

CARWARDEN HOUSE COMMUNITY SCHOOL

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

CARWARDEN HOUSE COMMUNITY SCHOOL
(A company limited by guarantee)

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CARWARDEN HOUSE COMMUNITY SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

D Bratt
K S Walker
B Edwards

Trustees

T S Stokes¹
D Bratt²
C J Blunden-Lee
J Canty (Resigned 24 July 2019)
B Edwards⁴
J Garcia³
M L Ramsay⁵
K S Walker²
K Packham⁵
S Dennison
E Venables (appointed 5 September 2019)
M Sutton (appointed 5 September 2019)

- ¹ Head Teacher
² Joint Chair of Trustees
³ Chair of Student Progress Committee
⁴ Chair of Audit and Resources Committee
⁵ Staff Trustee

Company registered number
09050751

Company name
Carwarden House Community School

Principal and registered office
118 Upper Chobham Road
Camberley
Surrey
GU15 1EJ

Senior management team
Head teacher - T Stokes
Deputy Head teacher - A Ewen
Assistant Head teacher - D Proudfoot
School business manager - J Thorpe

Independent auditors
Wise & Co
Wey Court West
Union Road
Farnham
Surrey
GU9 7PT

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Bankers

Lloyds Bank Plc
18 Prince of Wales Walk
Camberley
Surrey
GU15 3SJ

Solicitors

Michelmores LLP
Woodwater House
Pynes Hill
Exeter
EX2 5WR

CARWARDEN HOUSE COMMUNITY SCHOOL
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TRUSTEE'S 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 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.

Since the academy qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Structure, governance and management

a. CONSTITUTION

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

The charitable company's Trust deed is the primary governing document of the academy trust.

The Trustees of Carwarden House Community School are also the directors of the Academy Trust for the purpose of company law.

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

The principal object of the academy is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school specifically organised to make special educational provision for students with special educational needs offering a broad and balanced curriculum.

b. MEMBERS' LIABILITY

The liability of the members of the Academy Trust is limited.

Each member of the Academy Trust undertakes to contribute to the assets of the Academy Trust 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, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

c. TRUSTEES' INDEMNITIES

In accordance with normal commercial practice the academy is part of the government's RPA scheme to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000, it is not possible to quantify the trustees and officer's indemnity element from the overall cost of the RPA scheme.

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TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the academy is the responsibility of the Trustees who are elected and coopted under the terms of the Articles of Association.

Under the terms of the Articles of Association, the number of Trustees shall not be less than three but shall not be subject to any maximum. The Academy Trust shall have up to three Trustees appointed by the Members; up to three Trustees appointed by the governors; a minimum of two but no more than three parent Trustees and up to three staff Trustees (including the Headteacher) but shall not exceed one third of the total number of Trustees.

Trustees are recruited by invitation subject to their expertise, experience and skills.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

New trustees are inducted into the workings of the Academy including policies and procedures, together with an appropriate training schedule depending upon their existing area of expertise to include formal governance training.

f. ORGANISATIONAL STRUCTURE

Carwarden Community House School is a Multi Academy Trust, currently comprising of one school, a company limited by guarantee with a charitable status.

The Academy has a leadership structure which consists of the Trustees, the senior leadership team and team leaders. The aim of the leadership is to devolve responsibility and encourage involvement in decision making at all levels. The Headteacher is the Accounting Officer; the Business Manager is the Principal Finance Officer. The Headteacher is responsible for day to day operation of the school.

The Board of the Trust is made up from representatives of all stakeholders including parents, staff and the community.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of management financial information and other data e.g. student progress data, approving the annual reports and statutory accounts, making strategic decisions about the direction of the Academy and capital expenditure as well as the Headteacher and Business Manager appointments.

The Headteacher is the Accounting Officer. The day to day management of the Academy is delegated to him and the senior leadership team (SLT). The SLT consists of the Headteacher, Deputy Headteacher, one Assistant Headteacher and the School Business Manager. These managers direct the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. The senior managers are responsible for the authorisation of spending within agreed budgets and the Accounting Officer is responsible for the appointment of staff, although appointment boards for posts in the Senior Management Team always contain a Trustee. Some spending control is devolved to members of the Senior Management Team, with limits above which the Headteacher must countersign.

Heads of Department are responsible for the day to day operation of curriculum subject areas and accordingly organise teaching staff, capitation resources, facilities and students.

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FOR THE YEAR ENDED 31 AUGUST 2019

g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

Carwarden House Community School has a performance related pay policy that applies to all teachers. Pay for senior leaders is set on the group size of the school – this dictates the Headteacher's pay range and then Deputy and Assistant Headteacher's' pay ranges are set from this benchmark.

