

Company Registration No. 08270802 (England and Wales)

SHOOTERS HILL SIXTH FORM COLLEGE LTD
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

SHOOTERS HILL SIXTH FORM COLLEGE LTD

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SHOOTERS HILL SIXTH FORM COLLEGE LTD

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Simon Trotter
Mike Hage (resigned 11 September 2019)
Jane Warren (resigned 14 May 2019)
Mother A van den Hof (appointed 11 September 2019)
Barbara Barwick (appointed 11 September 2019)
Karen Hunter (appointed 11 September 2019)
Helen Laker (appointed 11 September 2019)

Trustees

Simon Trotter (Chair)
Jan Atkinson (Accounting officer)
Valliyappan Balaguru (Appointed 5 June 2019)
Barbara Barwick (Resigned 11 September 2019)
Felix Beck
Ashley Beecham
Apostle Emiaso (Resigned 3 April 2019)
Jackie Gray (Appointed 1 September 2019)
Mike Hage
Susan Hammond (Appointed 5 June 2019)
Karen Hunter (Resigned 11 September 2019)
Mary Karooma-Brooker
Helen Laker (Resigned 11 September 2019)
Peter Smyth
D Soares (Resigned 1 September 2019)
Mother Ariadne van den Hof (Resigned 11 September 2019)
Jane Warren (Resigned 14 May 2019)
Sarah Wells
Paul Wiltshire (Resigned 1 September 2019)

Senior management team

| | |
|---------------------|--|
| Jan Atkinson | - Principal and CEO |
| Geoff Osborne | - Vice Principal |
| Stephen Greenman | - Chief Operating Officer (resigned 30 April 2019) |
| Jacqueline Tomkins | - Chief Operating Officer (Appointed 1 May 2019 and resigned 30 June 2019) |
| Mary Obemeasor | - Chief Finance Director (Appointed 1 July 2019) |
| Kamalanadan Nagaiah | - Assistant Principal (from 11 March 2019) |
| Alex Rolfe | - Assistant Principal (from 11 March 2019) |
| Natalie Osborne | - Assistant Principal (from 11 March 2019) |
| Andrea Knight | - Assistant Principal (from 11 March 2019) |
| Sophie Farmer | - Assistant Principal (from 11 March 2019) |

Company registration number 08270802 (England and Wales)

Registered office Shooters Hill Sixth Form College
Red Lion Lane
London
SE18 4LD

SHOOTERS HILL SIXTH FORM COLLEGE LTD

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor Wilkins Kennedy Audit Services
 Greytown House
 221-227 High Street
 Orpington
 Kent
 BR6 0NZ

Bankers Lloyds Bank
 78 New Road
 Gravesend
 Kent
 DA11 0AR

Solicitors Eversheds LLP
 1 Wood Street
 London
 EC2V 7WS

SHOOTERS HILL SIXTH FORM COLLEGE LTD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates an academy for students aged 16-19 servicing a catchment area in South East London. It has a student capacity of 1,300 and had a roll of 1,090 for funding purposes in the 2018 / 2019 academic year.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee with no share capital (registration no. 08270802) and is an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy. Four of the governors act as the trustees for the charitable activities of Shooters Hill Sixth Form College and are also directors of the charitable company for the purposes of company law. The charitable company is known as Shooters Hill 6th Form College. Details of the governors who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1. Shooters Hill Sixth Form College was incorporated on 26 October 2012 and obtained academy status from 1 November 2012.

The trustees of Shooters Hill Sixth Form College Ltd are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute 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

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost is included in the total insurance and cannot be separated out.

Method of recruitment and appointment or election of Trustees

At the first full Governing Body meeting of the year, the board confirmed the appointment of those serving on the committee and its sub committees for the 2018-19 year. Trustees were appointed on a 4-year term of office this ensures a staggered re-election or replacement process as Trustees retire. As set out in its Articles of Association the number of Trustees shall be not less than 3 but shall not be subject to a maximum. The academy trust has the following governors:

- up to 13 Trustees, appointed under Article 50
- up to 4 staff Trustees, comprising teachers & support staff, subject to Article 50A;
- Up to 3 parent Trustees appointed under Articles 53-58;
- the College Principal;
- any additional Trustees, if appointed under Article 62, 62A or 68A; and
- any further Trustees, if appointed under Article 63 or Article 68A.

Trustees are appointed for a four year period, except that this time limit does not apply to the College Principal. When appointing new Trustees, the board will give consideration to the range of skills and experience within the existing membership in order to ensure that the board has the necessary skills to contribute fully to the academy's development.

SHOOTERS HILL SIXTH FORM COLLEGE LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Policies and procedures adopted for the induction and training of Trustees

An induction is provided annually for new Trustees. All Trustees undergo a skills audit and are offered training to address any highlighted needs. The first meeting of the full Governing Body each year includes an introductory meeting with the College Principal, Chair and Clerk to the Governing Body. A tour of the academy estate and an overview of the accommodation constraints form part of this.

The Governor Portal on the College website provides governors with links to essential policies and procedures, agendas and minutes, handbooks, guidance notes, strategic documents and other links. Papers relating to financial planning and performance are provided to the Finance & General Purposes Committee and are summarised at meetings of the full Governing Body. Advice & guidance for governors is updated annually and includes details of the sub-committee framework and functions as well as information on how the academy operates, the roles and responsibilities of the Governing Body, its standing orders, and the role of the trustees and the structure of the College executive. The schedule of the business that will be conducted by the Governing Body and its committees is compiled by the Clerk to the Governing Body. There is an annual event at which financial year-end matters are presented aimed at keeping governors updated on relevant developments that impact on their roles and responsibilities. External training is undertaken as required.

New Trustees are given an induction to the Governing Body and all governors are given the opportunity to participate in training pertinent to their roles and responsibilities.

Training is delivered using both internal and external resources as appropriate, the latter providing insights to both national trends and comparable institutions. External training is undertaken as required.

Trustees have access to policies and procedures, agendas and minutes, handbooks, guidance notes, strategic documents and other links via a dedicated restricted area of the College web site.

Advice & guidance for Trustees is updated annually and includes details of the sub-committee framework and functions as well as information on how the academy operates, the roles and responsibilities of the Governing Body, its standing orders, and the role of the trustees and the structure of the College executive.

Trustees are encouraged to visit the site and a programme of linked governor visits has been established.

Papers relating to financial planning and performance are provided to the Finance & General Purposes Committee with this information presented to the full Governing Body at a summary level.

Sue Young continued to act as The Clerk to the Governing Body, but resigned in August 2019. The schedule of business for the Governing Body and its committees is compiled by the Clerk.

SHOOTERS HILL SIXTH FORM COLLEGE LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Organisational structure

The Full Governing Body meets at least once a term. The body has established an overall framework for the governance of the academy and established 5 committees (Executive, Finance & General Purposes (F&GP), Quality Standards, Personal Development Behaviour & Welfare (PDBW), and Human Resources). It has determined membership, terms of reference and delegated responsibilities and procedures for its committees. It receives minutes and reports, including policies, from the committees for consideration and/or ratification and monitors their activities through reports from the relevant Chairs at meetings of the full Governing Body.

These decisions are reserved to the Governing Body: to consider any proposals for changes to the status or constitution of the academy & its committee structure; to appoint or remove the Chair and/or Vice Chair; to appoint the Principal and the Clerk to the Trustees; to approve the College Development Plan and, on the recommendation of the F&GP Committee, the budget and year-end financial statements.

The Governing Body has devolved responsibility for the day-to-day management of the academy to the College Principal. The Senior Leadership Team consists of the Principal, The Vice Principal and 5 Assistant Principals. The Chief Operating Officer resigned in June 2019 and a new Finance Director with the relevant qualifications and knowledge of the Academies Financial Handbook was appointed in July. The College Principal is the Accounting Officer.

The College Principal, Chief Operating Officer (until April 2019), the Finance Director (from July 2019) and the F&GP Committee are responsible for the authorisation of spending within agreed budgets as summarised in the Scheme of Delegation approved by the Governing Body. Some spending control is devolved to Budget Holders in line with the Scheme of Delegation. The College Principal is responsible for the appointment of staff.

Arrangements for setting pay and remuneration of key management personnel

The Governing Body has determined that the pay scale for leadership posts will be in line with the minimum and maximum as detailed in the STPCD taking account of the volume & complexity of the Colleges operations with regards to High Needs and other specialist activities, and that the pay committee will use reference points when making pay determinations. The pay range for the Principal will be seven points and the pay range for all other leadership posts will be five points.

Related parties and other connected charities and organisations

The College is a key member of the SFCA and has collaborative relationships with PiXL, Christ the King Sixth Form College and the Royal Borough of Greenwich. These partnerships help support College improvement and benchmarking as well as the sharing of good practice and expertise in all aspects of teaching and learning as well as educational administration leadership and management.

