

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

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HUXLOW SCIENCE COLLEGE
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr M Fargher Mr D McVean Mr R Barron Mr P Kelby Mr S Ward
Trustees	Mr M Fargher, Chair of Trustees (appointed 24 September 2019) ¹ Mr D McVean, Vice Chair of Trustees (appointed 24 September 2019) ¹ Mr R Barron ¹ Mr P Kelby ¹ Mr S Ward ¹ Mr S Gordon, Headteacher and Accounting Officer ¹ Mr A Dickerson Mrs T Walton ¹ Mrs A Ward, Staff Trustee Mrs H Buxton, Staff Trustee Mr R Glasspool Mrs N Scott (appointed 24 September 2019, resigned 22 September 2020) Mr G Perkins (resigned 27 February 2020)

¹ Members of the Finance, Personnel and Premises Committee

Company registered number

07982740

Company name

Huxlow Science College

Principal and registered office

Huxlow Science College
Finedon Road
Irthlingborough
Northamptonshire
NN9 5TY

Company secretary

Mrs H Avey

Senior management team

Mr S Gordon, Headteacher
Mrs K Isaksen, Deputy Head
Miss C Wood, Deputy Head
Miss S Beresford, Strategic Business Manager
Miss E Francis, Business Manager

Independent auditor

MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
Peterbridge House
The Lakes
Northampton
NN4 7HB

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

Bankers

Lloyds TSB
Market Street
Wellingborough
Northamptonshire
NN8 1AG

Solicitors

Veale Wasbrough Vizards
24 King William Street
London
EC4R 9AT

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

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

The Academy Trust operates an Academy for pupils aged 11 to 19 serving a catchment area in East Northamptonshire. It has a pupil capacity of 960 and had a roll of 923 in the school census on 1 October 2020.

Structure, governance and management

Constitution

The Academy Trust is 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 Huxlow Science College are also the directors of the charitable company for the purposes of company law. The charitable company operates as Huxlow Science College.

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

Members' liability

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

Trustees' indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The details of the insurance are given in Note 11.

Method of recruitment and appointment or election of Trustees

The Governing Body is responsible for appointing new Academy Trustees with the exception of Parent Governors and Staff Governors who are nominated by their peers. If more are nominated than there are positions available, they are elected by a secret ballot of their peers. Due regard is given to skillsets on the recruitment of new Trustees. Academy Trustees are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire with the exception of Parent and Staff Governors who would have to reapply for the position. The Academy Trustees to retire are those who have served a four year term. The Headteacher shall be treated for all purposes as being an ex officio Governor.

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

Structure, governance and management (continued)

Policies adopted for the induction and training of Trustees

The training and induction provided for new Academy Trustees will depend on their experience. All new Academy Trustees receive a minimum induction programme, a tour of the Academy Trust, and are provided with an induction pack which includes The Governors Handbook, relevant policies, the structure of the Trust, and staffing list. All Trustees have access to the college Microsoft Teams where they can access minutes, financial reports, college policies and other relevant information to carry out their roles. All Trustees have access to the National Governance Association (NGA) Learning Link where they can access engaging and interactive learning resources. All new Academy Trustees are given an opportunity to meet with staff and students.

Organisational structure

The management structure of the Academy Trust consists of the Members Board, Board of Trustees, specific committees, and the Headteacher (Accounting Officer).

The Governing Body delegates certain responsibilities to key committees, i.e. Finance, Personnel and Premises (which encompasses Health & Safety) and Curriculum and Welfare, and delegates operational matters to the Headteacher (Accounting Officer).

The Academy Trustees are responsible for setting the strategy and general policy, adopting an annual plan and budget, and monitoring the performance of the Academy Trust. The Academy Trustees make major decisions for the Academy Trust especially in relation to capital expenditure and senior staff appointments.

The Senior Leadership Team (SLT) comprises of the Headteacher, 2 Deputy Headteachers and the Business Manager (who acts as the Chief Financial Officer). These managers control the Academy Trust at an executive level implementing the policies laid down by the Governing Body and reporting back to them. As a group the SLT are responsible for the authorisation of spending within agreed budgets and the appointment of staff in accordance with the agreed structure. Appointments for the SLT always include a Governor and the appointment of a Headteacher and Deputy Headteacher are managed by the Governing Body. Normal spending control is devolved to members of the SLT and designated budget holders in accordance with the agreed authorisation levels set by Trustees. Where the delegation levels require named Governing Board Trustees' authorisation is sought.

Arrangements for setting pay and remuneration of key management personnel

Remuneration of all staff (including key management personnel) is in line with the Academy's agreed whole School Pay Policy. The Policy is aligned with the School Teachers Pay and Conditions Document (STPC) and the NJC Agreement for support staff and is reviewed annually. Pay progression is performance related through an annual appraisal process for all staff. The Headteacher's appraisal is conducted by a panel of a minimum of 2 Governors and an external school improvement advisor.

The Academy's Trustees act in a voluntary capacity and do not receive any remuneration.

The Academy consults with employees on matters affecting them which include but is not limited to Personnel policies, Health and Safety policies and Staff Welfare. Staff Unions are included in consultation.

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

Structure, governance and management (continued)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	3
Full-time equivalent employee number	3

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	3
51%-99%	-
100%	-

Percentage of pay bill spent on facility time **£**

Total cost of facility time	1,429	
Total pay bill	4,297,222	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	17	%
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Related parties and other connected charities and organisations

The sixth form operates as part of a three school consortium known as The East Northamptonshire College (TENC) which delivers 16-19 education. TENC finances are controlled by Huxlow Science College. The funds are held and reported separately to the main school. As at 31 August 2020 the consortium held reserves of £62,624 (a third of which belongs to each of the three schools).

The Academy is a member of a soft federation with The Learning for Life Education Trust, which includes 2 junior schools, 2 infant schools and 1 nursery school. Through this group we share educational practice across the entire age range of children in education with the aim of improving outcomes for children.

Objectives and activities

Objects and aims

The principal object and activity of the charitable company is the operation of Huxlow Science College to provide education for pupils of different abilities between the ages of 11 and 19.

