

THE HELENA ROMANES SCHOOL
(A Company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

THE HELENA ROMANES SCHOOL
(A Company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr M Perry Mr D Gee (appointed 1 September 2019) Mr D Macmillan
Trustees	Mr I Keast Mrs A Farrell Mr B Chapman Mrs C Herman (resigned 3 December 2019) Mr M Frost Mr D Macmillan Mr D Gee, Headteacher and Accounting Office (appointed 1 September 2019) Mr P Bennett Mrs S Bird Mr S Thompson Mr R Elliot (resigned 5 November 2019) Mr M Perry, Chair of Trustees Ms J Owens (resigned 1 November 2019)
Company registered number	07984843
Company name	The Helena Romanes School
Registered and principal office	The Helena Romanes School Parsonage Downs Great Dunmow Essex CM6 2AU
Accounting Officer	Mr D Gee, Headteacher
Senior Leadership Team	Mr D Gee (appointed 1 September 2019), Headteacher Mr N Foster, Deputy Head Mr S Emberton, Assistant Head Mr L Cooke, Assistant Head Ms L Evans-Barlow, Business Manager Ms D Wright, Head of Sixth Form
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

THE HELENA ROMANES SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

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

The Trust operates an academy school for pupils aged 11 to 18 serving a catchment area in Great Dunmow, The Rodings, Thaxted, Stebbing, Bardfield, Flich Green, Felsted and part of Takeley. It has a pupil capacity of 1,563 and had a roll of 1,215 in the January 2020 school census.

Structure, Governance and Management

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Charitable Company is known as The Helena Romanes School (the School).

Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

Members' Liability

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

Trustees and Officers' Indemnities

The Trust has secured insurance cover through Zurich Municipal. The policy protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £5,000,000. It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the Academy policy.

Method of Recruitment and Appointment or Election of Trustees

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

Trustees are appointed for a fixed term. The Headteacher is an ex officio member of the Governing Body. Parent Trustees and the staff Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for 20 Trustees (7 Parents, 2 Staff – Teaching, 1 Staff non-teaching, 9 others plus the Headteacher).

Policies and Procedures Adopted for the Induction and Training of Trustees

The Charitable Company is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust provides internal training led by School staff and also links with a number of local training providers.

All new Trustees have an induction programme, according to their need, which includes introductory sessions, mentoring, formal training courses, and a tour of the School. This process will involve a meeting with the Chairman of Trustees, selected students and staff. All Trustees are provided with a handbook plus copies of policies and procedures documents that are appropriate to the role they undertake as Trustees with particular emphasis on the committee work that they will undertake.

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TRUSTEES' REPORT (CONTINUED)
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Organisational Structure

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

The Board of Trustees, which meets on at least 6 occasions per year and each individual committee at least 3 times per year, is responsible for the strategic direction of the Academy. The Board reviews progress towards educational objectives and results; approves major expenditure requests; sets the budget for the following year; sets the organisational staffing structure; agrees the performance objectives of the Headteacher with the School Improvement Partner, and reviews them.

The Headteacher is the designated Accounting Officer and has overall responsibility for the day to day financial management of the Charitable Company. The Headteacher has delegated responsibility for low values of expenditure to specific budget holders who are responsible for managing their own departments within their allocated budgets. A system of financial controls is in place to manage this process.

The Headteacher manages the Academy on a daily basis supported by a Senior Leadership Team (SLT). The SLT meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher and the Board of Trustees as required for approval. Each member of the SLT has specific responsibilities to assist the Headteacher to manage certain aspects of the Academy.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

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

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the school group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

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

Trade union facility time

During the year the one employee of the Trust, on a 100% full time equivalent contract, acted as a union official. The employee spent four hours (equating to less than 1%) of their time on union facility. The total cost of facility time is £212 for the year.

Related Parties and other Connected Charities and Organisations

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

The Trust did not cooperate with any related party during the academic year in pursuit of its charitable activities. The Trust does not have a formal sponsor.

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

Objectives and Activities

Objects and Aims

The principal object and aim of the Charitable Company is the operation of the School to provide free education and care for pupils of different abilities between the ages of 11 and 18. Specifically to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values.

Objectives, Strategies and Activities

During the year the School has worked towards these aims by setting the following key objectives:

- to ensure that students' written work is of high quality, and that it reflects the well-sequenced curriculum that they are studying;
- to improve the overall quality of teaching and students' progress in science and mathematics;
- to review and refocus the School's budget to ensure that spending reflects local and national benchmarks;
- to ensure that teachers plan learning that provides students with appropriate levels of challenge, and ensures that they are fully engaged and committed to their learning;
- to ensure that all staff lead and manage students' behaviour, both in and out of the classroom, with relentless consistency;
- to develop students' resilience and sense of accountability for their own learning;

The ability to achieve our key objectives was hampered by the Covid-19 pandemic and the closure of schools from 23 March 2020. In the time whilst the School was fully operational, our success in fulfilling our objectives can be measured by:

- Systems have been designed and implemented in order to accurately monitor the quality of students' written work. However the national lockdown prevented any significant judgements to be made. This remains a key priority for 2021.
- Assistant Headteacher appointed with direct responsibility for mathematics and science.
- Worked closely with Saffron Academy Trust to achieve cost savings and review procedures. Renegotiated and rendered key contracts to achieve significant savings and income generation for future years. Reviewed staffing requirements and structures against curriculum requirements. This work resulted in the delivery of a balanced budget for 20/21.
- Consultation with teaching staff resulted in the adoption of the HRS 10; an agreed list of 10 strategies that must be present in all lessons for every teacher. Challenge has improved from 64% to 72% and there has been a teaching grade improvement of 8% over the year.
- A review and redesign of behaviour strategies took place resulting in a clear and concise phased approach to dealing with behaviour issues. An additional pastoral leader was employed to strengthen the team for 20/21.