The governing body has determined a senior and middle leadership structure of one Headteacher, one Deputy Headteacher, one Assistant Headteacher and six middle leadership posts (Leaders of English, Maths, Vocational Learning, SENCo, Professional Effectiveness and Outreach). All middle leaders receive a TLR enhancement within Band 2.

h. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Wellington College Teaching School Partnership – Carwarden House is formally a member of this Teaching School, the aims of which are to provide mutual support to members in the pursuit of school improvement.

i. RISK MANAGEMENT

The Trustees have assessed the major risks to which the academy is exposed, in particular those related to the operations (teaching, health and safety) and finances of the academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. For example, the Academy have engaged the services of Judicium Education to support the Academy in its health and safety responsibilities. Under the new GDPR regulations, Carwarden have appointed Judicium as their DPO. As part of the internal audit process for 2018-19 the Audit & Resources Committee requested that Wise & Co review the Risk Register to ensure that the document was compliant.

Objectives and Activities

a. OBJECTS AND AIMS

The Academy Trust's objects are specifically restricted to the following: To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school specially organised to make special educational provision for students with Special Educational Needs offering a broad and balanced curriculum ("the Special Academy").

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TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The main objectives of the Trust during the period ended 31st August 2019 are:

- to raise the standard of educational achievement and attainment for all students in the Trust;
- to improve the outcomes of those students such that they are well prepared to live and work independently;
- to continually improve the performance of the Trust by systematically reviewing all operational areas of its work;
- to ensure compliance with all statutory regulatory and curriculum requirement;
- to provide good value for money for the funds expended;
- to conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

The Trust's approach to this strategy is articulated in our vision:

- Aspiring to be a world class centre of excellence
- Ambitious for every individual
- Passionate that all students maximise their independence, autonomy and employability
- Committed to growth, collaboration and innovation to secure an outstanding future

Strategic priorities informing the School Improvement Plan for 2018/19:

1. Fully embed the 'Curriculum for Life'
2. Continue to strengthen the overall effectiveness of the staff team
3. Establish a MAT of at least 3 (up to 5) schools by December 2019
4. Maintain the development of medium and long term financial viability
5. Continue to enhance student and staff wellbeing

d. PUBLIC BENEFIT

The Academy's purpose is to advance for public benefit, education as described in the principal activities above. The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charities Commission in exercising their duties.

Carwarden accepts students from a wide geographical area/catchment including young people from a number of local authorities. These include Surrey, Hampshire, Windsor & Maidenhead, Bracknell Forrester, Wokingham. We are designated a LAN school (learning & additional needs) and support students with a range of complex and enduring special educational needs. All our students have an EHCP which we review annually on behalf of the sending local authority. We work in conjunction with a range of other statutory agencies in addressing the needs of our students (Health Care, Social Care, SALT, CAMHS etc.).

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TRUSTEE'S REPORT (CONTINUED)
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Achievements and performance

a. REVIEW OF ACTIVITIES

This year has seen another set of strong academic results leading to a solid trend of achievement over time. Governors and leaders of the school are now confident that the progress of the students in the school is good with outstanding elements. The introduction of a new curriculum and a bespoke assessment package was rolled out in September 2018 and was refined throughout the year. This allows us to assess all areas of learning. As with any new system there will be refinements and reviews of target setting to ensure all progress is captured.

At the last analysis 98% of students in KS3/4 make at least expected progress in Maths, 58% in English, although there were 32% who missed their target by a small percentage. There is a small difference in the overall achievement of boys and girls in both subjects.

In KS4 students have achieved a range of qualifications across subjects. In English students achieved Entry Levels 1-3. In Maths students achieved Entry 1-3. Six students achieved their DofE Bronze Award. Entry Levels were achieved in Information Technology, PE, Science & Personal Development. A successful work experience programme has led to valuable experiences for all students and for some an extended placement.

Progress across all subjects show sustained progress over time.

KS5 have made strong progress this year across their life skills curriculum. In maths 90% met their targets with 10% exceeding and in English 90% met their targets with 15% exceeding their targets.

KS5 offers a range of qualifications appropriate to their need and skills necessary for independent living and adult life. Year 14 leavers 9 received an E2 certificate in skills for independence and work. In the Life and living skills programme 2 students received an Entry 1 diploma, 4 students an Entry 2 Diploma, and 2 students received the Entry level 3 Extended Certificate and 1 student achieved an Entry 1 Certificate in this subject.

Of the students who left from year 12 and 13 (Two in Y12, One in Y13), 1 achieved an Entry Level 3 in Life and Living Skills , One achieved an Award in Life and Living Skills and 1 achieved and Entry Level 3 Introduction Award In Life and Living Skills.

In addition Year 12 achieved their English Speaking Board qualification. 9 students completed their Duke of Edinburgh Bronze award.

Attendance for KS3 & 4 was 92.4% over all. 7.2% of absence was authorised 0.5% were unauthorised. Attendance for KS5 was 87.4% over all. 11.4% of absence was authorised 1.1% were unauthorised.

The school has a PAN of 127 (with agreed bulge funding to 135) for the academic year 2018-19. As of the end of June 2019 (the point at which both Y11 & Y14 students leave) our roll was 139. We have agreed a PAN of 150 for the academic year 2019-20.

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b. FUNDRAISING ACTIVITIES/INCOME GENERATION

The Academy is fortunate to be supported by the PTA, The Friends of Carwarden, who have raised over £4,000 to enhance the experience of the students. The funds raised have been partially used to facilitate the development of a sensory / horticulture garden area for 6th Form students.

