupil/student outcomes 2020

As a result of coronavirus circumstances and the national lockdown restrictions March-July 2020, schools were asked to submit centre assessment grades for year 11 pupils (GCSEs) and year 13 students (A levels) to Awarding Organisations. Grades were to be standardised across the country using a range of methodologies. In August the validity of these methodologies was discredited and consequently centre assessed grades became the finalised awards at GCSE and A level without external changes.

Overall year 11 (2020) Progress 8 trends and patterns (estimated):

103 of 142 pupils achieved a positive Progress 8 measure

Summer 2020 GCSE outcomes were the first for University of Birmingham School. There are therefore no internal year-on-year trends at this point to report or evaluate.

Category	Progress 8 (estimates)	Comment
Overall	+0.57 National top quintile	Our curriculum lends itself to a strong position, with nearly all pupils filling all three 'subject buckets' used to derive Progress 8 calculations. The forecasts across KS4 assessment points have calculated over time at headline measures between +0.5 & +0.8.
Pupil Premium gap	-0.5	National average trend gap is -0.59 Whilst there is this recognised gap, UoBS pupils in receipt of pupil premium achieve broadly in line with national benchmarks when compared to expected progress for all pupils nationally.
EAL gap	+0.49	National average trend is +0.54 therefore showing no significant difference.
Gender gap M/F	-0.27	In school gap is narrower than national trend headlines of -0.49
HPA, MPA, LPA (Higher, middle, lower prior attain)	0.72, 0.64, -0.36	The group of pupils with low prior attainment from primary school is a small cohort for UoBS and affected by the outcomes for pupils for whom there are known individual challenges and circumstances.

Overall year 13 L3VA (level 3 value added) headline estimate: +0.06
(Actual 2019 outcomes UoBS +0.08) – indicating that standards have been broadly maintained from 2019 to 2020 Key Stage 5 academic outcomes for University of Birmingham School.

Group	L3VA	Comments
Boys	+0.18	Gap has narrowed between boys and girls, with girls now performing close to national trend averages
Girls	-0.03	
PP (Pupil premium)	-0.18	This is lower than last year. When this group was examined there was no student with grades not as anticipated.
Prior Attainment Band A	-0.05	Close to national average progress
Prior Attainment Band B	+0.2	Was expected to be our best performing group
Prior Attainment Band C	-0.7	This is a small number of students. Their overall outcomes were impacted notably due to underperformance in one subject area for these individuals.

Financial Review

The majority of the School's restricted income is obtained from the Department for Education (DfE) via Education and Skills Funding Agency (ESFA) in the form of revenue and capital grants whose use is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Extraordinary circumstances arising from the coronavirus pandemic have necessitated some expenditure not planned for within the budget setting process – including meals for families where eligible for periods where costs were not covered by additional local or national funding, alterations to the building and site in creating a Covid-Secure workplace, and telephony solutions to facilitate home working for staff – notably so that children and families could receive periodic pastoral and wellbeing check-in conversations. Unforeseen expenditure has been offset through not recruiting to vacant posts (that were planned in budget) whilst people were working in different ways during lockdown. Moving forward beyond 2019/20 demands on the School's finances arising from the ongoing response to Covid-19 will be necessarily prioritised, such as capacity to cover for colleagues where needed and health and safety supplies (such as PPE and hand sanitizing products).

As at 31 August 2020, there was an in-year deficit of £1,172k, however, if we exclude the depreciation and the pension costs, the School has an in-year revenue surplus of £524k, with revenue reserves of £1,314k.

At 31 August 2020, the net book value of fixed assets was £19,296k. At 31 August 2020, the value of the LGPS pension deficit was £1,292k. A detailed explanation of the actuarial basis of this valuation is shown in note 22.

The School maintains a healthy surplus balance. The School uses the Academies Financial Handbook to inform its own financial policies and procedures.

Reserves Policy

Reserves are classified as either restricted or unrestricted. Maintaining an appropriate level of financial reserves is considered essential to protect the School from financial risk. Risks include cuts to funding, unexpected falls in pupil / student numbers, unexpected expenditures etc. These funds will be carried forward without limit but having regard to the School's annual budget, payroll costs, known commitments and 5-Year Forward Financial Plan. The School will aim to maintain a minimum of £750k reserves. A portion of unrestricted reserves will be used for ongoing replacement of IT hardware as and when the existing stock reaches the end of its useful life. The School's unrestricted reserves are £305k with total reserves totalling £1,314k as at 31 August 2020.