Following February half term, our main objective became the remote / online provision of quality education to our students, and to support our staff to achieve this. We already had the basis of this in place through our use of Google Classroom and the Show My Homework app. Teaching staff were able to utilise these tools to provide an educational provision for students both at home and for those of key workers in School. The quality of work set was continually monitored by SLT and the format was adapted over time following feedback from all stakeholders. Practical issues encountered including connectivity and accessibility to computer devices were overcome during this period.

From July onwards, the focus for the Headteacher and the senior team was to ensure that the school was Covid secure for opening in September. This was achieved through collaboration with the LA, bus companies, Saffron Academy Trust, staff and parents.

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The following changes were considered and implemented:

- Separate entrances for students entering the building;
- One way system around the School site;
- Ensuring the security of year group bubbles;
- Provision of hand sanitisers and other personal protective equipment;
- Rearrangement of classrooms and offices to maintain social distancing;
- Introduction of split breaks and lunches

Public Benefit

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

Strategic Report

Achievements and Performance

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

National performance data from 2019/20 for both KS4 & KS5 will not be published due to schools submitting centre assessed grades. This means that any key performance indicators are, for the summer exam season, unreliable and cannot be used to judge outcomes for students.

Specific achievements were as follows:

- appointment of experienced staff, including 2 Lead Practitioners and Head of Humanities, to key areas for 2020/21;
- the agreement for the trust to join Saffron Academy Trust from 1 September 2020;
- an improvement in the recruitment of year 6 students from local feeder and out of catchment schools;
- the continuation of a quality education and student wellbeing provision during the summer term;
- major refurbishment of the sports hall changing rooms that had been previously out of use.

Key Performance Indicators

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the School compared to aims, strategies and financial budgets.

Key Financial Performance Indicators	2019/20
Salary cost as % of ESFA income	91.5%
Salary cost as % of total income	84.5%
Teaching staff cost (inc supply) as % of income	63.9%
Support staff cost as % of income	20.7%
Total pupil number	1,207
Pupil / teacher ratio	17.6
GAG % of total income	92.3%

Going Concern

The Academy transferred its operating activities, assets and liabilities to Saffron Academy Trust on 1 September 2020 and has ceased its operating activities. All assets and liabilities were transferred to Saffron Academy Trust at their carrying amounts; as a result, the accounts have been prepared on a basis other than the going concern basis.

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Financial Review

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2020 the Trust received £7,199,714 of GAG and other income. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent a total of £7,881,301. The Trust brought forward from 18/19, £110,183 restricted funds and £416,252 unrestricted funding. The carry forward for 19/20 is £94,695 restricted funding and £328,176 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £3,928,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves Policy

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

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £328,176. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2020 was £422,871.

The cash balance of the Academy has been very healthy all year, ending the year with a balance of £514,685. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure.

Investment Policy

An Investment Policy was approved by the Board of Trustees in March 2017.

The aim of the policy is to ensure funds that the Academy does not immediately need to cover anticipated expenditure are invested to maximise the Academy's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

Principal Risks and Uncertainties

The Trustees maintain a risk register identifying the major risks to which the Trust is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Audit Committee meeting. The principal risks facing the Trust are outlined below; those facing the Trust at an operational level are addressed by its systems and by internal financial and other controls.

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

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TRUSTEES' REPORT (CONTINUED)
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Principal Risks and Uncertainties (Continued)

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

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

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

- the Academy has considerable reliance on continued Government funding through the ESFA and whilst there has been an uplift in the AWPU rate this will not be enough to counteract the teachers pensions contribution pay rise should the Government choose to cease these additional grants;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the School is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- staffing - the success of the School is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - the Academy has appointed Juniper Education to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Academy only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Academy is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

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

Fundraising

The Trust did not have the opportunity to hold fundraising events during the year, particularly due to the Covid pandemic.

Plans for Future Periods

During the 19/20 academic year, the trust has been working closely with the Saffron Academy Trust and will become part of SAT from 1 September 2020.

The priorities for 20/21 will remain the same as they were previously. This is due to our efforts towards achieving these aims being hampered in 19/20 by the global pandemic.

The Trustees have moved forward with plans regarding the re-siting of the School. This is now linked to additional primary school provision in Great Dunmow. Temporary accommodation for the primary classes will be placed on the current trust site from September 2021 with plans to open an all through school in the new location in September 2022. In the meantime, management will continue to maintain and refurbish the existing site.