The College is a lead partner in the Centre of Excellence for Maths based at Christ the King, which generates additional funding to help improve Maths outcomes. The College has created a Greenwich School Sports Partnership (GSSP). All funds associated with the partnership are for the benefit of primary sport.

There are no related parties which control or significantly influence the decisions and operations of the College. There are no sponsors or formal parent teacher associations associated with the academy.

SHOOTERS HILL SIXTH FORM COLLEGE LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities

Objects and aims

The principal activity of the academy is to advance education for the public benefit in the UK by establishing, maintaining, and developing a broad and balanced curriculum.

In making the decision to become an Academy from 1 November 2012 the Governing Body identified a number of Guiding Principles. In particular, it articulated its strong belief that an inclusive education environment providing a broad curriculum mix was its paramount commitment for all students regardless of ability, race, religion, gender, ethnicity, colour, sexuality or class. The Governing Body's overall aim is to ensure that the institution delivers its charitable objects, as set out in its Articles of Association, in the context of its Guiding Principles and in particular:

- To make teaching, learning & assessment consistently effective across all curriculum areas.
- To ensure that all learners and groups of learners are achieving well and are making at least the progress expected of them, and that increasing numbers are making better than expected progress so that they can progress to higher level qualifications and / or jobs.
- Ensure attendance for all learners on all courses needs is consistently high so that it does not limit progress.
- Ensure that the range of English and maths programmes meet student needs and that numeracy and literacy is being addressed across programmes by embedding them into the curriculum to ensure that the career aims of learners are met.

Objectives, strategies and activities

Following the appointment of the new Principal in 2016, the governors & senior staff of the College together with the wider staff body and key stakeholders developed and agreed a new set of strategic intents from 2017-2022.

Key Strategic Intents:

- Achieve and maintain an improved Ofsted rating
- Sustain financial security
- Recruit, develop and retain talented staff and accomplished governors
- Establish Shooters Hill Sixth Form College as a vibrant hub for the local community to access sporting and vocational opportunities
- Provide a dynamic learning environment that allows young people to develop to their full potential
- Achieve outstanding student outcomes within an inclusive environment that caters for the diverse needs of all our students
- Develop and deliver innovative physical activity programmes and interventions to support students of all abilities and promote the benefits of a healthy and active lifestyle
- Further develop the College's careers advisory services while increasing the opportunities for work experience and work placements.

The Trustees continue to work closely with the senior management team and external facilitators to develop further the College's strategic plans, whilst conducting the academy's business in accordance with the highest standards of integrity, probity and openness as described in the standards for public life set out in the Nolan report.

SHOOTERS HILL SIXTH FORM COLLEGE LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Public benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the academy's aims and objectives and in planning its future activities. For the benefit of the inhabitants of Greenwich and the surrounding areas of South East London & Kent, the academy promotes the provision of facilities for recreation & leisure time occupation to the local neighbourhood in the interests of community cohesion, social welfare and with the object of improving wellbeing of those involved with our students and their guardians.

The 2018/19 College cohort Borough breakdown:

| Borough | # | % |
|--------------|-------------|-------|
| Bexley | 216 | 19.8% |
| Greenwich | 631 | 57.9% |
| Lewisham | 154 | 14.1% |
| Bromley | 35 | 3.2% |
| Southwark | 14 | 1.3% |
| Dartford | 12 | 1.1% |
| Other | 7 | 2.6% |
| Total | 1090 | |

Strategic report

Achievements and performance

Shooters Hill Sixth Form College is a popular inner-city Sixth Form Academy. Even with strong local competition, since it opened as a new 'post 16 school' in 2002, enrolments had largely been on an upward trend until 2014. This has now stabilised to a core cohort of approximately 1,150 learners. This situation reflects our reputation for providing a broad & inclusive curriculum offer delivered within a safe, secure and mature learning environment.

The College caters well for a broad spectrum of students on full time study programmes.

- 7.8 % - SEN
- 77.7% - Vocational
- 14.5% - A-Level

Based in South East London, the College is faced with the challenges typical in an area with high levels of social and economic deprivation. We support a significant proportion of 'high needs' students (C19%) with Education and Health Care Plans (EHCPs).

Since opening in 2002 the College has successfully addressed local needs through its diverse curriculum offer which embraces those students looking for a second chance or a fresh start in education. We have contributed significantly to the reduction in numbers of young people "not in education, employment or training" (NEET) and increased the numbers of students progressing into employment and higher education.

As the College is a purely post-16 institution there is significant learner mobility each academic year: over half of the students who enrol each September are new to the College. However, the composition of the student cohort remains comparatively stable on a year by year basis.

The gender breakdown of students in 2018-2019 was:

| Gender | # | % |
|--------|------|-------|
| Female | 510 | 46.8% |
| Male | 580 | 53.2% |
| Total | 1090 | |

SHOOTERS HILL SIXTH FORM COLLEGE LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The ethnicity of our students is broadly representative of the borough as a whole as detailed below:

| Ethnicity | # | % |
|--|-------------|----------|
| Arab | 2 | 0.2% |
| Asian/Asian British - Any other Asian background | 61 | 5.6% |
| Asian/Asian British - Bangladeshi | 14 | 1.3% |
| Asian/Asian British - Chinese | 5 | 0.5% |
| Asian/Asian British - Indian | 17 | 1.6% |
| Asian/Asian British - Pakistani | 17 | 1.6% |
| Black/Black British - African | 138 | 12.7% |
| Black/Black British - Any other Black background | 40 | 3.7% |
| Black/Black British - Caribbean | 68 | 6.2% |
| Mixed/Multiple ethnic group - Any Other Mixed / multiple ethnic background | 22 | 2.0% |
| Mixed/Multiple ethnic group - White and Asian | 3 | 0.3% |
| Mixed/Multiple ethnic group - White and Black African | 16 | 1.5% |
| Mixed/Multiple ethnic group - White and Black Caribbean | 39 | 3.6% |
| Not known/Provided | 75 | 6.9% |
| Other | 38 | 3.5% |
| White - Any other White background | 72 | 6.6% |
| White - British | 457 | 41.9% |
| White - Irish | 6 | 0.6% |
| Total | 1090 | |

The majority of students come from lower income backgrounds as evidenced by high levels qualifying for Free School Meals (FSM). In addition, large numbers of our students are eligible for Bursary & Discretionary funds.

The proportion of students eligible for free school meals was almost 30% compared to 13.7% nationally, again this mirrors the local situation.

Greenwich is an inner-city borough with high levels of social and economic deprivation.

Approximately 57.9% of students are Greenwich residents with the remaining 42.1% coming from neighbouring boroughs, predominantly Bexley and Lewisham.

Since the College was last inspected in October 2015, a series of monitoring visits by HMI's has contributed to improvements in key areas across the College. Whilst further work to embed and further improve is required in some areas, the feedback from inspectors has been very encouraging and notes that significant improvements, and importantly an improving trend illustrates that the College is taking the appropriate steps to change the College culture and achievement levels.

Racist incidents and other forms of bullying remain very rare and fixed term exclusions are on a downward trend, within the College. Students, parents and staff all see the College as providing a safe, secure and inclusive learning environment where students' personal, social and employability needs are developed through the taught curriculum as well as through active enrichment programmes.

The College continues to make progress with improving attendance and punctuality.

Leadership & management demonstrate that we have the capacity to improve success rates whilst maintaining the College in a period of diminishing real-terms funding. The Senior Leadership Team and Governing Body share a vision of the Academy which underpins the College' distinctive mission and ethos.

SHOOTERS HILL SIXTH FORM COLLEGE LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The management information system introduced in the 2015-16 year continues to be used across the College. Academic staff work with comprehensive live data that provides robust monitoring of students' attendance, progress and support needs. An academic performance management cycle linked to lesson observations, attendance and results has addressed the support needs of underperforming teachers. Self-evaluation is supported by SIP / IP / PIXL / HMI feedback. The College has robust personnel, finance, Health & Safety and Child Protection / safeguarding systems and procedures that also reflect 'Prevent' responsibilities. The College's Governing Body is knowledgeable and effective in offering professional support and Governors are working hard to ensure that they hold the College to account. The views of parents/carers, students and other key stakeholders are regularly sought and help shape strategic developments within the College. Resources and buildings have been managed well despite reductions in funding and the cohort. The College has received 3 years of CIF funding which has enabled improvements to the College buildings to include windows, roofing and boilers.

The College has been prudent financially and has systematically set about improving efficiency, reducing waste and minimising expenditure whilst addressing the issues inherent in a diverse building stock of varying age and condition. In the current year it has taken steps to streamline its leadership structure, helping to reduce pressure on the overall costs of salaries in future years. Staffing costs continue to be closely monitored.