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

Objectives and activities (continued)

The Academy provides 11-19 education for Irthlingborough, Finedon and surrounding villages. Our vision "safe, happy and successful students who go on to become safe, happy and successful adults" underpins our work. At Huxlow every individual is empowered to fulfil their potential through our values:

- Students and staff feel safe and happy at school;
- Everyone is ambitious and welcomes the challenge of being the best they can;
- High quality teaching challenges every student and develops their creativity, skills and knowledge;
- We grow to meet the needs of our wider community who trust and value the school;
- Students and staff are resilient, reflective, independent and take responsibility for their own performance;
- We foster a love of learning across our entire community;
- We are active and positive members of all our partnerships; and
- We celebrate everyone's successes.

Objectives, strategies and activities

The Academy Trust focused on five key objectives during the year:

- Continue to raise achievement across the board so that all students make good progress.
- To develop our students so they are emotionally prepared for the ever-changing demands of adult life. In particular, we aim to develop the whole child in particular their leadership, organisation, resilience, independence and communication skills (LORIC).
- To explore and make partnerships with other local schools, in particular secondary schools. This will enable the Trust to meet its strategic aims.
- To grow our student numbers to approximately 1,100 in 4 years.
- Ensuring the Academy Trust remains financially robust.

Strategies for achieving these objectives include:

- Improved the quality of teaching by focusing on differentiation for disadvantaged students and those with SEND.
- Improved Careers Advice and Guidance for Years 7 to 13 by using Unifrog software to offer bespoke support and guidance to every student.
- Redesigning our LORIC curriculum so that students are further challenged to use the LORIC skills in discrete lessons and across the curriculum. These skills are life skills to enable students to flourish in the ever changing world.
- By effective marketing and improved links with local feeder schools we have increased student intake to 923 students at September 2020 and increased Sixth form numbers.
- Carried out a review of local educational partners and undertook compatibility meetings to investigate potential joint working. Built on current good relationships with local schools to build informal supportive relationships that could evolve into a more formal partnership.
- Improving financial probity by maintaining sound financial planning, applying good budgetary control and securing external funding for projects.

Public benefit

The Academy Trust promotes education for the benefit of the local community of Irthlingborough, Finedon and surrounding villages and offers recreational facilities to local community groups outside of school hours for the benefit of the general public.

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

Objectives and activities (continued)

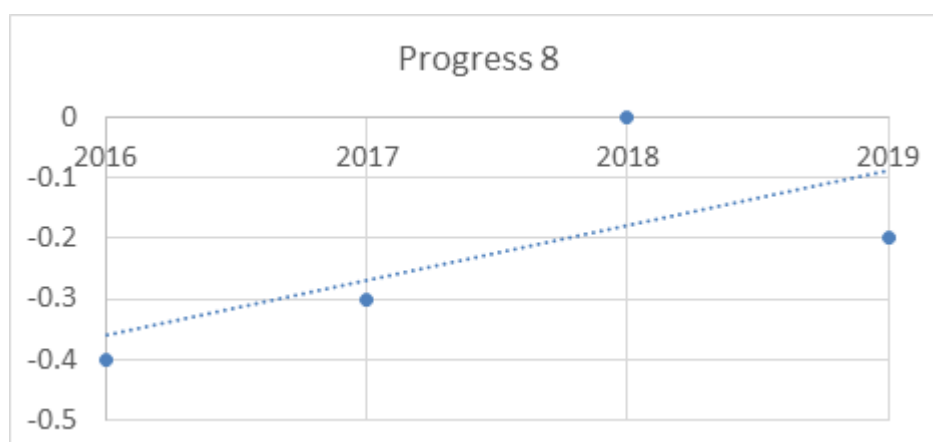
The Academy Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties. In particular, Governors consider how planned activities will contribute to the aims and objectives they have set. The Academy has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

Strategic report

Achievements and performance

Following a good OfSTED rating in 2016 Huxlow has continued to improve year on year as indicated by GCSE results in 2018, 2019 and 2020's outcomes.

The graph below shows the upward trend in progress in recent years. Given the impact of the Covid pandemic on results, there are no progress figures available nationally for 2020.



An excellent curriculum, good teaching by committed staff and a culture of high aspirations ensure students of all abilities achieve well and enjoy their learning. The Academy's vision "safe, happy and successful students who go on to become safe, happy and successful adults", underpins every aspect of the Academy's work.

Our students are challenged to aim for the highest expectations they can and are motivated and supported to achieve this. Academic success is hugely important to us and we have a rich history of students of all abilities and from a wide variety of backgrounds fulfilling their potential in all areas of their education. 2020 saw two Huxlow students begin university courses at Cambridge, studying English and Natural Sciences.

Our success is measured not only by our ever-improving examination results but also by the ever-increasing numbers of families who choose Huxlow Science College to educate their children. Year on year we are seeing record numbers join Year 7 knowing they will be taught well and cared for.

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

Strategic report (continued)

Achievements and performance (continued)

Key performance indicators

Student numbers continue to rise. 173 students were admitted in Year 7, 2020, the second highest in the school's history. Student numbers have increased by 14% in the last 3 years. We believe we are on target to have a role of 1,100 by 2022.

Earlier identification and bespoke support for the most vulnerable learners has resulted in a significant improvement in the outcome of these students. Ensuring we look after our most vulnerable learners is a core value of Huxlow Science College.

Due to UK schools being closed from March – July 2020 as a result of COVID-19, student examinations were replaced by Centre Assessed Grades. Nationally, schools are not being judged on progress for 2019/20. However, the College had predicted its best ever results for 2019/20 and are confident that the upward trend in results will continue. This is supported by the Centre Approved Grades awarded, particularly in the areas targeted for improvement (see table below):

	2019 Results	2020 Results	Difference
4+ English	64%	82%	18%
4+ Maths	71%	76%	5%
4+ English & Maths	58%	72%	14%
5+ English	44%	61%	17%
5+ Maths	51%	59%	8%
5+ English & Maths	36%	49%	13%
4+ History	54%	59%	5%
4+ Geography	45%	59%	14%

Standards in our specialism continue to improve (see below):

	C+ 2017	C+ 2018	C+2019	C+2020
Biology	80%	71%	75%	99%
Chemistry	85%	84%	70%	88%
Physics	75%	81%	80%	91%

French is taught in Modern Foreign Language and it is consistently a core subject at Huxlow Science College, as we recognise the need to broaden our students' cultural experiences.