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

Funds Held as Custodian Trustee on Behalf of Others

The Trust acts as an agent in distributing 16-19 Bursary Funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. Where the funds have not been fully applied in the accounting period then an amount will be included as amounts due to the ESFA.

Provision 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 the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

Auditors

The Trustees' report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 17 December 2020 and signed on its behalf by:

Mr M Perry
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Helena Romanes 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 12 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mr I Keast	0	12
Mrs A Farrell	4	12
Mr B Chapman	10	12
Mrs C Herman	3	4
Mr M Frost	7	12
Mr D Macmillan	5	12
Mr D Gee, Headteacher and Accounting Officer (from 1 September 2019)	12	12
Mr P Bennett	6	12
Mrs S Bird	12	12
Mr S Thompson	10	12
Mr R Elliot	2	3
Mr M Perry, Chair of Trustees	12	12
Ms J Owens	1	3

Review of year

Over the past year the Board of Trustees has seen 3 Academy appointed Governors leave (November 19) resulting in a Governing Body total of 10. The Trustees therefore opted to amalgamate the majority of the committee meetings to ensure they were quorate. The new Headteacher took up post in mid August 2019.

Governance reviews

All Governors completed the National Governance skills audit in September 2019. This is designed to assess the skills, knowledge and experience of the Governing Body. The results were independently reviewed by Sarah Dignasse, the Chair of Governors for Saffron Walden County High School. No Governor is expected to excel in all the skills listed. However, governor training is designed and used to address the needs highlighted as a result of the audit. The next audit will be conducted at the end of the academic year 2020/21.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Committees

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees.

Its purpose is to:

- develop the long-term plan for buildings and site to meet any curriculum, capacity and health and safety requirements;
- in conjunction with relevant third parties and as advised by the Business Manager, oversee the production of any capital bid; the allocation and claim of any formula allocation grant; the planned maintenance programme for both the premises and the site; and the progress and standard of work being undertaken by contractors;
- consider, approve and monitor any project to improve or modify existing or to provide new facilities and/or services;
- monitor and review tenders and contracts for premises related services;
- review the School's health & safety policy on an annual basis; and monitor health and safety matters by receiving the minutes of the Health & Safety Committee and regular reports from the Business Manager, including an annual report on health & safety training carried out;
- ensure that arrangements are in place to maintain the cleanliness and tidiness of the school site;
- oversee arrangements for lettings and community use;
- receive regular reports from the Business Manager on the Asset Management Plan.
- the Committee will monitor the School's budget. It will receive the financial and other business reports at the end of every financial year. It will monitor progress against the current budget and, receive and review the budget for the following financial year, making recommendations as necessary to the Board of Trustees; and.
- in particular, but without limitation to, the Committee will have oversight of and monitor the expenditure of the following cost centre areas; lettings, scheduled maintenance, on-going maintenance, all capital projects, all ICT expenditure and capitation accounts. The Committee shall have the right to refer any concerns they may have in respect of such expenditure to the relevant individual or committee, or to the Board of Trustees for discussion.

During 2020 this committee was combined with the full Board of Trustees meetings.

The Audit Committee is also a sub-committee of the Board of Trustees. Its purpose is to:

- determine whether appropriate accounting methods are being applied;
- discuss with management and with the external Auditor all proposed major changes in accounting policy, the presentation of all large risks or uncertainties and all estimates or judgements of management that may be material to financial reporting. Question management and the external Auditor regarding significant financial recording or presentation issues that were discussed during the accounting period and the manner of their resolution; and
- examine the audited annual financial statements in conjunction with the management report of the external Auditor, with particular reference to whether the statements:
 - properly reflect the significant accounting policies selected;
 - reflect estimates and other financial statement elements that are reasonable and consistent;
 - adequately disclose all major transactions and issues;
 - disclose all post year-end significant events, and
 - are understandable, relevant, reliable and comparable.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

External audit

The Committee will:

- determine whether the performance of the external audit is satisfactory and effective and meets the requirements of the School;
- recommend to the Governing Body the retention or replacement of the external Auditor and, if the Committee recommends replacement, evaluate candidates for the appointment;
- review all issues related to any change of external Auditor and the planned steps for an orderly transition;
- reviewing the terms of the external Auditor's engagement, and the appropriateness and reasonableness of the proposed audit fees;
- review the audit plan with the external Auditor and management; determine whether management has provided full and open disclosure to the Auditor's enquiries;
- review problems experienced by the external Auditor in performing the audit, including any restriction imposed by management and all accounting issues on which there was a disagreement with management;
- review the post-audit or management letters containing the recommendation of the external Auditor and reviewing management's response and subsequent follow up to all identified weaknesses, and
- meet with the external Auditors in private at least once a year to ensure that there are no unresolved issues of concern and that full cooperation has been received.

Internal audit

The Committee will:

- determine whether the performance of the Internal Auditor is satisfactory and effective and meets the requirements of the School;
- recommend to the Governing Body the retention or replacement of the Internal Auditor, if the Committee recommends replacement, evaluate candidates for the appointment;
- review the terms of the Internal Auditor's engagement, and the appropriateness and reasonableness of any fees proposed to be paid either directly or for sub-contracted work;
- review the annual plan with the Internal Auditor; and
- meet with the Internal Auditor in private at least once a year to ensure that there are no unresolved issues of concern and that full cooperation has been received.