Key performance indicators

As funding is based on pupil numbers this is a key performance indicator. The student cohort for funding purposes in 2018-19 was 1090. This becomes the funding figure for the following year (18-19).

Another key financial performance indicator is staffing costs as a percentage of total income. In 2011 the Governing Body set an indicator that staff costs should be no more than 80% of total funding. Work will need to be done to keep below this percentage in the years ahead.

Financial performance indicators set by the Governing Body for this period were:

- To maintain an operating surplus whilst supporting infrastructural refurbishment & IT development;
- To have at least 45 cash days in hand as working balances;
- To have a current ratio of at least 1:1 for current assets relative to current liabilities.

Going concern

At 31 August 2019, the Academy Trust has negative funds amounting to £525k and have net current liabilities of £350k. This is as a result of carried forward £267k deficit from 2017-18; an in-year deficit in 2018-19 of £258k resulting from redundancy and compensation payments relating our staffing restructure and increased pensions service cost.

Following the request for a loan, the ESFA issued the College with an FNtl notice in March 2019. Since then Trustees and Leaders have worked rapidly and rigorously to recover the debt and are confident the loan of £200,000 will be repaid by December 2019. Following a SRMA review, the College has restructured the Finance Team to include a qualified Finance Director with knowledge of the Academies Financial Handbook and the relevant financial qualifications. A Finance Manager and a Finance Assistant with responsibility for Bursary supports the Finance Director. Leadership is now fit for purpose and efficient following two leadership restructures in the last two years. With the support of the SRMA, the college has met all the demands of the FNtl notice including exploration of a move to a existing MAT by April 2020 and is confident that the Notice will be removed before the MAT transfer.

For these reasons and in light of the information set out below, Trustees continue to adopt the going concern basis in preparing the financial statements.

SHOOTERS HILL SIXTH FORM COLLEGE LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Financial review

Most of the academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2019, total expenditure of £11,222k (2018: £11,932k) was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the period (excluding fixed asset funds and transfers to restricted asset funds) was £1,409k (2018: £1,788k).

At 31 August 2019 the net book value of fixed assets was £28,887k (2018: £29,165k.) Movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

The London Borough of Greenwich Pension Fund, in which the academy participates, showed a deficit of £4,334k at 31 August 2019 (2018: £2,813k) Of this sum, £1,261k was inherited by Shooters Hill Sixth Form College Ltd from the London Borough of Greenwich on 1 November 2012, the date the local authority's staff transferred to employment with the academy. The deficit recovery plan is in place with contributions being recouped via payroll on an ongoing monthly basis.

Reserves policy

The Trustees 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 Governors have determined that the appropriate level of unrestricted reserves should be equivalent to 5% of mainstream funding, which is approximately £386k (2018: £405k).

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of unrestricted reserves are £Nil (2018: £Nil) (total funds less the amount held in fixed assets and restricted funds).

The academy held fund balances at 31 August 2019 of £24,171k (2018: £26,202k) comprising £24,171k (2018: £26,202k) of restricted funds and £Nil (2018: £Nil) of unrestricted general funds. Of the restricted funds £29,029k (2018: £29,282k) is represented by tangible fixed assets.

The pension reserve which is considered part of restricted funds was £4,334k (2018: £2,813k) in deficit.

At 31 August 2019, the Academy Trust has negative funds amounting to £524k and have net current liabilities of £350k. This is as a result of carried forward £267k deficit from 2017-18; an in-year deficit in 2018-19 of £257k resulting from redundancy and compensation payments relating our staffing restructure and increased pensions service cost.

Investment policy

Under the Memorandum and Articles of Association, the academy has the power to invest funds not immediately required for its own purposes, in any way the governors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

SHOOTERS HILL SIXTH FORM COLLEGE LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Principal risks and uncertainties

Risk management

The academy has a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the academy faces, scoring and prioritising these in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating them. The Trustees have introduced systems, including operational procedures and internal financial controls, in order to minimise risk. Where significant financial risk still remains, the academy has ensured it has adequate insurance cover.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Trustees have implemented a number of systems to assess risks that the College faces, especially in operational areas (e.g. in relation to teaching, health and safety, bullying and trips & visits) and in relation to the control of finance. The Trustees have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement on page 19.

Quality.

The College was inspected again in September 2017. Whilst the inspectors judgement awarded the College a Grade 3, the tenor of the report was largely positive and indicates that improvement whilst slower than expected has now begun to gather momentum and there is confidence that the new leadership model of the College is making solid progress towards an improved grading at the next inspection. The focus for the year has to be on improving outcomes across study particularly programmes and particularly in English & Maths through rigorous focus on the quality, consistency and effectiveness of T, L & A.

During the course of the year, Trustees were closely involved with the following:

- Appointment of a new head of the Science department.
- Approval of a comprehensive framework for science teaching. The preliminary results from this rapid implementation are promising.
- Cross-College focus on the incorporation of Maths and English in the teaching of all subjects.
- Regular meetings with teachers and tutors of A-level courses throughout the year resulted in agreement that greater attention should be paid to the selection and teaching of able students by provision of appropriate facilities.
- A strengthening attention to the subject of employability was apparent during the period.
- A highly successful 'university fair' was arranged which involved a variety of institutions. It was agreed that this initiative should be further strengthened in future.
- Significant upgrading of the 'holistic' aspects of further education was undertaken during the year as indicated by the opening of a sports centre and by the institution of other extra-curricular activities.

Financial - the academy relies on continued Government funding. This is a threat across the post-16 sector as FE Colleges, 6th Form Schools and Academies cannot assume that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks, including taking legal or specialist advice on key areas of relevant legislation.

Competitive – The College recognises that potential students have a choice of destination and that it is in competition with other institutions to attract students. The Trustees regular review and discuss the initiatives taken by the College to market itself to the local community.

Reputational - the continuing success of the academy is dependent on attracting applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that student success and achievement are rigorously monitored and reviewed.

SHOOTERS HILL SIXTH FORM COLLEGE LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

Staffing - the success of the academy is reliant on the quality of its leadership and staff. The Trustees monitor and review policies and procedures to ensure continued development and training for all staff. At the point at which it moved to academy status, the Trustees benchmarked the Principal's remuneration to ensure it was commensurate with similar sized institutions and noted that a risk management strategy needs to anticipate succession planning.

Financial Governance and Oversight:

The role of an Audit Committee is carried out by the Finance & General Purposes Committee, which is responsible for determining the College's financial priorities and linking it to the long term vision, improvement plan and directions given by the Full Governing Body.

The College carries out regular monthly monitoring and the Finance & General Purposes Committee meets termly. The work of the committees is further informed by a process of independent checking of financial controls which is fulfilled by the Academy's Responsible Officer who carries out an internal audit and reports back to the Audit Committee on a termly basis. The Academy received support throughout the year from its External Auditors on compliance and accounting practices.

Items for discussion and action by the committee are:

- To approve the budget for the financial year.
- To consider the budget position statement termly & report significant anomalies to the Governing Body.
- To ensure that the College operates within the Regulations set out in the Academies Financial handbook.
- To make decisions on expenditure following recommendations from other committees.
- To ensure Health & Safety issues are appropriately prioritised.
- To determine whether sufficient funds are available for staff pay increments and increases.
- To assess the potential of collaboration with education providers and business links for best practice.
- To ensure that the academy is a going concern and will remain viable for the foreseeable future.

Financial and Risk Management Objectives

The most significant financial risks to the College are:

- Reductions in funding arising from the central government austerity programme.
- Uncertainties around student numbers in an increasingly competitive local market.
- The College' staffing model becoming unviable as a result of falling student numbers.
- The revaluation and adjustment of pension fund deficit contributions.

Fraud and mismanagement of funds - the academy has appointed a Responsible Officer to carry out checks on financial systems and records following the guidance in the original Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area. The academy has begun to strengthen its risk management processes by changes to staffing levels in Finance & resources. Strategic and operational risk registers are being developed and will then be reviewed and updated on a regular basis by the F & GP committee and annually by the Governing Body.

Targeted Improvement:

The College undertook a significant programme of external and internal building works to improve accommodation and the general ambience around the site.

Raising Student Achievement:

This is demonstrated by the average point score (APS). For further information please refer to the Academy website: www.shc.ac.uk. The College has developed and fully embedded a student management system in order to track levels of progress, attendance and behaviour. The College will ensure that where possible the needs of individual students will be met by the provision of appropriate resources.