Languages	2017	2018	2019	2020
% of cohort taking GCSE	77%	71%	73%	77%
% achieving 4+	87%	82%	83%	84%

Our year on year success in language results was highlighted by the British Council in 2019 who recognised our French results as being in the top 50 performing schools in the country.

Staffing costs are monitored as a percentage of total funding. For the year ended 31 August 2020 staffing costs amounted to 75.6% of total funding compared to a target of 78.5%.

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

Strategic report (continued)

Achievements and performance (continued)

The Academy is in a funding lag situation due to growing student numbers. Non-government income as a percentage of total income was 3% compared to a target of 5% (prior year actual 4.7%). During the year the Academy received local government funding of approximately £323k for the refurbishment of three mobile classrooms which is reflected in the outturn.

Full Time Equivalent (FTE) staffing numbers stood at 86.1 FTE compared to the target of 87 FTE.

The Pupil / Teacher ratio (at 18.4) was higher than the target of 17.0.

The Academy has a target liquidity of greater than 1 under the "quick ratio" and stood at 4.1 at the year end.

The Academy Trust also monitors its operating surplus or deficit (excluding restricted fixed assets and actuarial gains and losses) as a percentage of non-capital income. For the year ended 31 August 2020 the operating surplus equated to 4.1% of non-capital income (2019 - deficit 2.3%).

Going concern

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

We expect the financial impact of Covid to be at least £100k in 20/21. Whilst the Trust has reserves to cover this in the short term, it may be unable to sustain this level of expenditure in the long term.

Financial review

Most of the Academy's income is obtained from the DfE in the form of recurrent grants disbursed via the Education Funding Agency (ESFA), the use of which is restricted to particular purposes. The grants received from the Education and Skills Funding Agency (ESFA) during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the ESFA/DfE and the Local Authority. In accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice, 'Accounting Activities by Charities' (SORP 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition, funds are received from various activities carried out to generate funds, such as any running costs of the Academy not met by restricted grants. Any surplus is carried forward as an unrestricted fund in the balance sheet.

During the year ended 31 August 2020, total revenue expenditure of £5,127,099 (2019 £4,908,849) (excluding depreciation) is covered by recurrent grant funding from the DfE together, other incoming resources and use of reserves. The excess of expenditure over income for the year (excluding restricted fixed asset funds and actuarial gains and losses) was a surplus of £216,893 (2019 deficit: £116,733). During the period our rate of growth is above the norm and the Academy is in a funding lag situation in terms of Government funding.

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

Strategic report (continued)

Financial review (continued)

At 31 August 2020 the net book value of fixed assets was £7,863,722 and movements in tangible fixed assets are shown in Note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Local Government Pension Scheme for the Academy has a deficit which is detailed in Note 19 to the financial statements.

Reserves policy

The Academy's policy on reserves is to hold a suitable level of reserves to ensure the stability of the College's organisational operations in what is becoming a less certain economic funding environment. The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £125,013 (2019: £109,573). The Academy intends to continue building up free reserves as required.

Included within restricted funds at 31 August 2020 is the Local Government Pension Scheme deficit of £2,142,000 (2019 £1,813,000). The pension deficit is viewed as long term debt and annual contributions are adjusted as necessary to mitigate the risk and reduce the deficit.

At 31 August 2019 the total funds comprised:

		£
Unrestricted		125,013
Restricted:	Fixed asset funds	7,963,446
	Pension reserve	(2,142,000)
	Other	<u>722,295</u>
		<u>6,668,754</u>

Investment policy

The Trust's investment policy is to invest surplus cash reserves with High Street banks with a high credit rating where the capital invested is guaranteed. Investment returns are market tested periodically to ensure that returns are maximised whilst safeguarding the funds invested. Investments can only be made with the approval of Governors.

Principal risks and uncertainties

The Academy Trustees have assessed the major risks to which Huxlow Science College is exposed, in particular, those related to the specific teaching, provision of facilities and other operational areas of the college, and its finances. The risks are contained in the Risk Register, which is compiled and reviewed regularly by the Senior Leadership Team and the Academy Trustees.

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

Strategic report (continued)

Financial review (continued)

During the year the Academy has addressed the following risks:

- Enhanced health and safety and hygiene procedures have been implemented to address the risks associated with Covid 19;
- Significant investment has been made in ICT teaching equipment enhancing the learning experience. As part of the IT strategy we will continue to develop our IT interconnectivity to enable on and offsite teaching;
- Ensuring finances were stable and well managed. This allowed reserves to be increased in the year. There still remains an uncertainty around future national funding levels;
- The Academy has continued to successfully grow the number of students on roll year on year ensuring financial stability;
- The Academy has restructured its management team to provide increased focus on student attendance and wellbeing;
- The Academy has an ongoing issue relating to the condition of its electricity supply. Previous issues around electricity supply capacity have been addressed in 2019/20. Funding bids and a programme of electrical works are being developed to address this issue.

Fundraising

The Academy Trust does not currently employ professional fundraisers or have a subsidiary trading company. Any fundraising is carried out by internal staff for specific capital and student projects which are included in the Trust's development plan.

Our Parent Teacher and Friends Association (PTFA), is a separate organisation set up in July 2018 by our parents, and continues to contribute to fundraising. The PTFA is a registered charity in its own right.

Our fundraising arrangements;

- fully comply with relevant legal requirements;
- are in our Trust's best interests because;
- appropriate due diligence is undertaken;
- our fundraising values and expectations are communicated;
- the costs are justifiable and can be explained;
- proper control is kept of the money raised;
- the fundraising communications to be used are reviewed;
- compliance with the agreement is monitored; and
- any conflicts of interest are recognised and dealt with.

Plans for future periods

Huxlow Science College will continue to target improvements in performance and levels of progress in all subjects to ensure a successful Ofsted which is due in for forthcoming academic year. This will be achieved during the Covid pandemic through effect health and safety measures and investment in remote learning using the latest technology in order to keep students connected whilst off-site.

The Academy has plans to increase the student roll further.