The Committee will also seek independent assurance from the Internal Auditor that:

- the financial responsibilities of the Board of Trustees are being properly discharged;
- resources of the School are managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained, and
- financial considerations are fully taken into account in reaching decisions both by members of staff and the Board of Trustees.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Other responsibilities

The Committee will:

- review the status of pending or threatened material litigation;
- ascertain whether the financial results and condition satisfy the criteria for lenders, material agreements, applicable laws and insurers;
- draw to the attention of the Board of Trustees all financial matters of which the Committee has knowledge and which may materially affect the current or future position of the School;
- determine whether systems are in place to identify and monitor major business risks. The Chairman will report to the Board of Trustees as appropriate on the areas of major business risk;
- verify the establishment of policies and procedures for monitoring compliance with applicable laws and with the School's policies as to authorisation of expenditures, leases and contracts and otherwise, and ascertain their adequacy and levels of compliance;
- endeavour to identify to the Board of Trustees matters that expose Governors to claims for which Governors could be held personally liable, and
- ascertain whether any Conflict of Interest guidelines are strictly complied with.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
B Chapman	1	1
M Frost	1	1
D Gee	1	1
D Macmillan	1	1
M Perry	1	1

Review of value for money

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

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

- ensuring that all expenditure supported the school development plan in order to enhance educational standards and outcomes;
- re-tendered and re-negotiated key contracts to achieve cost savings, income generation and enhanced terms;
- reviewed and restructured the SEN provision to enhance the effectiveness and development of the team.

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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

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

Capacity to handle risk

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

The risk and control framework

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

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

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

Internal Scrutiny/Audit

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

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

- Governance & Financial Management
- Cash Management and Banking Procedures
- Payroll and Expenses

Following each visit, the Internal Auditor reports to the Board of Trustees, via email and through the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Internal Auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of 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 Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 17 December 2020 and signed on their behalf by:

Mr M Perry
Chair of Trustees

Mr D Gee
Accounting Officer

THE HELENA ROMANES SCHOOL
(A Company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

Mr D Gee
Accounting Officer
Date: 16 December 2020

THE HELENA ROMANES SCHOOL
(A Company limited by guarantee)

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

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

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

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

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

The Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring 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 17 December 2020 and signed on its behalf by:

Mr M Perry
Chair of Trustees

THE HELENA ROMANES SCHOOL
(A Company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
HELENA ROMANES SCHOOL**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Emphasis of matter

We draw attention to note 1.6 in the financial statements, which describes the basis of preparation of the financial statements. The Academy transferred its operations, assets and liabilities to Saffron Academy Trust on 1 September 2020 and has ceased operating. As required by UK accounting standards, the Trustees have prepared the financial statements on the basis that the Academy is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities were transferred to Saffron Academy Trust at their carrying amounts. Our opinion is not modified in respect of this matter.

THE HELENA ROMANES SCHOOL
(A Company limited by guarantee)

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

THE HELENA ROMANES SCHOOL
(A Company limited by guarantee)

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

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust 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 Trust's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Trust'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 Trust and its Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

Mr Gary Miller (Senior statutory auditor)

for and on behalf of
Price Bailey LLP
Chartered Accountants
Statutory Auditors
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

17 December 2020

THE HELENA ROMANES SCHOOL
(A Company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE HELENA ROMANES SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 12 October 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Helena Romanes School during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Helena Romanes School's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of The Helena Romanes School's funding agreement with the Secretary of State for Education dated 28 March 2012 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

THE HELENA ROMANES SCHOOL
(A Company limited by guarantee)

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

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

Reporting Accountant
Price Bailey LLP
Chartered Accountants

Date: 17 December 2020

THE HELENA ROMANES SCHOOL
(A Company limited by guarantee)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	-	78,928	466,137	545,065	663,686
Charitable activities	4	24,497	6,545,028	-	6,569,525	6,049,288
Other trading activities	5	84,147	-	-	84,147	108,869
Investments	6	977	-	-	977	1,781
Total income		<u>109,621</u>	<u>6,623,956</u>	<u>466,137</u>	<u>7,199,714</u>	<u>6,823,624</u>
Expenditure on:						
Charitable activities	7	197,697	6,879,444	804,160	7,881,301	7,199,115
Total expenditure		<u>197,697</u>	<u>6,879,444</u>	<u>804,160</u>	<u>7,881,301</u>	<u>7,199,115</u>
Net movement in funds before other recognised gains/(losses)		<u>(88,076)</u>	<u>(255,488)</u>	<u>(338,023)</u>	<u>(681,587)</u>	<u>(375,491)</u>
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	197,000	-	197,000	(490,000)
Net movement in funds		<u>(88,076)</u>	<u>(58,488)</u>	<u>(338,023)</u>	<u>(484,587)</u>	<u>(865,491)</u>
Reconciliation of funds:						
Total funds brought forward		416,252	(3,774,817)	17,638,402	14,279,837	15,145,328
Net movement in funds		(88,076)	(58,488)	(338,023)	(484,587)	(865,491)
Total funds carried forward		<u>328,176</u>	<u>(3,833,305)</u>	<u>17,300,379</u>	<u>13,795,250</u>	<u>14,279,837</u>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 25 to 47 form part of these financial statements.