Investment Policy

The School aims to manage its cash balances for the day-to-day working of the School whilst protecting the real long-term cash value of any surpluses against inflation. The School does not, at present, consider the investment of funds as a primary activity, rather as a result of good stewardship if and when circumstances allowed.

Principal Risks and Uncertainties

Governors have identified the following principal risks and uncertainties facing the School:

- Loss of key and skilled staff due to workload pressures, well-being, or lack of opportunity to progress professionally. Leaders review ongoing working practices to support work-life balance and staffing capacity. Where vacancies do exist (predominantly in professional services as at December 2019 for example) and whilst staff structural changes are being considered, leaders will ensure that core business needs are prioritised.
- Weaker than expected or disappointing GCSE results against aspirations, from the school's first eligible cohort, would impact on Sixth Form recruitment and financial viability, and cause reputational damage to the School and University. Leaders and teachers continue to work to support the best possible individual academic outcomes and personal-bests for each pupil and student, within available resources.
- Demands placed on the School's overall resources - including teachers - in meeting the needs of an increasing number of children with high needs. School leaders continue to work proactively with colleagues and representatives at the LA within SENAR.
- There are insufficient varied pathways for pupils and students to choose from when considering post-16 and post-18 options. School leaders continue to develop CEIAG (careers guidance) to support informed and positive onward pathways for all pupils and students.
- The School is unable to sustain a cohesive and affordable enrichment programme which threatens one of the key distinctive features of the School. Leaders remain committed to the wider learning opportunities provided to pupils and students – and will work increasingly within creative partnerships and with stakeholders to develop funding streams.
- Increasingly Governors and leaders of the School are considering extraordinary risks presented by Covid19 – notably in the mid to long term the successful outcomes and transition plans for pupils and students whose learning has been disrupted because of periods of lockdown or self-isolation. Bi-modal teaching methods will be further developed to support learning and personal development as best possible, and learning recovery plans will be designed and implemented within the constraints of available resourcing and time.

Governors have oversight of all of the current activity and will continue to monitor and identify where additional mitigation of risks may be necessary or prudent.

Fundraising

The academy trust not use any external fundraisers. All fundraising undertaken in the year was monitored by trustees.

Plans for Future Periods

Plans are driven by the School's strategic intents which aim to provide strategic vision beyond the School's growth to full capacity in September 2021. The School will further its work and intentions in striving to be an outstanding school in all regards – in line with its aims to foster flourishing citizens and successful scholars. The School intends to define more comprehensively its distinctive nature as a University Training School and the associated

contribution of a UTS model to teacher training and continuing professional development, indeed with research and evidence informed practice at its heart.

Funds held as Custodian Trustee on Behalf of Others

University of Birmingham School does not hold, and the Governors do not anticipate that the School will hold, any funds as custodian for any third party.

Auditor

In so far as the Governors are aware:

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

During the year BDO LLP resigned as auditors. Cooper Parry Group Limited was appointed to fill the casual vacancy and has expressed its willingness to continue in office as auditor and will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

Approved by order of the Board of Governors on 9 December 2020 and signed on its behalf by:



Professor J Bale
Chair of Governors

Governance Statement

The information on governance included here supplements that described in the Statement of Governors' Responsibilities.

Scope of Responsibility

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

The Board of Governors has delegated the day to day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform to 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 University of Birmingham School and the Secretary of State for Education. The Principal is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

Governance

The Board of Governors reviewed the Schools governance structure during the year to evaluate its impact and effectiveness. The Board of Governors has a wide range of skills and experience that contribute to the successful governance of the School and remain satisfied that the current structure in place is appropriate and effective.