SHOOTERS HILL SIXTH FORM COLLEGE LTD

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Fundraising

The Academy Trust does not employ any professional fundraisers to fund raise on its behalf but all staff members and any volunteers involved in fundraising activities are trained in accordance with recognised standards so as to ensure that the public, including vulnerable people, are protected from unreasonable or intrusive approaches. The Academy Trust has not received any complaints about its fund raising activities.

Plans for future periods

The restructured senior leadership team are focused on the issues highlighted at inspection and subsequent monitoring visits and a rapid improvement plan is refocused on a termly basis to provoke the shift that will move the College from RI to Good.

The College's quality improvement plan (QIP) sets out the strategies that are addressing fundamental changes in monitoring improvement mechanisms, and the QIP is regularly monitored by the Governors Executive Committee and the full Governing Body. The QIP is amended annually by the Executive SLT after consultation and input from students, staff and Trustees. The curriculum priorities in the QIP are used to inform future budget priorities.

The absolute focus for the 2019-20 year is to work towards the achievement of Good in the next full inspection and for the Financial Notice to be removed.

Auditor

In so far as the Trustees are aware:

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

A resolution proposing that Wilkins Kennedy Audit Services be reappointed as auditor of the charitable company will be put to the members.

The Trustees' report, incorporating a strategic report, was approved by order of the Governing Body, as the company directors, on 11 December 2019 and signed on its behalf by:

Simon Trotter

Chair

SHOOTERS HILL SIXTH FORM COLLEGE LTD

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Director, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Shooters Hill Sixth Form College Ltd and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 6 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

| Trustees | Meetings attended | Out of possible |
|---|-------------------|-----------------|
| Simon Trotter (Chair) | 5 | 6 |
| Jan Atkinson (Accounting officer) | 6 | 6 |
| Valliyappan Balaguru (Appointed 5 June 2019) | 1 | 6 |
| Barbara Barwick (Resigned 11 September 2019) | 4 | 6 |
| Felix Beck | 5 | 6 |
| Ashley Beecham | 5 | 6 |
| Apostle Emiaso (Resigned 3 April 2019) | 0 | 6 |
| Jackie Gray (Appointed 1 September 2019) | 0 | 6 |
| Mike Hage | 6 | 6 |
| Susan Hammond (Appointed 5 June 2019) | 2 | 6 |
| Karen Hunter (Resigned 11 September 2019) | 5 | 6 |
| Mary Karooma-Brooker | 5 | 6 |
| Helen Laker (Resigned 11 September 2019) | 2 | 6 |
| Peter Smyth | 6 | 6 |
| D Soares (Resigned 1 September 2019) | 4 | 6 |
| Mother Ariadne van den Hof (Resigned 11 September 2019) | 4 | 6 |
| Jane Warren (Resigned 14 May 2019) | 0 | 6 |
| Sarah Wells | 4 | 6 |
| Paul Wiltshire (Resigned 1 September 2019) | 3 | 6 |

Following the FNTI notice with the support of our SRMA and the Compass MAT, the College has completed a thorough review of governance to include revised Articles of Association and a new Scheme of Delegation.

The new Scheme of Delegation (SoD) includes a realignment of committees from September 2019 to include Audit & Risk.

This is to ensure improved financial accountability. Three new governors have been appointed for September 2019, two with a financial background. The Finance Director appointed in June has identified the training needs of governors in terms of financial knowledge. A skills audit has been completed to identify any gaps and ensure there are appropriately skilled members on the Audit & Risk and Finance & General Purposes Committees. The Chair of Trustees has completed additional training which includes an evaluation of current governance and a training plan which now forms part of the Quality Improvement Plans (QIP). Trustees have effective oversight through a series of calendared meetings which include a full board meeting 4 times a year.

The Finance and General Purposes Committee is a sub-committee of the main Governing Body.

SHOOTERS HILL SIXTH FORM COLLEGE LTD

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Attendance at meetings in the year was as follows:

| Trustees | Meetings attended | Out of possible |
|--|--------------------------|------------------------|
| Simon Trotter (Chair) | 5 | 5 |
| Jan Atkinson (Accounting officer) | 5 | 5 |
| Apostle Emiaso (Resigned 3 April 2019) | 0 | 5 |
| Peter Smyth | 5 | 5 |
| Paul Wiltshire (Resigned 1 September 2019) | 4 | 5 |

Review of value for money

As accounting officer the Director 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 Governing Body where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

Pastoral Care

The Pastoral Support staffing structure has been revised to allow for greater efficiencies whilst maintaining the level of supportive intervention needed for our students including the most vulnerable. The creation of a team of Pastoral Support Officers has allowed for the removal of one-hour teaching time to be added to a teacher's timetable creating a more efficient service.

Blended Learning

The introduction of Blended Learning has enabled the introduction of directed study time on student timetables.

Curriculum Modelling

The college has undertaken a review to ensure all students have a minimum of 540 guided learning hours to include work experience/work shadowing. This has enabled the removal of 2.5 teaching posts from the organisation.

SHOOTERS HILL SIXTH FORM COLLEGE LTD

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Financial Governance and Oversight:

Shooters Hill 6th Form College has a dedicated Audit, Policy & Finance Committee, members of which are responsible for determining the College's financial priorities and linking it to the long-term vision and the strategic improvement plan under the direction of the Full Governing Body.

The College carries out regular monthly monitoring and the Finance & General Purposes Committee meet termly. The work of the committees is further informed by a process of independent checking of financial controls which is fulfilled by the Academy's Responsible Officer who carries out an internal audit and reports back to the Financial and General Purposes committee on a termly basis.

The Academy received support throughout the year from its External Auditors on compliance and accounting practices.

Items for discussion and action by the committee are:

- To approve the budget for the financial year and to set the principals of the 3-5 year finance plan.
- To consider the budget position termly and report significant anomalies to the Governing Body.
- To ensure the College operates within the Regulations set out in the Academies Financial handbook.
- To make decisions on expenditure following recommendations from other committees.
- To ensure Health & Safety issues are appropriately prioritised.
- To determine whether sufficient funds are available for staff pay increments and increases.
- To assess the benefit of collaborative work with education providers & businesses for good practice.
- To ensure that the academy is a going concern and remains viable for the foreseeable future.

Key Performance Indicators (KPIs)

- KPI 1 - Increased outcomes for students on all learning and career pathways.
- KPI 2 - Greater student, staff, parent, employer & community satisfaction.
- KPI 3 - Good financial health status with an operating surplus.
- KPI 4 - Effective partnerships with employers, schools, colleges, universities, local councils & community.
- KPI 5 - Excellent learner progression to employment or higher education.

As always, the Shooters Hill 6th Form College will ensure that where possible the additional needs of individual pupils will be met by the provision of appropriate resources at the point of need.

Future Objectives:

We recognise the need to continue developing relationships with other academies, schools & wider education and work-based learning providers in order to benefit from the economies of scale in procuring products and services, developing staff and sharing knowledge, skills and expertise.

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 Shooters Hill Sixth Form College Ltd for the period 1 September 2018 to 31 August 2019 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 period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

SHOOTERS HILL SIXTH FORM COLLEGE LTD

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 Governing Body;
- 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;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body appointed Wilkins Kennedy as the internal auditor who conducted the internal audit in May 2019. The newly appointed Finance Director has since responded to the recommendations within the report and majority of the issues raised have now been actioned. This has been monitored by the Finance and Premises Committee, going forward this will be reviewed by the newly formed audit and risk committee.

The Responsible Officer's (RO) role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The RO reports to the Governing Body through the Finance and General Purposes Committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Governing Body.

The College have now responded to the findings within the RO report and remedial actions have been taken where necessary.

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within 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 and General Purposes Committee/Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Governing Body on 11 December 2019 and signed on its behalf by:

Simon Trotter
Chair

Jan Atkinson
Accounting officer

SHOOTERS HILL SIXTH FORM COLLEGE LTD

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of Shooters Hill Sixth Form College Ltd I have considered my responsibility to notify the Academy Trust Governing Body 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 2018.

I confirm that I and the Academy Trust's Governing Body are able to identify any material irregular or improper use of 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 2018.

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 Governing Body and ESFA.

Jan Atkinson
Accounting Officer

11 December 2019

SHOOTERS HILL SIXTH FORM COLLEGE LTD

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who are also the directors of Shooters Hill Sixth Form College Ltd for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & 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 in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that 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 Governing Body on 11 December 2019 and signed on its behalf by:

Simon Trotter
Chair

SHOOTERS HILL SIXTH FORM COLLEGE LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHOOTERS HILL SIXTH FORM COLLEGE LTD

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the financial statements of Shooters Hill Sixth Form College Ltd for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

Material uncertainty relating to going concern

We have considered the adequacy of the disclosures made in the 'Accounting policies - Going Concern' in note 1.2 concerning the Academy Trust's ability to continue as a going concern. At 31 August 2019 the Academy Trust's current liabilities exceeded its current assets by £350k and the Academy Trust had negative reserves of £524k.