THE HELENA ROMANES SCHOOL
(A Company limited by guarantee)
REGISTERED NUMBER: 07984843

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	17,294,021	17,632,134
Current assets			
Debtors	14	383,094	361,907
Cash at bank and in hand		514,685	644,841
		897,779	1,006,748
Creditors: amounts falling due within one year	15	(468,550)	(472,585)
Net current assets		429,229	534,163
Total assets less current liabilities		17,723,250	18,166,297
Creditors: amounts falling due after more than one year	16	-	(1,460)
Net assets excluding pension liability		17,723,250	18,164,837
Defined benefit pension scheme liability	24	(3,928,000)	(3,885,000)
Total net assets		13,795,250	14,279,837
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	17,300,379	17,638,402
Restricted income funds	17	94,695	110,183
Pension reserve	17	(3,928,000)	(3,885,000)
Total restricted funds	17	13,467,074	13,863,585
Unrestricted income funds	17	328,176	416,252
Total funds		13,795,250	14,279,837

The financial statements on pages 22 to 47 were approved by the Trustees, and authorised for issue on 17 December 2020 and are signed on their behalf, by:

Mr M Perry
Chair of Trustees

THE HELENA ROMANES SCHOOL
(A Company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	19	(572,470)	(209,220)
Cash flows from investing activities	20	442,314	136,602
Change in cash and cash equivalents in the year		(130,156)	(72,618)
Cash and cash equivalents at the beginning of the year		644,841	717,459
Cash and cash equivalents at the end of the year	21, 22	<u>514,685</u>	<u>644,841</u>

THE HELENA ROMANES SCHOOL
(A Company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

The Helena Romanes School meets the definition of a public benefit entity under FRS 102.

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

1.2 Company status

The Trust is a company limited by guarantee. The Members are noted on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member. The Trust's registered office is Parsonage Downs, Great Dunmow, CM6 2AU.

1.3 Fund accounting

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

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

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

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

THE HELENA ROMANES SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

1.5 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.

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

- **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.

1.6 Going concern

As explained in note 27, the trust transferred its operations, assets and liabilities to Saffron Academy Trust on 1 September 2020 and has ceased operating. As required by UK accounting standards, the Trustees have prepared the financial statements on the basis that the Trust is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities were transferred to Saffron Academy Trust at their carrying amounts.

THE HELENA ROMANES SCHOOL
(A Company limited by guarantee)

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

1. Accounting policies (continued)

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Freehold property	- 30-50 years straight line
Furniture and equipment	- 10 years straight line
Motor vehicles	- 10 years straight line
Computer equipment	- 5 years straight line

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

1.8 Taxation

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

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

1.9 Operating leases

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

1.10 Debtors

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

1.11 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.

THE HELENA ROMANES SCHOOL
(A Company limited by guarantee)

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

1. Accounting policies (continued)

1.12 Liabilities

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

1.13 Financial instruments

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

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

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

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

1.14 Pensions

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

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

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

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

THE HELENA ROMANES SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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

3. Income from donations and capital grants

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Contributions to trips	58,397	-	58,397	317,095
Donations	20,531	-	20,531	85,631
Capital grants	-	466,137	466,137	260,960
	<u>78,928</u>	<u>466,137</u>	<u>545,065</u>	<u>663,686</u>
Total 2019	<u>402,726</u>	<u>260,960</u>	<u>663,686</u>	

In 2019, income from contributions to trips was £317,095 of which all was restricted.

In 2019, income from donations was £85,631 of which all was restricted.

In 2019, capital grants of £260,960 were in relation to restricted fixed assets.

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FOR THE YEAR ENDED 31 AUGUST 2020

4. Funding for the Academy's provision of education

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	5,730,469	5,730,469	5,690,620
Other DfE / ESFA grants	-	709,672	709,672	248,933
	-	6,440,141	6,440,141	5,939,553
Other government grants				
Local Authority grants	-	58,999	58,999	80,152
	-	58,999	58,999	80,152
Exceptional Government funding				
Coronavirus exceptional support	-	45,888	45,888	-
	-	45,888	45,888	-
Other funding				
Catering income	24,497	-	24,497	29,583
	24,497	6,545,028	6,569,525	6,049,288
Total 2019	29,583	6,019,705	6,049,288	

In 2019, income from DfE/ESFA grants was £5,939,553 of which all was restricted.

In 2019, income from other government grants was £80,152 of which all was restricted.

In 2019, income from catering was £29,583 of which all was unrestricted.

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5. Income from other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Rental income	45,720	-	45,720	57,807
Other income	36,093	2,334	38,427	51,062
	<u>81,813</u>	<u>2,334</u>	<u>84,147</u>	<u>108,869</u>
Total 2019	<u>108,869</u>	<u>-</u>	<u>108,869</u>	

In 2019, rental income was £57,807 of which all was unrestricted.

In 2019, other income was £51,062 of which all was unrestricted.

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest received	977	977	1,781
Total 2019	<u>1,781</u>	<u>1,781</u>	

In 2019, all investment income was in relation to unrestricted funds.