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees Responsibilities. The Board of Governors has formally met 4 times during the year, with delegated sub-Committees additionally meeting each term. Whilst the Board of Governors meets less than six times a year, it reviews the financial performance and position of the School at every meeting along with receiving reports from the Resources Committee. The Resources Committee met three times during the year. Additional Extraordinary Audit Meetings were held during the initial lockdown period to ensure the business of the School continued whilst also ensuring the School preparations for reopening received the appropriate overview. It maintains effective oversight of funds via the Resources, Audit, and Staffing and Personnel Committees. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Professor Jeffrey Bale, Chairman	4	4
Professor Julie Allan	4	4
Mr Joey Islam, Vice-Chair	4	4
Ms Natalie Howard	4	4
Ms Eleanor Ellis Bryant (term of office extended to August 2020, and then reappointed from September 2020)	4	4
Mr Stephen Washbourne (reappointed as a co-opted Governor from December 2020)	4	4
Professor Richard Black	2	4
Ms Cathy Gilbert	2	4
Mr David Ashmore	4	4
Professor Prem Kumar	3	4
Ms Fionnuala O'Conner	4	4
Mr Kirandeep Saini (term of office expired January 2020)	0	2
Mr Mark Senior	3	4
Ms Jane Millard	3	4
Professor Andrew Peterson (appointed December 2020)	2	2
Dr Claudia Favero	4	4
Ms Anna Brinkworth (appointed April 2020)	0	1
Mrs Nicola Bradfield (appointed July 2020)	0	1
Mr Lee Sanders (resigned November 2019)	0	1
Mr James Arthur OBE (resigned November 2019)	0	1
Mr Colin Townsend	4	4

Governance Statement (Continued)

The Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to approve and monitor financial procedures and use of school resources, and to scrutinise and monitor the long-term financial plan for the School.

Attendance at meetings of the Resources sub-Committee was as follows:

Governor	Meetings attended	Out of a possible
Professor Jeffrey Bale, Chairman	3	3
Professor Richard Black	1	3
Mr Stephen Washbourne	2	3
Mr Mark Senior	2	3
Mr Colin Townsend	3	3

Attendance at meetings of the Audit sub-Committee was as follows:-

Governor	Meetings attended	Out of a possible
Mr Joey Islam, Chairman	2	2
Professor Jeffrey Bale	2	2
Professor Richard Black	1	2
MS Cathy Gilbert	1	2
Mr Pradeep Chaudhari	2	2
Mr Colin Townsend	2	2

Review of Value for Money

As Accounting Officer, the Principal has responsibility for ensuring that the School 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 School's use of its resources has provided good value for money, during each academic year, and reports to the Board of Governors where value for money can be improved, including the use of benchmarking data where appropriate and available. The Accounting Officer for the School has delivered improved value for money during the year by:

- Securing good progress against school improvement objectives
- Delivering academic outcomes for pupils in year 11 and students in year 13 that are at least good, and in many cases better in relation to national trend benchmarks
- Ensuring that pupil and student recruitment processes lead to secure recruitment outcomes and thus the financial security of the School as a going concern
- Working with the University of Birmingham to access donations and grants available to the School, which allows the School to continue to offer additional provision, such as the enrichment programme (when and where Covid19 restrictions permit), without compromising core school activity
- Maintaining best value financial regulations and protocols for the procurement of goods and services – and reviewing these periodically to assess and ensure ongoing best value for the School
- Ensuring that the staffing structure is as effective as possible in serving the needs of the School and it in advancing its aims and objectives

Governance Statement (Continued)

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 on an on-going process designed to identify and prioritise the risks to the achievement of the School's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. The system of internal control has been in place at University of Birmingham School for the period 1 September 2019 to 31 August 2020 and up to date at approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Governors has reviewed the key risks to which the School is exposed together with the operating, financial, and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal on-going process for identifying, evaluating and managing the School's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date at approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors, including extraordinarily throughout 2019/20 additional and substantial risk assessment and management arising from the coronavirus pandemic, and necessary control measures to create a Covid-Secure place of work and learning in tandem with a curriculum and provision which is as ambitious as possible.

The Risk and Control Framework

The School's system of internal 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 Governors
- Regular reviews by Governors 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
- Following the School's defined purchasing guidelines and financial procedures
- Delegation of authority and segregation of duties
- Identification and management of risks.

An internal audit was carried out during the academic year 2019/20, engaging University Internal Audit to provide independent scrutiny, support, and challenge. The areas of work that was covered included Financial Controls and Governance. A report and action plan arising from their work was produced and presented to Governors via the School's Audit Committee which will continue to monitor the actions to ensure they have been implemented effectively.

Review of Effectiveness

As Accounting Officer the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by activity detailed below and plans are in place to address any weaknesses identified and to ensure continuous improvement of the system in place:

- the work of the external auditor
- the financial management and governance risk assessment
- the internal audit undertaken by the University of Birmingham;
- the work of the School Business Manager who has 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 Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Members of the Board of Governors on 9 December 2020 and signed on its behalf by:



Professor Jeffrey Bale
Chair of Governors



Mr Colin Townsend
Principal

Statement on Regularity, Propriety and Compliance

As Accounting Officer of University of Birmingham School, I have considered my responsibility to notify the Board of Governors and the Education and Skills Funding Agency of material irregularity, impropriety, and non-compliance with the terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the School 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 School's Board of Governors are able to identify any material irregular or improper use of funds by the School, or material non-compliance with the terms and conditions of funding under our 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 Governors and the Education and Skills Funding Agency.