The Academy has a relationship with Stanley and Orange Boarding Houses at Wellington College who have raised money for the benefit of the students.

A donation of £15,000 was made by the John Akroyd Trust which funded the construction of an outdoor classroom / covered area in the playground, attached to the 6th Form building.

A local Masonic Lodge based in Farnborough undertook fund raising on our behalf and donated £1,145 which was utilised to support residential opportunities for group of students.

The Academy is extremely grateful for the generosity of all its supporters

c. GOING CONCERN

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

Financial review

a. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main financial risks, to which Carwarden House Community School is exposed, taking account of the mitigation procedures in place, relate to the risk of income shortfall due to the likelihood of further government spending reductions affecting our general grant.

A risk also arises in relation to the defined benefit pension scheme in which the academy currently has a deficit of £1,014,000; this is being addressed through additional contributions.

b. PRINCIPAL RISKS AND UNCERTAINTIES

The major risks to which the Academy is exposed are:

- Shortfalls in funding which may not have been anticipated, compounded by Surrey County Council's challenging financial position;
- Systems failures;
- Difficulties in recruiting teachers;
- Changes in funding formulas.

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FOR THE YEAR ENDED 31 AUGUST 2019

c. RESERVES POLICY

The Academy generates reserves to provide funds to continue to enhance the educational facilities and services of the school and to fund future projects.

A reserve of £200,000 will be retained to cover short term operating costs.

The Trustees will review the policy annually.

d. FINANCIAL REVIEW

The academy's total incoming resources for the period ended 31 August 2019 amounted to £2,273,344 (2018 £2,074,965).

During the year, the General Annual Grant (GAG) funding totalling of £1,291,762 was received (2018 - £1,304,774). The remaining income comprised of the Devolved formula capital grant (DFC) of £23,551 (2018 £8,286), pupil premium funding of £32,725 (2018 - £30,503), SEN funding of £553,107 (2018 - £506,367), other DfE/ESFA grants totaling £10,518 (2018 - £7,875) and other government grant funding totaling £277,397 (2018 £161,377).

The Academy held fund balances, excluding the pension scheme deficit, at 31 August 2019 of £5,008,125 of which £4,692,621 are restricted in nature and £315,504 are unrestricted (2018 - £4,938,891 of which £4,636,276 were restricted in nature and £302,615 unrestricted.)

Key Financial Indicators

Under 2.3.3 of the AFH it states that 'The trust **must** select key financial performance indicators and measure its performance against them regularly, including analysis in its annual trustees' report as explained in the Accounts Direction.' This is to enable the Academy to assess its performance against management accounts.

The Trust uses the following KPI to assess its performance against management accounts.

- Levels of reserves held are in line with the Academy's policy
- Level of unrestricted reserves and cash balances are sufficient to fund the Academy
- The Academy at least breaks even before adjustments for depreciation and LGPS pension scheme or can provide substantiated reasoning for why this has not occurred, the Academy has achieved this again this year.
- Percentage of budget spent on staffing costs, any spend over 83% would be considered high and cause concern. Staffing costs were under 83% again this year.

e. PRINCIPAL FUNDING

The Education and Skills Funding Agency (ESFA) is responsible for paying the Academy in accordance with the terms set out in the academy's funding agreement. The Academy's main revenue funding from the ESFA is the General Annual Grant (GAG). The grants received from the ESFA for the period ended 31st August 2019 and associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

f. INVESTMENT POLICY AND PERFORMANCE

The Academy invests its funds for the best return on a short term basis. The Academy recognises the need for an investment policy and is currently in the process of establishing where to invest in order to obtain the best possible return on investment.

Plans for future periods

a. FUTURE DEVELOPMENTS

It remains our explicit aim to become 'outstanding' provision. A recommendation of the model and strategy for MAT growth (following extensive consultation with the Regional School's Commissioner) was presented to the first FGB of the Autumn term. The recommendation was to approach up to ten local special schools (within a 45minute travelling time but not necessarily Surrey schools), consult on the opportunity to and advantages of joining the MAT, establish individual school's intention to join and undertake due diligence on all firm proposals. The aim being to grow the MAT to three schools (up to five) by December 2019. The development of an exclusively special school MAT is in line with the DfE's preferred strategy for future academy growth was fully supported by the Governing Body. It was agreed that, in the first instance, Carwarden would only approach schools who are graded 'good' or 'outstanding' by Ofsted. Following numerous visits a few potential schools were identified. In addition, Carwarden was approached by an existing special school MAT based in the east of Surrey and a number of visits to these schools and meetings between our Governors and their Trustees were arranged to explore the possible opportunities of joining them. A decision as to whether we will move towards formal due diligence in relation to this partnership will be made at the FGB in October 2019.

Trustees and School Leaders have ensured that the total number of students on roll is commensurate with the PAN determined by the Local Authority. Working closely with the Authority, all admissions were carefully considered to ensure that the provision is appropriately matched to the needs of individual students referred. In line with an increasing student roll, adaptations and improvements have been made to the built environment, including the provision of a new Maths classroom, a new staff room, improved office space for admin and a new conference / OT space. The Headteacher has applied to the Local Authority for retrospective capital expansion funding.