The Academy Trust have informed the ESFA of the cumulative deficit position and have been placed under a Financial Notice to Improve. A request for advance funding was made which is explained in note 1.2 on page 29.

As stated in 'Accounting policies - Going Concern' in note 1.2, these events or conditions, indicate a material uncertainty exists that may cast significant doubt on the Academy Trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

SHOOTERS HILL SIXTH FORM COLLEGE LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHOOTERS HILL SIXTH FORM COLLEGE LTD (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Other information

The Trustees are responsible for the other information, which comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees 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 charitable company, or have no realistic alternative but to do so.

SHOOTERS HILL SIXTH FORM COLLEGE LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHOOTERS HILL SIXTH FORM COLLEGE LTD (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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: <http://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 charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Michelle Wilkes FCA (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy Audit Services**

17 December 2019

Statutory Auditor

Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

SHOOTERS HILL SIXTH FORM COLLEGE LTD

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SHOOTERS HILL SIXTH FORM COLLEGE LTD AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 3 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Shooters Hill Sixth Form College Ltd during the period 1 September 2018 to 31 August 2019 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 Shooters Hill Sixth Form College Ltd and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Shooters Hill Sixth Form College Ltd 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 Shooters Hill Sixth Form College Ltd and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Shooters Hill Sixth Form College Ltd's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Shooters Hill Sixth Form College Ltd's funding agreement with the Secretary of State for Education dated 30 March 2012 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

SHOOTERS HILL SIXTH FORM COLLEGE LTD

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SHOOTERS HILL SIXTH FORM COLLEGE LTD AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Wilkins Kennedy Audit Services
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Dated: 17 December 2019

SHOOTERS HILL SIXTH FORM COLLEGE LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

| | Notes | Unrestricted Funds £000 | Restricted funds: General £000 | Fixed asset £000 | Total 2019 £000 | Total 2018 £000 |
|---|-------|-------------------------------|-----------------------------------|---------------------|-----------------------|-----------------------|
| Income and endowments from: | | | | | | |
| Donations and capital grants | 3 | 13 | 51 | 687 | 751 | 646 |
| Charitable activities: | | | | | | |
| - Funding for educational operations | 4 | 1 | 9,092 | - | 9,093 | 9,288 |
| Other trading activities | 5 | 364 | - | - | 364 | 298 |
| Investments | 6 | - | - | - | - | 1 |
| Total | | <u>378</u> | <u>9,143</u> | <u>687</u> | <u>10,208</u> | <u>10,233</u> |
| Expenditure on: | | | | | | |
| Charitable activities: | | | | | | |
| - Educational operations | 8 | 106 | 10,824 | 292 | 11,222 | 11,932 |
| Total | 7 | <u>106</u> | <u>10,824</u> | <u>292</u> | <u>11,222</u> | <u>11,932</u> |
| Net income/(expenditure) | | 272 | (1,681) | 395 | (1,014) | (1,699) |
| Transfers between funds | 18 | (272) | 920 | (648) | - | - |
| Other recognised gains/(losses) | | | | | | |
| Actuarial (losses)/gains on defined benefit pension schemes | 20 | - | (1,017) | - | (1,017) | 867 |
| Net movement in funds | | - | (1,778) | (253) | (2,031) | (832) |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | - | (3,080) | 29,282 | 26,202 | 27,034 |
| Total funds carried forward | | - | (4,858) | 29,029 | 24,171 | 26,202 |

SHOOTERS HILL SIXTH FORM COLLEGE LTD

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

| Comparative year information Year ended 31 August 2018 | Notes | Unrestricted | Restricted funds: | | Total |
|---|-------|--------------|-------------------|---------------|---------------|
| | | Funds | General | Fixed asset | 2018 |
| | | £000 | £000 | £000 | £000 |
| Income and endowments from: | | | | | |
| Donations and capital grants | 3 | 19 | 89 | 538 | 646 |
| Charitable activities: | | | | | |
| - Funding for educational operations | 4 | 1 | 9,287 | - | 9,288 |
| Other trading activities | 5 | 298 | - | - | 298 |
| Investments | 6 | 1 | - | - | 1 |
| Total | | <u>319</u> | <u>9,376</u> | <u>538</u> | <u>10,233</u> |
| Expenditure on: | | | | | |
| Charitable activities: | | | | | |
| - Educational operations | 8 | 143 | 11,340 | 449 | 11,932 |
| Total | 7 | <u>143</u> | <u>11,340</u> | <u>449</u> | <u>11,932</u> |
| Net income/(expenditure) | | 176 | (1,964) | 89 | (1,699) |
| Transfers between funds | 18 | (212) | 1,194 | (982) | - |
| Other recognised gains/(losses) | | | | | |
| Actuarial gains on defined benefit pension schemes | 20 | - | 867 | - | 867 |
| Net movement in funds | | (36) | 97 | (893) | (832) |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 36 | (3,177) | 30,175 | 27,034 |
| Total funds carried forward | | <u>-</u> | <u>(3,080)</u> | <u>29,282</u> | <u>26,202</u> |

SHOOTERS HILL SIXTH FORM COLLEGE LTD

BALANCE SHEET

AS AT 31 AUGUST 2019

| | | 2019 | | 2018 | |
|---|-------|--------------|---------|--------------|---------|
| | Notes | £000 | £000 | £000 | £000 |
| Fixed assets | | | | | |
| Tangible assets | 13 | | 28,887 | | 29,165 |
| Current assets | | | | | |
| Debtors | 14 | 358 | | 674 | |
| Cash at bank and in hand | | 1,212 | | 466 | |
| | | <u>1,570</u> | | <u>1,140</u> | |
| Current liabilities | | | | | |
| Creditors: amounts falling due within one year | 15 | (1,919) | | (1,290) | |
| Net current liabilities | | | (349) | | (150) |
| Total assets less current liabilities | | | 28,538 | | 29,015 |
| Creditors: amounts falling due after more than one year | 16 | | (33) | | - |
| Net assets before defined benefit pension scheme liability | | | 28,505 | | 29,015 |
| Defined benefit pension scheme liability | 20 | | (4,334) | | (2,813) |
| Total net assets | | | 24,171 | | 26,202 |
| Funds of the Academy Trust: | | | | | |
| Restricted funds | 18 | | | | |
| - Fixed asset funds | | | 29,029 | | 29,282 |
| - Restricted income funds | | | (524) | | (267) |
| - Pension reserve | | | (4,334) | | (2,813) |
| Total restricted funds | | | 24,171 | | 26,202 |
| Unrestricted income funds | 18 | | - | | - |
| Total funds | | | 24,171 | | 26,202 |

The financial statements on pages 25 to 50 were approved by the Trustees and authorised for issue on 11 December 2019 and are signed on their behalf by:

Simon Trotter
Chair

Company Number 08270802

SHOOTERS HILL SIXTH FORM COLLEGE LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

| | Notes | 2019 £000 | £000 | 2018 £000 | £000 |
|---|-------|-----------------|-----------------|-----------------|-----------------|
| Cash flows from operating activities | | | | | |
| Net cash used in operating activities | 21 | | (159) | | (1,111) |
| Cash flows from investing activities | | | | | |
| Dividends, interest and rents from investments | | - | | 1 | |
| Capital grants from DfE Group | | 687 | | 538 | |
| Purchase of tangible fixed assets | | (14) | | (13) | |
| | | <u> </u> | | <u> </u> | |
| Net cash provided by investing activities | | | 673 | | 526 |
| Cash flows from financing activities | | | | | |
| New other loan | | 233 | | - | |
| Finance costs | | (1) | | (1) | |
| | | <u> </u> | | <u> </u> | |
| Net cash provided by/(used in) financing activities | | | 232 | | (1) |
| | | | <u> </u> | | <u> </u> |
| Net increase/(decrease) in cash and cash equivalents in the reporting period | | | 746 | | (586) |
| Cash and cash equivalents at beginning of the year | | | 466 | | 1,052 |
| | | | <u> </u> | | <u> </u> |
| Cash and cash equivalents at end of the year | | | 1,212 | | 466 |
| | | | <u> </u> | | <u> </u> |

SHOOTERS HILL SIXTH FORM COLLEGE LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Shooters Hill Sixth Form College Ltd is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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

1.1 Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Shooters Hill Sixth Form College Ltd 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, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

At 31 August 2019, the Academy Trust has negative funds amounting to £524k and have net current liabilities of £350k. This is as a result of carried forward £267k deficit from 2017-18; an in-year deficit in 2018-19 of £257k resulting from redundancy and compensation payments relating our staffing restructure and increased pensions service cost.