Signed



Mr Colin Townsend
Principal

9 December 2020

Statement of Trustees' Responsibilities

The Trustees (who act as Governors of University of Birmingham School and are also Directors of the charitable company for the purposes of company law) the Academies Accounts Direction published by the Education and Skills Funding Agency, are responsible for preparing the Governors' Report and the financial statements in accordance with 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 in the Charities SORP 2019 & the Academies Accounts Direction 2019-20
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the Education and Skills Funding Agency, and the Department for Education have been applied for the purposes intended.

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

Approved by order of the Members of the Board of Trustees on 9 December 2020 and signed on its behalf by:

Signed



Professor Jeffrey Bale
Chair of Governors

9 December 2020

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF UNIVERSITY OF BIRMINGHAM SCHOOL

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the academy trust'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 and the Charities SORP 2019; and
- have been prepared in accordance with the Academies Accounts Direction 2019 to 2020 issued by the ESFA.

Basis for Opinion

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

Conclusions relating to going concern

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

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

Other Information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Other information includes the reference and administration details, the Governors' report including the Strategic Report and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do

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 matter 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, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the academy trust 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 determines 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

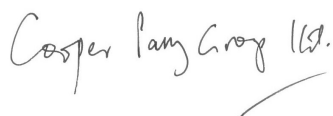
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Simon Atkins FCA (Senior Statutory Auditor)
for and on behalf of Cooper Parry Group Limited

Statutory Auditor
 One Central Boulevard
 Blythe Valley Business Park
 Solihull
 West Midlands B90 8BG

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO UNIVERSITY OF BIRMINGHAM SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 2 July 2020 and further to the requirements of the Education & 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 University of Birmingham School during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of University of Birmingham School's Accounting Officer and the Reporting Accountant

The accounting officer is responsible, under the requirements of University of Birmingham School's funding agreement with the Secretary of State for Education dated 2 February 2015 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 period 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 School's income and expenditure.

The work undertaken to draw our conclusions included:

- Reviewing minutes of meetings, management accounts and made enquiries of management;
- Performing sample testing of expenditure ensuring items are for the School's purposes and are appropriately authorised;
- Reviewing the procedures for identifying and declaring related parties and other business interests;
- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries and made further enquiries into any such items where relevant;
- Enquiries of the Accounting Officer
- Performing an evaluation of the general control environment of the School;
- Reviewing nominal ledger accounts for any large or unusual entries and obtaining supporting documentation.

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.

Cooper Parry Group Ltd.

Cooper Parry Group Limited Chartered Accountants

Statutory Auditors
One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

Statement of Financial Activities
for the year ended 31st August 2020

	<i>Note</i>	Unrestricted General Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2020 £'000	Total 2019 £'000
Income from:						
<i>Donations and capital grants</i>	3	-	-	19	19	56
<i>Charitable activities:</i>						
Funding for the School's educational operations	4	-	6,579	-	6,579	5,214
Other trading activities	5	69	-	-	69	128
Total Income		<u>69</u>	<u>6,579</u>	<u>19</u>	<u>6,667</u>	<u>5,398</u>
Expenditure on:						
<i>Charitable activities:</i>						
School educational operations	6		6,370	1,162	7,532	6,540
Total Resources Expended		<u>0</u>	<u>6,370</u>	<u>1,162</u>	<u>7,532</u>	<u>6,540</u>
Net Income for the year		69	209	(1,143)	(865)	(1,142)
Transfers between funds		-	-	-	-	-
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes		-	(307)	-	(307)	(167)
Net movement in Funds		<u>69</u>	<u>(98)</u>	<u>(1,143)</u>	<u>(1,172)</u>	<u>(1,309)</u>
Reconciliation of Funds						
Total Funds on 1 September		236	(185)	20,552	20,603	21,912
Total Funds carried forward at 31 August	15	<u>305</u>	<u>(283)</u>	<u>19,409</u>	<u>19,431</u>	<u>20,603</u>