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7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Provision of Education:					
Direct costs	4,569,537	-	455,148	5,024,685	4,921,314
Support costs	1,063,086	1,195,997	597,533	2,856,616	2,277,801
	<u>5,632,623</u>	<u>1,195,997</u>	<u>1,052,681</u>	<u>7,881,301</u>	<u>7,199,115</u>
	<u>5,149,107</u>	<u>838,395</u>	<u>1,211,613</u>	<u>7,199,115</u>	
Total 2019					

In 2019, of the total expenditure, £36,907 was from unrestricted fund, £6,704,677 was from restricted funds and £457,531 was from restricted fixed asset funds.

In 2019, direct expenditure consisted of £4,156,257 staff costs and £765,057 other costs.

In 2019, support expenditure consisted of £992,850 staff costs, £838,395 premises costs and £446,556 other costs.

8. Charitable activities

	2020 £	2019 £
Direct costs	5,024,685	4,921,314
Support costs	2,856,616	2,277,801
	<u>7,881,301</u>	<u>7,199,115</u>

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Charitable activities (continued)

	2020	2019
	£	£
Analysis of support costs		
Support staff costs	1,063,086	1,073,850
Depreciation	359,621	239,080
Technology costs	39,991	52,405
Premises costs	395,130	599,315
Other support costs	518,991	293,876
Governance costs	34,551	12,875
Legal costs	4,000	6,400
School development costs	441,246	-
	2,856,616	2,277,801
	2,856,616	2,277,801

9. Net income/(expenditure)

Net expenditure for the year includes:

	2020	2019
	£	£
Operating lease rentals	69,542	68,296
Depreciation of tangible fixed assets	359,621	239,080
Fees paid to Auditors for:		
- audit	7,850	7,375
- other services	11,644	14,210
	19,536	100,881
	19,536	100,881

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020	2019
	£	£
Wages and salaries	4,145,014	3,931,631
Social security costs	397,240	368,676
Pension costs	1,064,750	848,800
	5,607,004	5,149,107
Agency staff costs	25,619	-
	5,632,623	5,149,107
	5,632,623	5,149,107

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	76	74
Administration and support	54	58
Management	2	2
	<u>132</u>	<u>134</u>

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Teachers	67	68
Administration and support	42	45
Management	2	3
	<u>111</u>	<u>116</u>

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	1
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	-	1
	<u>-</u>	<u>1</u>

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £640,253 (2019 £649,932).

Employer pension contributions included within key management personnel remuneration was £112,310 (2019: £92,862).

Employer national insurance contributions included within key management personnel remuneration was £55,152 (2019: £61,533).

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11. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance from Zurich to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring while on Academy business. The insurance covers up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 is included in the total insurance cost.

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 Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020	2019
		£	£
Mr S Knight, Headteacher and Accounting Officer (resigned 31 August 2019)	Remuneration	Nil	100,000 - 105,000
	Pension contributions paid	Nil	15,000 - 20,000
Mrs V Cumming Newell (resigned 24 July 2019)	Remuneration	Nil	40,000 - 45,000
	Pension contributions paid	Nil	5,000 - 10,000
Mrs S Este (resigned 20 July 2019)	Remuneration	Nil	25,000 - 30,000
	Pension contributions paid	Nil	5,000 - 10,000
Mr T Bousfield (resigned 24 July 2019)	Remuneration	Nil	25,000 - 30,000
	Pension contributions paid	Nil	5,000 - 10,000
Mrs S Bird (appointed 29 August 2019)	Remuneration	25,000 - 30,000	0 - 5,000
	Pension contributions paid	5,000 - 10,000	0 - 5,000
Mr D Gee, Headteacher and Accounting Office (appointed 1 September 2019)	Remuneration	90,000 - 95,000	
	Pension contributions paid	20,000 - 25,000	

During the year ended 31 August 2020, expenses totalling £Nil were reimbursed or paid directly to Trustees (2019 - £199 to 2 Trustees) in relation to their roles as staff members.

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2019	19,186,109	508,099	115,857	10,800	19,820,865
Additions	13,519	5,813	5,468	-	24,800
Disposals	-	(3,214)	(23,772)	-	(26,986)
At 31 August 2020	<u>19,199,628</u>	<u>510,698</u>	<u>97,553</u>	<u>10,800</u>	<u>19,818,679</u>
Depreciation					
At 1 September 2019	1,832,695	273,374	71,862	10,800	2,188,731
Charge for the year	288,122	55,825	15,674	-	359,621
On disposals	-	(820)	(22,874)	-	(23,694)
At 31 August 2020	<u>2,120,817</u>	<u>328,379</u>	<u>64,662</u>	<u>10,800</u>	<u>2,524,658</u>
Net book value					
At 31 August 2020	<u><u>17,078,811</u></u>	<u><u>182,319</u></u>	<u><u>32,891</u></u>	<u><u>-</u></u>	<u><u>17,294,021</u></u>
At 31 August 2019	<u><u>17,353,414</u></u>	<u><u>234,725</u></u>	<u><u>43,995</u></u>	<u><u>-</u></u>	<u><u>17,632,134</u></u>

14. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	27,363	13,304
VAT recoverable	88,412	76,433
Prepayments and accrued income	267,319	272,170
	<u><u>383,094</u></u>	<u><u>361,907</u></u>

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15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	239,582	116,791
Other taxation and social security	105,290	96,295
Other creditors	5,912	-
Accruals and deferred income	117,766	259,499
	468,550	472,585
	468,550	472,585
	2020 £	2019 £
Deferred income		
Deferred income at 1 September	103,087	93,014
Resources deferred during the year	45,107	103,087
Amounts released from previous periods	(103,087)	(93,014)
	45,107	103,087
	45,107	103,087

The majority of deferred income relates to grants received in advance from the ESFA. Other amounts of deferred income related to trip income received for 2020/2021 school trips.