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

Plans for future periods (continued)

The Academy is actively pursuing external funding bids to improve the site facilities and educational resources to enhance the learning experience.

The Academy recognises and welcomes the need to collaborate with other Academy Trusts. We are currently investigating collaboration with Trust(s) that will improve us, with the ambition to build a stronger and more effective organisation across the Trust(s). We have considerable experience of supporting local schools at senior and governor level and wish to utilise these skills in whichever Trust we join. The Academy Trustees continue to provide significant leadership resource, advice and support to other local Trusts to help them make improvements to their provision.

Funds held as custodian on behalf of others

No such funds are held by Huxlow Science College.

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

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

.....
Mr M Fargher
Chair of Trustees

Date: 15 December 2020

GOVERNANCE STATEMENT

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook 2019 and competency framework for governance.

The board of Trustees has delegated the day-to-day responsibility of financial management to the Headteacher, as Accounting Officer. This ensures financial controls conform with the requirements of both propriety and good financial management and is aligned with the responsibilities assigned to it in the funding agreement between Huxlow Science College and the Secretary of State for Education. The Headteacher is also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The Academy has a strong board of Trustees with a broad range of skilled and experienced Trustees who support and challenge the Senior Leadership Team (SLT). This has enabled improvements to be implemented in year and the school to be well placed to meet the short and medium term challenges ahead.

Newly appointed Academy Trustees have undergone training and are now actively involved in supporting the Academy Trust in their areas of their expertise. Succession management is in place to ensure continuity of strategic leadership.

The Governing Body has carried out an annual skills and training audit to identify areas of expertise and experience when future positions arise. The last skills audit showed that governance was well covered in virtually all areas. We are currently recruiting two Parent Governors.

HUXLOW SCIENCE COLLEGE
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

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

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

Trustee	Meetings attended	Out of a possible
Mr M Fargher, appointed Chair 24 September 2019	8	8
Mr D McVean, appointed Vice Chair on 24 September 2019	5	8
Mr R Barron	3	8
Mr S Ward	6	8
Mr P Kelby	8	8
Mr S Gordon, Headteacher and Accounting Officer	8	8
Mr A Dickerson	6	8
Mrs T Walton	7	8
Mrs A Ward	7	8
Mrs H Buxton	7	8
Mr R Glasspool	8	8
Mrs N Scott, (appointed 24 September 2019, resigned 22 September 2020)	3	8
Mr G Perkins, (resigned 27 February 2020)	1	3

The Finance, Personnel and Premises Committee (*FP&P*) is a sub-committee of the main board of Trustees. Its purpose is to:

- Finance – to act as Audit committee for the Academy Trust and to consider aspects of financial planning and performance, to be fully informed about all financial matters and monitor budgets throughout the academic year.
- Personnel – to develop, review and oversee all staff related tasks associated with the Academy Trust.
- Premises – to plan, support and guide premises, and Health & Safety related tasks for the Academy Trust.

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The number of meetings in 2020 was reduced to five due to the Covid lockdown. During the lockdown the board of trustees agreed interim arrangements for all matters were to be referred to the Full Board rather than individual committees. The Health and Safety Working party which is a sub-section of FP&P normally meets three times a year but due to Covid met twice.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Fargher	4	5
Mr D McVean	4	5
Mr R Barron	3	5
Mr S Ward	3	5
Mr P Kelby (Chair of FP & P Committee)	5	5
Mr S Gordon, Headteacher & Accounting Officer	5	5
Mrs T Walton	3	5
Mr G Perkins (resigned 27 February 2020)	2	3
Miss S Beresford (Strategic Business Manager)	5	5

Review of value for money

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

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

Committing to providing all students with the highest possible education experience, supporting each and every individual student to achieve his/her full potential.

- Determining, with the support of the governing trustees:
- A clear vision statement;
- Wide ranging key performance indicators which impact upon the whole school community and which are regularly monitored;
- A comprehensive school improvement plan; and
- Reviewing the curriculum to ensure it remains efficient and effective and meets the needs of all the students;
- Secured growth and investment funding totalling almost £400k to provide additional classroom facilities for students;
- The Academy has a strong and robust system of financial controls based on procedures and system which incorporate DfE regulations as outlined in the Academies Financial Handbook, to ensure adequate controls are in place through the setting of targets, regular management information, delegation of authority and segregation of duties, within clearly defined purchasing guidelines and identification and management of risks;

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

- The Academy maintained its level of financial control during the Covid pandemic to ensure cost effectiveness was maintained in challenging circumstances to meet the required health and safety measures and quality teaching;
- The Finance and Audit Committee receive regular budget monitoring reports and meets throughout the year to review the financial position, the risk register, the internal audit report and the external auditors' management report to review and take action on any recommendations made to them;
- The Trustees approve the annual budget forecast and review admissions/forecast and budgets on an annual basis ensuring ongoing financial stability;
- The Trust has in place robust procurement processes and utilises Government framework agreements where appropriate;
- The Academy explores every opportunity to generate additional revenue. During 2019/20 we applied for and successfully received £100k in government grants and initiatives to replace a boiler;
- Social media and marketing has been used to help publicise our strengths and achievements more widely to ensure the local community are informed of our successes.

The purpose of the system of internal control

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

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines; and
- identification and management of risks.

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. A peer financial audit has been carried out with a local Academy Trust, Wollaston School (The Nene Valley Partnership) in July 2020. The focus of the audit was on the Payroll and purchasing process for Huxlow and the purchasing process for TENC. The results of the review was that there was a sound system of internal controls and no significant weaknesses were identified.

On an annual basis, the reviewer reports to the board of Trustees through the Finance, Personnel and Premises committee on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities. The schedule of audit work was delivered as planned. No issues were found requiring immediate attention however an action plan is being developed to address minor audit recommendations.

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

- testing of payroll systems;
- testing of purchase and expense systems;
- testing of income; and
- testing of control account/ bank reconciliations.