Balance Sheet

as at 31st August 2020

	Note	2020 £'000	2019 £'000
Fixed Assets	12	19,296	20,423
Current Assets			
Debtors	13	314	623
Cash at bank and in hand		3,459	1,406
		<hr/> 3,773	<hr/> 2,029
Liabilities			
Creditors : Amounts falling due within one year	14	(2,346)	(1,109)
		<hr/>	<hr/>
Net Current Assets		1,427	920
Defined benefit pension scheme liability	22	(1,292)	(739)
		<hr/>	<hr/>
Net Assets		<hr/> <hr/> 19,431	<hr/> <hr/> 20,603

Funds of the Academy Trust:

Restricted Income Funds

Fixed asset fund		19,409	20,552
General fund		1,009	554
Pension reserve		(1,292)	(739)
		<hr/>	<hr/>
Total Restricted Funds		19,126	20,367
		<hr/>	<hr/>
Unrestricted Income Funds		305	236
Total Funds	15	<hr/> <hr/> 19,431	<hr/> <hr/> 20,603

These financial statements on pages 23 to 39 were approved by the governors, and authorised for issue on 9th December 2020 and are signed on their behalf by:

Signed



Professor Jeffrey Bale
Chair of Governors

Cash Flow Statement

for the year ended 31st August 2020

	<i>Note</i>	2020 £'000	2019 £'000
Cash flows from operating activities			
Net cash provided by operating activities	16	2,087	246
Cash flows from investing activities	17	(34)	(160)
Change in cash and cash equivalents in the reporting period		2,053	86
Cash and cash equivalents at 1 September 2019		1,406	1,320
Cash and cash equivalents at 31 August 2020	18	3,459	1,406

Notes to the Financial Statements

1 General Information

The University of Birmingham School is a private limited company, limited by guarantee, incorporated in England and Wales and domiciled in England. The company registration number is 07960887 and the registered office is The University of Birmingham School 12 Weoley Park Road, Selly Oak, Birmingham, B29 6QU.

2 Statement of Accounting Policies

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

Basis of preparation

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

The functional and presentational currency of the company during the year was sterling (£) and the accounts are rounded to the nearest one thousand.

Going concern

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

After making appropriate enquiries, the Governing Body is confident that it has adequate resources to continue in operational existence for the foreseeable future. This assessment is based upon known income and expenditure, levels of reserves held, its continued ability to recruit pupils / students and staff together with the strength of its Members and Trustees. The School maintains a comprehensive Risk Register with identified risks mitigated wherever possible. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Income

All incoming resources are recognised when the School has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- 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 year is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is no unconditional entitlement of 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 clawback in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Notes to the Financial Statements (*continued*)

2 Statement of Accounting Policies (*continued*)

- Sponsorship income

Sponsorship income provided to the school which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions), where there is certainty of receipt and it is measurable.

- Donations

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

- Other income

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

Expenditure

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

- Charitable activities

These include the costs incurred to the Schools educational operations, including support costs and costs relating to the governance of the School.

All resources are inclusive of irrecoverable VAT.

Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged 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 to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over the estimated useful economic lives as follows:

Long leasehold buildings	- over 25 years for main building/over 43 years for OLRC building
Furniture and Equipment	- over 5 years
Computer Equipment	- over 5 years

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Notes to the Financial Statements (*continued*)

2 Statement of Accounting Policies (*continued*)

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.

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.

Liabilities

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

Provisions

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

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

Operating Leases

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

Financial Instruments

The School only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the School and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the University of Birmingham are held at face value less any impairment.

Taxation

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

Notes to the Financial Statements (*continued*)

2 Statement of Accounting Policies (*continued*)

Pensions benefits

Retirement benefits to employees of the School 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 School 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 quarennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Pensions benefits

The LGPS is a multi-employer funded 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 charges, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 25.

Critical accounting estimates and assumptions

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

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

Notes to the Financial Statements (*continued*)

2 Statement of Accounting Policies (*continued*)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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.

The depreciation rates used to determine the charge for the year have been determined based on the Trustees' estimate of the useful economic life of the academy trust's assets or the length of the long term lease arrangements that the property is held under. To assist in their estimation of useful economic lives, the Trustees have reviewed the depreciation rates utilised by other academy trusts.

Critical areas of judgement

The classification of expenditure between restricted and unrestricted funds is considered a critical area of judgement as certain expenditure can be applied to both funds. Where this is the case and the amounts in question are considered material, the expenditure is apportioned to both funding streams on an appropriate basis.

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

3 Donations and capital grants

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Capital Grants	-	19	19	56
	-	19	19	56

In 2019, all income was allocated to restricted funds.