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

	2020 £	2019 £
Other creditors	-	1,460
	-	1,460
	-	1,460

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted funds	416,252	109,621	(197,697)	-	-	328,176
Restricted general funds						
GAG	20,528	5,730,469	(5,734,513)	-	-	16,484
Other DfE / ESFA grants	-	709,672	(649,160)	-	-	60,512
Other Gov. grants	-	104,887	(104,887)	-	-	-
Educational trips	21,055	58,397	(61,753)	-	-	17,699
Restricted other	68,600	20,531	(89,131)	-	-	-
Pension reserve	(3,885,000)	-	(240,000)	-	197,000	(3,928,000)
	<u>(3,774,817)</u>	<u>6,623,956</u>	<u>(6,879,444)</u>	<u>-</u>	<u>197,000</u>	<u>(3,833,305)</u>
Restricted fixed asset funds						
Fixed assets	17,632,134	-	(362,914)	24,800	-	17,294,020
DFC	6,268	24,891	-	(24,800)	-	6,359
LA Capital grants	-	441,246	(441,246)	-	-	-
	<u>17,638,402</u>	<u>466,137</u>	<u>(804,160)</u>	<u>-</u>	<u>-</u>	<u>17,300,379</u>
Total Restricted funds	<u>13,863,585</u>	<u>7,090,093</u>	<u>(7,683,604)</u>	<u>-</u>	<u>197,000</u>	<u>13,467,074</u>
Total funds	<u><u>14,279,837</u></u>	<u><u>7,199,714</u></u>	<u><u>(7,881,301)</u></u>	<u><u>-</u></u>	<u><u>197,000</u></u>	<u><u>13,795,250</u></u>

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

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure. Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other DfE/ESFA grants

This fund largely represents income granted to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

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17. Statement of funds (continued)

Other Government grants

This represents allocated funding for special educational needs pupils and strategic School development.

Educational trips

This represents contributions made by parents to the running of educational visits for the pupils of the School and the associated costs of running the trips.

Restricted other

This largely represents funding towards graduate students training who are taught by practising teachers in a school environment. Other small restricted donations for specific educational purposes are also included within this fund.

Pension reserve

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

Restricted fixed asset funds

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

DfE/ESFA capital grants

This fund represents capital funding received from the ESFA to provide for maintenance of capital assets.

LA capital grants

This fund represents capital funding from the Local Authority for the new school development.

Devolved Formula Capital (DFC)

This fund represents annual formula capital funding received during the year.

Unrestricted funds

This represents income received that does not have restrictions.

Transfers between funds

Transfers were made from Devolved Formula Capital to fund fixed assets additions and also to contribute towards the CIF project expenditure.

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

17. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted funds	312,926	140,233	(36,907)	-	-	416,252
Restricted general funds						
GAG	24,180	5,690,620	(5,694,272)	-	-	20,528
Other DfE / ESFA grants	-	248,933	(248,933)	-	-	-
Other Gov. grants	-	80,152	(80,152)	-	-	-
Educational trips	24,256	317,095	(320,296)	-	-	21,055
Restricted other	63,993	85,631	(81,024)	-	-	68,600
Pension reserve	(3,115,000)	-	(280,000)	-	(490,000)	(3,885,000)
	<u>(3,002,571)</u>	<u>6,422,431</u>	<u>(6,704,677)</u>	<u>-</u>	<u>(490,000)</u>	<u>(3,774,817)</u>
Restricted fixed asset funds						
Fixed assets	17,834,973	-	(239,223)	36,384	-	17,632,134
DfE/ESFA capital grants	-	171,205	(190,596)	19,391	-	-
DFC	-	89,755	(27,712)	(55,775)	-	6,268
	<u>17,834,973</u>	<u>260,960</u>	<u>(457,531)</u>	<u>-</u>	<u>-</u>	<u>17,638,402</u>
Total Restricted funds	<u>14,832,402</u>	<u>6,683,391</u>	<u>(7,162,208)</u>	<u>-</u>	<u>(490,000)</u>	<u>13,863,585</u>
Total funds	<u><u>15,145,328</u></u>	<u><u>6,823,624</u></u>	<u><u>(7,199,115)</u></u>	<u><u>-</u></u>	<u><u>(490,000)</u></u>	<u><u>14,279,837</u></u>