Review of effectiveness

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

- the work of the Peer internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of senior leadership team in the Academy Trust who have responsibility for the development and maintenance of the internal control framework

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

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

.....
Mr M Fargher
Chair of Trustees

.....
Mr S Gordon
Accounting Officer

Date: 15 December 2020

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

.....
Mr S Gordon
Accounting Officer
Date:

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

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

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

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

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

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

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

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

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

.....
Mr M Fargher

Date: 15 December 2020

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HUXLOW SCIENCE COLLEGE**

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy 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, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust'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.

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HUXLOW SCIENCE COLLEGE (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Other information includes the Reference and Administrative details, Trustees Report, incorporating the Strategic Report and the Directors Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees Responsibilities Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy 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.

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HUXLOW SCIENCE COLLEGE (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy 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 Trust 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 on the Financial Reporting Council's website at: 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.

Elaine Olson-Williams FCCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
Peterbridge House
The Lakes
Northampton
NN4 7HB

Date:

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HUXLOW SCIENCE COLLEGE AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 26 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Huxlow Science College during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Huxlow Science College's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Huxlow Science College's funding agreement with the Secretary of State for Education dated 1 April 2012 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HUXLOW SCIENCE COLLEGE AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- consideration of governance issues; and
- evaluating the internal control procedures and reporting lines, testing as appropriate and making appropriate enquiries of the Accounting Officer.

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.

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors
Peterbridge House
The Lakes
Northampton
NN4 7HB

Date:

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	2,841	5,171	442,188	450,200	87,747
Charitable activities	4	-	5,084,689	-	5,084,689	4,576,978
Other trading activities	5	16,770	105,815	-	122,585	204,948
Investments	6	4,022	-	-	4,022	3,578
Total income		23,633	5,195,675	442,188	5,661,496	4,873,251
Expenditure on:						
Raising funds		2,325	70,175	-	72,500	190,820
Charitable activities		5,868	5,048,731	340,832	5,395,431	5,048,254
Total expenditure	7	8,193	5,118,906	340,832	5,467,931	5,239,074
Net income/ (expenditure)		15,440	76,769	101,356	193,565	(365,823)
Transfers between funds	17	-	(128,316)	128,316	-	-
Net movement in funds before other recognised gains/(losses)		15,440	(51,547)	229,672	193,565	(365,823)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(76,000)	-	(76,000)	(526,000)
Net movement in funds		15,440	(127,547)	229,672	117,565	(891,823)

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

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

Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Reconciliation of funds:					
Total funds brought forward	109,573	(1,292,158)	7,733,774	6,551,189	7,443,012
Net movement in funds	15,440	(127,547)	229,672	117,565	(891,823)
Total funds carried forward	<u>125,013</u>	<u>(1,419,705)</u>	<u>7,963,446</u>	<u>6,668,754</u>	<u>6,551,189</u>

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

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07982740

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	7,863,722	7,733,774
Current assets			
Stocks	13	6,650	7,090
Debtors	14	283,103	115,404
Cash at bank and in hand		1,048,365	764,563
		<u>1,338,118</u>	<u>887,057</u>
Creditors: amounts falling due within one year	15	(383,122)	(246,687)
Net current assets		<u>954,996</u>	<u>640,370</u>
Total assets less current liabilities		<u>8,818,718</u>	<u>8,374,144</u>
Creditors: amounts falling due after more than one year	16	(7,964)	(9,955)
Net assets excluding pension liability		<u>8,810,754</u>	<u>8,364,189</u>
Defined benefit pension scheme liability	25	(2,142,000)	(1,813,000)
Total net assets		<u><u>6,668,754</u></u>	<u><u>6,551,189</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	17	7,963,446	7,733,774
Restricted income funds	17	722,295	520,842
		<u>8,685,741</u>	<u>8,254,616</u>
Restricted funds excluding pension asset	17	8,685,741	8,254,616
Pension reserve	17	(2,142,000)	(1,813,000)
Total restricted funds	17	<u>6,543,741</u>	<u>6,441,616</u>
Unrestricted income funds	17	<u>125,013</u>	<u>109,573</u>
Total funds		<u><u>6,668,754</u></u>	<u><u>6,551,189</u></u>

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 25 to 60 were approved by the Trustees, and authorised for issue on 15 December 2020 and are signed on their behalf, by:

.....
Mr M Fargher
Chair of Trustees

The notes on pages 30 to 60 form part of these financial statements.

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	19	310,363	34,943
Cash flows from investing activities	21	(24,570)	(171,184)
Cash flows from financing activities	20	(1,991)	(16,716)
Change in cash and cash equivalents in the year		283,802	(152,957)
Cash and cash equivalents at the beginning of the year		764,563	917,520
Cash and cash equivalents at the end of the year	22, 23	<u>1,048,365</u>	<u>764,563</u>

The notes on pages 30 to 60 from part of these financial statements

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

1. Accounting policies

Huxlow Science College is a private company limited by guarantee, incorporated in England. Its registered number and address of registered office are detailed on page 1. The nature of the academy trust's operations and principal activity are detailed in the Trustees' Report.

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

The financial statements are prepared in £ sterling, rounded to the nearest £1.

1.1 Basis of preparation of financial statements

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

Huxlow Science College meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

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

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Sponsorship income**

Sponsorship income provided to the Academy Trust 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 receipt is probable and it can be measured reliably.

• **Donations**

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

• **Other income**

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

• **Donated goods, facilities and services**

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

• **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

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

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

1. Accounting policies (continued)

1.3 Income (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

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

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

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

1. Accounting policies (continued)

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Leasehold Land and buildings	- 0.8% to 10% straight line
Leasehold Improvements	- 10% straight line
Furniture and Equipment	- 20% to 33% straight line
Computer equipment	- 20% straight line
Motor vehicles	- 20% straight line

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

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.9 Debtors

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

1.10 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.

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

1. Accounting policies (continued)

1.11 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.

1.12 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.

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1.14 Operating leases

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

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

1. Accounting policies (continued)

1.15 Pensions

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

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

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

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

1.16 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 29.