Following the comprehensive review of the curriculum offer at all key stages during 2017-18, Carwarden introduced a revised curriculum model and assessment framework – 'Curriculum for Life' in September 2018 with the explicit aim of maximising every individual student's independence, autonomy and employability in adult life. A revised and purposefully more 'person centred' approach for the annual reviews Y7 to Y11 students' EHCPs was introduced from November 2018 ensuring compliance with the code of practice. During 2017 the school enrolled on the National Wellbeing Award and achieved full accredited status in July 2019.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

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TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

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

D Bratt
Chair of Trustees
Date:

K S Walker
Chair of Trustees

CARWARDEN HOUSE COMMUNITY SCHOOL
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 4 times during the year.

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

Trustee	Meetings attended	Out of a possible
T S Stokes	4	4
D Bratt	4	4
C J Blunden-Lee	4	4
J Canty	3	4
B Edwards	3	4
J Garcia	4	4
M L Ramsay	4	4
K S Walker	2	4
K Packham	3	4
S Dennison	4	4

Although the board of Trustees did not meet formally six times in the year, the board kept effective oversight through:

- termly visits by all the Trustees with a focus on strategic activities and focusing on the work of the school;
- three strategic meetings with the full board of Trustees;
- management accounts sent monthly to the chairs of the committees;
- the governing body visiting the school on a regular basis;
- other committees meeting between full board meetings.

The Audit & Resources Committee is a sub committee of the main Board of Trustees. Its purpose is to maintain an oversight of the Academy Trust's governance, risk management, internal control and value for money framework. It will report its findings annually to the Board of Trustees and the Accounting Officer as a critical element of the Academy Trust's annual reporting requirements.

The Audit & Resources Committee has no executive powers or operational responsibilities/duties.

CARWARDEN HOUSE COMMUNITY SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
B Edwards	3	3
J Canty	2	3
T Stokes	3	3
Maria Ramsey	3	3
Sarah Dennison	3	3

Review of value for money

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

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

- carrying out rigorous procurement practices for highvalue works;
- maintaining tight budgetary oversight of departmental budgets;
- undertaking a staffing review to ensure maintained quality provision and value for money;
- maintaining financial discipline during the recruitment process by evaluating roles and responsibilities within existing staffing before recruiting externally;
- continuing to utilise jointly commissioned services with other schools, including an external provider in relation to GDPR requirements.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Carwarden House Community School for the year 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 is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 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.

CARWARDEN HOUSE COMMUNITY SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance and 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 Board of Trustees has considered the need for a specific internal audit function and has decided to appoint an internal auditor. However, the Trustees have appointed Wise & Co, the external auditors, to perform additional checks.

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

- payroll checks;
- risk register review;
- supplier and contracts checks.

On a termly basis, the external auditors report to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Wise & Co have delivered their schedule of work as planned, in a timely manner and produced relevant reports. The Board are reassured that no significant areas for concern were identified from their work.

Review of effectiveness

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

- the work of the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

CARWARDEN HOUSE COMMUNITY SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

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

.....
K S Walker
Chair of Trustees

.....
T S Stokes
Accounting Officer

CARWARDEN HOUSE COMMUNITY SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Carwarden House Community School I have considered my responsibility to notify the academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

T S Stokes
Accounting Officer
Date:

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

.....
D Bratt
Chair of Trustees

.....
K S Walker
Chair of Trustees

CARWARDEN HOUSE COMMUNITY SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CARWARDEN HOUSE COMMUNITY SCHOOL**

Opinion

We have audited the financial statements of Carwarden House Community School (the 'academy') for the year ended 31 August 2019 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', 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'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

CARWARDEN HOUSE COMMUNITY SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CARWARDEN HOUSE COMMUNITY SCHOOL (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

CARWARDEN HOUSE COMMUNITY SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CARWARDEN HOUSE COMMUNITY SCHOOL (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

Mark Dickinson (Senior statutory auditor)
for and on behalf of
Wise & Co
Chartered Accountants and Statutory Auditors
Wey Court West
Union Road
Farnham
Surrey
GU9 7PT

Date:

CARWARDEN HOUSE COMMUNITY SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
CARWARDEN HOUSE COMMUNITY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 1 July 2019 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 Carwarden House Community School during the year 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 Carwarden House Community School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Carwarden House Community School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Carwarden House Community School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Carwarden House Community School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Carwarden House Community School's funding agreement with the Secretary of State for Education dated 28 July 2014 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 year 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.

CARWARDEN HOUSE COMMUNITY SCHOOL
(A company limited by guarantee)

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

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's income and expenditure.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 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.