Following the request for a loan, the ESFA issued the College with an FNtl notice in March 2019. Since then Governors and Leaders have worked rapidly and rigorously to recover the debt and are confident the loan of £200,000 will be repaid by December 2019. Following a SRMA review, the College has restructured the Finance Team to include a qualified Finance Director with knowledge of the Academies Financial Handbook and the relevant financial qualifications.

A Finance Manager and a Finance Assistant with responsibility for Bursary supports the Finance Director. Leadership is now fit for purpose and efficient following two leadership restructures in the last two years. With the support of the SRMA, the college has met all the demands of the FNtl notice including the move to a MAT by March 2020 and is confident that the Notice will be removed before the MAT transfer.

For these reasons and in light of the information set out below, Trustees continue to adopt the going concern basis in preparing the financial statements.

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.

SHOOTERS HILL SIXTH FORM COLLEGE LTD

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period 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 stock 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

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations 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.

Transfer of lease

On conversion to Academy status the Local Authority gifted the school buildings to the Academy Trust with a 125 year long term lease. The properties have been professionally valued as at 1 November 2012, the date of transfer. The valuation is underpinned by SORP 2005 and has adopted the Depreciated Replacement Cost (DRC) for specialist property and the land uses the market value. As the buildings are of a specialist nature then a Depreciated Replacement Cost method has been used to calculate the fair value of the buildings.

Interest receivable

Interest receivable is included within the Statement of Financial Activities on a receivable basis

SHOOTERS HILL SIXTH FORM COLLEGE LTD

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management, Trustees' meetings and reimbursed expenses.

Allocation of costs

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs and depreciation are directly attributable to the one principle activity of the academy.

1.5 Tangible fixed assets and depreciation

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 a group of assets are purchased collectively and cost £5,000 or more, these are capitalised.

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. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

SHOOTERS HILL SIXTH FORM COLLEGE LTD

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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

| | |
|------------------------------------|--|
| Land and buildings | Land: not depreciated; buildings: 50 years |
| Improvements to land and buildings | 50 years |
| Computer equipment | 3 years |
| Fixtures, fittings & equipment | 5 years |

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

1.6 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.

1.7 Leasing commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 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 basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 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 chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

SHOOTERS HILL SIXTH FORM COLLEGE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.10 Pensions benefits

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 and the assets are held separately from those of the Academy Trust.

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. The 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 are 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.

1.11 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 Education and Skills Funding Agency/Department for Education where the asset acquired or created is held for a specific purpose.

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

1.12 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 26.

2 Critical accounting estimates and areas of judgement

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

SHOOTERS HILL SIXTH FORM COLLEGE LTD

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

(Continued)

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.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property plant and equipment, and note 1.5 for the useful economic lives for each class of assets.

LGPS

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 20, 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 2019. 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.

Critical areas of judgement

There are no critical areas of judgement.

3 Donations and capital grants

| | Unrestricted funds £000 | Restricted funds £000 | Total 2019 £000 | Total 2018 £000 |
|-----------------|--|--------------------------------------|--------------------------------|--------------------------------|
| Capital grants | - | 687 | 687 | 538 |
| Other donations | 13 | 51 | 64 | 108 |
| | <u>13</u> | <u>738</u> | <u>751</u> | <u>646</u> |

SHOOTERS HILL SIXTH FORM COLLEGE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

4 Funding for the Academy Trust's educational operations

| | Unrestricted funds £000 | Restricted funds £000 | Total 2019 £000 | Total 2018 £000 |
|--------------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| DfE / ESFA grants | | | | |
| General annual grant (GAG) | - | 7,500 | 7,500 | 7,944 |
| Other DfE group grants | - | 214 | 214 | 167 |
| | ----- | ----- | ----- | ----- |
| | - | 7,714 | 7,714 | 8,111 |
| | ===== | ===== | ===== | ===== |
| Other government grants | | | | |
| Local authority grants | - | 1,321 | 1,321 | 1,164 |
| | ----- | ----- | ----- | ----- |
| Other funding | | | | |
| Other incoming resources | 1 | 57 | 58 | 13 |
| | ----- | ----- | ----- | ----- |
| Total funding | 1 | 9,092 | 9,093 | 9,288 |
| | ===== | ===== | ===== | ===== |

5 Other trading activities

| | Unrestricted funds £000 | Restricted funds £000 | Total 2019 £000 | Total 2018 £000 |
|--------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Hire of facilities | 175 | - | 175 | 133 |
| Catering income | 92 | - | 92 | 108 |
| Other income | 97 | - | 97 | 57 |
| | ----- | ----- | ----- | ----- |
| | 364 | - | 364 | 298 |
| | ===== | ===== | ===== | ===== |

6 Investment income

| | Unrestricted funds £000 | Restricted funds £000 | Total 2019 £000 | Total 2018 £000 |
|---------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Short term deposits | - | - | - | 1 |
| | ----- | ----- | ----- | ----- |

SHOOTERS HILL SIXTH FORM COLLEGE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure

| | Staff costs £000 | Non Pay Expenditure Premises £000 | Other £000 | Total 2019 £000 | Total 2018 £000 |
|----------------------------------|---------------------|---|---------------|-----------------------|-----------------------|
| Academy's educational operations | | | | | |
| - Direct costs | 5,305 | 222 | 868 | 6,395 | 7,013 |
| - Allocated support costs | 2,589 | 1,445 | 793 | 4,827 | 4,919 |
| | <u>7,894</u> | <u>1,667</u> | <u>1,661</u> | <u>11,222</u> | <u>11,932</u> |

Net income/(expenditure) for the year includes:

| | 2019 £000 | 2018 £000 |
|---|--------------|--------------|
| Fees payable to auditor for: | | |
| - Audit | 10 | 10 |
| - Other services | 7 | 4 |
| Operating lease rentals | 103 | 37 |
| Depreciation of tangible fixed assets | 292 | 449 |
| Bank and loan interest | 1 | 1 |
| Net interest on defined benefit pension liability | 70 | 80 |
| | <u>70</u> | <u>80</u> |

8 Charitable activities

| | Unrestricted funds £000 | Restricted funds £000 | Total 2019 £000 | Total 2018 £000 |
|------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Direct costs | | | | |
| Educational operations | 1 | 6,394 | 6,395 | 7,013 |
| Support costs | | | | |
| Educational operations | 105 | 4,722 | 4,827 | 4,919 |
| | <u>106</u> | <u>11,116</u> | <u>11,222</u> | <u>11,932</u> |

SHOOTERS HILL SIXTH FORM COLLEGE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

| 8 Charitable activities | (Continued) | |
|--|--------------|--------------|
| Analysis of costs | 2019 | 2018 |
| | £000 | £000 |
| Direct costs | | |
| Teaching and educational support staff costs | 5,305 | 5,818 |
| Staff development | 21 | 35 |
| Depreciation | 222 | 224 |
| Educational supplies and services | 170 | 134 |
| Examination fees | 208 | 186 |
| Other direct costs | 469 | 616 |
| | <u>6,395</u> | <u>7,013</u> |
| Support costs | | |
| Support staff costs | 2,627 | 2,165 |
| Depreciation | 70 | 225 |
| Technology costs | 60 | 78 |
| Recruitment and support | 47 | 40 |
| Maintenance of premises and equipment | 847 | 1,194 |
| Cleaning | 141 | 136 |
| Energy costs | 179 | 188 |
| Rent, rates and other occupancy costs | 75 | 72 |
| Insurance | 37 | 47 |
| Security and transport | 100 | 30 |
| Catering | 105 | 143 |
| Finance costs | 71 | 81 |
| Other support costs | 428 | 500 |
| Governance costs | 40 | 20 |
| | <u>4,827</u> | <u>4,919</u> |
| 9 Governance costs | | |
| | Total | Total |
| All from restricted funds: | 2019 | 2018 |
| | £000 | £000 |
| Amounts included in support costs | | |
| Legal and professional fees | 22 | 5 |
| Auditor's remuneration | | |
| - Audit of financial statements | 10 | 10 |
| - Other audit costs | 7 | 4 |
| Other governance costs | 1 | 1 |
| | <u>40</u> | <u>20</u> |

SHOOTERS HILL SIXTH FORM COLLEGE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

Staff costs

Staff costs during the year were:

| | 2019 | 2018 |
|---|-------------|-------------|
| | £000 | £000 |
| Wages and salaries | 5,624 | 5,522 |
| Social security costs | 575 | 563 |
| Pension costs | 1,201 | 1,179 |
| | <hr/> | <hr/> |
| Amounts paid to employees | 7,400 | 7,264 |
| Agency staff costs | 251 | 525 |
| Staff restructuring costs | 243 | 158 |
| | <hr/> | <hr/> |
| Amounts paid to staff | 7,894 | 7,947 |
| Staff development and other staff costs | 59 | 71 |
| | <hr/> | <hr/> |
| Total staff expenditure | 7,953 | 8,018 |
| | <hr/> <hr/> | <hr/> <hr/> |

Staff restructuring costs comprise:

| | | |
|---------------------|-------------|-------------|
| Redundancy payments | 136 | 41 |
| Severance payments | 107 | 117 |
| | <hr/> | <hr/> |
| | 243 | 158 |
| | <hr/> <hr/> | <hr/> <hr/> |

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £107k (2018: £117k). Individually, the payments were: £20,000; £16,000; £50,028 and £20,616.