1.17 Fund accounting

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

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	2,841	5,171	322,648	330,660	13,373
Capital Grants	-	-	119,540	119,540	74,374
	<u>2,841</u>	<u>5,171</u>	<u>442,188</u>	<u>450,200</u>	<u>87,747</u>
Total 2019	<u>4,630</u>	<u>8,743</u>	<u>74,374</u>	<u>87,747</u>	

HUXLOW SCIENCE COLLEGE
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4. Funding for the Academy Trust's educational operations

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants			
General annual grant (GAG)	4,447,822	4,447,822	4,227,755
Other DfE/ESFA grants	489,188	489,188	258,033
	<u>4,937,010</u>	<u>4,937,010</u>	<u>4,485,788</u>
Other government grants			
Local authority grants	132,978	132,978	72,338
	<u>132,978</u>	<u>132,978</u>	<u>72,338</u>
Other funding			
Other grants	14,701	14,701	18,852
	<u>14,701</u>	<u>14,701</u>	<u>18,852</u>
	<u>5,084,689</u>	<u>5,084,689</u>	<u>4,576,978</u>
Total 2019	<u>4,576,978</u>	<u>4,576,978</u>	

HUXLOW SCIENCE COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Income from other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Rental income / hire of facilities	16,745	7,440	24,185	18,087
Trip income	-	17,233	17,233	79,380
Catering	-	69,786	69,786	85,455
Other income	25	11,356	11,381	22,026
	<u>16,770</u>	<u>105,815</u>	<u>122,585</u>	<u>204,948</u>
Total 2019	<u>23,076</u>	<u>181,872</u>	<u>204,948</u>	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest received	4,022	4,022	3,578
Total 2019	<u>3,578</u>	<u>3,578</u>	

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

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Expenditure on raising voluntary income:					
Direct costs	-	-	2,325	2,325	2,841
Expenditure on fundraising trading activities:					
Direct costs	-	-	70,175	70,175	187,979
Educational operations:					
Direct costs	3,510,187	-	339,826	3,850,013	3,655,588
Allocated support costs	787,035	529,161	229,222	1,545,418	1,392,666
	<u>4,297,222</u>	<u>529,161</u>	<u>641,548</u>	<u>5,467,931</u>	<u>5,239,074</u>
Total 2019	<u>4,006,078</u>	<u>509,403</u>	<u>723,593</u>	<u>5,239,074</u>	

Net expenditure for the year includes:

	2020 £	2019 £
Operating lease rentals	10,379	11,086
Depreciation	338,392	329,155
Loss on disposal of fixed assets	2,440	1,072
Fees payable to auditor for:		
- audit	9,000	9,000
- other services	9,341	6,432
	<u>9,341</u>	<u>6,432</u>

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

8. Charitable activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Educational operations	3,850,013	1,545,418	5,395,431	5,048,254
Total 2019	3,655,588	1,392,666	5,048,254	

Analysis of support costs

	Educational operations 2020 £	Total funds 2020 £	Total funds 2019 £
LGPS pension costs	35,000	35,000	33,000
Staff costs	787,035	787,035	587,737
Depreciation	338,392	338,392	329,155
Premises costs	190,769	190,769	180,250
Governance costs	20,596	20,596	15,960
Loss on disposal of fixed assets	2,440	2,440	1,070
Other support costs	171,186	171,186	245,494
	<u>1,545,418</u>	<u>1,545,418</u>	<u>1,392,666</u>

HUXLOW SCIENCE COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020	2019
	£	£
Wages and salaries	3,099,264	2,933,660
Social security costs	292,053	277,755
Pension costs	887,261	633,877
	4,278,578	3,845,292
Agency staff costs	18,644	160,786
	4,297,222	4,006,078

b. Staff numbers

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

	2020	2019
	No.	No.
Teachers	50	48
Administration and support	69	63
Management	2	4
	121	115

The average headcount expressed as full-time equivalents was:

	2020	2019
	No.	No.
Teachers	48.6	47.1
Administration support	37.3	34.7
Management	2.0	3.9
	87.9	85.7

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

9. Staff (continued)

c. Higher paid staff

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

	2020	2019
	No.	No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	3	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2020, pension contributions for these staff amounted to £107,866 (2019 - £46,771).

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £450,040 (2019 £430,471).

HUXLOW SCIENCE COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Trustees' remuneration and expenses

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

		2020	2019
		£	£
Mr S Gordon, Headteacher & Accounting Officer	Remuneration	105,000 -	85,000 -
		110,000	90,000
	Pension contributions paid	25,000 -	10,000 -
		30,000	15,000
Mrs A Ward, Staff Trustee	Remuneration	20,000 -	5,000 -
		25,000	10,000
	Pension contributions paid	5,000 -	0 - 5,000
		10,000	
Mrs H Buxton, Staff Trustee	Remuneration	N/A	0 - 5,000
	Pension contributions paid	N/A	0 - 5,000
Mrs J Bonas, Staff Trustee (resigned 18 January 2019)	Remuneration	N/A	5,000 -
			10,000
	Pension contributions paid	N/A	0 - 5,000
Miss E Davies, Staff Trustee (resigned 23 April 2019)	Remuneration	N/A	15,000 -
			20,000
	Pension contributions paid	N/A	0 - 5,000

During the year ended 31 August 2020, expenses totalling £994 were reimbursed or paid directly to 2 Trustees (2019 - £Nil). These expenses were in relation to the reimbursement of educational subscriptions, travel and stationary expenses.

11. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was £177 (2019 - £160). The cost of this insurance is included in the total insurance cost.

HUXLOW SCIENCE COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

12. Tangible fixed assets

	Leasehold land and buildings £	Leasehold improve- ments £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2019	8,519,445	659,049	221,205	594,451	14,590	10,008,740
Additions	321,232	33,776	27,602	88,170	-	470,780
Disposals	-	-	-	(2,583)	-	(2,583)
At 31 August 2020	<u>8,840,677</u>	<u>692,825</u>	<u>248,807</u>	<u>680,038</u>	<u>14,590</u>	<u>10,476,937</u>
Depreciation						
At 1 September 2019	1,378,795	233,068	174,617	473,896	14,590	2,274,966
Charge for the year	187,064	67,320	18,394	65,614	-	338,392
On disposals	-	-	-	(143)	-	(143)
At 31 August 2020	<u>1,565,859</u>	<u>300,388</u>	<u>193,011</u>	<u>539,367</u>	<u>14,590</u>	<u>2,613,215</u>
Net book value						
At 31 August 2020	<u><u>7,274,818</u></u>	<u><u>392,437</u></u>	<u><u>55,796</u></u>	<u><u>140,671</u></u>	<u><u>-</u></u>	<u><u>7,863,722</u></u>
At 31 August 2019	<u><u>7,140,650</u></u>	<u><u>425,981</u></u>	<u><u>46,588</u></u>	<u><u>120,555</u></u>	<u><u>-</u></u>	<u><u>7,733,774</u></u>

The Academy Trust's transactions relating to land and buildings included the costs of mobile classrooms donated from the local authority, valued at £321,232.