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18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	17,294,021	17,294,021
Current assets	328,176	529,004	40,599	897,779
Creditors due within one year	-	(434,309)	(34,241)	(468,550)
Provisions for liabilities and charges	-	(3,928,000)	-	(3,928,000)
Total	<u>328,176</u>	<u>(3,833,305)</u>	<u>17,300,379</u>	<u>13,795,250</u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	17,632,134	17,632,134
Current assets	416,252	476,839	113,657	1,006,748
Creditors due within one year	-	(365,196)	(107,389)	(472,585)
Creditors due in more than one year	-	(1,460)	-	(1,460)
Provisions for liabilities and charges	-	(3,885,000)	-	(3,885,000)
Total	<u>416,252</u>	<u>(3,774,817)</u>	<u>17,638,402</u>	<u>14,279,837</u>

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19. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of financial activities)	(681,587)	(375,491)
Adjustments for:		
Depreciation	359,621	239,080
Capital grants from DfE and other capital income	(466,137)	(171,205)
Interest receivable	(977)	(1,781)
Increase in debtors	(21,187)	(99,314)
Decrease in creditors	(5,495)	(80,652)
Pension adjustments	240,000	280,000
Loss on disposal of fixed assets	3,292	143
Net cash used in operating activities	<u>(572,470)</u>	<u>(209,220)</u>

20. Cash flows from investing activities

	2020 £	2019 £
Interest	977	1,781
Purchase of tangible fixed assets	(24,800)	(36,384)
Capital grants from DfE Group	466,137	171,205
Net cash provided by investing activities	<u>442,314</u>	<u>136,602</u>

21. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	514,685	644,841
Total cash and cash equivalents	<u>514,685</u>	<u>644,841</u>

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

22. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	644,841	(130,156)	514,685
	644,841	(130,156)	514,685
	644,841	(130,156)	514,685

23. 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.

24. Pension commitments

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

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

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

Teachers' Pension Scheme

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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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 every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2019. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £675,018 (2019 - £423,933).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £279,000 (2019 - £309,000), of which employer's contributions totalled £223,000 (2019 - £251,000) and employees' contributions totalled £ 56,000 (2019 - £58,000). The agreed contribution rates for future years are 21.9-24.6 per cent for employers and 5.5-7.5 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

	2020 %	2019 %
Rate of increase in salaries	3.30	3.75
Rate of increase for pensions in payment/inflation	2.30	2.25
Discount rate for scheme liabilities	1.60	1.85
Inflation assumption (CPI)	2.30	2.25
Inflation assumption (RPI)	3.10	3.25
Commutation rate	50.00	50.00

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

	2020 Years	2019 Years
Retiring today		
Males	21.8	21.3
Females	23.8	23.6
Retiring in 20 years		
Males	23.2	23.0
Females	25.2	25.4

As at the 31 August 2020 the Trust had a pension liability of £3,928,000 (2019 - £3,885,000). The sensitivity analysis detailed below would increase/ (decrease) the closing defined benefit obligation in the following way;

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	(151,000)	(134,000)
Discount rate -0.1%	155,000	137,000
Mortality assumption - 1 year increase	286,000	260,000
Mortality assumption - 1 year decrease	(275,000)	(250,000)
CPI rate +0.1%	142,000	121,000
CPI rate -0.1%	(139,000)	(118,000)

Share of scheme assets

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24. Pension commitments (continued)

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

	2020 £	2019 £
Equities	2,192,000	1,650,000
Gilts	151,000	144,000
Other bonds	198,000	147,000
Property	275,000	209,000
Cash and other liquid assets	96,000	76,000
Alternative assets	411,000	256,000
Other managed funds	215,000	134,000
Total market value of assets	3,538,000	2,616,000

The actual return on scheme assets was £72,000 (2019 - £194,000).

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

	2020 £	2019 £
Current service cost	391,000	356,000
Past service cost	-	93,000
Interest income	(50,000)	(61,000)
Interest cost	120,000	142,000
Administrative expenses	2,000	1,000
Total amount recognised in the Statement of Financial Activities	463,000	531,000

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

	2020 £	2019 £
At 1 September	6,501,000	5,331,000
Interest cost	120,000	142,000
Employee contributions	56,000	58,000
Actuarial losses	458,000	623,000
Benefits paid	(60,000)	(102,000)
Past service costs	-	93,000
Current service cost	391,000	356,000
At 31 August	7,466,000	6,501,000

THE HELENA ROMANES SCHOOL
(A Company limited by guarantee)

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

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

	2020 £	2019 £
At 1 September	2,616,000	2,216,000
Interest income	50,000	61,000
Actuarial gains	655,000	133,000
Employer contributions	223,000	251,000
Employee contributions	56,000	58,000
Benefits paid	(60,000)	(102,000)
Admin expenses	(2,000)	(1,000)
At 31 August	3,538,000	2,616,000

25. Operating lease commitments

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

	2020 £	2019 £
Not later than 1 year	85,218	62,667
Later than 1 year and not later than 5 years	165,458	120,787
Later than 5 years	51,257	66,895
	301,933	250,349

26. Related party transactions

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

There were no other related party transactions in the year (2019: £Nil) except for remuneration in note 12.

27. Post balance sheet events

The Academy transferred its operating activities, assets and liabilities to The Saffron Academy Trust on 1 September 2020 and has ceased its operating activities. All assets and liabilities were transferred to The Saffron Academy Trust at their carrying amounts.