Staff numbers

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

| | 2019 | 2018 |
|----------------------------|---------------|---------------|
| | Number | Number |
| Teachers | 73 | 85 |
| Administration and support | 80 | 89 |
| Management | 8 | 3 |
| | <hr/> | <hr/> |
| | 161 | 177 |
| | <hr/> <hr/> | <hr/> <hr/> |

SHOOTERS HILL SIXTH FORM COLLEGE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

(Continued)

Higher paid staff

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

| | 2019 Number | 2018 Number |
|----------------------|-------------------|-------------------|
| £60,001 to £70,000 | 1 | - |
| £80,001 to £90,000 | 1 | 2 |
| £90,001 to £100,000 | - | 1 |
| £110,001 to £120,000 | 2 | 1 |
| | <u> </u> | <u> </u> |

The banding of £110,001 to £120,000 includes an annualised salary as well as severance pay.

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 £582k (2018: £755k).

11 Trustees' remuneration and expenses

The Trustees only receives remuneration in respect of services they provide undertaking the roles of Director and staff, and not in respect of their services as Trustees. During the year, no expenses (2018: £Nil) were reimbursed to Trustees (2018: 0 Trustees).

The value of Trustees remuneration, including pension contributions, was as follows:

J Atkinson (Director):

- Remuneration £110,000 - £115,000 (2018: £110,000 - £115,000)
- Employer's pension contributions £10,000 - £15,000 (2018: £15,000 - £20,000)

P Smyth (Staff):

- Remuneration £50,000 - £55,000 (2018: £45,000 - £50,000)
- Employer's pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000)

S Wells (Staff):

- Remuneration £55,000 - £60,000 (2018: £50,000 - £55,000)
- Employer's pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000)

A Beecham (Staff):

- Remuneration £40,000 - £45,000 (2018: £35,000 - £40,000)
- Employer's pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000)

Other related party transactions involving the Trustees are set out within the related parties note.

12 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 Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost is included in the total insurance and cannot be separated out.

SHOOTERS HILL SIXTH FORM COLLEGE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

13 Tangible fixed assets

| | Land and buildings | Improvements to land and buildings | Computer equipment | Fixtures, fittings & equipment | Motor vehicles | Total |
|-----------------------|--------------------|------------------------------------|--------------------|--------------------------------|----------------|--------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Cost | | | | | | |
| At 1 September 2018 | 30,285 | 93 | 1,020 | 278 | 38 | 31,714 |
| Additions | - | - | 14 | - | - | 14 |
| At 31 August 2019 | 30,285 | 93 | 1,034 | 278 | 38 | 31,728 |
| Depreciation | | | | | | |
| At 1 September 2018 | 1,307 | 9 | 996 | 199 | 38 | 2,549 |
| Charge for the year | 222 | 2 | 27 | 41 | - | 292 |
| At 31 August 2019 | 1,529 | 11 | 1,023 | 240 | 38 | 2,841 |
| Net book value | | | | | | |
| At 31 August 2019 | 28,756 | 82 | 11 | 38 | - | 28,887 |
| At 31 August 2018 | 28,978 | 84 | 24 | 79 | - | 29,165 |

Included in the cost of leasehold land and buildings is land of £19,100,000 which is not depreciated.

14 Debtors

| | 2019 £000 | 2018 £000 |
|--------------------------------|--------------|--------------|
| Trade debtors | 195 | 305 |
| VAT recoverable | 109 | 174 |
| Other debtors | - | 11 |
| Prepayments and accrued income | 54 | 184 |
| | 358 | 674 |

15 Creditors: amounts falling due within one year

| | 2019 £000 | 2018 £000 |
|------------------------------|--------------|--------------|
| ESFA short term cash advance | 200 | - |
| Trade creditors | 1,231 | 258 |
| Other creditors | 145 | 213 |
| Accruals and deferred income | 343 | 819 |
| | 1,919 | 1,290 |

Included above is a short term cash advance of £200k from ESFA which is repayable in four equal instalments of £50,000.

SHOOTERS HILL SIXTH FORM COLLEGE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

| 16 Creditors: amounts falling due after more than one year | 2019 £000 | 2018 £000 |
|--|--------------|--------------|
| Other loans | 33 | - |
| | <u>33</u> | <u>-</u> |
| Analysis of loans | | |
| Wholly repayable within five years | 233 | - |
| Less: included in current liabilities | (200) | - |
| | <u>33</u> | <u>-</u> |
| Amounts included above | 33 | - |
| | <u>33</u> | <u>-</u> |
| Loan maturity | | |
| Due in more than one year but not more than two years | 33 | - |
| | <u>33</u> | <u>-</u> |

Included above is a Salix loan of £24k which is repayable over 8 years with 0% interest.

Included above is a Salix loan of £9k which is repayable over 8 years with 0% interest.

| 17 Deferred income | 2019 £000 | 2018 £000 |
|--|--------------|--------------|
| Deferred income is included within: | | |
| Creditors due within one year | 39 | 23 |
| | <u>39</u> | <u>23</u> |
| Deferred income at 1 September 2018 | 23 | 22 |
| Released from previous years | (23) | (22) |
| Resources deferred in the year | 39 | 23 |
| | <u>39</u> | <u>23</u> |
| Deferred income at 31 August 2019 | <u>39</u> | <u>23</u> |

At the balance sheet date, the academy was holding funds received in advance for rates and GSSP income for 2019/20.

SHOOTERS HILL SIXTH FORM COLLEGE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

| | Balance at 1 September 2018 £000 | Income £000 | Expenditure £000 | Gains, losses and transfers £000 | Balance at 31 August 2019 £000 |
|-------------------------------------|---|----------------|---------------------|---|---|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | (286) | 7,500 | (8,788) | 920 | (654) |
| Other DfE / ESFA grants | - | 214 | (214) | - | - |
| Other government grants | 19 | 1,321 | (1,273) | - | 67 |
| Other restricted funds | - | 108 | (45) | - | 63 |
| Pension reserve | (2,813) | - | (504) | (1,017) | (4,334) |
| | <u>(3,080)</u> | <u>9,143</u> | <u>(10,824)</u> | <u>(97)</u> | <u>(4,858)</u> |
| Restricted fixed asset funds | | | | | |
| DfE group capital grants | 116 | 687 | - | (628) | 175 |
| CIF loans | - | - | - | (33) | (33) |
| Fixed asset fund | 29,166 | - | (292) | 13 | 28,887 |
| | <u>29,282</u> | <u>687</u> | <u>(292)</u> | <u>(648)</u> | <u>29,029</u> |
| Total restricted funds | <u>26,202</u> | <u>9,830</u> | <u>(11,116)</u> | <u>(745)</u> | <u>24,171</u> |
| Unrestricted funds | | | | | |
| General funds | - | 378 | (106) | (272) | - |
| | <u>-</u> | <u>378</u> | <u>(106)</u> | <u>(272)</u> | <u>-</u> |
| Total funds | <u>26,202</u> | <u>10,208</u> | <u>(11,222)</u> | <u>(1,017)</u> | <u>24,171</u> |

SHOOTERS HILL SIXTH FORM COLLEGE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

(Continued)

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

General Annual Grant

Income received from the ESFA to cover the normal running costs of the Academy Trust. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Other DFE/ESFA grants

This includes the pupil premium, sports funding, FSM in further education, teachers pay grant and capital improvement grant funding for revenue expenditure.

Other government grants

This includes the SEN funding, additional pupil premium and additional funding received from the Local Authority.

DFE/ESFA Capital Grants

This includes the devolved formula capital grant, and capital improvement grant funding for revenue expenditure.

Other grants

Other grants funds include grant from local authorities to support teaching of music within schools, and other various items including Postgraduate Certificate of Education (PGCE).

Transfer between funds

These represent the purchase of fixed assets from GAG funding and unrestricted funds as well as unrestricted funds to pay for additional educational activities where the GAG money was insufficient. In addition includes the transfer of capital grants for revenue expenditure.