4 Funding for the Academy Trust's educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
DFE / ESFA Grants				
General Annual Grant (GAG)	-	5,353	5,353	4,338
Other DFE / ESFA Grants	-	794	794	342
Other government grants:				
Local authority grants	-	257	257	116
Other income from the academy trusts educational operations	-	175	175	418
	-	6,579	6,579	5,214

In 2019, all income was allocated to restricted funds.

Notes to the Financial Statements (*continued*)

5 Other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Hire of facilities	32	-	32	56
Trips/Music	25	-	25	67
Third Party	5	-	5	-
VAT Write off	-	-	-	5
Other	7	-	7	-
	<u>69</u>	<u>-</u>	<u>69</u>	<u>128</u>

In 2019, all income was allocated to unrestricted funds.

6 Expenditure

	Staff Costs £'000	Non Pay Premises £'000	Expenditure Other £'000	Total 2020 £'000	Total 2019 £'000
Academy's Educational Operations:					
Direct costs	3,738	274	617	4,629	3,948
Allocated support costs	<u>1,452</u>	<u>1,303</u>	<u>148</u>	<u>2,903</u>	<u>2,592</u>
	<u>5,190</u>	<u>1,577</u>	<u>765</u>	<u>7,532</u>	<u>6,540</u>
Net income/(expenditure) for the period includes:				£'000	£'000
Depreciation				1,162	1,158
Fees payable to auditor for: audit				<u>13</u>	<u>14</u>

7 Charitable activities

	Educational Operations £'000	Total 2020 £'000	Total 2019 £'000
Direct costs			
Teaching & educational support staff costs	3,738	3,738	3,066
Educational resources	559	559	518
Staff development	24	24	31
Premises	291	291	332
Other direct costs	<u>17</u>	<u>17</u>	<u>39</u>
	<u>4,629</u>	<u>4,629</u>	<u>3,986</u>
Allocated support costs			
LGPS FRS102 Net Interest Cost	13	13	9
Support staff costs	1,452	1,452	1,098
Recruitment and support	25	25	27
Maintenance & improvement	123	123	59
Administrative supplies	32	32	120
Start up costs	8	8	1
Other support costs	47	47	34
Depreciation	1,162	1,162	1,159
Governance costs	37	37	43
Legal costs	<u>4</u>	<u>4</u>	<u>4</u>
	<u>2,903</u>	<u>2,904</u>	<u>2,554</u>
Total Direct and Support Costs	<u>7,532</u>	<u>7,532</u>	<u>6,540</u>

Notes to the Financial Statements (continued)

8 Governance costs

	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Data Protection (GDPR)	6	6	6
Professional Fees	17	17	23
Audit of financial statement	14	14	14
	<u>37</u>	<u>37</u>	<u>43</u>

9 Staff

	2020 £'000	2019 £'000
a. Staff costs		
Wages and salaries	3,739	3,020
Social security costs	364	307
Operating costs of defined benefit pension schemes	<u>953</u>	<u>457</u>
	5,056	3,784
Supply teacher costs	<u>134</u>	<u>104</u>
	<u>5,190</u>	<u>3,888</u>

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	65	52
Administration and support	37	37
Management	<u>6</u>	<u>6</u>
	<u>108</u>	<u>95</u>

c. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded

	2020 No.	2019 No.
£60,000 was:		
£60,001 - £70,000	0	1
£70,001 - £80,000	1	0
£80,000 - £90,000	1	1
£90,000 - £100,000	0	0
£100,000 and higher	<u>1</u>	<u>1</u>
	<u>3</u>	<u>3</u>

The key management personnel of the School comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key personnel for their services to the School was £492k. (2019: £514k).

10 Trustees' remuneration and expenses

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

E Bryant (Staff Governor)

Remuneration £40,001 - £50,000 (2019: £40,001 - £50,000)

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

D Ashmore (Staff Governor)

Remuneration £40,001 - £50,000 (2019: £40,001 - £50,000)

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

During the period ended 31 August 2020, there were no travel and subsistence expenses for trustees (2019: £123 to 1 trustee).

11 Trustees insurance

In accordance with normal commercial practice the School has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2020 was £13,815 (2019: £18,177).