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

13. Stocks

	2020	2019
	£	£
Finished goods and goods for resale	6,650	7,090

14. Debtors

	2020	2019
	£	£
Trade debtors	(627)	2,325
Other debtors	26,585	11,905
Prepayments and accrued income	257,145	101,174
	283,103	115,404

15. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Other loans	1,991	1,991
Trade creditors	149,526	97,914
Other taxation and social security	72,229	71,355
Other creditors	84,070	733
Accruals and deferred income	75,306	74,694
	383,122	246,687
	2020	2019
	£	£
Deferred income at 1 September 2019	9,688	21,694
Resources deferred during the year	19,790	9,688
Amounts released from previous periods	(9,688)	(21,694)
	19,790	9,688

Deferred income relates to funding received in advance, trip contributions from parents, catering income and fundraising income.

Other loans are Salix loans.

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

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

	2020	2019
	£	£
Other loans	7,964	9,955

Other loans are Salix loans.

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

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

17. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General unrestricted funds	109,573	23,633	(8,193)	-	-	125,013
Restricted general funds						
Transfer from LA	95,473	-	(95,473)	-	-	-
General annual grant (GAG)	311,916	4,447,822	(4,041,278)	(130,307)	-	588,153
Pupil premium	76,632	213,497	(176,277)	-	-	113,852
Other DfE/ESFA grants	34,161	288,414	(308,444)	-	-	14,131
Local authority grants	-	115,863	(115,863)	-	-	-
Miscellaneous restricted	14,606	130,079	(128,571)	-	-	16,114
Salix loans	(11,946)	-	-	1,991	-	(9,955)
Pension reserve	(1,813,000)	-	(253,000)	-	(76,000)	(2,142,000)
	<u>(1,292,158)</u>	<u>5,195,675</u>	<u>(5,118,906)</u>	<u>(128,316)</u>	<u>(76,000)</u>	<u>(1,419,705)</u>

HUXLOW SCIENCE COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted fixed asset funds						
Transfer from LA	7,181,042	82,622	(301,994)	-	-	6,961,670
Other capital grants - unspent	-	359,566	-	(259,844)	-	99,722
ESFA capital grants - spent	119,437	-	(5,767)	19,818	-	133,488
Other capital grants - spent	50,919	-	(12,003)	240,026	-	278,942
Capital expenditure from GAG	382,376	-	(21,068)	128,316	-	489,624
	<u>7,733,774</u>	<u>442,188</u>	<u>(340,832)</u>	<u>128,316</u>	<u>-</u>	<u>7,963,446</u>
Total Restricted funds	<u>6,441,616</u>	<u>5,637,863</u>	<u>(5,459,738)</u>	<u>-</u>	<u>(76,000)</u>	<u>6,543,741</u>
Total funds	<u><u>6,551,189</u></u>	<u><u>5,661,496</u></u>	<u><u>(5,467,931)</u></u>	<u><u>-</u></u>	<u><u>(76,000)</u></u>	<u><u>6,668,754</u></u>

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

17. Statement of funds (continued)

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

Restricted general funds will be used for educational purposes in line with the Academy's objectives and its funding agreement with the ESFA.

Restricted fixed asset funds amounting to £7,863,722 will be reserved against future depreciation charges. The remaining restricted fixed asset balance of £99,724 will be reserved and allocated on improving the academies facilities.

Transfers between the restricted General Annual Grant fund and Restricted Fixed Asset funds represents amounts capitalised during the period.

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

HUXLOW SCIENCE COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General unrestricted funds	87,237	31,284	(8,948)	-	-	109,573
Restricted general funds						
Transfer from LA	159,275	-	(25,000)	(38,802)	-	95,473
General annual grant (GAG)	401,847	4,227,755	(4,165,012)	(152,674)	-	311,916
Pupil premium	70,671	208,097	(202,136)	-	-	76,632
Other DfE/ESFA grants	33,780	74,466	(74,085)	-	-	34,161
Local authority grants	-	47,808	(47,808)	-	-	-
Miscellaneous restricted	22,999	209,467	(217,860)	-	-	14,606
Salix loans	(28,661)	-	-	16,715	-	(11,946)
Pension reserve	(1,119,000)	-	(168,000)	-	(526,000)	(1,813,000)
	<u>(459,089)</u>	<u>4,767,593</u>	<u>(4,899,901)</u>	<u>(174,761)</u>	<u>(526,000)</u>	<u>(1,292,158)</u>

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

17. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Restricted fixed asset funds						
Transfer from LA	7,409,949	-	(228,907)	-	-	7,181,042
ESFA capital grants - unspent	-	61,818	-	(61,818)	-	-
Other capital grants - unspent	-	12,556	-	(12,556)	-	-
ESFA capital grants - spent	123,937	-	(66,318)	61,818	-	119,437
Other capital grants - spent	19,286	-	(5,000)	36,633	-	50,919
Capital expenditure from GAG	261,692	-	(30,000)	150,684	-	382,376
	<u>7,814,864</u>	<u>74,374</u>	<u>(330,225)</u>	<u>174,761</u>	<u>-</u>	<u>7,733,774</u>
Total Restricted funds	<u>7,355,775</u>	<u>4,841,967</u>	<u>(5,230,126)</u>	<u>-</u>	<u>(526,000)</u>	<u>6,441,616</u>
Total funds	<u><u>7,443,012</u></u>	<u><u>4,873,251</u></u>	<u><u>(5,239,074)</u></u>	<u><u>-</u></u>	<u><u>(526,000)</u></u>	<u><u>6,551,189</u></u>