SHOOTERS HILL SIXTH FORM COLLEGE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

(Continued)

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

| | Balance at 1 September 2017 £000 | Income £000 | Expenditure £000 | Gains, losses and transfers £000 | Balance at 31 August 2018 £000 |
|-------------------------------------|---|----------------|---------------------|---|---|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | - | 7,944 | (9,424) | 1,194 | (286) |
| Other DfE / ESFA grants | - | 167 | (167) | - | - |
| Other government grants | - | 1,164 | (1,145) | - | 19 |
| Other restricted funds | 37 | 101 | (138) | - | - |
| Pension reserve | (3,214) | - | (466) | 867 | (2,813) |
| | <u>(3,177)</u> | <u>9,376</u> | <u>(11,340)</u> | <u>2,061</u> | <u>(3,080)</u> |
| Restricted fixed asset funds | | | | | |
| DfE group capital grants | 573 | 538 | - | (995) | 116 |
| Capital expenditure from GAG | 29,602 | - | (449) | 13 | 29,166 |
| | <u>30,175</u> | <u>538</u> | <u>(449)</u> | <u>(982)</u> | <u>29,282</u> |
| Total restricted funds | <u>26,998</u> | <u>9,914</u> | <u>(11,789)</u> | <u>1,079</u> | <u>26,202</u> |
| Unrestricted funds | | | | | |
| General funds | 36 | 319 | (143) | (212) | - |
| | <u>36</u> | <u>319</u> | <u>(143)</u> | <u>(212)</u> | <u>-</u> |
| Total funds | <u>27,034</u> | <u>10,233</u> | <u>(11,932)</u> | <u>867</u> | <u>26,202</u> |

19 Analysis of net assets between funds

| | Unrestricted Funds £000 | Restricted funds: General £000 | Fixed asset £000 | Total Funds £000 |
|--|-------------------------------|--------------------------------------|---------------------|------------------------|
| Fund balances at 31 August 2019 are represented by: | | | | |
| Tangible fixed assets | - | - | 28,887 | 28,887 |
| Current assets | 1,328 | 19 | 223 | 1,570 |
| Creditors falling due within one year | (1,327) | (544) | (48) | (1,919) |
| Creditors falling due after one year | - | - | (33) | (33) |
| Defined benefit pension liability | - | (4,334) | - | (4,334) |
| | <u>1</u> | <u>(4,859)</u> | <u>29,029</u> | <u>24,171</u> |
| Total net assets | <u>1</u> | <u>(4,859)</u> | <u>29,029</u> | <u>24,171</u> |
| Balance to allocate | (1) | 1 | - | - |
| Per balance sheet | - | (4,858) | 29,029 | 24,171 |

SHOOTERS HILL SIXTH FORM COLLEGE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

19 Analysis of net assets between funds

(Continued)

| | Unrestricted Funds £000 | Restricted funds: General £000 | Fixed asset £000 | Total Funds £000 |
|--|-------------------------------|--------------------------------------|---------------------|------------------------|
| Fund balances at 31 August 2018 are represented by: | | | | |
| Tangible fixed assets | - | - | 29,165 | 29,165 |
| Current assets | 986 | 37 | 117 | 1,140 |
| Creditors falling due within one year | (986) | (304) | - | (1,290) |
| Defined benefit pension liability | - | (2,813) | - | (2,813) |
| Total net assets | - | (3,080) | 29,282 | 26,202 |

20 Pension and similar obligations

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 Royal Borough of Greenwich. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2016.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

SHOOTERS HILL SIXTH FORM COLLEGE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is 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.

The pension costs paid to the TPS in the period amounted to £484k (2018: £519k).

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16 per cent for employers and 5.5 to 7.5 per cent for employees. The estimated value of employer contributions for the forthcoming year is £285k (2018: £270k).

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.

| Total contributions made | 2019 | 2018 |
|---------------------------------|-------------|-------------|
| | £000 | £000 |
| Employer's contributions | 285 | 271 |
| Employees' contributions | 115 | 111 |
| Total contributions | <u>400</u> | <u>382</u> |

SHOOTERS HILL SIXTH FORM COLLEGE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

| Principal actuarial assumptions | 2019 % | 2018 % |
|--|-----------|-----------|
| Rate of increase in salaries | 3.80 | 3.80 |
| Rate of increase for pensions in payment/inflation | 2.30 | 2.30 |
| Discount rate for scheme liabilities | 1.85 | 2.65 |
| Inflation assumption (CPI) | 2.30 | 2.30 |

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

| | 2019 Years | 2018 Years |
|----------------------|---------------|---------------|
| Retiring today | | |
| - Males | 21.7 | 22.7 |
| - Females | 23.6 | 24.8 |
| Retiring in 20 years | | |
| - Males | 23.3 | 24.9 |
| - Females | 25.4 | 27.1 |

Defined benefit pension scheme net liability

| | | |
|--------------------|----------|---------|
| Scheme assets | 5,680 | 4,978 |
| Scheme obligations | (10,014) | (7,791) |
| Net liability | (4,334) | (2,813) |

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

| | 2019 Fair value £000 | 2018 Fair value £000 |
|------------------------------|----------------------------|----------------------------|
| Equities | 521 | 447 |
| Other bonds | 988 | 861 |
| Unitised insurance policies | 2,128 | 1,830 |
| Cash | 74 | 52 |
| Property | 567 | 509 |
| Other assets | 1,402 | 1,279 |
| Total market value of assets | 5,680 | 4,978 |

The actual return on scheme assets was £341,000 (2018: £117,000).

SHOOTERS HILL SIXTH FORM COLLEGE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

| 20 Pension and similar obligations | (Continued) | |
|--|--------------------|-------------|
| Amount recognised in the Statement of Financial Activities | 2019 | 2018 |
| | £000 | £000 |
| Current service cost | 617 | 657 |
| Interest income | (137) | (123) |
| Interest cost | 207 | 203 |
| Benefit changes, curtailments and settlements gains or losses | 102 | - |
| | <hr/> | <hr/> |
| Total operating charge | 789 | 737 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Changes in the present value of defined benefit obligations | 2019 | 2018 |
| | £000 | £000 |
| At 1 September 2018 | 7,791 | 7,834 |
| Current service cost | 617 | 657 |
| Interest cost | 207 | 203 |
| Employee contributions | 115 | 111 |
| Actuarial loss/(gain) | 1,221 | (873) |
| Benefits paid | (39) | (141) |
| Losses on curtailment | 102 | - |
| | <hr/> | <hr/> |
| At 31 August 2019 | 10,014 | 7,791 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Changes in the fair value of the Academy Trust's share of scheme assets | 2019 | 2018 |
| | £000 | £000 |
| At 1 September 2018 | 4,978 | 4,620 |
| Interest income | 137 | 123 |
| Actuarial (gain)/loss | 204 | (6) |
| Employer contributions | 285 | 271 |
| Employee contributions | 115 | 111 |
| Benefits paid | (39) | (141) |
| | <hr/> | <hr/> |
| At 31 August 2019 | 5,680 | 4,978 |
| | <hr/> <hr/> | <hr/> <hr/> |

SHOOTERS HILL SIXTH FORM COLLEGE LTD

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

21 Reconciliation of net expenditure to net cash flow from operating activities

| | 2019 | 2018 |
|---|--------------|----------------|
| | £000 | £000 |
| Net expenditure for the reporting period (as per the statement of financial activities) | (1,014) | (1,699) |
| Adjusted for: | | |
| Capital grants from DfE and other capital income | (687) | (538) |
| Investment income receivable | - | (1) |
| Finance costs payable | 1 | 1 |
| Defined benefit pension costs less contributions payable | 434 | 386 |
| Defined benefit pension scheme finance cost | 70 | 80 |
| Depreciation of tangible fixed assets | 292 | 449 |
| Decrease/(increase) in debtors | 316 | (176) |
| Increase in creditors | 429 | 387 |
| Net cash used in operating activities | (159) | (1,111) |

22 Commitments under operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

| | 2019 | 2018 |
|-----------------------------------|-------------|-------------|
| | £000 | £000 |
| Amounts due within one year | 94 | 74 |
| Amounts due in two and five years | 94 | 104 |
| | <u>188</u> | <u>178</u> |

23 Capital commitments

| | 2019 | 2018 |
|---|-------------|-------------|
| | £000 | £000 |
| Expenditure contracted for but not provided in the financial statements | 578 | 402 |

24 Related party transactions

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

No material related party transactions took place in the period of account.

SHOOTERS HILL SIXTH FORM COLLEGE LTD

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

25 Members' liability

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

26 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the trust received £175k (2018: £155k) and disbursed £106k (2018: £144k) from the fund. An amount of £119k (2018: £50k) is included in other creditors relating to undistributed funds that is repayable to ESFA.