Notes to the Financial Statements (*continued*)

12 Tangible fixed assets

	Leasehold Land and Buildings £'000	Furniture and Equipment £'000	Computer Equipment £'000	Total £'000
Cost				
At 1 September 2019	23,492	221	1,068	24,781
Additions	21	-	13	34
At 31 August 2020	23,513	221	1,081	24,815
Accumulated Depreciation				
At 1 September 2019	3,496	166	696	4,358
Depreciation for Year	901	44	216	1,162
At 31 August 2020	4,397	210	912	5,520
Net Book Value				
At 31 August 2020	19,116	11	169	19,296
At 31 August 2019	19,996	55	372	20,423

13 Debtors

	2020 £'000	2019 £'000
Amount owed by Parent undertaking	143	418
VAT recoverable	37	109
Prepayments and accrued income	134	96
	314	623

14 Creditors : Amounts falling due within one year

	2020 £'000	2019 £'000
Trade Creditors	8	-
Amount owed to Parent undertaking	2,048	711
ESFA Creditor: abatement of GAG	-	306
ESFA Teacher Pensions Clawback	20	-
Other Tax and Social Security	52	-
Other Creditors	179	-
Accruals and deferred income	38	93
	2,346	1,109
	2020 £'000	2019 £'000
Deferred income at 1 September 2019	20	54
Released from previous years	(20)	(54)
Resources deferred in the year	-	20
Deferred income at 31 August 2020	-	20

At the balance sheet date the School had no deferred income £Nil (2019: £20k) received in relation to trips and funding due to take place after 31 August 2020.

Notes to the Financial Statements (*continued*)

15 Funds

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Unrestricted funds					
Unrestricted general funds	236	69	-	-	305
Total unrestricted funds	236	69	-	-	305
Restricted general funds					
General Annual Grant (GAG)	554	5,353	(4,898)	-	1,009
Pupil premium	-	363	(363)	-	-
Other grants	-	863	(863)	-	-
Pension Reserve	(739)	-	(246)	(307)	(1,292)
Total restricted funds	(185)	6,579	(6,370)	(307)	(283)
Restricted fixed asset funds					
Fixed Asset Fund	20,552	19	(1,162)	-	19,409
Total restricted funds	20,552	19	(1,162)	-	19,409
Total Funds	20,603	6,667	(7,532)	(307)	19,431
	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Unrestricted funds					
Unrestricted general funds	210	128	- 102	-	236
Total unrestricted funds	210	128	- 102	-	236
Restricted general funds					
General Annual Grant (GAG)	366	4,337	(4,150)	-	553
Pupil premium	-	220	(220)	-	-
Other grants	-	712	(712)	-	-
Pension Reserve	(375)	-	(197)	(167)	(739)
Total restricted funds	(9)	5,269	(5,279)	(167)	(186)
Restricted fixed asset funds					
Fixed Asset Fund	21,711	-	(1,159)	-	20,552
Total restricted funds	21,711	-	(1,159)	-	20,552
Total Funds	21,912	5,398	(6,540)	(167)	20,603

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

Restricted general funds

General Annual Grant - Income from the ESFA which are to be used for the normal running costs of the Academy, including education and support costs.

Pupil Premium - Income from the ESFA which is used to address the current inequalities by ensuring that funding to tackle disadvantage reaches the pupils who need it most.

Other Grants - Income which has been received for specific purposes.

Pension Reserve - This represents the academy's share of the assets and liabilities in the Local Government Pension Scheme.

Notes to the Financial Statements (*continued*)

Restricted fixed asset funds

Restricted fixed asset funds represent the investment in fixed assets, net of accumulated depreciation, and includes the value of fixed assets transferred to the Academy Trust on conversion of the Schools within the Academy Trust and the value of fixed assets transferred from academies joining the Trust in the current or previous years, together with any capital expenditure funded from restricted or unrestricted funds. Unspent capital grants and capital income are also held in this fund and their use is restricted to the capital projects for which the grant awarded

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.

16 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted General Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2020 Funds £'000
Fixed assets	-	-	19,296	19,296
Current assets	305	3,355	113	3,773
Current liabilities	-	(2,346)	-	(2,346)
Pension reserve	-	(1,292)	-	(1,292)
Total net assets	305	(283)	19,409	19,431

	Unrestricted General Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2019 Funds £'000
Fixed assets	-	-	20,423	20,423
Current assets	338	758	932	2,028
Current liabilities	-	(306)	(803)	(1,109)
Pension reserve	-	(739)	-	(739)
Total net assets	338	(287)	20,552	20,603