Mark Dickinson FCA

Wise & Co

Chartered Accountants and Statutory Auditors
Wey Court West
Union Road
Farnham
Surrey
GU9 7PT

Date:

CARWARDEN HOUSE COMMUNITY SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	-	-	23,502	23,502	6,000
Charitable activities	4	-	2,165,510	23,550	2,189,060	2,019,182
Other trading activities	5	59,666	-	660	60,326	49,376
Investments	6	456	-	-	456	407
Total income		60,122	2,165,510	47,712	2,273,344	2,074,965
Expenditure on:						
Charitable activities	8	47,233	2,155,790	115,087	2,318,110	2,175,935
Total expenditure		47,233	2,155,790	115,087	2,318,110	2,175,935
Net income/(expenditure)		12,889	9,720	(67,375)	(44,766)	(100,970)
Transfers between funds	18	-	(40,153)	40,153	-	-
Net movement in funds before other recognised gains/(losses)		12,889	(30,433)	(27,222)	(44,766)	(100,970)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(275,000)	-	(275,000)	130,000
Net movement in funds		12,889	(305,433)	(27,222)	(319,766)	29,030
Reconciliation of funds:						
Total funds brought forward		302,615	(157,535)	4,168,811	4,313,891	4,284,861
Net movement in funds		12,889	(305,433)	(27,222)	(319,766)	29,030
Total funds carried forward		315,504	(462,968)	4,141,589	3,994,125	4,313,891

CARWARDEN HOUSE COMMUNITY SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 09050751

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	15	4,125,231	4,168,811
		<u>4,125,231</u>	<u>4,168,811</u>
Current assets			
Debtors	16	92,432	72,471
Cash at bank and in hand		884,003	799,388
		<u>976,435</u>	<u>871,859</u>
Creditors: amounts falling due within one year	17	(93,540)	(101,779)
Net current assets		<u>882,895</u>	<u>770,080</u>
Total assets less current liabilities		<u>5,008,126</u>	<u>4,938,891</u>
Net assets excluding pension liability		<u>5,008,126</u>	<u>4,938,891</u>
Defined benefit pension scheme liability	24	(1,014,000)	(625,000)
Total net assets		<u><u>3,994,126</u></u>	<u><u>4,313,891</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	18	4,141,590	4,168,811
Restricted income funds	18	551,032	467,465
		<u>4,692,622</u>	<u>4,636,276</u>
Restricted funds excluding pension asset	18	4,692,622	4,636,276
Pension reserve	18	(1,014,000)	(625,000)
Total restricted funds	18	<u>3,678,622</u>	<u>4,011,276</u>
Unrestricted income funds	18	<u>315,504</u>	<u>302,615</u>
Total funds		<u><u>3,994,126</u></u>	<u><u>4,313,891</u></u>

CARWARDEN HOUSE COMMUNITY SCHOOL
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 23 to 51 were approved by the Trustees, and authorised for issue on _____ and are signed on their behalf, by:

.....
D Bratt
Chair of Trustees

.....
K S Walker
Chair of Trustees

CARWARDEN HOUSE COMMUNITY SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	20	135,323	123,214
Cash flows from investing activities	22	(51,164)	(92,610)
Cash flows from financing activities	21	456	407
Change in cash and cash equivalents in the year		84,615	31,011
Cash and cash equivalents at the beginning of the year		799,388	768,377
Cash and cash equivalents at the end of the year	23	884,003	799,388

CARWARDEN HOUSE COMMUNITY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Carwarden House Community School meets the definition of a public benefit entity under FRS 102.

1.2 Company status

The academy is a charitable company limited by guarantee, operating as an Academy Trust, incorporated in England and Wales. The members of the company are the Trustees named on page 1. The company's registered address is 118 Upper Chobham Road, Camberley, Surrey, GU15 1 EJ.

The company's functional and presentational currency is GBP

1.3 Going concern

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

CARWARDEN HOUSE COMMUNITY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.4 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

1.5 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

CARWARDEN HOUSE COMMUNITY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.6 Tangible fixed assets

Assets costing £300 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of fixed assets, less their estimated residual value, over its expected useful life, as follows:

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	- 2% or 10% straight line
Furniture and equipment	- 15% or 33% reducing balance
Computer equipment	- 33% reducing balance
Motor vehicles	- 15% reducing balance

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.

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank

1.8 Operating leases

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

1.9 Debtors

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

CARWARDEN HOUSE COMMUNITY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.10 Cash at bank and in hand

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

1.11 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.13 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

CARWARDEN HOUSE COMMUNITY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded 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 incorporating income and expenditure account 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.

1.15 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 28.

1.16 Fund accounting

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

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

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

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

CARWARDEN HOUSE COMMUNITY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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.