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

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	7,863,722	7,863,722
Current assets	125,013	1,113,381	99,724	1,338,118
Creditors due within one year	-	(383,122)	-	(383,122)
Creditors due in more than one year	-	(7,964)	-	(7,964)
Provisions for liabilities and charges	-	(2,142,000)	-	(2,142,000)
Total	125,013	(1,419,705)	7,963,446	6,668,754

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	7,733,774	7,733,774
Current assets	109,573	777,484	-	887,057
Creditors due within one year	-	(246,687)	-	(246,687)
Creditors due in more than one year	-	(9,955)	-	(9,955)
Provisions for liabilities and charges	-	(1,813,000)	-	(1,813,000)
Total	109,573	(1,292,158)	7,733,774	6,551,189

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

19. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020	2019
	£	£
Net income/(expenditure) for the period (as per Statement of Financial Activities)	193,565	(365,823)
Adjustments for:		
Depreciation	338,392	329,155
Capital grants from DfE and other capital income	(442,188)	(74,375)
Interest receivable	(4,022)	(3,578)
Defined benefit pension scheme cost less contributions payable	218,000	135,000
Defined benefit pension scheme finance cost	35,000	33,000
Decrease in stocks	440	-
Increase in debtors	(167,725)	(6,408)
Increase/(decrease) in creditors	136,461	(13,100)
Loss on disposal of fixed assets	2,440	1,072
Net cash provided by operating activities	310,363	34,943

20. Cash flows from financing activities

	2020	2019
	£	£
Repayments of borrowing	(1,991)	(16,716)
Net cash used in financing activities	(1,991)	(16,716)

21. Cash flows from investing activities

	2020	2019
	£	£
Interest receivable	4,022	3,578
Purchase of tangible fixed assets	(470,780)	(249,136)
Capital grants from DfE Group	442,188	74,374
Net cash used in investing activities	(24,570)	(171,184)

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22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	<u>1,048,365</u>	<u>764,563</u>

23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	764,563	283,802	1,048,365
Debt due within 1 year	(1,991)	-	(1,991)
Debt due after 1 year	(9,955)	1,991	(7,964)
	<u>752,617</u>	<u>285,793</u>	<u>1,038,410</u>

24. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>121,575</u>	<u>-</u>

25. Pension commitments

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

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

Contributions amounting to £76,697 were payable to the schemes at 31 August 2020 (2019 - £nil) and are included within creditors.

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £495,790 (2019 - £331,811).

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

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

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

25. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £217,000 (2019 - £212,000), of which employer's contributions totalled £171,000 (2019 - £168,000) and employees' contributions totalled £ 46,000 (2019 - £44,000). The agreed contribution rates for future years are 23.6 per cent for employers and 5.5 per cent for employees.

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.7	2.6
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	1.7	1.8
Commutation of pensions to lump sums	50.0	50.0

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.5	21.2
Females	23.7	22.3
<i>Retiring in 20 years</i>		
Males	22.3	22.3
Females	25.1	24.7

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25. Pension commitments (continued)

Sensitivity analysis

	2020 £	2019 £
Discount rate +0.5%	511,000	490,000
Discount rate -0.5%	(511,000)	(490,000)
Mortality assumption - 1 year increase	131,000	117,000
Mortality assumption - 1 year decrease	(131,000)	(117,000)
CPI rate +0.5%	472,000	430,000
CPI rate -0.5%	(472,000)	(430,000)

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

	2020 £	2019 £
Equities	1,526,000	1,502,000
Corporate bonds	354,000	355,000
Property	265,000	188,000
Cash and other liquid assets	66,000	41,000
Total market value of assets	2,211,000	2,086,000

The actual return on scheme assets was -£44,000 (2019 - £94,000).

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

	2020 £	2019 £
Current service cost	(384,000)	(291,000)
Past service cost	(5,000)	(12,000)
Interest income	39,000	53,000
Interest cost	(74,000)	(86,000)
Total amount recognised in the Statement of Financial Activities	(424,000)	(336,000)

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25. Pension commitments (continued)

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

	2020	2019
	£	£
At 1 September	3,899,000	2,935,000
Interest cost	74,000	86,000
Employee contributions	46,000	44,000
Actuarial (gains)/losses	(7,000)	567,000
Benefits paid	(48,000)	(36,000)
Past service costs	5,000	12,000
Current service costs	384,000	291,000
	<u>4,353,000</u>	<u>3,899,000</u>

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

	2020	2019
	£	£
At 1 September	2,086,000	1,816,000
Interest income	39,000	53,000
Actuarial (losses)/gains	(83,000)	41,000
Employer contributions	171,000	168,000
Employee contributions	46,000	44,000
Benefits paid	(48,000)	(36,000)
	<u>2,211,000</u>	<u>2,086,000</u>

	2020	2019
	£	£
Total remeasurements recognised in Other Comprehensive Income:		
Changes in financial assumptions	(12,000)	(776,000)
Actuarial losses	(64,000)	250,000
	<u>(76,000)</u>	<u>(526,000)</u>

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	2020	2019
	£	£
The amounts recognised in the balance sheet are:		
Closing fair value of scheme assets	2,211,000	2,086,000
Closing defined benefit obligation	(4,353,000)	(3,899,000)
	<u>(2,142,000)</u>	<u>(1,813,000)</u>

26. Operating lease commitments

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

	2020	2019
	£	£
Not later than 1 year	9,406	7,544
Later than 1 year and not later than 5 years	-	537
	<u>9,406</u>	<u>8,081</u>

27. Members' liability

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

NOTES TO THE FINANCIAL STATEMENTS
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28. 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The wife of the Chair of Governors, Mr M Fargher, is employed by the academy as a teaching assistant. Her remuneration is in line with all other teaching assistant staff at a similar grade.

During the year, the Academy Trust received £778 from Mr A Dickerson, in respect to the hire of the school hall.

No further related party transactions took place in the year, other than certain trustees' remuneration and expenses already disclosed in note 10.

29. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting year ending 31 August 2020 the Academy Trust received £14,637 (2019 - £9,179) and disbursed £7,264 (2019 - £8,534) from the fund. An amount of £8,018 (2019 - £645) is included in other creditors relating to undistributed funds that is repayable to the ESFA.