17 Reconciliation of net Income/(expenditure) to net cash flow from operating activities

	2020 £'000	2019 £'000
Net expenditure	(865)	(1,142)
Depreciation	1,162	1,159
Decrease in Debtors	309	(484)
Increase in Creditors	1,235	517
Defined benefit pension scheme finance cost	246	197
Net cash provided by operating activities	2,087	247

18 Cash flows from investing activities

	2020 £'000	2019 £'000
Purchase of tangible fixed assets	(34)	(160)
Net cash outflow from capital expenditure	(34)	(160)

Notes to the Financial Statements (*continued*)

19 Analysis of cash and cash equivalents

	2020	2019
	£'000	£'000
Cash in hand and at bank	<u>3,459</u>	<u>1,406</u>

20 Financial Commitments

Leasing Commitments

At 31 August 2020 the company had future commitments to make future minimum lease payments under non cancellable operating leases as set out below:

	2020	2019
	£'000	£'000
Due within one year	14	4
Due between one and five years	44	10
Due after five years	-	-
	<u>58</u>	<u>14</u>

21 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 or she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities before he or she ceases to be a member.

22 Pension and similar obligations

The Schools 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. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £90,908 were payable to the Schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

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

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

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

Notes to the Financial Statements (*continued*)

The employer's pension costs paid to TPS in the period amounted to £593k (2019: 341k).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August 2020 was £165k of which employers contributions totalled £123k and employees' contributions totalled £42k. The agreed contribution rates for future years are 17% for employers and between 5.5 - 12.5% for employees.

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

22 Pension and similar obligations (*continued*)

Local Government Pension Scheme	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.20%	3.65%
Rate of increase for pensions in payment/inflation	2.20%	2.15%
Discount rate for scheme liabilities	1.65%	1.90%

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

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	21.9	20.9
Females	24.1	23.2
<i>Retiring in 20 years</i>		
Males	23.8	22.6
Females	26.0	25.1

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

	Fair Value at 31 August 2020 £'000	Fair Value at 31 August 2019 £'000
Equities	510	336
Government bonds	99	53
Other bonds	35	21
Cash/liquidity	60	20
Property	68	46
Other	136	83
Total market value of assets	908	559

The actual return on scheme assets was £185,000 (2019: £30,000).

Amount recognised in the statement of financial activities	2020 £'000	2019 £'000
Current service cost	356	303
Net interest cost	13	9
Total operating charge	369	312

Notes to the Financial Statements (*continued*)

Changes in the present value of defined benefit obligations were as follows:	2020 £'000	2019 £'000
At 1 September	1,298	741
Current service cost	356	275
Interest cost	25	21
Change in financial assumptions	230	250
Change in demographic assumptions	53	- 65
Employee contributions	42	48
Experience loss on defined benefit obligation	197	28
Estimated benefits paid net of transfers in	(1)	
At 31 August	2,200	1,298

Changes in the fair value of the Academy Trusts share of scheme assets were as follows:	2020 £'000	2019 £'000
At 1 September	559	366
Interest income	12	12
Return on plan assets (excluding net interest on the net defined pension liability)	173	18
Employer contributions	123	115
Employee contributions	42	48
Estimated Benefits paid plus unfunded net of transfers in	(1)	
At 31 August	908	559

Sensitivity Analysis	2020 £'000	2019 £'000
Discount rate +0.1%	82	44
Discount rate -0.1%	85	46
Mortality assumption rate - 1 year increase	80	45
Mortality assumption rate - 1 year decrease	78	44
CPI rate +0.1%	83	45
CPI rate -0.1%	80	43

23 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arms length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

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

Details of certain trustees' remuneration and expenses are disclosed in note 10. The University of Birmingham, a member of the company, provided a revenue grant of £176k (2019: £418k) and received maintenance and enrichment costs of £100k (2019: 269k) during the year. Included within creditors is amount owed to the parent undertaking amounting to £2,048k (2019: £711k).

Notes to the Financial Statements (*continued*)

During the year there have been transactions with the ultimate parent undertaking. Transactions during the year:-

	£'000
University of Birmingham Sport	3
Marketing	3
Cleaning	85
Ground Maintenance / Security	8
Well-being	1
Total	<u>100</u>

24 Ultimate parent undertaking

The company is a wholly owned subsidiary of the University of Birmingham. The largest and smallest group of undertakings for which group financial statements have been drawn up is headed by the University of Birmingham. Copies of group financial statements can be obtained at Finance Office, Aston Webb Building, The University of Birmingham, West Midlands, B15 2TT.

25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2020 the trust received £26,713 and disbursed £20,014 from the fund.