3. Income from donations and capital grants

	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Donations	23,502	23,502	6,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2018</i>	6,000	6,000	
	<hr/> <hr/>	<hr/> <hr/>	

CARWARDEN HOUSE COMMUNITY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. Funding for the academy's educational operations

	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	1,291,762	1,291,762	1,304,774
Pupil Premium	32,725	32,725	30,503
Developed formula capital grant	23,551	23,551	8,286
Year 7 catch up grant	7,438	7,438	7,875
Other DfE/ESFA grants	3,080	3,080	-
	<u>1,358,556</u>	<u>1,358,556</u>	<u>1,351,438</u>
Other government grants			
Special Educational Projects	553,107	553,107	506,367
Outreach	53,783	53,783	53,784
ISPSB	103,042	103,042	107,593
Other government grants	120,572	120,572	-
	<u>830,504</u>	<u>830,504</u>	<u>667,744</u>
	<u>2,189,060</u>	<u>2,189,060</u>	<u>2,019,182</u>

CARWARDEN HOUSE COMMUNITY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Other income	59,666	660	60,326	49,376
<i>Total 2018</i>	<u>48,780</u>	<u>596</u>	<u>49,376</u>	

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest received	456	456	407
	<u>456</u>	<u>456</u>	<u>407</u>

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Educational Operations:					
Direct costs	1,326,522	-	345,554	1,672,076	1,688,240
Support costs	324,974	145,102	175,958	646,034	487,695
	<u>1,651,496</u>	<u>145,102</u>	<u>521,512</u>	<u>2,318,110</u>	<u>2,175,935</u>
<i>Total 2018</i>	<u>1,654,121</u>	<u>120,315</u>	<u>401,499</u>	<u>2,175,935</u>	

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8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Educational Operations	47,233	2,251,877	-	2,299,110	2,158,935
Pension cost	-	19,000	-	19,000	17,000
	<u>47,233</u>	<u>2,270,877</u>	<u>-</u>	<u>2,318,110</u>	<u>2,175,935</u>
<i>Total 2018</i>	<u><u>43,429</u></u>	<u><u>2,132,506</u></u>	<u><u>-</u></u>	<u><u>2,175,935</u></u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Educational Operations	<u>1,672,076</u>	<u>646,034</u>	<u>2,318,110</u>	<u>2,175,935</u>
<i>Total 2018</i>	<u><u>1,688,240</u></u>	<u><u>487,695</u></u>	<u><u>2,175,935</u></u>	

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9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Operations 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff costs	1,326,522	1,326,522	1,395,847
Depreciation	112,409	112,409	120,315
Educational Supplies	136,563	136,563	81,753
Technology	1,179	1,179	2,580
Educational Consultancy	66,273	66,273	51,935
Examination Fees	7,236	7,236	10,850
Staff Development	21,894	21,894	24,960
	<u>1,672,076</u>	<u>1,672,076</u>	<u>1,688,240</u>

Analysis of support costs

	Educational Operations 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Pension income	19,000	19,000	17,000
Staff costs	305,974	305,974	218,882
Educational Supplies	44,151	44,151	24,737
Technology	18,821	18,821	16,679
Maintenance of Premises and Equipment	75,531	75,531	45,920
Catering	15,408	15,408	15,122
Premises Costs	69,571	69,571	66,461
Security and Transport	11,775	11,775	12,221
Bank Charges and Interest	74	74	46
Governance	60,184	60,184	63,265
Other Support Costs	25,545	25,545	7,362
	<u>646,034</u>	<u>646,034</u>	<u>487,695</u>

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10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	3,825	1,584
Depreciation of tangible fixed assets	112,409	120,315
Loss on disposal of fixed assets	2,679	-
Fees paid to auditors for:		
- audit	150	5,850
	119,063	127,749

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	1,218,906	1,205,575
Social security costs	108,487	109,060
Pension costs	305,103	300,094
	1,632,496	1,614,729
Agency staff costs	107,756	39,392
	1,740,252	1,654,121

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	12	14
Administration & support staff	26	25
Management	4	3
	42	42

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11. Staff costs (continued)

c. Higher paid staff

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-
	1	-

d. Key management personnel

Key management personnel are the members of senior management. The compensation paid to key management for employee services during the year was £277,581 (2018: £265,711) and pension contribution of £42,617 (2018: £40,919).

12. Trustees' remuneration and expenses

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

		2019	2018
		£	£
M L Ramsay, Staff Trustee	Remuneration	45,000 -	40,000 -
		50,000	45,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000
K Packham, Staff Trustee	Remuneration	40,000 -	40,000 -
		45,000	45,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000
T Stokes, Head Teacher	Remuneration	80,000 -	75,000 -
		85,000	80,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000

During the year, no Trustees received any benefit in kind (2018 - £NIL).

During the year ended 31 August 2019, 2 trustees received reimbursements of expenses for a total of £140 (2018 - £117).

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13. Trustees' and Officers' insurance

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

14. Other finance income

	2019 £	2018 £
Interest income on pension scheme assets	25,000	19,000
Interest on pension scheme liabilities	(44,000)	(36,000)
	(19,000)	(17,000)
	(19,000)	(17,000)

15. Tangible fixed assets

	Leasehold property £	Furniture and fixtures £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2018	4,143,747	309,765	165,999	72,070	4,691,581
Additions	17,600	12,077	41,831	-	71,508
Disposals	-	(3,474)	(13,638)	-	(17,112)
At 31 August 2019	4,161,347	318,368	194,192	72,070	4,745,977
Depreciation					
At 1 September 2018	192,736	212,109	93,575	24,350	522,770
Charge for the year	48,057	33,338	23,856	7,158	112,409
On disposals	-	(3,004)	(11,429)	-	(14,433)
At 31 August 2019	240,793	242,443	106,002	31,508	620,746
Net book value					
At 31 August 2019	3,920,554	75,925	88,190	40,562	4,125,231
At 31 August 2018	3,951,011	97,656	72,424	47,720	4,168,811

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15. Tangible fixed assets (continued)

Included in land and buildings is land at valuation of £2,013,000, which is not depreciated.

16. Debtors

	2019	2018
	£	£
Due within one year		
VAT recoverable	35,066	22,224
Prepayments and accrued income	57,366	50,247
	<u>92,432</u>	<u>72,471</u>

17. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	28,993	39,737
Other taxation and social security	24,991	26,753
Other creditors	27,106	26,020
Accruals and deferred income	12,450	9,269
	<u>93,540</u>	<u>101,779</u>

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18. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Reserves	302,615	60,122	(47,233)	-	-	315,504
Restricted general funds						
General Annual Fund(GAG)	6,237	1,291,762	(1,296,540)	3,208	-	4,667
Pupil Premium	20,205	32,725	(33,084)	-	-	19,846
Year 7 catch up grant	-	7,438	(7,438)	-	-	-
Special educational needs	439,395	553,107	(467,611)	-	-	524,891
Other grants	-	280,478	(237,117)	(43,361)	-	-
Other income	500	-	-	-	-	500
Restricted donations	1,128	-	-	-	-	1,128
Pension reserve	(625,000)	-	(114,000)	-	(275,000)	(1,014,000)
	<u>(157,535)</u>	<u>2,165,510</u>	<u>(2,155,790)</u>	<u>(40,153)</u>	<u>(275,000)</u>	<u>(462,968)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	4,168,811	47,713	(115,087)	40,153	-	4,141,590
Total Restricted funds	<u>4,011,276</u>	<u>2,213,223</u>	<u>(2,270,877)</u>	<u>-</u>	<u>(275,000)</u>	<u>3,678,622</u>
Total funds	<u><u>4,313,891</u></u>	<u><u>2,273,345</u></u>	<u><u>(2,318,110)</u></u>	<u><u>-</u></u>	<u><u>(275,000)</u></u>	<u><u>3,994,126</u></u>

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

Restricted funds

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education and Skills Funding Agency by the Department for Education. The General Annual Grant has been set up because the GAG must be used

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18. Statement of funds (continued)

for the normal running costs of the academy.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

The Pupil Premium fund represents the restricted pupil premium income received for the purposes of supporting children who have been eligible for free school meals at any point in the last six years. The relevant expenditure incurred is recorded through this fund.

The SEN fund represents the specific funding received for named children with exceptional needs and the relevant expenditure is recorded against this.

The other restricted income fund has been created to recognise all sundry sources of restricted income from various sources. The relevant restricted expenditure is then also recorded through this fund. A transfer of £40,153 has been made out of these funds to cover the additional computer equipment purchased due to the increase in student numbers during the year.

The pension reserve fund has been created to separately identify the LGPS pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

Restricted fixed asset fund

The inherited fixed assets fund has been set up to recognise the tangible assets gifted to the academy upon conversion which represent the school site including the long leasehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

Devolved capital fund, included within the restricted fixed asset fund, represents grants for capital maintenance of the school site, this is based on student numbers.

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FOR THE YEAR ENDED 31 AUGUST 2019

18. Statement of funds (continued)

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Unrestricted funds						
Reserves	241,871	49,187	(23,271)	34,828	-	302,615
Restricted general funds						
General Annual Fund(GAG)	-	1,304,774	(1,298,537)	-	-	6,237
Pupil Premium	13,963	30,599	(19,244)	(5,113)	-	20,205
Year 7 catch up grant	-	7,875	(7,875)	-	-	-
Special educational needs	407,035	506,367	(392,510)	(81,497)	-	439,395
Other grants	35,000	161,377	(196,377)	-	-	-
Other income	34,828	500	-	(34,828)	-	500
Restricted donations	3,412	-	(2,284)	-	-	1,128
Pension reserve	(642,000)	-	(113,000)	-	130,000	(625,000)
	<u>(147,762)</u>	<u>2,011,492</u>	<u>(2,029,827)</u>	<u>(121,438)</u>	<u>130,000</u>	<u>(157,535)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	4,190,752	14,286	(122,837)	86,610	-	4,168,811
Total Restricted funds	<u>4,042,990</u>	<u>2,025,778</u>	<u>(2,152,664)</u>	<u>(34,828)</u>	<u>130,000</u>	<u>4,011,276</u>
Total funds	<u><u>4,284,861</u></u>	<u><u>2,074,965</u></u>	<u><u>(2,175,935)</u></u>	<u><u>-</u></u>	<u><u>130,000</u></u>	<u><u>4,313,891</u></u>

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

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	4,125,231	4,125,231
Current assets	315,504	644,572	16,359	976,435
Creditors due within one year	-	(93,540)	-	(93,540)
Provisions for liabilities and charges	-	(1,014,000)	-	(1,014,000)
Total	315,504	(462,968)	4,141,590	3,994,126

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	4,168,811	4,168,811
Current assets	302,615	569,245	-	871,860
Creditors due within one year	-	(101,779)	-	(101,779)
Provisions for liabilities and charges	-	(625,000)	-	(625,000)
Total	302,615	(157,534)	4,168,811	4,313,892

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

	2019 £	2018 £
Net expenditure for the year (as per Statement of financial activities)	(44,766)	<i>(100,970)</i>
Adjustments for:		
Depreciation	112,408	<i>120,315</i>
Capital grants from DfE and other capital income	(20,343)	<i>(8,286)</i>
Defined benefit pension scheme finance cost	114,000	<i>113,000</i>
Increase in debtors	(19,961)	<i>(30,573)</i>
(Decrease)/increase in creditors	(8,238)	<i>27,613</i>
Dividends, interest and rents from investments	(456)	<i>(407)</i>
Loss on the sale of fixed assets	2,679	<i>2,522</i>
Net cash provided by operating activities	135,323	<i>123,214</i>

21. Cash flows from financing activities

	2019 £	2018 £
Interest received	456	<i>407</i>
Net cash provided by financing activities	456	<i>407</i>

22. Cash flows from investing activities

	2019 £	2018 £
Purchase of tangible fixed assets	(71,507)	<i>(100,896)</i>
Capital grants from DfE Group	20,343	<i>8,286</i>
Net cash used in investing activities	(51,164)	<i>(92,610)</i>

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23. Analysis of cash and cash equivalents

	2019	<i>2018</i>
	£	£
Cash in hand	884,003	799,388
Total cash and cash equivalents	884,003	799,388

24. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £24,886 were payable to the schemes at 31 August 2019 (*2018 - £24,679*) and are included within creditors.

Teachers' Pension Scheme

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

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

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24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £115,348 (2018 - £119,000).

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 has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £123,000 (2018 - £111,004), of which employer's contributions totalled £95,125 (2018 - £85,168) and employees' contributions totalled £ 28,084 (2018 - £25,836). The agreed contribution rates for future years are 20.3 per cent for employers and 5.5-12.5 per cent for employees.

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

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24. Pension commitments (continued)

Principal actuarial assumptions

	2019	<i>2018</i>
	%	%
Rate of increase in salaries	2.60	2.70
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	1.80	2.80

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

	2019	<i>2018</i>
	Years	Years
<i>Retiring today</i>		
Males	21.6	22.5
Females	23.6	24.6
<i>Retiring in 20 years</i>		
Males	22.5	24.1
Females	25.0	26.4

Sensitivity analysis

	2019	<i>2018</i>
	£000	£000
Discount rate +0.1%	(53)	(37)
Discount rate -0.1%	53	37
Mortality assumption - 1 year increase	81	58
Mortality assumption - 1 year decrease	(81)	(58)
CPI rate +0.1%	47	32
CPI rate -0.1%	(47)	(32)

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24. Pension commitments (continued)

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

	At 31 August 2019	<i>At 31 August 2018</i>
	£	£
Equities	712,840	599,760
Debt Instruments	180,720	141,610
Property	80,320	58,310
Cash and other liquid assets	30,120	33,320
Total market value of assets	1,004,000	833,000

The actual return on scheme assets was £58,000 (2018 - £39,000).

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

	2019	<i>2018</i>
	£	£
Current service cost	(182,000)	(181,000)
Interest income	25,000	19,000
Interest cost	(44,000)	(36,000)
Total amount recognised in the Statement of financial activities	(201,000)	(198,000)

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

	2019	<i>2018</i>
	£	£
Opening defined benefit obligation	1,458,000	1,333,000
Current service cost	182,000	181,000
Interest cost	44,000	36,000
Employee contributions	28,000	26,000
Actuarial losses/(gains)	308,000	(110,000)
Benefits paid	(10,000)	(8,000)
Past service costs	8,000	-
At 31 August	2,018,000	1,458,000

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24. Pension commitments (continued)

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

	2019 £	2018 £
Opening fair value of scheme assets	833,000	691,000
Actuarial losses	33,000	20,000
Employer contributions	95,000	85,000
Employee contributions	28,000	26,000
Benefits paid	(10,000)	(8,000)
Return on plan assets (excluding net interest on the defined pension liability)	25,000	19,000
At 31 August	1,004,000	833,000

25. Operating lease commitments

At 31 August 2019 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Within 1 year	9,448	974
Between 1 and 5 years	19,024	228
	28,472	1,202

26. Members' liability

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

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27. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

E Packham, daughter of K Packham, a trustee, is employed by the academy trust as a support staff member. E Packham's appointment was made in open competition and K Packham was not involved in the decision-making process regarding appointment. E Packham is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

28. 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 academy trust received £21,600 (2018: £26,400) and disbursed £21,600 (2018: £25,200) from the fund. An amount of £1,200 (2018: £1,200) is included in other creditors relating to undistributed funds.

29. Controlling party

During the year the academy was under the control of the Trustees.